



Palm oil is the world's most widely used vegetable oil, with a broad range of applications across the food industry. It has the highest productivity of all vegetable oils, requiring less land than other crops to produce the same amount of oil. This efficiency and adaptability has generated an enormous increase in demand over the last few decades. Such rapid demand has led to unacceptable practices, such as high levels of tropical deforestation and peatland drainage, plus human rights abuses and exploitation of indigenous people on plantations and mills.

When palm oil is not responsibly sourced, major environmental and social impacts occur. Responsible and transparent sourcing can tackle the challenges related to palm oil production - plus help ensure that its sourcing and manufacture continues to support livelihoods, while protecting forests and other ecosystems.

**Bega Cheese Limited (Bega)** is committed to sourcing palm oil in a socially and environmentally responsible and sustainable manner. Bega has adopted the Roundtable on Sustainable Palm Oil (RSPO) as our standard for palm oil. RSPO is a not-for-profit that unites stakeholders within the palm oil industry to develop and implement global standards and accredited certification.

### Our Commitments

Bega commits to source palm oil and palm oil products from a transparent, traceable and sustainable supply chain that:

1. protects high conservation areas, high carbon stock forests and peatlands
2. respects and upholds the rights of workers, indigenous peoples and local communities
3. upholds high standards of transparency through reporting of traceability and achieving RSPO accredited certification, and
4. supports our goal that by December 2020 Bega will source 100% of its palm oil products from Segregated\* or Identity Preserved\*\* palm oil and palm oil products.

\*Segregated: a supply chain that assures that RSPO certified palm oil products delivered to the end user come only from RSPO certified sources.

\*\*Identity Preserved: a supply chain model that assures that the RSPO certified palm oil products delivered to the end user is uniquely identifiable to a single RSPO mill and its certified supply base.

### Scope

This policy applies to all palm oil and palm oil products, both sourced by Bega and used in our supply chain, whether manufactured at our own facilities or by a third party.

This policy applies to our brands: Vegemite, Bega Peanut Butter, Simply Nuts, Zoosh, Dairymont, Royal Victoria, Tatura, Bega Cheese (International), Farmers Table, Bonox and Picky Picky.

The Bega Cheese brand in Australia is operated under license by Fonterra and complies with the Fonterra Group Palm Products Standard, which can be found on their website: [www.fonterra.com](http://www.fonterra.com).



## Requirements

### Suppliers

Bega expects that all its suppliers of palm oil and palm oil products shall:

1. supply Segregated or Identity Preserved products as defined in the RSPO Principles and Criteria (2018)
2. provide validation through accredited certification to ensure product integrity as defined in RSPO Supply Chain Certification standard (SCCS:2017).

### Bega Cheese Limited

Bega and its subsidiaries will:

1. engage with suppliers and third party manufacturers to ensure the sourcing of Segregated or Identity Preserved Certified Sustainable Palm Oil (CSPO) products to support this policy and our targets
2. engage with Fonterra Group on monitoring compliance to the current Fonterra Group Palm Products Standard
3. monitor raw material suppliers through our vendor assurance program to identify any areas of concern and accelerate resolution of issues
4. report annually on our progress against our policy and targets
5. ensure transparency in relation to claims regarding palm oil products used in products within our scope, and
6. work with stakeholders towards development and progression of policy and action to support our commitments.

A handwritten signature in black ink, appearing to read 'Paul van Heerwaarden'.

Paul van Heerwaarden  
Chief Executive Officer

A handwritten signature in black ink, appearing to read 'Antonietta Timms'.

Antonietta Timms  
Executive General Manager  
Operational Excellence