

## Palm substitution

In some applications derivatives such as certain fatty acids can be derived interchangeably from other oils. There are well known established cases such as caprylic/capric and lauric derivatives coming from coconut or PKO.

Actively trying to further substitute PO/PKO derivatives in the manufacture of ingredients, while it may have superficial marketing appeal, is undesirable for a number of reasons:

- Attempting to substitute some palm derivatives with oil crop alternatives is moving and potentially exacerbating the environmental issues elsewhere
- Today palm derivatives are used in 70% of the world's personal care products.
- It is not possible to go palm free with the 1,000 or so derivatives used in personal care as they are major building blocks in most personal care products.
- NGOs do not support palm avoidance; they promote the use of sustainable palm.
- Given that the home and personal care industry is inextricably linked to palm and the whole industry consumes around 5% of the global volume as complex derivatives, adding significant value across the whole supply chain up to retail, we believe we have a responsibility to support sustainable palm. Not attempt to avoid the issue.