

# Palm oil Policy



## 1. Introduction

Biscuit International group started its journey to sustainable palm oil in 2011 and has reached 96% Roundtable of Sustainable Palm Oil (RSPO) certified palm oil procurement in 2022, 94% are segregated or IP. We are committed to sourcing 100% RSPO certified palm oil for all our food products by the end of 2023 and 100% RSPO segregated palm oil by the end of 2025.

We believe in supporting a more regulated palm industry that safeguards workers and surrounding nature in producing regions. Simply banning palm oil is not the solution to its potentially negative ecological or social impacts. Therefore, we aim to further improve the traceability of our palm oil supplies and to enforce the multi-actor collaboration to keep on developing a sustainable palm oil supply chain that respects human and environmental rights.

## 2. Context and scope

As one of the leaders in the biscuit and bread substitutes market, Biscuit International is a significant buyer of palm and kernel palm oil for food use. Palm oil is a widely used vegetable oil for food across the world, due to its excellent sensory characteristics and functional properties. It is also interesting for its land efficient crop. The global demand for palm oil has been increasing significantly, putting under pressure the environment and contributing to deforestation, loss of biodiversity, and degradation of natural ecosystems. Human rights concerns have also been identified, including land and social conflicts with local and Indigenous communities, as well as labor issues on plantations.

However, it also has been key in lifting millions of people out of poverty and promoting economic development, especially in rural areas.

We defend the idea that, when produced in a sustainable manner, the palm oil industry supports millions of livelihoods and can preserve forests and natural ecosystems.

This is why Biscuit International is committed to sourcing 100% RSPO certified palm oil, will work on our supply chains and also step further and foster the development of the sustainable palm oil sector through :

- Increasing traceability of our palm oil supply up to mill level,
- Ensuring our palm oil consumption is free from deforestation, natural habitat-conversion or human right exploitation,
- Encouraging on-the-ground investment for sustainable palm cultivation in producing countries.

We expect all of our palm oil suppliers to conduct business responsibly, with integrity, honesty, transparency and adherence to the principles described in our Code of Conduct.

This Policy on Sustainable Palm Oil applies to all palm and palm kernel oil that we use globally and covers our entire supply chain, from direct suppliers to production sources at the group level, meaning our principles requirements should be applied across their entire operations and third-party supply chain and not limited solely to the palm oil sold to Biscuit International. Our policy applies to all of Biscuit International's operations, subsidiaries, brands and products worldwide. It also serves as an expectation of our business partners, at group level, that directly produce palm oil. This policy should be read in connection with other relevant policies of Biscuit International, including:

- Code of conduct
- ESG policy
- Suppliers' quality manual
- Whistleblowing procedure

### 3. Our goals

In addition to compliance with all applicable legal requirements of each country in which we operate and from which we source palm oil and building upon the Principles & Criteria of the Roundtable on Sustainable Palm Oil (RSPO), Biscuit International asks its suppliers to respect the following requirements.

#### *Respecting human rights*

Follow the international standards of Human rights including the Universal Declaration of Human Rights of the United Nations, the International Labor Organization and the Convention on the Rights of the Child of the United Nations, to guarantee in particular :

- No child labour and young workers,
- No forced labour or human trafficking, including, but not limited to, any form of bonded labour,
- The freedom of association and the right to collective negotiations,
- No discrimination, sanctions, intimidation, and abuse,
- Healthy and safe working conditions.

#### *Respecting the environment*

- Commit to the “No Deforestation, No Peat, No Exploitation (NDPE)” principles:
  - No deforestation, including no development of High Carbon Stock (HCS) and High Conservation Value (HCV) areas and no use of fire to clear or prepare the land,
  - No development on peatlands,
  - No exploitation of workers or indigenous communities,
- Guarantee no forest or peatland conversion following a conversion cutoff date of December 31, 2020,
- Stop using dangerous pesticides,
- Commit to reducing greenhouse gas emissions.

### *Supporting small holders*

- Source at least 40% of our palm oil from independent small holders,
- Implement the Free, Prior, and Informed Consent (FPIC) principles for agricultural development, in developing countries,
- Support and share the use of the RSPO Manual on Best Management Practices on Peatlands (BMPs) for existing oil palm cultivation on peat as primary guidance for optimal peat management. The procedure must be strictly audited by a recognized certification body.

### *Implementing an efficient due diligence process*

- Assess risk, and proactively monitor their supply chains,
- Put in place an effective grievance mechanism accessible to all rights-holders and stakeholders;
- Work with parties to resolve complaints and conflicts relating to non-compliance of this Palm Policy through an open, accessible, transparent and consultative process.

## **4. Our commitment to action**

To achieve the above commitments and ambition, we are collaborating with NGOs, business stakeholders, and industry experts, focusing on four approaches:

### *Sourcing RSPO segregated Palm oil*

Biscuit International will remain an active member of RSPO and increase the purchasing coverage of RSPO Mass Balance and Segregated palm oil. Shifting to segregated physical supply chains of Certified Sustainable Palm Oil (CSPO) brings company greater transparency. In our segregated supply chains, we exclusively use CSPO and it also applies to other ingredients containing palm oil, such as margarine and chocolate.

### *Enforcing upstream traceability and NDPE principles*

Biscuit International is engaging with our top suppliers to map their supply chains to mill level, identifying key upstream sourcing areas. Our emphasis on transparency will enable us to generate positive changes beyond our operations. By the end of 2024 we aim to publish the mill list and traceback 80% of our palm oil consumption. We will conduct annual review with our suppliers to evaluate the implementation and performance of this Policy across our supply chain.

## *Collaborating in local transformation projects*

We are aware that our ambition is hard to be achieved solely by certification. We collaborate with industry experts and stakeholders to encourage local transformation projects on the ground. These include smallholders' programs in Malaysia led by the FONAP. This project helps the smallholder palm farmers adopting sustainable palm cultivation practices and participating in RSPO certification scheme. Our goal is to create positive and tangible impact among oil suppliers, smallholders, and communities in the area of smallholder inclusion and forest conservation.

## *Grievance Mechanism*

Biscuit International Grievance Procedure provides a structured and timely approach to ensure external stakeholder grievances are constructively engaged and clear milestones are developed towards resolution of non-compliances. You can alert on any disfunction and non-respect of this policy on this link : [biscuitinternational.integrityline.com](https://biscuitinternational.integrityline.com).

We regularly review our grievance process and commit to continuous improvement of our procedure.

Biscuit International group believes that the clear commitment and integrated approaches will guide us a step further to raw material sustainability. We will share our progress in our annual sustainability reports.

## **5. Affiliations and assessments**

### *Roundtable for Sustainable Palm Oil*

The objective of the Roundtable for Sustainable Palm Oil is to promote the growth and use of sustainable palm products through a system of certification and audits, based on credible standards and commitments of stakeholders across the entire supply chain (plantations, processors, traders, NGOs,...). For more information, visit [www.rspo.org/certification](http://www.rspo.org/certification)

### *Forum for Sustainable Palm Oil*

The Forum for Sustainable Palm Oil currently has 51 members, including companies, non-governmental organisations, associations, the German Federal Ministry of Food and Agriculture (BMEL) and the Federal Ministry for Economic Cooperation and Development (BMZ). The aim of the FONAP is to significantly boost the proportion of certified palm oil, palm kernel oil and their derivatives and fractions on the German, Austrian and Swiss market. For more information, visit <https://www.forumpalmoel.org/home>

### *Ecovadis*

Ecovadis is the sustainability ratings service that provides holistic assessments of companies' environmental, labor, human rights, ethics and procurement impacts. The French entity of Biscuit International was awarded the bronze medal in 2021. The next score will be available for the group by the end of 2023.

### *WWF Scorecard*

WWF's Palm Oil Buyers Scorecard assesses manufacturers, retailers, food service and hospitality companies on their commitments and actions in favour of sustainable palm oil, helping to build a culture of transparency around palm oil use.



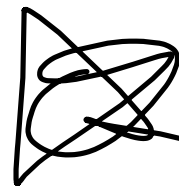
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