

Nouryon

# Sourcing Sustainable Palm Oil

February 2021



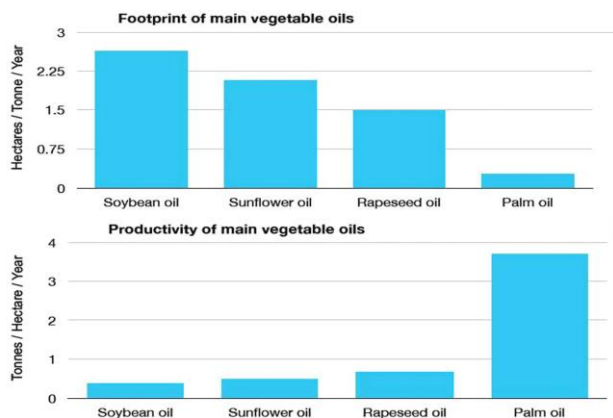
## 1. Investing in a better world

At Nouryon, our purpose is to be 'Your partner in essential solutions for a sustainable future' and we strive to contribute to a better world in close cooperation with our customers, suppliers and other partners. Palm oil is a key natural feedstock in our operations, and we embrace a world in which palm oil can be cultivated in a responsible way.

We will continue our journey to focus on the importance of responsible use of palm oil not linked to environmental or social issues in the supply chain. Nouryon uses processed palm oil products, which means we do not have direct contact with palm mills or plantations. However, we endeavor to use palm oil that does not come from sources that contribute to further deforestation or infringe on the rights of workers and local communities through constant interaction with our supply base.

## 2. Why we use palm oil

Palm oil and palm kernel oil derivatives are effective food and chemical ingredients due to their versatility and abundant supply globally. Palm oil demands 5 to 8 times less land compared to other natural oil containing crops to produce the same amount of oil:



Source: [The Palm Scribe](#)

This makes palm oil the least intensive vegetable oil for land usage in the world. Additionally, palm oil provides a myriad of natural applications in oleo chemistry as an alternative to synthetic sources. With the consumption of palm oil derivatives increasing, our focus must look to the future for maintaining a sustainable supply chain and ensuring

the ecosystems that produce palm oils are protected for the next generation.

## 3. Roundtable on Sustainable Palm Oil

Nouryon endorses the leading industry standard for palm oil sustainability – the Roundtable on Sustainable Palm Oil (RSPO). Created in 2004, the RSPO seeks to bring a secure and renewable supply chain for palm oil derivatives via a network of growers, mills, refiners, and end users committed to its principles and criteria.

We consider RSPO as the leading platform to set the global standard on palm oil sustainability.

*“The RSPO has developed a set of environmental and social criteria which companies must comply with in order to produce Certified Sustainable Palm Oil (CSPO). When they are properly applied, these criteria can help to minimize the negative impact of palm oil cultivation on the environment and communities in palm oil-producing regions.”<sup>1</sup>*

Nouryon sites in Mons, Belgium; Stenungsund, Sweden; Sundsvall, Sweden; and Herkenbosch, Netherlands hold RSPO Mass Balance (MB) certification. MB is a mix of uncertified and certified palm oil. While MB certified volumes are not traceable to the source, they are a means of ensuring that specific volumes of CSPO are used in the supply chain. Additional market demand will be required to increase the supply of traceable CSPO volumes, but Nouryon stands ready to meet these needs when the market is ready.

## 4. Sustainable Sourcing

We have worked diligently with our supply base to achieve more responsible sourcing of palm oil. To date, our major suppliers – representing over 90% of our palm oil (derivative) volumes – have either (1) provided a written confirmation of their commitment to our No Deforestation, no Peat, no Exploitation (NDPE) commitment, (2) published their equivalent policy, (3) reported on NDPE compliance via our supplier reporting questionnaires, or (4) became a member of the RSPO.

NDPE assessments include commitments to the following:

<sup>1</sup> RSPO website. Available at: <https://rspo.org/about>

- Free, Prior and Informed Consent (FPIC) for indigenous and other local communities;
- Zero burning;
- Preventing poor working conditions; and
- Preserving High Conservation Value (HCV) areas, High Carbon Stock (HCS) areas and peatlands.

The increased engagement of our suppliers is a positive sign that the palm oil industry is reaffirming the need to adopt sustainable practices. We continue to engage our suppliers on meeting strict NDPE compliance.

Together, we can take a positive step forward towards our goal of transforming the oleochemical industry and make sustainable palm oil the norm. This will ultimately result in driving positive impacts for people and the planet.

## 5. Sustainability at Nouryon

This statement covers Nouryon’s approach to the sourcing of sustainable palm oil. For more information about Nouryon’s approach to sustainability, visit:

<https://www.nouryon.com/company/sustainability/>




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“As a supplier of essential chemistry, our products contribute to the prosperity and well-being of society. We are committed to increasing the positive role we play with products that help our customers become more sustainable. We also are mindful of our own environmental footprint and have set ambitious targets to improve, because that is what our customers and society expect from us.”

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**Vivi Hollertt**  
Chief Sustainability & Communications Officer

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“Our success has been built on strong partnerships and we believe that collaboration is key to future success.

Nouryon works closely with customers and other partners to innovate, make strategic investments, and deliver sustainable solutions that answer society’s needs – today and in the future.”

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**Charlie Shaver**  
Chairman and CEO

Your partner  
in essential solutions  
for a sustainable future

**Nouryon**