



## **PALM OIL SOURCING POLICY**

Natures Organics started using ingredients derived from palm oil and palm kernel oil many years ago in order to move away from a reliance on petrochemicals and animal-derived ingredients. As cleaning and personal care manufacturers were the main users of palm-based ingredients at that time, the supply and demand for this oil was stable. The existing plantations were able to keep up with global demand without the need to encroach on the fragile and unique ecosystems coexisting alongside.

With technological advances over the last 20 years palm oil has become a cheap and renewable alternative for many other industries including food and biofuel production. Palm oil has proved to be a high-yielding crop that contributes to poverty alleviation in developing countries. As a result, the area of palm oil plantations has been expanding at a rapid rate and is threatening tropical forests and the rights of local people and workers.

### **Sourcing Criteria**

In line with our environmental and social responsibility ethics, we require full traceability in our palm oil and palm kernel oil sourcing back to the plantation. We are committed to ensuring our sourcing goes a step above and beyond RSPO certification to guarantee that our ingredients are not linked with deforestation and/or human rights issues and violations.

All palm oil and palm kernel oil derived ingredients supplied to Natures Organics must be sourced in adherence to our policy which includes but is not limited to:

- No Deforestation
  - Protection of High Carbon Stock (HCS) forest<sup>1</sup>
  - Protection of High Conservation Values (HCV)<sup>2</sup>
- No Exploitation
  - Respect the rights of all workers and ILO Fundamental Convention<sup>3</sup>
  - Respect the right of indigenous people and local communities to give or withhold their Free Prior Informed Consent (FPIC)
- No new development on peat of any depth<sup>4</sup>. Peatlands take thousands of years to develop and are one of the biggest carbon sinks on the planet
- Facilitate the inclusion of smallholders into the supply chain by supporting them to comply with our policy and to ensure the monitoring of all operators regardless of their size
- Compliance with national laws and regulations
- No use of burning to clear land for new developments or to re-plant
- Are not using toxic chemicals, as listed by the Stockholm (POP) Convention

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<sup>1</sup> High Carbon Stock (HCS) forests include primary forests, high density, medium density and most areas of low-density and regenerating forests. We will be guided by the fieldwork being undertaken by TFT to identify such areas through multi-stakeholder discussions. HCS methodologies are continually reviewed for different contexts and we will continue to adopt best practices.

<sup>2</sup> High conservation value (HCV) areas contain biological, social or cultural values that are important to conserve, including rare, threatened and endangered species and their habitat. Please visit the HCV Network website for more information.

<sup>3</sup> <http://www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang-en/index.htm>

<sup>4</sup> Peatlands are defined as areas with soil that contains more than 65% organic matter

## **Action being taken**

Natures Organics are partnered with The Forest Trust (TFT), an international not-for-profit organisation, enabling us to fully trace the source of our palm oil derived ingredients through our supply chain. TFT focus on products and supply chains to bring about more responsible sourcing, helping communities and companies deliver responsible products and transforming product stories by working with the producers on the ground to find pragmatic solutions to improve practices.

Natures Organics is committed to:

- Ensuring all suppliers demonstrate continuous improvement towards becoming fully traceable and fully meeting our policy
- Distributing and monitoring progress on this policy
- Publically reporting progress every six months

Our target is to achieve traceability back to the palm oil mills of our suppliers by early 2015. Based on the information gained, we will agree on more specific milestones for further traceability back to the plantation and for supplier compliance with our policy.

We are optimistic that lasting positive change can occur within the palm oil industry thanks to the partnerships being formed by TFT