

# Sustainable Sourcing Policy for Palm Oil (NDPE Policy)

## Introduction

Barry Callebaut strives to source and promote the production of sustainable palm oil. As the most versatile and land efficient vegetable oil crop, palm oil is found in a number of products, including food. At Barry Callebaut, we use palm oil, palm kernel oil, and their derivatives.

## Scope

This policy applies to all our direct and indirect suppliers of palm oil, palm kernel oil and derivatives used globally in our operations, subsidiaries and joint ventures worldwide. We expect our suppliers to meet and communicate these expectations throughout their palm oil supply chain by adopting forest and peatland monitoring and human rights due diligence systems, procedures to respond to grievances and address non-compliance and credible independent verification systems.

## Sustainable Palm Oil Principles

The Barry Callebaut Supplier Code lays out our minimum requirements and expectations towards all our Suppliers. This document must be signed by all suppliers. Adding on to or specifying the requirements from the Supplier Code, below we highlight the main principles which in our view are the foundation to creating a more sustainable palm oil sector:

### ***Protect Forests, Peatlands and Other Natural Ecosystems:***

- Eliminate deforestation and conversion of natural forests, legal or illegal, for conversion to palm oil production;
- Conserve and monitor High Carbon Stock (HCS) forests as defined by the [HCS Approach](#);

- Conserve and monitor High Conservation Value (HCV) areas as defined by the [HCV Resource Network](#), including the protection of native animals and plants, especially rare, threatened and endangered species;
- No development on peatland, regardless of depth;
- Apply [RSPO Best Management Practices](#) for existing oil palm plantations on peat;
- Implement restoration and compensation activities where deforestation, conversion or degradation has occurred;
- Zero tolerance for burning practices or use of fire for land clearing/replanting;
- Progressively reduce greenhouse gas (GHG) emissions on existing operations.

Barry Callebaut's cut-off date for deforestation free is 31.12.2015.

**Eliminate Human Rights Violations and Child Labor:**

- Respect internationally recognized human rights in line with the [Universal Declaration of Human Rights](#); [United Nations Guiding Principles on Business and Human Rights](#) (UNGPs); the [International Bill of Human Rights](#) and the [ILO Declaration on Fundamental Principles and Rights](#);
- Put in place, and implementing systems for human rights due diligence as set out under the UNGPs;
- Prohibit and eliminate all forms of forced labor, child labor<sup>1</sup> and human trafficking, including, but not limited to, any form of bonded labor;
- Protect workers' rights and ensure safe and healthy workplaces free from forced or compulsory labor as required by our Supplier Code of Conduct;
- Put in place an effective grievance mechanism accessible to all rights-holders and stakeholders;

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<sup>1</sup> According to the ILO, Child Labour refers to work that deprives children (any person under 18) of their childhood, their potential and their dignity, and that is harmful to their physical and/or mental development. It refers to work that is mentally, or morally dangerous and harmful to children; and/or interferes with their schooling by: depriving them of the opportunity to attend school, obliging them to leave school prematurely or/and requiring them to attempt to combine school attendance with excessively long and heavy work.

- Respect the rights of Indigenous and local communities, including the right to give or withhold their Free, Prior and Informed Consent (FPIC) to operations on lands and the use of resources to which they hold legal, communal or customary rights, in line with the [UN Declaration on the Rights of Indigenous People](#);
- Respect the rights and supporting the inclusion of smallholders into the supply chain;
- Protect environmental and human rights defenders and prohibit threats, harassment, intimidation, the use of violence, or retaliation against anyone who raises a concern or participates in an investigation;
- Provide remediation through mutually agreed procedure, where human rights violations have occurred.

## Commitment

In order to meet our commitment of 100% certified or verified ingredients in all of our products and traceable to farm level by 2030, we require all suppliers to work with their supply chains towards the stated principles and to regularly show significant progress. This will be evaluated using accepted industry standards and certification schemes, namely

- Roundtable for Sustainable Palm Oil (RSPO)
- [NDPE verification](#)

While recognizing that standards are evolving and that we cannot expect all of our suppliers to comply today, we are strongly committed to only work with suppliers who can demonstrate compliance to the above stated standards and principles by 2030.