

Our sustainable palm oilsourcing policy

To manufacture high-quality ingredients for the bakery, patisserie, and chocolate industry, we source many different raw materials from around the world.

For Puratos, **palm oil is an essential raw material due to its excellent sensory characteristics and functional properties.**

Palm oil is solid or semi-solid at room temperature and lends a pleasant, smooth, and creamy texture to the final product. It is resistant to oxidation and thus can give products a longer shelf-life. As it is temperature stable, it can be used in high temperature processes. It is also odorless and colorless which means it doesn't alter the look or smell of food products.

What is the impact of palm oil on people and our planet?

Almost all land that is used for farming today was once forest or jungle. **As the world's population has grown, our need for more food has also increased**, which means land has been cleared for vegetable crops to feed humans and farming animals. When land is cleared however, this affects the natural environment of the plant and animal species who live there. In some areas it could even affect endangered species. Therefore, **we want to make sure that palm oil can be grown in a way that does not cause harm to the environment and natural habitat of these animals.**

Deforestation also has a huge impact on climate change. During photosynthesis, trees absorb carbon dioxide (CO₂) from the atmosphere, and later use it to build new materials – such as trunks, stems and roots. Because of this, forests are capable of absorbing CO₂ from the air and storing it as carbon for long time periods. When cutting/burning these woods a huge amount of CO₂ is released. As CO₂ is an important heat-trapping (greenhouse) gas, it leads to global warming effects. That is why **it is important to grow oil palms sustainably and prevent deforestation and the use of fire.**

And finally, **we need to make sure that workers and local communities are treated well and working conditions are improved through responsible production, education, and health services.**



Why don't we abandon palm oil?

If palm oil drives deforestation and destroys the habitat of endangered species, then why don't we just switch to an alternative vegetable

oil? Well, oil palm trees are the most interesting source of oil because they need less land than other vegetable oil sources.

Oil palm trees use 4-10 times less land than other vegetable oil crops like soy, sunflower, and rapeseed to get the same amount of oil.

This means that **the best solution is to switch to sustainable palmoil rather than replacing palm oil with other vegetable oils.**

4-10 TIMES LESS LAND USAGE



Roundtable on Sustainable Palm Oil (RSPO)

When a farmer grows oil palm trees in line with a number of strict rules that safeguard the environment, protect people who live and work in oil palm cultivation, and preserve animal/wildlife – then the oil that comes from these farms is known as '**sustainable palm oil**'. The rules are set by the not-for-profit organization **Roundtable on Sustainable Palm Oil (RSPO)**. Puratos became a member of the RSPO in 2010.

At Puratos we are committed to source palm oil responsibly

All third-party palm oil suppliers of Puratos are required to respect the NDPE charter (NDPE = no deforestation, no peat and no exploitation):

No conversion of High Conservation Value (HCV) areas and High Carbon Stock (HCS) forests:

- *High Conservation Value areas:* Areas as defined in High Conservation Value Resource Network Common Guidance for Identification of HCVs¹. These areas have critical value for biological diversity, ecosystem services, and cultural and community needs.
- *High Carbon Stock forests:* HCS forests as defined by the global multi-stakeholder platform of Expertise on HCS, the High Carbon Stock Approach².
- No new development on peat, defined as soil containing greater than 65% organic matter, regardless of depth.

No burning

- Suppliers prohibit the use of fire for land preparation, replanting and other developments.

No exploitation of people and local communities

- Suppliers respect and support internationally recognized human rights as expressed in the International Bill of Human Rights and the eight International Labor Organization Core Conventions.
- Suppliers respect the human and labor rights of all workers, including contract, temporary and migrant workers, while complying with local, national and ratified international laws.
- Suppliers do not tolerate any form of child labor, forced labor, bonded labor or human trafficking. There shall be no restrictions on workers' freedom of movement during their free time.
- Suppliers ensure that no fees or costs are charged to workers and jobseekers for recruitment and no unlawful withholding of wages, passports, identification cards or other personal belongings without their consent.

¹ Full guidance at: <https://hcvnetwork.org>

² More details at: <http://highcarbonstock.org/the-high-carbon-stock-approach/>

- Suppliers don't tolerate any form of discrimination, harassment, or violence in hiring and employment practices with regards to race, religion, sex, age, physical ability, political opinion, social, ethnic or sexual orientation.
- Suppliers ensure a safe and healthy work environment to protect workers from potential occupational health and safety hazards. In cases where accommodation is provided, a safe and healthy living environment and decent housing facilities must be ensured, with appropriate sanitary conditions in full compliance with applicable laws and regulations.
- Suppliers ensure workers' right to freely associate, organize and bargain collectively in accordance with applicable laws and regulations.
- Suppliers provide workers' pay, including minimum salary, overtime payment, work hours and conditions in compliance with applicable laws and regulations, with coverage for work-related illness or injuries.
- Suppliers respect the legal and customary land rights of local and indigenous communities, based on the principle of Free, Prior and Informed Consent (FPIC). suppliers resolve complaints and conflicts through an open, consultative and transparent process that is mutually agreed upon by relevant parties.
- Suppliers support the inclusion of smallholders in the sustainable palm supply chains.

Implementation

Puratos will seek ongoing engagement and collaboration with its suppliers and other stakeholders on the implementation of this Policy.

Puratos reserves the right to verify the supplier's compliance with this Policy. Where supplier and/or representative reviews or audits demonstrate shortcomings in any of these areas, the supplier and/or the representative should strive to implement a time-bound program of improvement (remediation) leading to conformity. Puratos reserves the right to terminate an agreement with any supplier and/or representative that does not comply with the Policy when the supplier is directly involved and is proven to be the cause of the non-compliance.

Reporting non-compliance

The suppliers are, within their palm supply chain, responsible for the prompt reporting of actual or suspected violations of the law, of this Policy and of any contractual relationship with Puratos. This includes) – but is not limited to – violations by any person acting on behalf of either the supplier or Puratos. You may report a violation via e-mail using the following address:

suppliercodeofconduct@puratos.com

The above commitment constitutes a minimum standard for Puratos.

Puratos expect its suppliers and other parties involved in its business to comply with similar standards.

Statement of responsibility

..... (Name of company), a company legally constituted in (country), with registration/license number, hereby declares that it:

- (a) Understands and accepts the content of the Policy, including this Statement of Responsibility.
- (b) Will share with Puratos and its own suppliers the efforts and achievements in implementing this policy.

Date:

Name:

Position:

Signature:

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