

Responsible Sourcing,  
Responsible Supply

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Ensuring the Responsible Sourcing and  
Responsible Supply of omega 3 ingredients

Vitafoods 2011

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## Croda

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- A leading producer of speciality ingredients, including omega 3 concentrates
- Reputation for research and innovation, quality products and excellent customer service
- Global presence with 43 operations in 36 countries
- Manufacture of high quality, high purity products for the pharmaceutical, consumer care and functional food markets



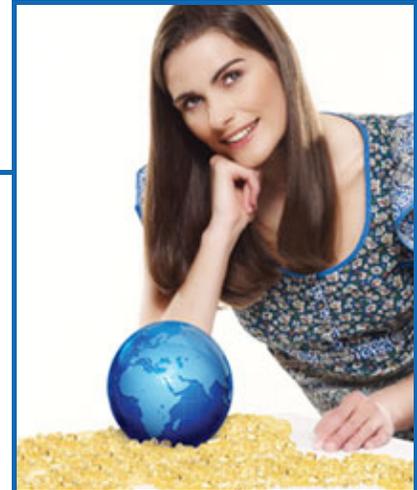
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## Croda and Responsible Supply

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- Croda fully recognises and supports the need for responsible supply of fishery products globally to protect the natural resource for future generations
- Throughout our history of processing fish oils responsible sourcing has been key in our raw material selection processes.
- Continually working with our suppliers to ensure standards are maintained



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## Croda and Responsible Supply

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- Why certification for responsible supply?
  - *Continual growth of the market drives the need for commitment of suppliers to responsible sourcing of these valuable raw materials*
  - *Manage the concerns over the sustainability of global fisheries.*
  - *Help the fight against Illegal, Unreported and Unregulated (IUU) fishery material.*
- Whilst Croda has always been committed to Responsible Supply it is now more important than ever to demonstrate to all stakeholders our continual commitment responsible practice through participation in an accredited external standard.



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## Croda's Requirements

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- A globally recognised / certified standard
- A true responsible supply programme that is 3rd party audited and ISO 65 compliant
- Meet / exceed the requirements of the FAO code of conduct for responsible fisheries
- Help the fight to eliminate material obtained through IUU fishing activity
- Promote the long term conservation and sustainable use of fishery resources and ecosystems.



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## Partnering with IFFO

- Certification fully recognises the strong emphasis Croda places on responsible marine sourcing.
- By far the most rigorous approach covering the entire supply chain and our production facilities
- Further demonstrating the integrity of Croda's marine ingredients and their manufacturing processes



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## Introducing IFFO

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International Fishmeal and Fish Oil Organisation is the global trade association representing fishmeal and fish oil producers and related trades.

Represents two thirds of world production and 80% of trade in fishmeal and fish oil worldwide with producers in Europe, South America, Africa, USA, China and India.



# Global Standard for Responsible Supply

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RS is a B-2-B initiative following ISO-65 Standard

Standard developed by multi-stakeholder committee

A 3<sup>rd</sup> party certification body is appointed to conduct audits into each application

Currently undergoing ISO 65 accreditation to ensure compliance



# Global Standard for Responsible Supply

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The need to demonstrate that any whole fish processed come from well managed fisheries and that there are no illegal, unreported or unregulated (IUU) fish included. Also that any fisheries by-products do not come from endangered or IUU fish



The need to demonstrate that production in the factory ensures pure and safe products. Also that the supply-chain then maintains the purity and identity of the products with a chain of custody demonstrating traceability



## To comply with RS Standard a factory must

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Source its whole-fish raw material from fisheries managed according to FAO Code of Conduct

Avoid the use of illegal, unreported & unregulated fish (IUU)

Not source fisheries by-products from IUCN red listed fisheries or from IUU fish

Manufacture under a recognised quality control scheme to ensure product safety & purity

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# IFFO Certification Standards

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## IFFO-RS Progress to date

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**This represents  
around 25% of  
world  
production of  
fishmeal and  
fish oil**

**There are more  
factories and  
fisheries in  
assessment**

**The IFFO-RS  
standard is  
under  
continuous  
development  
e.g. Chain-of-  
Custody**

**The programme  
is currently  
undergoing  
Accreditation to  
ISO 65**

## IFFO-RS Goals

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We estimate that it should be possible to get around 9 million tonnes of raw material RS approved by 2015.

That is around 2 million tonnes of fishmeal and 420K tonnes of fish oil.

This represents around 40% of global production.

There will also be some MSC material available (RS recognises MSC as proof of responsible fisheries management)

## Croda's Progress against IFFO-RS

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- **Stage 1 – Responsible Supply**
  - Croda continues to apply the principles of responsible supply in its raw material selection.
- **Stage 2 – Responsible Sourcing - Certification**
  - Croda has already undergone a successful pre-inspection by IFFOs 3<sup>rd</sup> party certification body.
  - Working with all of our suppliers to achieve the IFFO certification for our supply chain.
- **Stage 3 – Approval against IFFO RS standard**
  - Expected completion of supply chain 2012



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# Croda leading the way

## IFFO extends standards to value-added fish oil suppliers

By Jess Halliday, 02-Nov-2010  
 Related topics: Omega-3, Industry, Nutritional lipids and oils

**The IFFO has announced a pilot Chain of Custody scheme as an extension to the year-old Responsible Supply standards, and Croda looks set to be the first concentrated fish oil supplier to be certified.**

The International Fishmeal and Fish Oil Organisation launched its Global Standard for Responsible Supply (IFFO-RS) 12 months ago, based on the key elements of the FAO Code of Conduct for Responsible Fisheries. The initial standards covered fish meal and crude fish oil producers.

At IFFO's annual conference in Beijing last week the organization's director general Jonathan Shepherd announced that the standards are now being extended in two directions. The first is the piloted Chain of Custody, which opens up certification to companies further along the supply chain. The second is the inclusion of by-product raw materials, where previously just whole fish were covered.

The new IFFO RS Chain of Custody certification covers responsible sourcing, production methods and raw material traceability.

"Responsible sourcing and production is a hot topic for the industry today and a top priority for both Croda and our customers. In our recent decision, we have reviewed a number of accreditation initiatives and decided to go with the IFFO RS certification as it is the most rigorous in its approach, demanding a thorough audit of the supply chain and production facilities", said Dave Cherrill, Director of Health Care, Croda Europe.

"IFFO are demanding in their approach but, with a number of requested and audit visits to our MHR approved facilities, we are looking to progress this as a priority and are working with the IFFO Advisory Committee to finalise the new Chain of Custody Standard."

Nov 1 2010 --- Omega 3 supplier Croda has committed to applying for Chain of Custody certification within the International Fishmeal and Fish Oil Organisation's Global Standard for Responsible Supply (IFFO-RS). Croda will become the first concentrated fish oil supplier to achieve this.

The proper assessment of process risk involves examining the many individual steps of a chemical process, taking into account all of their possible eventualities and the likelihood of occurrence. It is a complex activity to undertake, but one that helps to ensure the safety of our operations and the individuals who run them. In 2010, we invested in a programme of training with the objective of enabling employees at our manufacturing sites to lead process risk assessments. 48 employees from 16 of our 17 manufacturing sites completed the training in 2010 and we have seen a significant improvement in the quality of

**Croda Embarks on Responsible Sourcing and Production Certification**  
 Date: 01 Nov 2010  
 Type: Regulatory News  
 Source: Food Ingredients First  
 Sector: General Company & Ingredient Information

**Summary:** The IFFO RS Chain of Custody certification will recognise the strong emphasis Croda places on responsible marine sourcing, advanced production methods and raw material traceability and affirms confidence in Croda's industry-leading manufacturing site in Leek, UK, where all its Incro Omega and Omelife fish oil grades are produced.

**FOOD INGREDIENTS first**

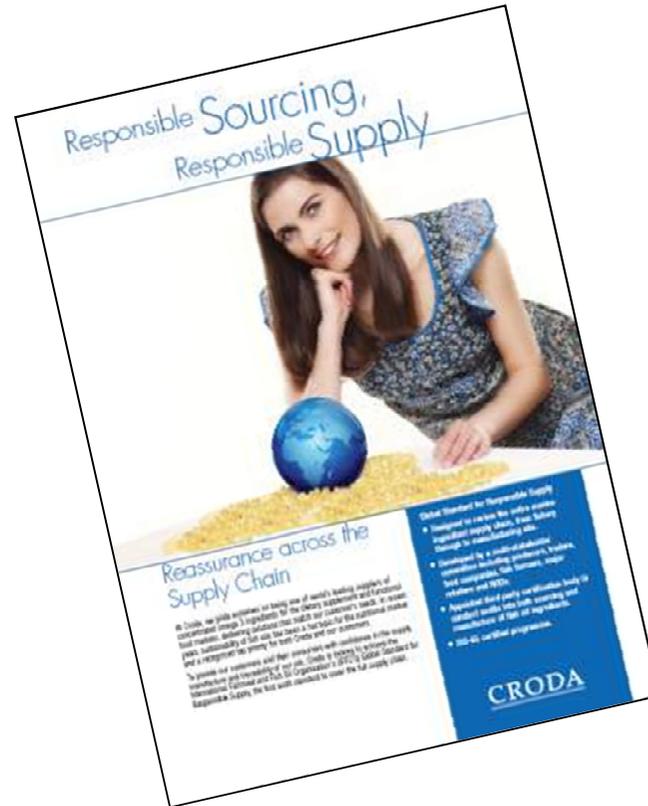


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## For more information

- Visit the Croda stand at 610



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# Questions

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