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## SUSTAINABLE SOURCING STATEMENT

### Related to Palm Oil/Palm Kernel Oil Chemical Derivatives

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<sup>1</sup> Source: National Geographic, 2018.



## Table of contents

I. Introduction

II. Our Objectives & Commitments

III. Our Criteria

IV. Further Information

## I. Introduction

Our world has an ever-growing population and limited resources, and we are facing environmental and social challenges like never before. A world in which more doesn't always mean better, and better does not mean better for all. We have to do more than just come up with new products, services, or inventions. We have to do more than just invent. We have to reinvent. Reinvent progress to solve critical industrial, social, and environmental challenges.

Syensqo has made sustainability a top priority, and to that end, we practice responsible sourcing.<sup>2</sup> We are committed to use palm oil (PO), palm kernel oil (PKO) and derivatives exclusively from sustainable sources<sup>1</sup>. By doing so, we help support sustainable forest management and stop deforestation, in alignment with our contribution to the UN Sustainable Development Goal 15, Life on Land, 15.2.

Palm oil and palm kernel oil are the most productive bio-based oils per hectare produced among oil crops. However, this attribute could lead to the mismanagement of palm oil production; therefore, palm oil and palm kernel oil must be sourced responsibly. Syensqo acts sustainably and is committed to reducing supply chain complexity, including challenges related to deforestation, environmental protection, and land conflicts with local communities. We must purchase and act responsibly without compromising biodiversity or human rights.

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<sup>2</sup> <https://www.syensqo.com/en/suppliers>

## II. Our objectives and commitments

Aligned with our [Supplier Code of Business Integrity](#) and our [Business Code of Integrity](#), Syensqo is committed to use palm oil and palm kernel oil derivatives from sustainable sources in our manufactured products. Syensqo will preferentially source from suppliers who can confirm NDPE compliance (no Deforestation, no Peat, no Exploitation) with the criterias described in the next section.

In order to also work further with all partners in the complex supply chain of oleochemical derivatives, Syensqo (as the entity Solvay) decided to join the cross-sector initiative Action for Sustainable Derivatives (ASD) in 2019, working on a uniform standard for responsible supply chain management and traceability. Based on 2023 palm oil derivatives volumes, Syensqo traces 92.6% of its derivative volumes back to refineries, 92.4% back to mills and 69.5% back to plantations. Syensqo's goal is to achieve 100% traceability up to the refineries & mills, considering it as a key first step to ensure compliance to zero deforestation among the concerned suppliers.

From 2011 to 2024, Solvay was a member of the Roundtable for Sustainable Palm Oil (RSPO), with Syensqo becoming a member in 2024. 16 Syensqo sites are RSPO-certified. Annually, Syensqo shares its progress and can be found in the RSPO website members page. We recognize RSPO principles, criteria and certification as evidence of sustainable sourcing. Syensqo is working at sourcing all of its palm derivatives from certified sustainable sources<sup>3</sup>.

We believe that together, at each stage of the supply chain, we can improve current practices and participate in a common effort to reach zero deforestation and fight against non-sustainable practices.

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<sup>3</sup> When commercially available and commercially acceptable

### III. Our criteria

Along with our previous objectives and commitments, Syensqo will preferentially source from suppliers who can confirm NDPE compliance (no Deforestation, no Peat, no Exploitation) with the following criteria:

#### 1. Responsible Forest Management

- A public policy for zero deforestation as defined by the [Accountability Framework Initiative](#)
- Protection of High Conservation Value<sup>2</sup> (HCV) habitats and protection of High Carbon Stock<sup>3</sup> (HCS) areas as defined by the [High Carbon Stock Approach](#) (HCSA)
- Avoid the use of fire for preparing new planting

#### 2. Sustainable growth

- Protection of peat regardless of depth
- Responsible development of new plantings, seeking to utilize previously cleared and/or degraded land and avoid land conflict
- Plans to reduce pollution and emissions, including greenhouse gasses

#### 3. Support local communities

- Application of the [Free, Prior and Informed Consent](#) (FPIC) principles to support the right of local people to say 'no' to operations planned on their lands
- Conduct business in accordance with [Syensqo's Supplier Code of Business Integrity](#), which requires the highest standards, ensuring, among others, respect for human rights (no forced labor, no slave labor and no child labor)
- Respect for women's rights

#### 4. Smallholders impact

- Promote the inclusion of smallholders into the supply chain
- Assist and support smallholders in the aim to increase yields and address social and environmental issues

## 5. Transparency

- Encourage and promote supply chain transparency of suppliers and third parties through traceability of raw materials and their region of origin
- Report to Solvay any non conformance with this present statement in their supply chain

Syensqo expects suppliers to develop time-bound plans designed to meet Syensqo's criteria. We do not work with suppliers who are unwilling to comply with such criteria or that are not able to comply after developing and implementing serious action plans. Syensqo will cooperate with and support suppliers in attaining compliance with Syensqo's Criteria.

## IV. Further Information

Sustainability is an integral part of the Syensqo Group strategy. We expect our suppliers to implement the above principles in their own organizations and to commit to a continuous improvement approach. For more on the specific undertakings required by Syensqo's sustainability commitments and requirements, please visit our [webpage](#).