

# Responsible Sourcing of Pulp and Paper Policy

## ESG 6

October 2022 | Version 2.0



## 1. Overview

At Flora Food Group, we use pulp and paper in our food packaging, wrapping and the transportation of our products. As an organization that is committed to building a sustainable plant-based future, we care deeply about the environment, and are concerned with issues of deforestation, forest degradation and protecting biodiversity in the markets where we operate or from where our pulp and paper is sourced.

This is particularly true in the context of deforestation and its impact on the sustainability of indigenous ecosystems, global warming, production of greenhouse gasses, biodiversity, and the livelihoods of people who are dependent upon forest produce.

Our efforts are focussed eliminating deforestation from our supply chain, as well as better understanding and addressing potential issues arising out of forest degradation and the contraction of biodiversity.

## 2. Our Principles

- Our position on Pulp and Paper is guided by our compliance with the Forest Stewardship Council (FSC) and Programme for the Endorsement of Forest Certification (PEFC) standards.
- 100% of our total virgin pulp and paper purchased will be responsibly sourced from suppliers who meet the FSC or PEFC Standards, which include the elimination of deforestation.
- We rely on FSC and PEFC risk assessments to determine the prioritisation of supplier risk with regards to deforestation.
- 100% of our total virgin pulp and paper purchased will be traceable to its country of origin and mill level.
- We will not contribute to conversion of natural ecosystems, or to land clearance by burning or clearcutting.
- We will continue use recycled paper wherever possible for food grade products and will continue to make step-wise progress to increase this volume of recycled paper used.
- Our Responsible Sourcing Policy reinforces our specific commitments on the adherence to rule of law, human rights, employee working conditions, and the environmental stewardship role we aim to play directly or through our supply chains.
- We require adherence to Flora Food Group's Responsible Sourcing Policy, which stipulates mandatory requirements on human rights and protection of workers, with particular attention to be paid to migrant, and other vulnerable workers on plantations, in line with the UN Guiding Principles, ILO Core Conventions, the UN Global Compact Principles, and Universal Declaration of Human Rights.
- We require our suppliers to apply the principles of Free, Prior and Informed Consent (FPIC) to ensure the protection and promotion of the rights of indigenous peoples and vulnerable communities, and to address and eliminate violence and threats against Forest, Land and Human Rights Defenders.
- We require that our supply chains comply with all applicable local laws and regulations.
- We will support non-compliant companies to develop an action plan to avoid future non-compliances. We expect non-compliant companies to provide restoration and/or

compensation. We monitor the progress of these action plans closely before deciding whether to continue sourcing from companies who have violated our Principles.

### 3. Implementation Action Plan

We aim to ensure compliance with these guidelines and will maintain transparency in our operations, by periodically publishing a full report of our direct virgin paper suppliers and those pulp mills in our supply chain.

### 4. Grievances

We handle grievances related to our pulp & paper supply chain via our grievance process. Grievances are logged on our Grievance Tracker (Commodities).

### 5. Governance

Flora Food Group’s Chief Procurement Officer and Director of Sustainability & ESG are responsible for implementing our Responsible Sourcing of Pulp & Paper Policy.

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

### 6. Related Documents

- Responsible Sourcing Policy
- Human Rights Statement
- Grievance Tracker (Commodities)
- Pulp and Paper Mill List

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