

Polarfeed Zero-Deforestation Policy

Background

Forests are important for the Earth's climate and provide a livelihood for millions of people. The forests are also home to around 80% of the planet's animal and plant species. Conservation of natural forests, especially tropical rainforests, is therefore crucial to limiting global warming, preserving natural diversity and safeguarding the rights of indigenous peoples. The combination of population growth, the desire for economic development and unsustainable agricultural methods is putting heavy pressure on Earth's forest resources. Every year, vast forest areas disappear, often with significant negative consequences for local communities and indigenous peoples. The conversion of forest to production of agricultural commodities and paper represents a substantial proportion of global deforestation.

Polarfeed's activities potentially impact on forests through some of the raw materials that we purchase. This applies in particular to our purchases of soy from Brasil. Polarfeed has therefore since January 2021 done its utmost to ensure that the production of such raw materials does not contribute to deforestation.

By deforestation we mean the conversion of natural forest into farmland or for other purposes. In assessing which forests should be conserved, due consideration must be taken of both biological diversity and carbon binding.

Pledge

Polarfeed is committed to preserving rainforests and other natural forests with high conservation value and work systematically and purposefully to ensure that our products do not contribute to deforestation. Polarfeed will not purchase raw materials without them being documented as deforestation-free and environmentally certified through the Pro Terra Standard or similar certification standards.

Our approach

When purchasing food raw materials that are cultivated in tropical regions or other areas bordering on high conservation value natural forests, Polarfeed emphasise the importance of sustainable cultivation practices that do not entail deforestation.

Respect for universal human rights is a key element of responsible business practices. Polarfeed's suppliers should establish due diligence procedures to avoid becoming involved in breaches of human rights in accordance with the UN Guiding Principles for Business and Human Rights¹. When areas bordering natural forests are cultivated, it is essential to be particularly aware of the rights and interests of indigenous peoples and local communities.

When purchasing raw materials and other materials mentioned above, we require our suppliers to meet the following standards:

- The supplier must comply with the Polarfeed Supplier Code of Conduct. This code of conduct describes our expectations with regard to responsible operations, and covers important topics such as child labour, forced labour, unionisation, discrimination, living wages, occupational health and

¹ <http://business-humanrights.org/en/un-guiding-principles>

safety, regulated working hours, contractual working conditions, environmental systems, emissions, handling of hazardous chemicals, water consumption and corruption.

- All raw materials used in the supplier's production processes must come from legal sources.
- The supplier must not be involved in the clearing of tropical rainforest or other high conservation value forest in connection with its own or its subcontractors' activities.
- The supplier must not be involved in the new cultivation of peatland through either its own or its subcontractors' activities. Existing plantations on peatlands must be compliant with high operational standards. We encourage our suppliers to explore possibilities for restoring peat in collaboration with experts and local communities.
- The supplier must not use fire as a method of clearing land and establishing new agricultural areas.
- The supplier must respect the rights and interests of indigenous peoples and local communities affected by its activities, including their traditional land rights. If the supplier or its subcontractors wish to establish agricultural operations on land owned by other persons, they must obtain the latter's free and informed consent for such operations in advance.
- The supplier must put in place procedures for resolving any conflicts that may arise with indigenous peoples and local communities affected by its activities to ensure a balanced, transparent process.
- The supplier must actively communicate its requirements to its subcontractors and monitor them to ensure that they comply with the requirements.
- The supplier shall actively and continuously improve its practices with the aim of establishing best practices for deforestation-free, sustainable production.

Supplier monitoring

Polarfeed will select suppliers who share our ambitions, and who commit to complying with the Polarfeed Supplier Code of Conduct in general and the requirement of zero deforestation in particular. We will engage in an ongoing dialogue with our suppliers regarding challenges that may arise and the progress made towards our objectives. If we discover non-conformances between a supplier's practices and our standards, we will give the supplier a reasonable period of time to change its practices. If the supplier cannot document improvement at the end of the agreed period, Polarfeed will consider changing suppliers.

References

This policy must be seen in conjunction with the following document:

- Polarfeed Supplier Code of Conduct