

Karlshamns takes actions to improve conditions for palm oil production

Today, 13 January 2003, the Swedish Television broadcasts a programme titled "Maten som skövlar". Among other things, the programme shows how the growing production of soybean and palm oil in Brazil and South East Asia is laying claim on valuable natural environments. On account of the information made public by the programme, Karlshamns finds it important to clarify its position on this issue.

Reports published by WWF (World Wildlife Foundation) and SNF (the Swedish Society for Nature Conservation) show that in certain cases, the cultivation of oil palms contribute to the destruction of valuable tropical rain forests. Karlshamns considers such consequences to be very serious indeed, and the company is now actively contributing towards sustainable improvements in this area.

In Karlshamns opinion it is of considerable importance that valuable tropical rain forests, which are also an important source of other oil-yielding plants, are preserved. It is Karlshamns ambition to rely only on suppliers who refrain from utilising high conservation value rain forests to expand production, and the company therefore buys all palm oil from a limited number of carefully selected suppliers in western Malaysia.

- Our aim is a sustainable development of quality and production in cooperation with selected suppliers and authorities, with a view to minimising the environmental load. We are convinced that the countries in question stand to profit from a long-term attitude to these issues, says Bo Svensson, Karlshamns CIO.

Demands on palm oil suppliers

Karlshamns always monitors palm oil production closely, partly by paying regular visits to regional suppliers and partly by extending its cooperation with trade associations. In cooperation with international actors in the vegetable oil industry as well as with environmental organisations - mainly the WWF - Karlshamns actively contributes to:

- prepare the ground for environmentally responsible oil palm cultivation, based on sustainable consideration for environment and people
- establish generally accepted criteria for demands to be made on palm oil suppliers.

Continued efforts in the spring of 2003

Palm oil is necessary for the production of trans-free fats, while also being a high-quality raw material with good, functional properties. Palm oil is thus an attractive ingredient in many of the products supplied by Karlshamns.

Karlshamns will keep up its work towards improved conditions for palm oil cultivation. Plans are now made for a meeting with international market actors in Malaysia, in the spring of 2003. The aim of the meeting is to intensify the work to formulate and spread the demands to be made on palm oil suppliers.

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Karlshamns is one of the world's leading manufactures of high value-added speciality vegetable fats. Karlshamns delivers speciality fats all over the world and is the market leader in the Nordic countries and Eastern Europe. The food industry is Karlshamns largest customer segment and Sweden its largest single market.