

SUSTAINABLE SOURCING POLICY FOR PALM OIL



709
Parly-Traubenbrot
2'300g
Frühdienst

61049
Bio-Zwirbelbrot
dunkel (Krause)
AB x 300g
NEW

61045
Bio-Zwirbelbrot
hell (Krause)
AB x 300g
NEW

480
Brot
425g
Frühdienst

424
Halschen Kirschenbrot
2x 320g
Frühdienst

61020
Cherguto-Gartenbrot
A x 42g
Frühdienst

61015
Steinofen Zwirbelbrot
hell
AB x 300g
NEW

61010
Steinofen Zwirbelbrot
dunkel
AB x 300g
NEW

392
Buttersopf, 40cm
1'000g
Frühdienst

61050
Frühdienst
350g
Frühdienst

61020
20cm Lausibrot
200g
Frühdienst

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1. Introduction

Palm oil is the world's most widely used vegetable oil. Increase in global demand has resulted in palm oil making a substantial contribution to forest and peat land loss and degradation particularly in the major producing regions in south east Asia. ARYZTA is committed to sourcing palm oil in environmentally and socially responsible manner to ensure that only companies that prevent the deforestation, produce the palm oil used in our products and that communities and workers in the palm oil industry are protected.

2. Scope

This policy applies to all palm oil, palm kernel oil, it's fractions and derivatives used in manufacture of all ARYZTA products.

3. Sustainable Palm Oil Principles

ARYZTA Supplier Code of Conduct lays out our minimum requirements and expectations for all our Suppliers. In addition to the requirements outlined in the Supplier Code of Conduct, all our palm oil should be by mid-2024:

- Supplied by ingredient and final product manufacturers, who are RSPO members and are currently RSPO supply chain certified, or equivalent certification programmes.
- First importers of palm oil must have credible No Deforestation, no Peat, no Exploitation (NDPE) and meet or are working to meet the following standards within a defined timeframe.
 - o Do not contribute to clearance of high carbon stock (HCS)
 - o Do not contribute to peatland expansion (regardless of depth) and use best management practices for existing plantations on peat.
 - o Be free from exploitation
 - o Be traceable from refinery to extraction mill and from validated Fresh Fruit Bunches (FFB) sources.
- Implementing 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 reducing greenhouse gas (GHG) emissions on existing operations.

4. **Eliminating Human Rights Violations and Child Labor**

- Respecting 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;
- Putting in place, and implementing systems for human rights due diligence as set out under the UNGPs;
- Prohibiting and eliminating all forms of forced labour, child labour and human trafficking, including, but not limited to, any form of bonded labour;
- Protecting workers' rights and ensuring safe and healthy workplaces free;
- From forced or compulsory labour as required by our Supplier Code of Conduct;
- Putting in place an effective grievance mechanism accessible to all rights-holders and stakeholders; 1 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;
- Respecting 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;
- Respecting the rights and supporting the inclusion of smallholders into the supply chain;
- Protecting environmental and human rights defenders and prohibiting threats, harassment, intimidation, the use of violence, or retaliation against anyone who raises a concern or participates in an investigation;
- Providing remediation through mutually agreed procedure, where human rights violations have occurred.

5. Commitment

We will support all our suppliers to work with their supply chains towards the stated principles and to regularly show significant progress. Progress against the stated principles will inform our procurement strategy. This will be evaluated using accepted industry standards and certification schemes, such as:

- Roundtable for Sustainable Palm Oil (RSPO)
- NDPE verification

ARYZTA commits to using certified RSPO (or equivalent certification scheme) palm oil only across its supply chain to RSPO Mass balance by the 01.01.2025 and to gradually change its RSPO Palm oil sourcing to RSPO Segregated by the 31.12.2026.

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.

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