

FOR IMMEDIATE RELEASE

Halcyon Agri announces Sustainable Natural Rubber Supply Chain Policy and launches Sustainability Commission for Cameroon

- Issues comprehensive policy to develop and implement sustainable use of natural rubber
- Releases World Wildlife Fund (WWF) trip report and recommendations for Sudcam
- Sets up Sustainability Commission to monitor implementation of the policy focusing on the Corrie MacColl plantation business in Cameroon

Singapore, 19 November 2018 - Halcyon Agri Corporation Limited (“Halcyon” and collectively with its subsidiaries, the “Group”) today launched its Sustainable Natural Rubber Supply Chain Policy (“SNRSCP”) which applies to the Group and other stakeholders with whom Halcyon trades.

Halcyon’s subsidiary, Corrie MacColl, will set up a Sustainability Commission whose main responsibility is to monitor the implementation of the SNRSCP within Corrie MacColl and ensure WWF’s recommendations for Sudcam are effectively developed and implemented.

Sustainable Natural Rubber Supply Chain Policy

As the world’s largest supplier of natural rubber and the owner of large plantation concessions, Halcyon understands its role and obligation to minimise impact on the environment while continuing to meet the growing demand for a raw material vital to modern life.

The policy addresses seven areas:

1. Working conditions and living environment – to protect the rights of all supply chain stakeholders and create a positive work environment
2. Responsible land acquisition and use – to promote a socially and environmentally responsible value chain and improve the livelihoods and economic viability of local communities, ensuring FPIC methodology and guidelines are applied
3. Ecosystem protection – to achieve zero-net deforestation and ensure responsible cultivation, harvesting and processing of natural rubber across the value chain
4. Ethics and transparency – to prevent corruption across the value chain, practice free and fair competition and develop a transparent grievance mechanism process for all stakeholders
5. Good agricultural practices and yield improvement – to promote effective and safe methods to maximise yields, including providing training, encouraging natural fertilisers and improving environmental conservation practices
6. Traceability – to actively facilitate the development of traceability across the supply chain
7. Policy implementation and compliance – to ensure corruption-free and transparent implementation and reporting of this policy across the value chain

World Wildlife Fund's visit to Sudcam plantation and its report

The World Wildlife Fund ("WWF"), at the invitation of Halcyon, visited the Sudcam plantation in Cameroon in August 2018 and prepared a report, which is attached. Halcyon acknowledges there are legacy issues prior to our acquisition of Sudcam, particularly regarding access to land, limited space for local farming activities and a concrete environmental management plan. Halcyon is working on next steps based on the recommendations of WWF and will share updates when ready.

Sustainability Commission

The Sustainability Commission serves to bring together multi-stakeholder groups throughout the entire value chain of natural rubber and will be empowered and have explicit authority to investigate any matter within its terms of reference. Invitation letters have been sent to the following stakeholder groups:

- Non-government organisations with natural rubber industry knowledge
- Civic society groups with expertise in environmental and social governance
- Relevant local government ministry representative
- Local community representatives
- Customers of the Group
- Senior Managers of the Group

The commission will be chaired by a stakeholder that is not an employee of the Group. Halcyon will provide updates on the Sustainability Commission in Q1 2019.

Halcyon Agri's commitment and pledge

Halcyon is committed to achieving zero-net deforestation in all its plantations and will implement an integrated landscape management approach in consultation with key environmental and social civil society organisations.

Attachments:

- Sustainable Natural Rubber Supply Chain Policy
- Summary report of WWF visit to Sudcam Aug 27-30, 2018

About Halcyon Agri

Halcyon Agri (SGX: 5VJ) is a leading supply chain franchise of natural rubber with a production capacity of 1.63 million metric tonnes per annum. The Group owns 38 processing factories in most major rubber producing origins and produces sustainable natural rubber under its proprietary HEVEA PRO brand. The Group leverages its extensive network of warehouses, terminals, laboratories and sales offices across the world to distribute a range of natural rubber grades, latex and specialised rubber for the tyre and non-tyre industries. The Group is headquartered in Singapore and has about 15,000 employees located in over 50 locations.

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Investor Relations Contact:

Rachel Thong
Tel: +65 6460 0858
Mobile: +65 8342 9341
Email: rachelthong@halcyonagri.com