

VANDEMOORTELE PALM OIL SOURCING CHARTER

CONTEXT

As one of Europe's leading food manufacturers, our margarines and fats and frozen bakery products are consumed by millions of people. Palm oil is an ingredient in various of our products, so we are fully aware of the important role we have in the procurement of palm oil. Because of its very high land use efficiency, we believe palm oil is one of the most sustainable edible oils currently available.

However, the palm oil sector has been criticised because of unsustainable practices, such as deforestation and disrespectful treatment of the communities living and working in the palm oil producing countries. We believe it is our responsibility to supply our customers with palm oil that has no connection to deforestation or exploitation of the people living and working in the areas it is produced. Therefore, we recognise the urgent need to transform the palm oil sector by changing the way we source our palm oil.

OUR PALM OIL JOURNEY

Vandemoortele has been a member of the Roundtable for Sustainable Palm Oil (RSPO) since 2009. In 2011 Vandemoortele committed to source 100% certified sustainable palm oil by end of 2015 for our consumer brands.

In 2013, recognizing the importance of traceability in helping to transform the palm oil industry, we became a founding member of the French Alliance for Sustainable Palm Oil. We are an active participant in many other initiatives to promote the uptake of sustainable palm oil.

In 2014 we became a [member of EARTHWORM](#), a global non-profit organisation focused on the delivery of responsible products. We have pushed further in our journey and committed to only use traceable, deforestation-free and exploitation-free palm oil.

A STRONG COMMITMENT

We are committed to only sourcing palm oil from suppliers who guarantee to meet the following criteria:

- No development on High Carbon Stock (HCS) forests and High Conservation Value (HCV) areas.
- No development on peatlands, irrespective of depth.
- No burning to clear land.
- Fully respecting human rights, including the right to Free, Prior and Informed Consent (FPIC) of indigenous and local communities for plantation developments on land they own legally, communally or by custom.

IMPLEMENTATION

In making sure these criteria are respected in our supply chain, we will work with EARTHWORM and our suppliers in two phases:

- A first phase of traceability: we will support the work of our suppliers toward building supply chains in which palm oil can be traced back to the mills.
- A second phase of transformation: work with suppliers to perform assessments, implement action plans, supporting them to make any improvements required to meet our criteria. This second phase will be introduced gradually as progress is made in the traceability phase.

In addition, as we realise that smallholder farmers are a critical part of the palm oil industry, we aim at contributing to building solutions for smallholders to ensure that also they can be involved in and benefit from sustainable palm oil production.

TIMEFRAME

By the end of 2015, in partnership with our suppliers, we aim to have 100% traceability at least up to the mill level. We will engage our suppliers to plan compliance with our criteria immediately.

After achieving a 100% traceable supply to the mill level by end of 2015, we will define a timeline to reach full compliance with our criteria. From today we expect our supply chain to identify the high priority growers and support them on the journey towards compliance.

Measure and report

We will continuously measure progress towards our traceability goals and compliance with our criteria. On an annual basis we will publicly report on progress in a transparent way, so that all our stakeholders can verify that we are fulfilling our commitments.

OUR SUPPLIERS' ROLE

It is very important to have committed supply partners who share our values. We remain highly reliant on the progress made by our suppliers on the traceability and deforestation-free work. Therefore, we ask our suppliers to regularly and transparently report to us.

We will actively support its suppliers in their work. If however we do not see adequate progress, we will direct our suppliers to find alternative sources that do meet our criteria and are qualified to supply our business.

ANNEX: DEFINITIONS

High conservation value (HCV) areas are areas that contain items of biological, social or cultural value that it is important to conserve, including rare, threatened and endangered species and their habitat. Please visit [the HCV Network website](#) for more information.

High carbon stock (HCS) forests include primary forests, high, medium and low-density forests and regenerating forests. Greenpeace, EARTHWORM and industry partners have developed and are trialing a HCS framework and identification tool. Please read [The High Carbon Stock Forest Study Report](#) for more information. Vandemoortele expects its suppliers to continue to adopt best practices for identifying HCS as they are developed for different contexts. Other definitions can be acceptable as long as they are scientifically sound and recognized by our stakeholders.

Peatlands are areas with soil that contains more than 65% organic matter.

Yvon Guérin - CEO

