



## Sourcing Policy of Palm-based Raw Materials

While the NORCHEM group of companies has become a certified member of the tracking of supply chain of Palm Oil (PO) and Palm Kernel Oil (PKO), Top Management considers the necessity of fixing of the main goals and priorities in this area:

- ✓ the activity of suppliers of PO and PKO based raw materials must comply with legal requirements in the country where they operate;
- ✓ suppliers of PO and PKO based raw materials must be selected annually;
- ✓ suppliers of PO and PKO based raw materials must be members of RSPO and must be able to supply raw materials of MB grade;
- ✓ additional preferences in tender purchases are received by suppliers whose activities are aimed at Sustainable Development, resisting deforestation and the development of new peatlands, about which they provide a corresponding memorandum before tender procedure;
- ✓ additional preferences in tender purchases are received by suppliers whose activities comply with generally accepted standards of social policy, confirmed by an appropriate certificate from international auditing agencies;
- ✓ additional preferences in tender purchases are received by suppliers whose activities involve the involvement of smaller vendors of PO and PKO for their own needs.

The policy was adopted at the level of the Management Company, and, accordingly, is obligatory for adoption and execution by all participants of the Holding, their departments, divisions and services. The policy is obligatory for execution when organizing both the main permanent production and the experimental work and investment activities.

All employees should be guided by the following local and international standards:

- **NORCHEM Quality Manual;**
- **Palm Oil Innovation Group charter;**
- **High Carbon Stock Approach toolkit;**
- **RSPO Next principles & criteria 2018.**

Today, the part of certified raw materials is 68% of the total consumption, while the Managing Company tasks to increase this amount annually.

**Deputy General Director  
On Production and Development  
of NORCHEM LLC**

A handwritten signature in blue ink, appearing to read 'Sdobnov'.

**Sdobnov Nikolay Viktorovich**

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