PALM OIL

March 2015

Quality, food safety and nutritional value of products are an absolute priority for Barilla, who every day endeavor to contribute to the wellbeing of people and of our planet.

Palm oil, a raw ingredient largely used all over the world in the production of food items, is used by Barilla for its texture, its fragrance and the neutral taste it guarantees in the finished products and also because it provides an optimal solution for the replacement of hydrogenated fats, which the company has long decided to stop using in its production processes.

With the aim of providing all stakeholders with clear information on the current state of knowledge regarding both nutritional value and environmental impact of palm oil, we have prepared the following summary of facts:

NUTRITIONAL AND TECHNOLOGICAL ASPECTS

→ Palm oil is a fat that solidifies at room temperature, resulting in optimal organoleptic characteristics of bakery products and allowing us to eliminate hydrogenated fats from our products.
→ Barilla uses no hydrogenated fats in any of its products. In addition, between 2011 and 2014, 27 recipes have been reformulated to reduce fat by between 10% and 26%.
→ Palm oil can be easily combined with oils that have a high content of unsaturated fats (e.g. sunflower oil), which makes it possible to reduce the content of saturated fatty acids in finished products without stability or flavour problems and without the need for additives to adequately preserve the product.
→ As regards its nutritional implications, several sources including a research carried out in 2002 by the University of the United Nations (Ong ASH et al., 2002) and a 2013 study conducted by the Mario Negri Institute which reviewed the latest scientific publications worldwide (Palm Oil and Palmitic Acid: a review on cardiovascular effects and carcinogenicity, 2013) show that no correlation exists between the consumption of palm oil and cholesterol level. This research also points out that to this date no study has demonstrated a correlation between palm oil and possible carcinogenic effects.
→ Several studies show that the actual quantity of saturated fatty acids coming from palm oil in our daily diets is very limited. A 2009 INRAN research on average food consumption in Italy shows that only 10% of the saturated fatty acids consumed daily (approximately 2.8 g/person/day) derive from sweet products, of which bakery products form only a part – a figure confirmed by the European EPIC study (European Prospective Investigation into Cancer and Nutrition, 2009).

ENVIRONMENTAL SUSTAINABILITY ASPECTS

The cultivation of this crop saw a rapid expansion starting from the 90s and crop areas grew exponentially leading the international community to reflect on ways to safeguard the environment and promote sustainable consumption and production methods. From an environmental point of view, when produced in a sustainable way palm oil continues to be one of the most workable solutions to meet the increasing global
demand for vegetable oil. In this context, the guidelines laid down by the RSPO (Roundtable on Sustainable Palm Oil) provide a globally accepted reference for the production of sustainable palm oil.

Moreover, if compared with other vegetable oils, palm oil has lower environmental impact thanks to its high crop yield/cultivated area ratio, low CO$_2$ emissions and limited water requirements. If we were to replace palm oil with other vegetable fats, the crop area needed would be, in the case of soybean for example, approximately 6 times greater (Schmidt 2010; Yields FAO 2009).

**Barilla has long decided to only use suppliers who can guarantee compliance with the production methods defined in the RSPO guidelines. Barilla’s goal is to have 100% palm oil procured from RSPO-certified sustainable productions within 2015.**

We worked with our suppliers to go beyond this level of certification through the purchase of fully traceable palm oil till our direct suppliers, according to the “Segregation Model”. All along its supply chain, Barilla is working to ensure that palm oil comes from plantations that belong to suppliers committed to protect forests and peat bogs, as well as human rights and communities.

According to this context, Barilla is committed to ensure that its suppliers:

- Acquire palm oil fully traceable till to the mill, including small producers.
- Recognize, respect and strengthen workers’ rights, including the right to free, prior and informed consent of indigenous and local communities.
- Do not destroy High Carbon Stock Forests (HCS).
- Do not use fire to clear land.
- Do not plant on peat soils of any depth.
- Maintain High Conservation Value areas (HCV).

Moreover Barilla is committed to:

- Support the Consumer Goods Forum (CGF) to achieve the "zero deforestation" goal by 2020.
- Report on the greenhouse gas emissions of its productions every year.
- Report all the advancements of this commitment every year.

The suppliers are already engaged to ensure the achievement of this commitment within the end of 2015. Barilla supports them and monitors the results.