



TACKLING ISSUES IN

THE PALM OIL SUPPLY CHAIN

Sustainable Sourcing Grievance Mechanism for Palm Oil

ADDRESS DEFORESTATION & HUMAN RIGHTS

ISSUES LINKED TO THE SUPPLY CHAIN

BACKGROUND



OBJECTIVES



SCOPE



GRIEVANCE MECHANISM PROCESS FLOW



APPROACH



CONTACT



BACKGROUND

Vandemoortele is fully aware of the important role it has in the procurement of its raw materials and ingredients (i.e., palm, cocoa, hazelnuts), and it recognizes that sustainable development is integral to the long-term viability and success of its business. Vandemoortele has taken **SPECIFIC ACTIONS** to address deforestation and human rights issues linked to the supply chain. In particular:



Through its **NDPE** (No Deforestation, Peat & Exploitation) commitment, Vandemoortele aims to meet rising market demand for traceable, responsibly produced agricultural products



In 2012 Vandemoortele became founding member of the Belgian Alliance for Sustainable palm oil (**BASP**)



Vandemoortele is a member of the Roundtable on Sustainable Palm Oil (**RSPO**) since 2009



Vandemoortele is a member of Universal Trade Zone (UTZ) since 2013. Following the merge with **Rainforest Alliance**, Vandemoortele has fully transitioned to this new certification body in 2022



Vandemoortele is a member of **EARTHWORM FOUNDATION** since 2014. Together we have a strategic partnership: through the Value, Transparency – Transformation, Verification (VT-TV) approach we set clear goals and take concrete action to make a real difference in the palm oil supply chain

BACKGROUND

Vandemoortele believes **STAKEHOLDERS PLAY IMPORTANT AND CONSTRUCTIVE ROLES** in the implementation of its NDPE commitment and responsible sourcing strategy. To enable any stakeholder to raise a grievance against any party involved in the supply chain, Vandemoortele established this Sustainable Sourcing Grievance Mechanism.

All grievances logged within this Grievance Mechanism will be managed in a timely manner, and all investigations and findings will be disclosed transparently to the public.

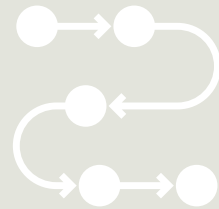
Furthermore, Vandemoortele recognizes that **FEEDBACK AND INPUT** from stakeholders is valuable because it helps to enhance transparency in our supply chain, and it provides a mean to gauge progress on the implementation of the policy. In this respect, Vandemoortele will seek input from relevant stakeholders over complex administrative processes of the Sustainable Sourcing Grievance Mechanism provisions and procedures to ensure its effectiveness.



OBJECTIVES



Our Sustainable Sourcing Grievance Mechanism is **PART OF OUR BROADER COMMITMENT** to implement our NDPE commitment by identifying and addressing non-compliance in our supply chain in order to achieve long-term transformation of the palm sector, cocoa and hazelnuts supply chain. In addition, it aims to:



Establish a prompt, consistent and respectful mechanism for receiving, investigating and responding to sustainable sourcing grievances from stakeholders.



Ensure proper documentation of sustainable sourcing grievances and any corrective actions taken.



Contribute to continuous improvement in performance through the analysis of trends and lessons learned.

SCOPE

Supplier engagement

Cross-commodity cases

SCOPE

The Sustainable Sourcing Grievance Mechanism applies to all refined palm oil Vandemoortele buys, including palm kernel oil and derivatives. Crude palm oil (not refined) is only included for the volumes commercialized in Spain.

Vandemoortele's NDPE commitment and this Grievance Mechanism apply to all worldwide operations and all palm oil suppliers (including indirect suppliers).

The Sustainable Sourcing Grievance Mechanism covers **ACTIVITIES RELATED TO THE HANDLING OF STAKEHOLDERS' GRIEVANCES**. This includes:



recording grievances



taking actions to verify claims



rectifying any confirmed issues



reporting the verification results and actions on the ground (performed by third parties)



delivering the response to stakeholders



managing and monitoring any follow-up action

Scope

SUPPLIER ENGAGEMENT

Cross-commodity cases

SCOPE

When a sustainable sourcing grievance against a supplier is submitted to Vandemoortele, the Grievance Team will engage with the supplier to **DISCUSS THE ISSUES** raised in accordance with the steps outlined in this document, with the end-objective of resolving the issues.

In the event that the supplier does not want to engage in the process towards resolution, Vandemoortele can review its commercial relationship with that supplier.



Scope

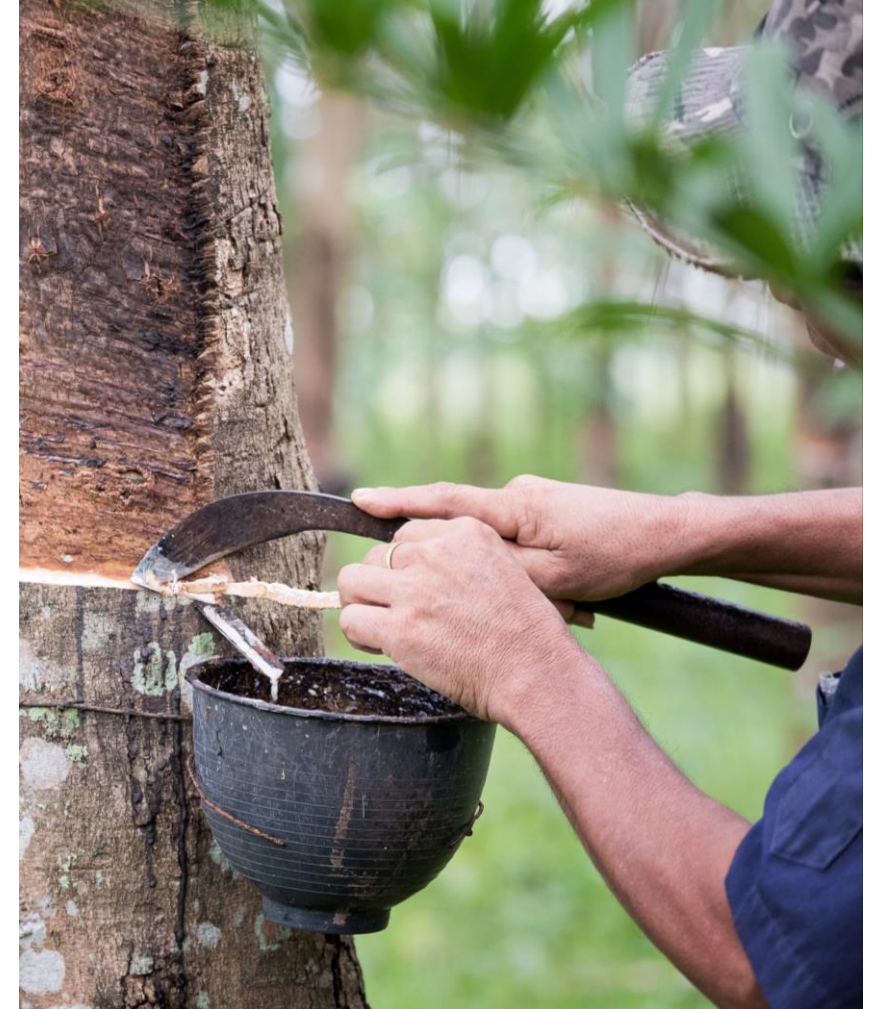
Supplier engagement

CROSS-COMMODITY CASES

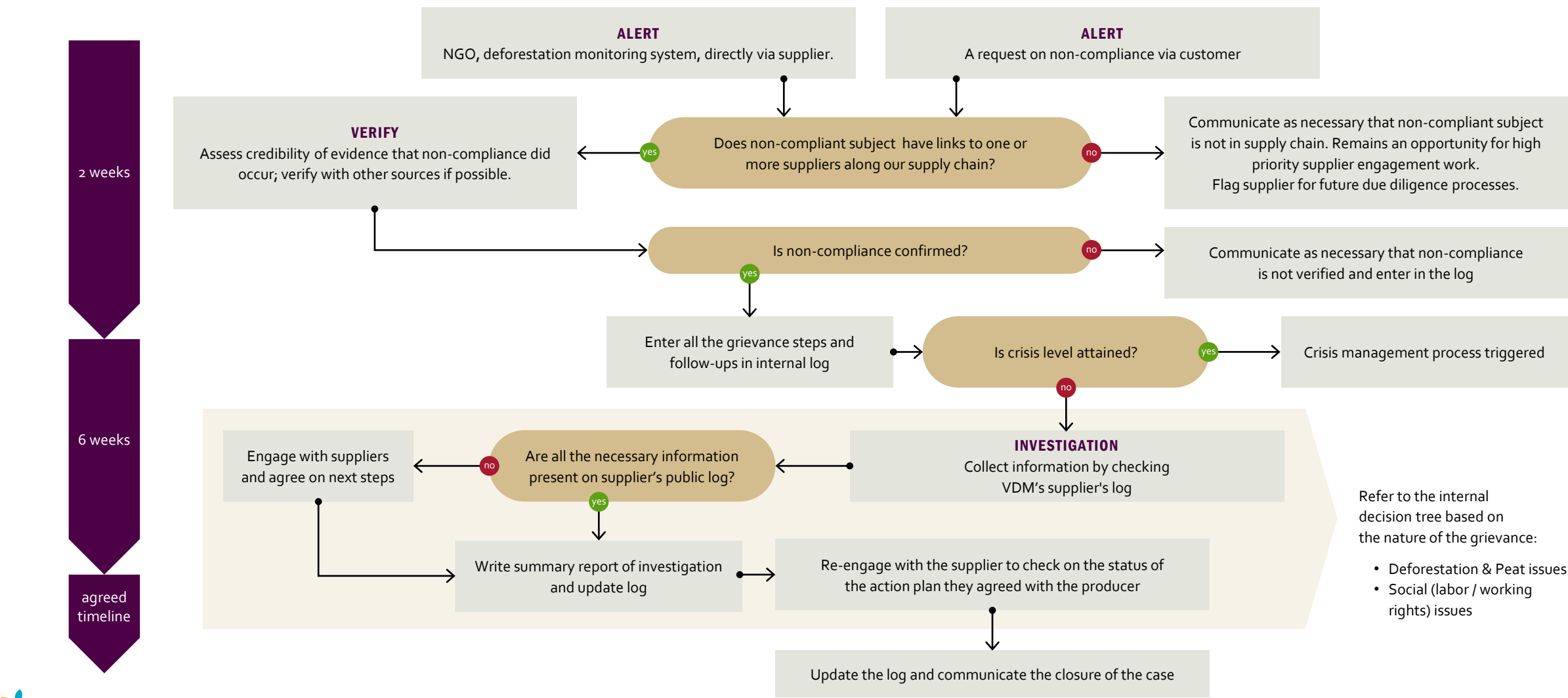
SCOPE

In case a grievance is made regarding **ANY OTHER COMMODITY OTHER THAN PALM OIL** (e.g., rubber, timber) and this is linked to a company that is directly (e.g., parent company) or indirectly (e.g., sister company, subsidiary) connected to our direct palm oil suppliers, we will include the grievance in our log.

Such a grievance will be assessed and reviewed on a case-by-case basis.



GRIEVANCE MECHANISM PROCESS FLOW



WORKFLOWS

Timelines for handling complaints and grievances

APPROACH

Grievances related to the sustainability of the sourced materials can be expressed via any of the following **CHANNEL(S)**:

- Via the **SPEAK UP** portal
- Via the **ONLINE FORM** available on our website

Grievances should include provision of the following **INFORMATION**:

- Full Name
- Name of Organization (if any)
- Address
- Email address
- Phone No. (optional)
- Description of the grievance in detail
- Evidence to support the grievance



WORKFLOWS

Timelines for handling complaints and grievances

APPROACH

Contact details are required to seek further clarification on the grievance. The party reporting the grievance (Grievance Raiser) may request that their **IDENTITY REMAIN CONFIDENTIAL**. This request is satisfied through the **GDPR RULES** applicable on our webpage. Any party may appoint a third-party to submit their sustainable sourcing grievances provided that the third-party follows this procedure.

In addition to grievances submitted through the official channels above, issues raised through unofficial channels, such as the media and the internet, will be recorded as grievances on request by either external stakeholders or Vandemoortele.



APPROACH

This Sustainable Sourcing Grievance Mechanism is intended to be used to **ADDRESS STAKEHOLDERS' CONCERNS** about our palm oil supply chain and this could involve other parties (e.g., indirect suppliers) with conflicting interests.

As such, the resolution of such grievances will at times involve lengthy processes of enquiry and mediation between various stakeholders and it will be necessary to apply a **FLEXIBLE APPROACH** in order to resolve such complex issues. However, it is important that grievances are addressed in a timely manner. The timelines defined per steps are reported in the **GRIEVANCE MECHANISM PROCESS FLOW**.





QUESTIONS?

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