



SOLVAY

asking more from chemistry®

Sustainable Sourcing Statement

**- Related to Palm Oil/
Palm Kernel Oil
chemical derivatives**



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I. Introduction

Solvay recognizes the growing demand for palm oil and palm kernel oil derivatives and other oleo chemicals. We are committed to integrating sustainable sourcing into our plans and operations.

Solvay strongly disapproves of non-sustainable practices such as deforestation, natural habitat destruction, indigenous people displacement, and forced labour employment. This Sustainable Sourcing Statement Related to PO/PKO Chemical Derivatives outlines how we will conduct business with our PO/PKO suppliers, what we expect from them and what they may expect from us, so that we can achieve our vision to be recognized as a model of sustainable chemistry.

Solvay will use its best efforts to procure its PO and PKO derivatives from “Roundtable for Sustainable Palm Oil” certified suppliers. We intend to use only PO and PKO derivatives that we can confirm to have originated from such responsible and sustainable sources.

II. Supplier mapping

Solvay is working with some of its suppliers, on a case by case basis, to better understand Solvay’s supply chain related to PO/PKO and ensure that their practices meet the requirements of Solvay's Responsible Purchasing and Sustainable Supply Chain Statement¹.

Such work includes the mapping of our entire PO/PKO supply chain back to the originating mills and includes suppliers, traders, transporters and refiners. In this aim, we are working with third-party organizations to gain their guidance and input, helping us to progress on the PO/PKO value chain transformation.

We believe that together, at each level of the supply chain, we can improve the current practices and participate in a common effort to reach zero deforestation and fight against non-sustainable practices.

III. Sourcing Strategy

Solvay is a member of the Roundtable for Sustainable Palm Oil (RSPO) since 2011. We recognize RSPO principles & criteria and **RSPO Certification** as evidences of sustainable sourcing.

¹ The Solvay’s Responsible Purchasing and Sustainable Supply Chain Statement is available at <http://www.solvay.com/en/company/about-solvay/procurement/responsible-purchasing/index.html>

Solvay will continue to share and reinforce its expectations related to sustainability of PO/PKO, and encourage the “sustainable behaviour” of its suppliers. This will include supplier assessments to ensure their practices will meet the requirements of our **Responsible Purchasing and Sustainable Supply Chain Statement** and our **Principles for Sustainable Sourcing** (set out below).

Solvay strives to work with like-minded companies and responsible PO/PKO suppliers who can document:

- Their RSPO membership and certified PO and PKO derivatives at a competitive price;
- The full traceability of their supply chain up to the mills targeted between 2018 and 2020 and to the plantations targeted between 2025 and 2027.

Solvay will continue to partner with suppliers who embrace and support its **Supplier Code of Conduct**.

Where applicable, Solvay may recommend that its suppliers generate their own sustainable sourcing policy on purchases of PO and PKO including a transition plan with a timescale.

Solvay expects suppliers to develop time-bound plans designed to meet Solvay’s Principles for Sustainable Sourcing. ***We intend to reject suppliers that are unwilling to comply with such Principles for Sustainable Sourcing and that are not able to comply after developing and implementing serious action plans.*** Solvay will cooperate with and support suppliers in improving their compliance with the Solvay’s Principles for Sustainable Sourcing.

IV. Solvay’s Principles for Sustainable Sourcing

1. Responsible Forest Management

- Protection of High Conservation Value² (HCV) habitats.
- Protection of High Carbon Stock³ (HCS) areas.
- Avoid the use of fire for preparing new planting.

2. Sustainable growth

- Protection of peat regardless of depth.
- Responsible development of new plantings, seeking to utilize previously cleared and/or degraded land and avoid land conflict.
- Plans to reduce pollution and emissions, including greenhouse gases.

² Refer to criterion 7.3 of RSPO P&C for the Production of Sustainable Palm Oil (2013)

³ Refer to criterion 7.8 of RSPO P&C for the Production of Sustainable Palm Oil (2013)

3. Support local communities

- Application of the Free, Prior and Informed Consent⁴ (FPIC) principles to support the right of local people to say 'no' to operations planned on their lands.
- Conduct business in accordance with Solvay's Supplier Code of Conduct⁵ which requires the highest standards, ensuring, among others, respect for human rights.

4. Smallholders impact

- Promote the inclusion of smallholders into the supply chain.
- Assist and support smallholders in the aim to increase yields and address social and environmental issues.

5. Transparency

- Encourage and promote supply chain transparency of suppliers and third parties.
- Report to Solvay any non-conformance with this present statement in their supply chain.

V. Further information

Sustainability is an integral part of the Solvay Group strategy. We expect our suppliers to implement the above principles in their own organizations and to commit to a continuous improvement approach. For more specific undertakings required by Solvay's sustainable expectation, please visit our [webpage](#).

⁴ Refer to RSPO approved FPIC guidance ('FPIC and the RSPO; A Guide for Companies', October 2008)

⁵ The Solvay Supplier Code of Conduct is available at <http://www.solvay.com/en/company/about-solvay/procurement/responsible-purchasing/index.html>

Solvay SA

Rue de Ransbeek 310

B-1120 Brussels

Belgium

T : +32 2 264 21 11

F : +32 2 264 30 61

www.solvay.com