



PASTERNAK, BAUM & CO., INC.

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Policy on Sustainable Palm Oil Sourcing

Background/Mission statement

Pasternak, Baum & Co., Inc. (Pasternak) is an ethical and responsible company, always striving to maintain the highest standards of conduct in business dealings with customers, civic and community leaders and other members of the public which we serve. It is important that we aim for the highest standards of sustainability within our supply chain.

Pasternak acts either as a broker or principal in the palm oil industry, we do not own any land, plantations, or storage tanks. Our main suppliers are in Central America, with South America as a small percentage and the supply base includes RSPO and ISCC certified and conventional CPO and its derivatives.

Mission statement : Pasternak Baum & Co., Inc., continues to commit to the Sustainable Development Goals achievable through its objectives People, Planet and Prosperity with Peace and Partnerships. (5P)

Scope

This policy reflects Pasternak's business conduct and is applicable to all Pasternak's supply chain participants: from direct suppliers (refineries and palm oil mills) to plantations.

Commitments

Pasternak is committed to the sustainable sourcing of Palm Oil, Palm Kernel Oil, and its derivatives throughout the supply chain. We believe in socially environmentally and economically responsible practices from origin, i.e., plantations up the chain to the end user.

This policy outlines our specific commitments in the sourcing of sustainable palm oil and outlines to our suppliers the importance of complying with it as well in order to meet the demands set forth by world consumers.

Pasternak believes in leading by example. As RSPO (Roundtable on Sustainable Palm Oil) member since 2012 we operate as a Traders License Holder. As an ISCC member we are certified under the ISCC EU and PLUS standards.

We encourage our suppliers to adopt these commitments for a better, more prosperous and just planet. We believe in continuous improvement and using international standards to achieve sustainability and reduce risks in the supply chain.

Pasternak is actively engaged with companies who commit as we do on the following practices and long-term objectives aligned with international NDPE commitments:

No Deforestation

- No land use change occurs for the establishment of new plantations
- Prior to new developments, the High Conservation Values (HCV) and High Carbon Stocks (HCS) approaches is used to determine expansion areas.
- HCV and HCS areas are identified, maintained and enhanced
- No fire/burning is used for land clearing. If used, shall be in exceptional circumstances
- Green House Gases (GHG) emissions are identified and reduced

No Development on Peat Land*

- Peat lands are identified and protected from development of new plantings

No Exploitation

- The Universal Declaration of Human Rights is endorsed and supported
- All human rights, especially those of the most vulnerable groups (including, but not limited to, indigenous populations) are respected
- Land tenure and land use rights are respected, especially those of indigenous and local communities

- Local communities have the right to give or uphold their Free, Prior, and Informed Consent (FPIC) to developments affecting their rights and lands
- The use of forced and child labor, discrimination and harassment of workers is forbidden
- Labor rights, including and not limiting to contract, temporary, and migrant workers are respected. Living wages shall be determined and respected
- The freedom of association and the right to form labor unions is respected
- Healthy and safe workplaces are ensured to all workers, regardless of its type of contract. Includes the provision of adequate protective equipment, especially when handling chemicals.

Smallholder inclusion

- The inclusion of smallholders into sustainable palm oil supply chains is encouraged and supported

Pasternak supports best management practices to conserve water, soil and associated biodiversity as well as the use of environmental and social impact assessments to prevent, mitigate and remediate negative impacts.

Operationalization

Pasternak will:

- Communicate these commitments to its suppliers and will report annually progress and performance of the supply chain
- Promote the adoption of international standards like RSPO and ISCC by its suppliers
- Collaborate with each supply chain participant in improving their performance and compliance with the palm oil industry sustainability commitments
- Look for opportunities of partnerships to achieve these sustainability commitments
- Pasternak will record and resolve complaints and conflicts against these commitments in its supply chain through a transparent and open process

These commitments are effectively immediately.

* peat land (as defined by RSPO P&C 2018) = A soil with cumulative organic layer(s) comprising more than half of the upper 80 cm or 100 cm of the soil surface containing 35% or more of organic matter (35% or more Loss on Ignition) or 18% or more organic carbon. Note for management of existing plantations in Malaysia and Indonesia, a narrower definition has been used, based on national regulations: namely soil with an organic layer of more than 50% in the top 100 cm containing more than 65% organic matter.