FLORA Food Group™

Responsible Coconut Oil Sourcing Policy

SUS 4

June 2026 | Version 2.0

1. Purpose

Coconuts are harvested from the coconut palm which is often referred to as the ‘tree of life’. The white flesh (copra) is used to produce oil as well as milk, cream and flour, a range of by-products are made from the shells, husks, and leaves. As a versatile oil with a unique flavour, Flora Food Group uses coconut in a wide range of products.

The coconut palm is a resilient, tropical plant, with a long, productive life span and comparatively low inputs. Coconuts are mainly grown and harvested by small scale farmers on family farms. Production is concentrated in the humid tropics, where the coconut sector contributes to the livelihoods of about 5 million families in Indonesia and about 3.5 million coconut farmers in the Philippines.

Flora Food Group recognises and shares the concerns about the potential economic, social, and environmental risks associated with coconut production. As global demand for coconut continues to grow, smallholder farmers lack the means to invest in replanting. Furthermore, new coconut plantations have the potential to drive deforestation, and risk impacting upon both precious ecosystems and smallholder livelihoods, without appropriate safeguards being put in place.

Unlike other ingredients we purchase such as palm oil, soybean oil and paper, coconut is largely a disaggregated crop, and there is currently no globally recognised scalable certification scheme for coconut-based products. Therefore, we work with stakeholders across the value chain to improve transparency, develop common industry-wide approaches to deliver positive impact, advocate for a sustainable coconut industry and innovate to ensure the principles laid out below are implemented throughout our supply chain for the coconut we purchase.

2. Our Commitments

Flora Food Group is committed to responsible and sustainable sourcing practices for all priority ingredients. In addition to meeting the requirements of our Business Partner Code of Conduct, Responsible Sourcing Policy and Human Rights Policy, we expect our suppliers of coconut products to share our commitment to increase traceability, enhance the livelihoods of coconut farmers, and to protect nature and biodiversity.

3. Traceability and Transparency

We are committed to ensuring traceability and transparency along complex supply chains to encourage good practices by farmers, middlemen and traders. We define “traceable” as the ability to trace product to a known origin - meaning jurisdiction, province, community, or farm level.

- We will work with suppliers who are transparent about their supply chains and periodically disclose the origin of the coconut we source.
- We expect our suppliers to share supply chain information and work to improve traceability and transparency in their supply chains.
- Our suppliers must adhere to Flora Food Group’s Responsible Sourcing Policy and Human Rights Policy, which stipulate mandatory requirements on human rights, labour standards and the protection of workers.

- Suppliers must disclosure breaches of the Responsible Coconut Oil Sourcing Policy and follow accepted grievance procedures to ensure the responsible handling of complaints or breaches.

4. Enhance Livelihoods

We are committed to supporting initiatives that enhance the livelihoods of coconut farmers. We will partner with our suppliers and support cross industry collaborations that seek to achieve the following outcomes:

- Increase smallholder access to services, information, and training to improve incomes and labour practices;
- Improve productivity and ensure future availability of crops through replanting, crop diversification, and training in sustainable agricultural practices;
- Enable access to technology to provide farmers with information on the market, and to improve harvesting and processing;
- We expect our suppliers to support initiatives and interventions that seek to deliver these outcomes. Suppliers should be able to demonstrate progress aligned with the Sustainable Coconut Charter or equivalent.

5. Protect Nature & Biodiversity and Drive Climate Action

We are committed to supporting initiatives and interventions that prevent deforestation, protect nature and biodiversity, and help drive climate action. We will partner with our suppliers and support cross industry collaborations that seek to achieve the following outcomes:

- Prevent deforestation, particularly in high conservation areas, for new commercial coconut plantations;
- Increase productivity on existing cultivated land, developing on degraded land, and conducting environmental impact assessments for new plantings;
- Implement good agricultural practices which protect ecosystems and help mitigate climate change;
- We expect our suppliers to support initiatives and interventions that seek to deliver these outcomes. Suppliers should be able to demonstrate progress aligned with the Sustainable Coconut Charter or equivalent.

6. Implementation Action Plan

Our goal is to ensure that 100% of our coconut oil is traceable to origin and all our suppliers can demonstrate significant progress in the principles above.

We will work with stakeholders to advocate for these principles, establish programmes that support improved outcomes for coconut smallholders, and maintain transparency by periodically publishing the origin of the coconut we source.

7. Governance

Flora Food Group's Chief Procurement Officer and Head of Climate, Nature and Responsible Sourcing are responsible for implementing our Responsible Coconut Oil Sourcing Policy.

The Compliance Committee includes representatives of our Board and Executive Committee and is involved in the approval process for our Responsible Coconut Oil Sourcing Policy. The Compliance Committee is accountable for Flora Food Group's policy framework.

8. Related Documents

- Responsible Sourcing Policy
- Human Rights Policy
- Grievance Tracker (Commodities)
- Business Partner Code of Conduct

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