SUSTAINABLE PALM OIL PROGRESS
REPORT 2017

Shaping a tasty future responsibly
INTRODUCTION

Vandemoortele is strongly committed to Sustainable Palm Oil. In 2014, we published our *Palm Oil Sourcing Charter*, with ambitious targets for zero deforestation and zero-exploitation palm oil sourcing. This report summarizes the progress we made in 2017 towards compliance with our Charter.
Our 2017 objectives and results

RSPO CERTIFIED PALM OIL
Maintain 100% sourcing of RSPO certified palm oil for our iso customer brands.

IN 2017, WE USED 47,900 TONS OF PALM OIL in our consumer-branded products. 100% of the palm oil for these products is RSPO certified. We make use of three systems: RSPO Credits, Mass Balance and Segregated.

Palm Oil Traceability
Maintain 100% traceability up to the mill level* in our palm oil supply chain.

IN 2017, WE ACHIEVED 98.5% TRACEABILITY BACK TO MILL for all the palm oil we buy.

*We consider mill traceability if we have the following information about the mill: mill parent company, mill name, mill coordinates and mill RSPO status.
Supplier engagement is the process we use to make sure our suppliers are operating in compliance with our Palm Oil Sourcing Charter.

We put focus on our strategic suppliers, closely following their progress against our commitment. We also continued to follow up on any sustainability issues our direct suppliers were involved in. Direct and regular dialogue is maintained to monitor how our suppliers are managing and closing these issues.

Almost 100% of our purchased palm oil volumes are covered by suppliers committed to a NDPE (no deforestation, no peat, no exploitation) policy, in line with our Palm Oil Sourcing Charter.

To help implement our commitment, Vandemoortele is working with The Forest Trust (TFT), who has extensive experience in helping companies manage and source raw materials responsibly.

In 2017 we continued to map the palm oil supply chain. Our supply base consists of 1684 mills, located in several countries. Together with our strategic suppliers we are identifying possible risk areas in this palm oil supply chain.

SO, WE CAN ENGAGE IN TRANSFORMATION PROJECTS to strengthen our impact on the ground.
Our supply base consists of 1684 mills, located in several countries.
In 2009, we became a member of the Roundtable for Sustainable Palm Oil.

In 2012, we became a founding member of the Belgian Alliance for Sustainable Palm Oil.

In 2013, we became a founding member of the Alliance Française pour une Huile de Palme Durable.

In 2014, we became a founding member of the European Alliance for Sustainable Palm Oil.

In 2017, we became a founding member of the Spanish Foundation for Sustainable Palm Oil.

As part of its commitment, Vandemoortele participates in several initiatives that contribute to the transformation of the European market towards sustainable palm oil.

In June 2017, Vandemoortele established the “Fundación Española del Aceite de Palma Sostenible” together with Unilever, Ferrero, Lipidos Santiga, Gracomsa and Natra.

The Spanish Foundation was created to improve knowledge and raise awareness of the benefits and characteristics of the most used vegetable oil in the world.

The foundation will also play an active role in promoting transformation in the sustainable palm oil supply chain, with the aim of achieving the target of zero deforestation by 2020.
Outlook 2018 and beyond

BY 2020

Our aim remains to achieve a deforestation free and exploitation-free palm oil supply chain by 2020.

WE WILL MAINTAIN 100% SOURCING OF RSPO-CERTIFIED PALM OIL for our consumer brands.

WE WILL CONTRIBUTE TO THE TRANSFORMATION ON THE GROUND by co-financing local transformation projects in Indonesia or Malaysia.

WE WILL CONTINUE TO WORK TOWARDS ACHIEVING 100% TRACEABILITY back to mill.

WE WILL CONTINUE TO SUPPORT AND PARTICIPATE IN INITIATIVES that support the uptake of sustainable palm oil in Europe.
## Our KPI’s

<table>
<thead>
<tr>
<th>KPI</th>
<th>TARGET</th>
<th>STATUS 2017</th>
<th>APPROACH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certified sustainable palm</td>
<td>100%</td>
<td>100%</td>
<td>For our consumer brands we use 100%-certified sustainable palm oil.</td>
</tr>
<tr>
<td>by 2015</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Traceability to the mill for palm</td>
<td>100%</td>
<td>98,5%</td>
<td>98,5% of the palm oil we buy can be traced back to its source.</td>
</tr>
<tr>
<td>oil</td>
<td>by 2015</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Suppliers commitment</td>
<td>100%</td>
<td>99,9%</td>
<td>Almost 100% of our volumes are covered by suppliers committed to a NDPE policy.</td>
</tr>
<tr>
<td>by 2020</td>
<td></td>
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READ MORE ABOUT VANDEMOORTELE’S SUSTAINABLE DEVELOPMENT

READ VANDEMOORTELE’S SUSTAINABILITY REPORT

VISIT VANDEMOORTELE’S PAGE ON TFT TRANSPARENCY HUB
www.tft-transparency.org

CHECK OUT VANDEMOORTELE’S RSPO CERTIFICATE AND ANNUAL COMMUNICATION ON PROGRESS
www.rspo.org

FIND MORE FACTS AND FIGURES ABOUT PALM OIL
www.duurzamepalmolie.be
Belgian Alliance for Sustainable Palm Oil
www.huiledepalmedurable.org
French Alliance for Sustainable Palm oil
www.taskforceduurzamepalmolie.nl
Dutch Alliance for Sustainable Palm Oil
www.aceitedepalmasostenible.es
Spanish Alliance for Sustainable Palm Oil