

**At Volac we are committed to helping dairy farmers improve productivity and the long-term health and welfare of their animals in a responsible and sustainable way. Volac aim to be the agents for change advocating responsibly sourced palm oil and palm oil derivatives. Volac's ambition is to lead the discussion on the importance of looking after the future dairy herd and the use of sustainable palm oil.**

## Benefits of palm products

Volac uses Palm olein (a derivative of palm oil) in its milk replacer formulations because its fatty acid profile is perfectly suited to youngstock nutrition as well as its efficiency and cost effectiveness as a crop.

Palm is the most efficient oil-producing crop available today, producing more metric tons of oil per hectare than any other vegetable crop. This is important as the ever-growing global population strives to produce enough food.

Palm is a particularly attractive commercial crop for smallholders, because they can grow it on a range of soils, requires relatively little fertilizers and pesticides, and bears fruit all year-round. Currently, oil palms are grown on approximately 7.4% of land devoted to vegetable oil crops, yet palm oil makes up 39.6% of all vegetable oil production (EPOA) (1)

## Global context

It is predicted that the global population will rise to more than nine billion by 2050, which in turn is expected to result in significant increase in the demand for palm oil and its derivatives. Volac recognises that whilst plantation development has contributed significantly to economic development in countries where palm oil is produced, and while a great deal of improvement has been achieved, in some cases the production of palm oil can still be linked to sustainability challenges like deforestation and exploitation of people and local communities. If palm oil and its derivatives are to play a leading role in the future of farming, then Volac is convinced that it must be produced in a sustainable and responsible way.

## Policy aims

Our sustainability policy for Milk Replacers guides us in our strategic and daily operations and also our future activities. It helps shape our broader sustainability agenda and serves as a promise to our customers, consumers and other stakeholders. It will educate and inform people about our use of palm-based materials and it is our vision and strategy to become a leader in sustainable dairy nutrition.

This policy applies to all Palm oil and its derivatives within our Volac Branded and Joint Branded Milk Replacers that we purchase as Palm olein or any other palm oil derivatives.

## Our commitments

1. To only use palm oil derivatives in our milk replacer products from sources that fulfil NDPE sustainability criteria or RSPO Certified Sustainable Palm Oil .

Volac only sources palm oil and its derivatives for milk replacers from suppliers that share our commitment to the sustainability criteria of 'No Deforestation, No Peat and No Exploitation' (NDPE) with respect to plantation development and the palm oil supply chain.

The NDPE criteria are: -

### No Deforestation

No development of High Carbon Stock (HCS) forests.

No development of High Conservation Value (HCV) areas.

No burning in the preparation of new plantings and re-plantings.

Progressively reduce greenhouse gas (GHG) emissions on existing plantations.

### No Development on Peat

No development on peat, regardless of depth.

Best Management Practices (as defined by RSPO) for existing plantations on peat.

Where feasible, explore options for peat restoration by working with expert stakeholders and communities.

### No Exploitation of People and Local Communities

Respect and support the Universal Declaration of Human Rights.

Respect and recognise the rights of all workers including contract, temporary and migrant workers. No unlawful retention of wages or personal documents

Facilitate the inclusion of smallholders into the Supply Chain.

Respect land tenure rights.

Respect the rights of indigenous and local communities to give or withhold their Free, Prior and Informed Consent (FPIC) to operations on lands to which they hold legal, communal or customary rights.

2. Transparency and traceability for all the palm oil derivatives and final products within our supply chain.

We define 'traceability' as the ability to trace palm oil throughout the supply chain back to mills. Our Palm Olein is > 99% and traceable back to mill.

### 3. To actively promote the benefits of sustainable palm oil within the animal feed industry

Volac only use products which have been supplier assured to align to NDPE criteria or that are RSPO Certified.

Volac has strong business and sustainability ambitions, however we acknowledge that in relation to the global palm oil production, the impact we can have as individual businesses is relatively modest. Therefore, we will do all we can to influence our industry and will collaborate with partners (customers, suppliers, processors, retailers, governments, NGOs and broader stakeholders) to further develop the sustainability, traceability and responsible sourcing of palm products, including those certified by the Roundtable on Sustainable Palm Oil (RSPO).

#### Policy implementation

This policy, is effective immediately. It applies to all suppliers from whom we purchase palm oil derivatives. We will work with stakeholders to improve the performance of suppliers who are not immediately able to comply with this policy, but who are willing to take appropriate and immediate remedial actions on areas of non-compliance. We will work with suppliers to raise awareness and ensure compliance. We expect all suppliers to transparently demonstrate progress against this Palm Policy if gaps are identified. Volac reserve the right to cease supply if no commitment to compliance is shown.

#### Grievance procedure and Reporting

For any potential violations reported to us, Volac will follow the grievance procedure as established by our suppliers. By utilising the procedures of our suppliers, we can assure traceability and that any grievances will be dealt with in a timely manner. All investigations and findings will be reported, allowing Volac to reassess the supply chain. We will provide any relevant news updates to inform stakeholders of our sustainability policies as well as our progress towards our sustainability goals.

(1) <https://palmoilalliance.eu/wp-content/uploads/2019/10/Brochure-Palm-Oil-Story-2019-FINAL.pdf>