Time bound plan
committed to sustainable sourcing

IOI Loders Croklaan

Let’s create together
Palm oil sourcing practices

Our commitment

We are committed to source and process traceable and certified sustainable palm oil. Sustainable is defined as certified by RSPO or equivalent system. Traceability will guarantee that we know the source of the palm oil (defined list of mills).

Sustainable Palm Oil Policy

- To accelerate the journey to no deforestation through the conservation of High Carbon Stock (HCS) Forests, High Conservation Value (HCV) Forests and the protection of peat areas regardless of depth.
- To build a traceable and transparent supply chain.
- To respect the rights of employees in the palm oil industry, indigenous peoples and local communities.
- To increase the focus on driving beneficial economic change and to ensure a positive social impact on people and communities.
<table>
<thead>
<tr>
<th>3-step approach</th>
<th>Parameter</th>
<th>Status as per 1st January 2016</th>
<th>Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Step 1.</strong> Know the origin of the oil</td>
<td>Traceability Palm Oil</td>
<td>97% mill level LC Group 34% plantation level LC Group</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Traceability Palm Kernel Oil</td>
<td>74% mill level LC Group 14% plantation level LC Group</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>SG RSPO certified sourced PO</td>
<td>34%</td>
<td>100% for IOI LC Europe by Dec-2016 100% for IOI LC Americas by Dec-2018 100% for IOI LC Asia by Dec-2020 Subject to market demand</td>
</tr>
<tr>
<td></td>
<td>SG RSPO certified sourced PKO</td>
<td>14%</td>
<td>100% for IOI LC Europe by Dec-2016 100% for IOI LC Americas by Dec-2018 100% for IOI LC Asia by Dec-2020 Subject to market demand</td>
</tr>
<tr>
<td><strong>Step 2.</strong> Prioritize the mills</td>
<td>Number of mills analyzed</td>
<td>800 mills analyzed and classified as high, medium and low priority. High priority mills selected in cooperation with third party (Proforest &amp; TFT)</td>
<td>Quarterly risk analysis based on remote sensing techniques</td>
</tr>
<tr>
<td><strong>Step 3.</strong> On-site mill verification program</td>
<td>Number of completed assessments</td>
<td>11 mill assessments completed (31st Dec-15)</td>
<td>Minimum of 10 mill assessments per year</td>
</tr>
</tbody>
</table>
Time bound plan explained

**Step 1 – Know the origin of the oil**
Mapping the traceability of PO & PK

- Products are considered to be traced when the parcels are supported by a list of mills containing mill name, mill GPS location, the name of the parent company and the volumes received per refinery.

- Traceability data is calculated at refinery level (IOI and/or IOI Loders Croklaan).

- Other information, if available, will be collected and stored: port of loading, name of the shipper, RSPO certification, volumes per mill (absolute or relative) and first refinery (in case of RBD material).
Time bound plan explained

Step 2: Prioritize the mills
Risk Analysis
• Outsourced to Proforest, TFT, GFW, WRI and others.
• Remote sensing risk assessment based on spatial data (legally protected areas, key biodiversity areas, peat, and forest change and forest loss) and non-spatial data (policies, RSPO certification and publically reported information).
• Identify high/medium/low risk areas in our supply base.

Step 3 Execution of on-site verification program
On-Site assessments
• Outsourced to Proforest and other third parties in collaboration with in-house sustainability team
• Mill engagement process to verify adherence to our Sustainable Palm Oil Policy
• The process will ultimately result in a preferred supplier status
Closing remarks

• We support the strengthening of recognized sustainability criteria with regards to deforestation, biodiversity and use of peat lands and we strongly believe that a multi-stakeholder approach is the right way forward.

• IOI Loders Croklaan will continue to be an active member of the RSPO and we will participate in working groups that recognize these and other relevant industry issues.