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## **SOLENIS POLICY**

### **Responsible Palm Oil Sourcing**

#### **1.0 Policy**

Solenis recognizes certification by the [Roundtable on Sustainable Palm Oil](#) (RSPO) as the standard for a sustainable palm oil supply chain. If the use of palm oil fats / alcohols and their derivatives cannot be avoided for technical, availability or economic reasons, our procurement strategy is to select suppliers that have signed the RSPO [Code of Conduct](#).

Solenis' objective is to qualify and maintain suppliers whose attributes and behaviors protect the company from safety-based, financial and ethical risks.

Refer to the [Appendix](#) for background information.

#### **2.0 Scope**

This policy applies to Solenis. All applicable country laws, tax rules, labor contracts or company code policies are respected. No items in this policy and / or guidelines provided will overrule any such laws, regulations, etc.

#### **3.0 Owner**

Chief Procurement Officer

#### **4.0 Exceptions**

There are no exceptions to this policy.

## Appendix

### **Solenis and the use of palm oil**

Due to Solenis' position as an intermediary in the palm oil supply chain, we are fully dependent on the availability of a supply of physical, segregated sustainable palm oil and, to some extent, on the demand from customers. Fatty oils / acids / alcohols and their derivatives are frequently used in papermaking chemicals. Components such as AKD, fatty acid esters of mono and polyhydric aliphatic alcohols, fatty acid esters with polyethylene glycol and polypropylene glycol and fatty alcohols, ethoxylated / propoxylated are extremely common chemicals (for example, surfactants) that are derived from vegetable oils and therefore can be derived from palm oil or palm kernel oil.

### **About palm oil and palm kernel oil**

Industry data shows that globally, palm oil is the most produced and consumed vegetable oil, accounting for 33 percent of the world's vegetable oil production. Soybean oil, at 27 percent, holds second place.

Data also shows that oil palms have the highest yield of all oil crops at an average of 3.7 tonnes of oil per hectare (1.65 U.S. tons per acre) extracted from the pulp of the oil palm fruit. By comparison, soybeans have a yield of approximately one-tenth of oil palms. While this makes palm oil plantations highly efficient, palm oil production has raised serious concerns relating to deforestation and elimination of orangutan habitat.

Palm kernel oil is an edible plant oil derived from the kernel of the oil palm and should not be confused with palm oil, which as stated above, is extracted from the pulp of the oil palm fruit. Palm kernel oil, which is semi-solid at room temperature, is more saturated than palm oil and comparable to coconut oil. It is commonly used in commercial cooking because of its relatively low cost, stability at high cooking temperatures and longer storage time than other vegetable oils.

### **About the Roundtable**

In 2003, the [World Wildlife Fund](#) initiated the Roundtable on Sustainable Palm Oil. This organization has worked for more than a decade to promote the growth and use of sustainable palm oil worldwide.