

Procurement Policy

Introduction

Florin AG, as the largest producer of vegetable oils and fats in Switzerland, is aware that its business has an impact on the livelihood of many people. We therefore have a responsibility to source our raw materials safely, fairly, and ethically. We select seeds and crude oils on the national and international raw material markets with great care. The entire procurement of all oilseeds and imported crude oils is based on our concept of a sustainable and traceable supply chain, if necessary, ensured by regular, independent audits directly on site in the country of origin.

As an RSPO member, Florin AG remains committed to the RSPO for the purchase of RSPO-certified palm products. As a founding member of the Palm Network Switzerland and are working on the implementation of the declaration of intent.

For all other raw materials in our procurement, we are also continuously evaluating the possibilities of sustainability certifications as an independent basis for our procurement.

We continuously analyze the implementation process and engage in a regular review and improvement process. To implement this policy, we engage stakeholders wherever relevant and necessary.

We continuously improve this policy and ensure that it is in line with our vision, mission and corporate policies as well as international guidelines (UN Guiding Principles on Business and Human Rights, UN Declaration on the Rights of Indigenous Peoples and Basic Principles of the Accountability Framework Initiative).

Scope

We give preference to suppliers who incorporate these principles throughout their operations, through the implementation of this policy we seek the support of stakeholders such as suppliers, customers, governments, non-governmental organizations and other relevant organizations as required.

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Principles

1. Legal requirements

- All applicable national laws, regulations, international agreements and conventions are complied with (including competition and antitrust laws).

2. Quality and safety

- Agreed specifications are adhered to.
- The products and materials used do not contain any harmful substances.

3. Traceability

- Systems are in place to trace our agricultural raw materials back to origin¹.
- Routine quality checks are performed to ensure that no raw material origin is mixed, either during processing or during transport - unless the origin is documented.

4. Deforestation-free supply chain

- HCS forests are protected, and the High Carbon Stock (HCS)² approach is used to identify appropriate areas for planting when needed.
- HCV³ areas are designated and adequately protected.
- Preference is given to suppliers with mechanisms to progressively reduce greenhouse gas (GHG) emissions.

5. Peatland protection

- Peatland protection⁴, from agricultural development, regardless of depth.
- Implementation of best management practices.
- Restoration of peatland with experts and local communities where appropriate.

6. Workers' rights

- Illegal, abusive, forced or child labor is prohibited as defined by ILO conventions.
- The rights to freedom of association and freedom from discrimination are protected in accordance with ILO conventions.
- FPIC⁵ is implemented with indigenous and local communities for their ancestral lands, prior to agricultural development.
- Grievance and conflict resolution mechanisms are in place.
- Wages, hours, and working conditions (safe workplaces and access to sanitation) improve beyond minimum legal requirements.
- No discrimination

7. Good agricultural practices

- Soil is effectively managed to improve fertility and prevent erosion.
- Fertilizer use is based on the needs of the plants and the use of agrochemicals is kept to a minimum. Hazardous chemicals, as defined by the Stockholm and Rotterdam Conventions, are not used.
- Efficient water use is promoted, and water pollution risks are minimized.
- Soil pollution risks are identified and minimized.
- A "no-burn" policy applies to all land clearing.

1. Source is identified as either farm or catchment area, for instance a group of smallholders.

2. HCSA identify and conserve high carbon stock rainforests.

3. <http://www.hcvnetwork.org/>

4. We define peat as soil with organic matter greater than 65%.

5. Free Prior Informed Consent - <https://www.ohchr.org/en/indigenous-peoples/consultation-and-free-prior-and-informed-consent-fpic>

8. Smallholders and local communities

- Smallholders are included in our supply chains wherever possible.
- Smallholders are compensated on the basis of free and fair negotiations.
- The sustainability performance of smallholders is adapted to the context.
- Smallholders have access to training.

9. Efficiency increase

- Reduction of CO2 emissions, reduction of freshwater usage, usage of wastewater, and reduction of waste through efficiency improvements and efficient energy consumption.
- Monitoring emissions and implementing measures for continuous improvement.

10. Grievance mechanism

- In accordance with the UN Guiding Principles on Business and Human Rights.

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