

PALM OIL SUSTAINABLE POLICY

Lípidos Santiga, S.A. (LIPSA) is a leading group in the palm oil market.

It is important for LIPSA to manage its business under the principle that the palm oil that we buy is produced in a sustainable manner, following responsible practices with total respect of human rights, social rights and the conservation of the environment.

A supply chain of sustainable palm oil must be respectful of legality and traceable, protecting forests and biodiversity areas, reducing greenhouse gases and respecting the rights of workers, indigenous and local communities.

LIPSA is committed to work in building a sustainable supply chain that complies with the principles detailed in this policy:

ENVIRONMENTAL MANAGEMENT:

- Conserve High Carbon Stock ([HCS](#)) Forests.
- Maintain and protect High Conservation Value ([HCV](#)) Areas.
- No burning which means no use of fire in the preparation of new plantings, or re-planting or any other practice.
- No planting on peatlands regardless of depth.
- For plantations already established on peatlands, implement the best management practices according the RSPO Principles & Criteria.
- Commitment to continuous improvements in measuring and reducing Greenhouse gas (GHG) emissions (e.g. methane capture systems, biomass boilers ...).
- Soil protection: Protect or improve soil health by preventing degradation and erosion, reducing runoff, and protecting soil fertility and biodiversity.
- Do not use toxic chemicals: Supplier should not use chemicals listed by the Stockholm Convention on Persistent Organic Pollutants, by Rotterdam PIC or categorized as WHO class 1a or 1b.
- Restoration and Conservation commitment: Where feasible, we will support and encourage our suppliers to work on the restoration of peatland and previously cleared forests as well as the conservation of forest areas within concessions areas to ensure their long-term protection.

HUMAN AND WORKERS RIGHTS

- Respect and maintain the rights of all workers, including temporary and migrant workers, in accordance with the Universal Declaration of Human Rights and the International Labor Organization.
- Guarantee the right to free association and collective bargaining in accordance with all applicable laws and regulations, in accordance with the International Labour Organisation standards.
- Ensure free and anonymous access for workers to the grievance mechanism of the organization without fear of recrimination or dismissal.



- Eliminate any form of forced, illegal and child labour according to the principles of the International Labour Organisation standards and the Universal Declaration of Human Rights.
- Wages, benefits and working hours must at least meet legal requirements. Overtime hours must be voluntary.
- Ethical recruitment practices are in place: Ensure processes are documented; costs charged to the workers are transparent, justified and legal. Ensure that all workers understand their terms of engagement.
- Equal opportunities: Promote practices that empower fair and equal conditions for all.
- Provide a safe, secure and healthy work environment: Including access to clean and secure housing, potable drinking water, sanitation facilities for all workers and a safety policy with adequate personal protective equipment (PPE).
- Workers are treated equally and humanely: Diversity is respected. No discrimination is allowed, on any basis, including race, ethnicity, gender, religion, medical status, sexual orientation, political opinion, national extraction or social origin. No violence, abuse and harassment, mental or physical, occur in the workplace. Company policies promote equality.

SOCIAL IMPACT

- Respect the rights of indigenous peoples and local communities, which include land tenure, and their right to give their free, prior and informed consent for the use of their lands or their knowledge ([FPIC](#)).
- Inclusion of smallholders in the supply chain and help them to comply with the principles of this Policy.

This Policy applies to all LIPSA palm oil and its derivatives commercial operations and all suppliers from we have a trading relationship.

LIPSA expects from its suppliers and third parties involved in its supply chain to act in accordance with the principles of this Policy.

A handwritten signature in blue ink, appearing to read 'Francisco Soler Rodríguez', written over a horizontal line.

Francisco Soler Rodríguez
General Manager Lípidos Santiga, S.A.

At Santa Perpetua de Mogoda, 1st of April 2019.