



**Title:**  
Palm Oil Policy

**Approved by:**  
Chief Procurement Officer

**Last approval date:**  
2024-06-25

**Approved by name:**  
Marius Naess

# Palm Oil Policy

## Introduction

Palm oil is the most traded vegetable oil in the world and is used as an ingredient in a variety of consumer goods due to its unique attributes. The environmental concerns with palm oil are widely known. Most of global production comes from Indonesia and Malaysia, where increased demand for palm oil has led to the expansion of plantations resulting in clearance and destruction of the world's oldest rainforest. This deforestation has engendered significant problems related to greenhouse gas emissions, biodiversity loss and violation of human rights.

## Kavli's position

Since 2021, Kavli has worked intensively to remove palm oil from our products. Today, Kavli's products are entirely free from palm oil and palm oil derivatives as ingredients. Our standpoint is that there are healthier, more sustainable, and more local alternatives to pursue.

For suppliers of animal-based products, in case feed containing palm oil is used, we require that the palm oil is third-party certified from one of the following schemes: Roundtable on Sustainable Palm Oil (RSPO) Segregated or Identity Preserved, ProTerra Monitoring and Verification (MRV) Standard, or IFOAM (e.g. KRAV). Certification to one of these schemes covers a breadth of sustainability aspects which include demanding an end to deforestation and natural land conversion, improved production processes with less use of agrochemicals, safe working conditions, freedom of association and decent wages, the respect for land rights as well as the prohibition of child labour, forced labour and discrimination.

Kavli has a commitment to deforestation and conversion free palm oil in our supply-chains with a target date of 30 December 2024, which we will enforce as part of our sustainability due diligence. We will therefore, in addition to certification, demand full traceability from our suppliers back to the original farm as well as valid documentation guaranteeing deforestation-free products, in line with the forthcoming EU Regulation on Deforestation-free Products.

By 2025, we will demand that our suppliers too adopt a public commitment to deforestation and conversion free palm oil (including palm oil as feed ingredient), and that they underpin this commitment by a monitoring, reporting and verification system that provides adequate transparency for managing this commitment with relevant key performance indicators to be shared with Kavli. The commitment must include a cut-off date from which the production area may have last experienced deforestation or conversion of December 2020 at the latest (2008 for the Amazon biome).



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Kavli will actively engage with relevant suppliers as part of our supplier engagement program, to update our suppliers on company targets, progress, and prospective projects (sometimes offering collaboration opportunities) as well as offer knowledge support and guidance wherever needed.

## **Stakeholder engagement**

Kavli is also involved in dialogues with local industry stakeholder groups that aim to advance effective systems to provide assurance that the palm oil we source is responsibly produced and deforestation-free, for example the recently established Swedish platform for risk raw materials (*Svenska Riskgrödeplattformen*) by ETI Sweden, WWF and Livsmedelsföretagen.

We intend to implement such solutions in our supply-chains to ensure best practice and help support any claims on the deforestation-free nature of our products. We will regularly update on progress as part of our sustainability reporting as well as in this forthcoming updates of this policy.