



Position on Responsible Palm Oil Sourcing

Background

Forests are a vital resource, critical to the health of all the people, plants and animals that inhabit our planet. They provide us with oxygen, food and medicine. They also sustain ecosystem services such as water purification, and the mitigation of natural hazards like droughts, floods and landslides. Today, forests cover approximately 30% of the land area on Earth; approximately 300 million people worldwide live in forests; and 1.6 billion people depend on forests for their livelihoods.¹

Forests also play an important role in mitigating climate change. When forests are cut, burned or otherwise removed they no longer act as a carbon sink, but instead emit carbon, which contributes to changes in climate patterns.

Because of its versatility and efficiency, palm oil is the most widely used vegetable oil in the world and is a common ingredient and feedstock to ingredients in packaged foods, biofuels and personal care products. Palm oil plantations have expanded in recent decades to meet growing global demand, raising stakeholder concerns about palm oil cultivation and its links to not only deforestation, but also human rights abuses and the associated negative impacts on biodiversity, people and local communities.

Our Approach

Kenvue is committed to protecting our planet, biodiversity, and the vital resources upon which we all rely, today and in the future. Conserving the world's forests and respecting human rights are essential to both environmental and human health.

Kenvue primarily buys palm oil derivatives, meaning that our upstream suppliers may use a very small amount of palm oil and palm kernel oil to manufacture the oleochemical we purchase. Kenvue purchases less than 0.1% of the global annual production of palm oil.² We do not own or manage palm oil plantations and, consequently, are multiple links in the chain away from the original source of palm oil and palm kernel oil. However, we share other

¹ <https://www.worldwildlife.org/threats/deforestation>

² United States Department of Agriculture Foreign Agricultural Service (2023). Palm Oil World Production, https://ipad.fas.usda.gov/cropexplorer/cropview/commodityView.aspx?cropid=4243000&sel_year=2021&rankby=Production

stakeholders' concerns about the negative effect palm oil sourcing may have on the environment and people, and we recognize that we can play a role in supporting responsible palm oil production through enhanced traceability and sourcing of these ingredients.

Kenvue is committed to eliminating deforestation³ and respecting human rights in its palm oil, palm kernel oil and palm-based derivatives supply chains. However, we recognize that Kenvue cannot eliminate deforestation on its own; we are reliant on multi-stakeholder collaborations and the transformation of upstream supply chains. Our Responsible Palm Oil Sourcing Position and annual progress updates outline the actions Kenvue is taking to support the supply chain transformations that are necessary to protect the environment and the people who work in the palm oil supply chain.

Our Sourcing Principles

As a company with global supply chains, Kenvue strives to work with suppliers who share a common set of values, all applicable laws and regulations, and adhere to our standards for supplier business conduct, human rights and labor practices, workplace safety and environmental stewardship.

In addition to these standards, we expect our suppliers to ensure the sources of palm oil are from:

- A legal source, where the principles and criteria of the Roundtable on Sustainable Palm Oil (RSPO) are met, or where a recognized equivalent certification has been implemented;
- A plantation that meets the [High Carbon Stock \(HCS\) Approach](#) methodology (including High Conservation Value [HCV] and Free Prior and Informed Consent [FPIC]);
- A supplier that ensures the protection of peatlands, HCV areas and HCS forests;
- A supplier that does not use burning to clear land for either development or replanting;
- A supplier that does not use forced, bonded or child labor;
- A supplier that respects the rights of all workers and local communities, including migrant workers, women workers and those on temporary contracts or in the informal economy;
- A supplier that respects and includes smallholders in its supply chain; and
- Areas that have not been cleared of natural forest since December 31, 2020.

Our Commitments

Kenvue is committed to the responsible sourcing of palm oil, palm kernel oil and palm-based derivatives, which includes removing commodity-driven deforestation from our supply chain and respecting human rights in our business relationships. In support of this commitment, our ambition is to:

³ In accordance with the definitions of the Accountability Framework Initiative, deforestation is defined as the loss of natural forest as a result of: i) conversion to agriculture or other non-forest land use; ii) conversion to a tree plantation; or iii) severe and sustained degradation.

- Maintain 100% RSPO certification for the palm oil-based ingredients we purchase⁴ through a combination of RSPO certified physical supply chains and RSPO Book & Claim credits⁵
- Purchase⁴ at least 75% of our volumes from RSPO physical supply chains⁵ by 2025⁶
- Purchase⁴ 100% of our volumes from RSPO physical supply chains⁵ by 2030⁶

We have a grievance process to address instances of nonconformances with our sourcing principles.

Our Grievance Process

We monitor supplier and producer performance to verify conformance to our responsible palm oil sourcing principles using a wide range of partners and technologies, with a preference for use of independent third-party verification methods where available. When an instance of nonconformance to our sourcing principles occurs, we take specific actions depending on the nature and severity of the nonconformance, where a producer falls in our supply chain, and the amount of commercial influence and leverage we may have to correct the behavior.

Our primary approach is to engage and to give nonconforming producers the opportunity to improve their practices and to conform with our sourcing principles.

In cases where there is insufficient progress against time-bound corrective action plans (CAP) or a lack of responsiveness to our request to correct the nonconformance, as a last resort, we may make the decision to cease purchasing palm oil source material from nonconforming producers. We continually qualify alternative sources to promote sustained supply chain resiliency.

Our Progress

We commit to providing annual updates on our progress through the RSPO Annual Communication on Progress and on our website.

Last Updated: November 2023

⁴ Includes palm oil-based ingredients directly procured by Kenvue; does not include palm oil-based ingredients in some external manufactured products.

⁵ Physical supply chain refers to palm oil supply that is sourced from certified plantations under the Mass Balance, Segregated, or Identity Preserved certifications. More information on RSPO certified supply chains can be found here: <https://rspo.org/as-an-organisation/certification/supply-chains/>

⁶ The goal will be met by end of fiscal year and published the year after.

Kenvue Position on Responsible Palm Oil Sourcing