



# Lotus Bakeries - Palm Oil Policy

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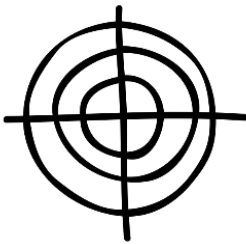
## Palm oil

Lotus Bakeries uses palm oil in a diversity of its products. Palm oil is a nutritious, versatile raw material, and the most land-use efficient among vegetable oils.

For Lotus Bakeries, it is important that our consumers and customers have the confidence that the palm oil used in our products has been sustainably sourced.

Lotus Bakeries is carefully selecting its suppliers on the basis of its responsible sourcing standards according to NDPE: No-deforestation, No-Peat, No-Exploitation. Lotus Bakeries is a member of RSPO. Lotus Bakeries is committed to source certified sustainable palm oil.

### SCOPE



The policy applies to all of the palm oil (including crude palm oil, derivatives and fractions) used by the Lotus Bakeries Group and for all of the countries where the group operates. Lotus Bakeries requires compliance by all suppliers and their entire operations, including production partners.

### PRINCIPLES FOR SUSTAINABLE PALM OIL

- I. Certified** in a strictly independent manner
- II. Known origin and traceable.** Traceability is up to mill level and there is an insight in the plantations linked to the mill.
- III. No deforestation** and no conversion of:
  - High Conservation Value (HCV) areas
  - High Carbon Stock (HCS) areas
  - Peat land, regardless of depth
- IV.** No use of fire in plantation and replantation operations
- V.** Palm oil that reduces the emission of greenhouse gasses by application of Good Practices
- VI. Adherence to the Universal Declaration of Human Rights:** compliance with applicable laws; prohibit forced, compulsory or child

labour (compliance with children's rights to protection, education, health care, shelter, and good nutrition), follow ethical recruitment practices, respect freedom of association, and recognize the rights of all workers including temporary, migrant and contract workers.

**VII.** *All suppliers sign the Lotus Bakeries Suppliers Code of Conduct with reference to this policy.*

Additionally Lotus Bakeries asks suppliers to invest in the following initiatives and actively informs Lotus Bakeries about it on a regular basis:

- Supporting smallholder producers to enter sustainable supply chains
- Protecting and restoring forests in a palm oil production landscape
- Support of a landscape/jurisdiction approach to sustainability in palm oil producing areas ?
- Support for one or more local conservation projects in palm oil producing countries

In this way Lotus Bakeries aims to drive the transformational change needed in the palm oil supply chain.