

GC EFKO is the largest holding in the market of fat and oil products within the countries of the Eurasian Economic Union



Sustainable Palm Oil Production Report

2020

Introduction



We are glad to present our first report on sustainable palm oil production.

Like many sustainable manufacturing companies, we strive, improve, and measure progress towards our goals.

Defining our first sustainable development goals, we didn't fully understand how difficult it would be to achieve them.

As manufacturers receiving palm oil by import and not directly from producers, we understood the need of the fundamental work to bring about true and significant change across the entire industry. In this regard, we focused on the work with our suppliers.

Suppliers fully supported this initiative and also tried hard in this direction.

Our achievements in 2020

In 2020, we completely reviewed and changed our approach to writing the Sustainable Palm Oil Production Policy. In addition to RSPO-certified palm oil, all palm oil of the supply chain is now assessed.

All our suppliers :

- are RSPO members;
- familiar with the Sustainable Palm Oil Production Policy and the Code of Business Conduct and Ethics of GC EFKO;
- have their own sustainable development policies and comply with them.

Our achievements in 2020:

- updated the Sustainable Palm Oil Production Policy and the Palm Oil Action Plan;
- developed a complaints procedure;
- publish reports on sustainable palm oil production at least 2 times per year;
- 100% traceability to mills;
- 92% traceability to plantations;
- 98% of the mills from which we received raw materials have a UML ID;
- 100% of our suppliers have published their sustainable palm oil production policies;
- publish mill lists at least 2 times per year on the Company's website.



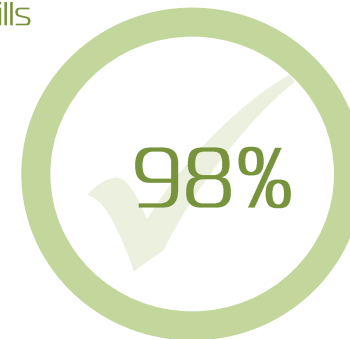
of our suppliers have published and have been complying with a Sustainable Production Policy



traceability to mills



traceability to plantations



of mills have UML ID

Feedback and suggestions management

In 2020, we have changed the approach to the feedback and suggestions management across our supply chain.

The Company's website contains a procedure that specifies a mechanism for considering feedback and suggestions.

The Company's website has a special form. Each stakeholder can fill it out to report any violation regarding labor safety, ethics and culture, human rights protection, NDPE policy and any other principles of sustainable palm oil production.

Responsible employees constantly monitor the complaint notices. The number of complaints received in 2020 is 0.

Electronic feedback and suggestion submission form

> Our commitments

> Our progress

> **Reviews and suggestions**

Full name *

Organization name

Phone number *

Post

Email *

A country

Address

Proofs

Description

Attach a file

Файл не выбран

* - required fields

SEND



The number of complaints received

Implementation of the NDPE policy

1) Compliance with the NDPE principles is a key component of our sustainable development policy:

- forests protection;
- peatlands protection, no development in peat areas, regardless of their depth.

2) Our suppliers are committed to operating so as to minimize their net greenhouse gas (GHG) emissions.

3) We annually evaluate and analyze our suppliers using the Global Forest Watch app.



Entering new suppliers into the supply chain

We have updated our approval and supply chain entry procedures for new suppliers as well as amended the working process with existing suppliers. In case of a complain upon the existing supply chain, we suspend work with the supplier until the reasons are clarified. Upon the results of considering the evidence, we make a decision on re-entering / terminating work with the supplier based on the protocol.



cases of a work suspension with suppliers

Протокол приостановления/повторного ввода поставщика в цепочку поставок ГК «ЭФКО»

Поставщик в отношении которого подана жалоба	Содержание претензии	Корректирующие действия, предпринятые поставщиком	Оценка корректирующих действий уд./не уд.

Заключенне:

Референтная группа:

_____	_____	_____
должность	подпись	дата
_____	_____	_____
должность	подпись	дата



supplier in our supply chain

To obtain accreditation in our supply chain, a supplier shall meet 100% of the requirements from our own «Supplier Card». The Supplier Card is a checklist based on our Sustainable Palm Oil Production Policy, NDPE principles, employee welfare, cooperation with smallholders and more.

In 2020 a new supplier entered.

Social responsibility in our supply chain

The palm oil industry has a lot of benefits for communities and local population, primarily due to new income sources, including workplaces and trade opportunities. This helps to reduce poverty and inspires local people to provide better livelihoods.

At the same time, we are aware that the development of the industry can negatively affect local communities, which can lead to land conflicts. In this regard, we strive to monitor respect for the rights of local and indigenous communities by providing them with the opportunity for a direct dialogue between us through a special form on our website.

We pay great attention and give priority to procurement to those suppliers who support the socio-economic development of smallholders, communities and stakeholders, who consider this activity as an important part of the business development strategy as we do. Our suppliers have helped many smallholders in our supply chain to achieve RSPO and ISCC certifications. These certificates directly or indirectly contribute to the economic development of smallholders, villages and areas adjacent to plantations.

Our suppliers focus on recruiting and hiring locals as a core direction for community empowerment.



Smallholders Support

As manufactures that receive palm oil by import but not directly from the producers, we have no close contact with smallholders and farms. But we know and are concerned about their problems, and therefore our suppliers are required to include smallholders in their supply chain.

Our partners are align themselves with us upon this issue and are working to attract and support smallholders. For example, over the past year one supplier supported a group of smallholders in strengthening the capacity of three social agricultural enterprises. During the year, each plant achieved the following results:

- improved corporate governance of processing enterprises;
- standard operating guidelines were developed and implemented;
- strengthening capacities for advanced management and processing techniques;
- improved understanding and implementation of RSPO P&C principles;
- simplified use of internal control systems.

At the same time, over the past year, social agricultural enterprises created their in-house technical teams to better meet the needs of smallholders who have been supplying them with fresh fruit.



GC EFKO – what is it?

- Market leader of specialized fats and margarines within Russia and the EAEU countries.
- Producer of the widest range of fat-and-oil ingredients in the EAEU.
- The only national fat-and-oil company received the Russian Government Award in the field of quality.

The customer base includes a large number of counterparties, including:

- transnational corporations;
- key national companies;
- regional producers.



+7 (47234) 77-100, +7 (980) 32-77-100

food@efko.ru

www.efko-ingredients.ru

www.efko.ru