

LDC Human Rights Committee – September 3, 2020

Members - Ian McIntosh (Group CEO), Mike Gelchie (Deputy CEO), Jessica Teo (Global Head – Human Resources), Guy Hogge (Global Head – Sustainability)

Additional Invitees - Tim Bourgois (Global Trading Manager – Cotton Platform), Murilo Parada (Head, Juice Platform and Head, North Latin America Region)

- For the majority of the Committee meeting, discussions centred on two of LDC's supply chains – Cotton & Juice – as both have featured significantly in recent months in relation to potential human rights concerns.
- From the Cotton perspective, there has been a noted recent escalation in press coverage of the imposition of US sanctions on certain Chinese entities linked to Xinjiang cotton supply chains.
- The Committee agreed that in any instance where human rights risks exist within LDC's Cotton activity, supplier engagement will take place in order to ensure suppliers are fully aware of the expectations placed on them with regard to human rights observance.
- From the Juice perspective, discussions referenced a recent Swiss NGO report into purported poor labour practices in LDC's Brazil Juice operations, practices that bear no resemblance to the realities of those operations.
- More recently, the Juice CSR Platform, set up in 2013 as a multi-stakeholder sustainability initiative specifically established for the fruit juice industry by the European Fruit Juice Association (AIJN), has published its Living Wage Report.
- In this report, the authors have calculated that the Living Wage for the state of Sao Paulo (the level of remuneration a worker needs to receive each month over the year in order to have a basic but decent living) , where LDC's Juice operations are located, typically far outweigh the wages in the orange sector.
- The report also concluded that this was especially the case for seasonally employed fruit pickers, and also that many "unregistered workers" existed in the sector who were especially poorly remunerated.
- LDC's Juice teams are in the process of evaluating this report in detail, and comparing its findings to the actual packages that apply to the Company's recruitment and employment in the sector in Brazil.
- Jessica provided an update on LDC's Diversity & Inclusion Committee, which convened the same day.
- It is anticipated that LDC will put more information about this Committee and its work and findings into the public domain.