



Introduction

Since 2013, the Avril Group's approach to sustainable development has been structured around key undertakings¹ which offer a common framework for its subsidiaries. This approach reflects our desire to address the environmental and social challenges linked to the plant raw materials we process.

In particular, given the threats that particular ecosystems face due to the expansion of palm plantations, Avril decided to adopt a dedicated policy regarding its palm oil² supply. Applicable to any subsidiary using palm oil, this policy is based on a shared ambition at group level and specific action plans in concerned businesses.

Ambition

With this policy, the Group always strives to obtain its palm oil from suppliers who can prove that its cultivation does not contribute to the destruction of forests and peatlands, and respects the rights of workers and local communities.

Achieving this ambition known as NDPE (meaning No Deforestation, no Peat, no Exploitation) requires putting in place good practices within Avril's supply chains.

Definition

The Avril Group defines *zero deforestation* palm oil as coming from plantations which comply with the following criteria:

- They operate in compliance with international, national and local regulations;
- They protect and manage High Conservation Value (HCV)³ forests;
- They protect and manage High Carbon Stock (HCS)⁴ forests;
- They protect all peatlands, whatever their depth;
- They do not use fire to clear land;
- They respect the rights of workers;
- They respect human rights, work in a good relationship with local communities, and most particularly ensure the Free, Prior and Informed Consent (FPIC) of these communities when planning to extend plantations.

¹ For more information: <http://www.groupeavril.com/en/sustainable-development>

² Palm oil and its palm olein and stearin fractions

³ HCV resource network: <https://www.hcvnetwork.org/>

⁴ High Carbon Stock Approach: <http://highcarbonstock.org/>

Implementation

Certification and credits

We believe that in order to meet this ambition and move towards greater sustainability, a first structuring step is to draw on both existing certification schemes and the Book and Claim system (purchase of credits) to cover our palm oil supply.

A part of Avril's supply is already covered by ISCC-EU certification (in the context of EU legislation on biofuels) or RSPO certification. In addition, Avril established in 2015 an internal standard that requires the purchase of RSPO credits (formerly GreenPalm Certificates) to cover volumes which were not certified otherwise. The objective is to cover 100% of our supplies by 2018.

Engaging with our suppliers

Our subsidiaries using palm oil commit to undertaking the following actions:

- Establish and maintain a regular dialogue with our direct suppliers of palm oil and ask them to do likewise with upstream operators in the supply chain;
- Inform new suppliers about the Group's policy and its NDPE ambition;
- Ensure alignment of suppliers' own sustainability or zero deforestation initiatives with Avril's policy;
- Obtain, every semester, all necessary information from suppliers in order to map the supply chain back to the mills⁵ and maintain traceability to mills for 100% of purchased volumes. Knowledge of the origins of palm oil is a prerequisite for the implantation of our NDPE ambition.

To date, the main suppliers of the group are informed and aligned with our policy. In addition, we monitor their CSR⁶ performance and actions so that we can, in the event of an alert, remind them our expectations. If needed be, suppliers whose practices would not be aligned with the Group's ambition will be encouraged to gradually come into compliance. In accordance with our internal procedure for managing non-conformities, the Group may have to penalize any suppliers that do not cooperate or display any intention to change.

In addition, Avril currently works on extending this policy to palm oil derivatives. We are now in a phase of identification of the suppliers and collection of the mill traceability data.

Finally, the implementation of this policy is based on transparency and continuous improvement. In that sense, we will publish every year a report presenting our progress and our new objectives.

⁵ Mills are the primary processing units and a good indication of the location of the production sites (plantations).

⁶ Corporate Social Responsibility