



## Policy on Sustainable Palm Oil

Afia International Company (AIC), Saudi Arabia imports significant volume of Palm Olein, Super Olein, Palm Stearin & Palm Kernel Olein and sells after processing, by filling into various types of consumer packs, catering packs and industrial supplies in bulk. Therefore, this is important for the consumers / users to have confidence that our products are sourced from known sources which respect the environment and local communities.

AIC intends to source all sustainable palm products. AIC is one of the subsidiaries of Savola Foods Company which is a member of the Roundtable on Sustainable Palm Oil (RSPO), AIC is certified with RSPO Mass Balance module and will continue to support RSPO standards and certification as a mechanism to mainstreaming sustainable palm oil. AIC also seeks to ensure our palm oil supply chain does not contribute to deforestation, peat clearance and human rights abuses.

By working together with our key palm oil suppliers, we believe that the palm oil industry can transform to 100% sustainable palm oil delivering social, environmental and economic benefits. Although we realize there are many challenges to achieve this in the short to medium term, but we believe that sustainable palm oil should be the norm and not the expectation.

### Our Commitments:

1. Source 100% Palm Olein & Palm Stearin traceable up to the mill level.
2. Maintain the RSPO Supply Chain Certification for our whole facility, enable us to sustain supply of RSPO Mass Balance & Segregated certified products as per customer need as well gradually increase the certified volumes sourcing over the time depending on the market demands.
3. Ensure AIC and our suppliers are meeting commitments to:
  - a. No deforestation and no development high conservation value or high carbon stock areas.
  - b. No development on peat lands and best management practices on existing peatlands.
  - c. Respect human rights as laid out in International Bill of Human Rights and applicable national laws
  - d. Respect the rights of indigenous peoples and local communities, both men and women, to give or withhold their Free, Prior and Informed Consent (FPIC) to operations affecting lands and resources to which they hold legal, communal, or customary rights.
  - e. Protect the rights and safety environmental and human rights defenders
  - f. Respect the rights of men and women workers as laid out in the ILO Declaration on Fundamental Principles and Rights at Work. This includes:
    - Encourage a diverse workforce and provide a workplace free from discrimination, harassment or any other form of abuse
    - Ensure gender equality
    - Treat employees fairly, including with respect to wages, working hours and benefits.
    - Respect freedom of association or where this right is restricted by local law, facilities do not hinder the development of parallel means of collective representation and bargaining.
    - Prohibit all forms of forced, bonded or compulsory labor
    - Prohibit use of child labor
    - Provide safe and healthy working conditions



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Kingdom of Saudi Arabia

- g. Support the inclusion of smallholder farmers into sustainable palm oil supply chains
  - h. Follow the approach laid out in the UN Guiding Principles
  - i. Reducing GHG emissions.
  - j. No burning practices.
  - k. Efficient use of resources, including water, energy and land.
4. We will continue to monitor supply and to work closely with our suppliers to achieve the commitment.
  5. Report annually on our progress against the commitments.
  6. Engage with our suppliers, customers and other stakeholders to promote sustainable palm oil supply chains and to strengthen certification and verification mechanisms.

These commitments are applied to 100% of Palm Products and their derivatives which AIC sources directly. Our ability to achieve these commitments depends heavily on the changing practices of the palm industry and the future markets demand of palm products.

for

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