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GLOBAL POLICY ON SUSTAINABLE PALM OIL

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INDRODUCTION AND SCOPE

Palm oil is a versatile raw material, and requires less land to produce more oil than any other vegetable oil crop. The expansion of oil plantations, however, can contribute significantly to deforestation, which is associated with climate change, biodiversity loss, soil erosion and water pollution and linked to human rights abuses.

Mann & Schröder GmbH uses palm oil and palm kernel oil derivatives in a range of home and personal care products. In 2019 Mann & Schröder GmbH processed about 0.36 tones palm oil derivatives and about 2.04 tones palm kernel oil derivatives.

For Mann & Schröder sustainability is an act according to economic, ecological and social aspects. We strive to collaborate with our suppliers to enable significant improvement in the sustainable supply of certified sustainable palm and palm kernel oil and its derivatives. We want to ensure that the raw materials we use stem from sustainable, certified sources and actively support the Roundtable on Sustainable Palm Oil (RSPO). Therefore, in this policy we specify key elements of our sourcing of palm oil and palm kernel oil derivatives.

PRINCIPLES FOR SUSTAINABLE PALM OIL

In addition to compliance with all applicable legal requirements of each county from which we source palm oil and building upon the current Principles & Criteria of the Roundtable on sustainable Palm Oil (RSPO), Mann & Schröder GmbH requires the following:

Forest and peat conservation

- o Contribution to progressive reduction in greenhouse gas emissions associated with existing plantations.
- No conversion of High Conservation Value (HCV) areas and High Carbon Stock (HCS) forests.
- o No burning in the preparation of new plantings and re-plantings.
- o Promotion of the dialogue toward a landscaping approach.
- o Abstinence from development on peat regardless of depth.
- o Application of RSPO Best Management Practices for existing plantations on peat.
- o Time bound and obligatory renaturation of "critical" peatland ecosystems under guidance of experts.



Use of resources and nature conservation

- o Ban of genetically modified organisms (GMO) in palm oil production.
- No use of hazardous pesticides (declared as hazard classes 1A or 1B by the World Health Organisation or mentioned in the Stockholm and Rotterdam Conventions) as well as Paraquat.
- o Minimization of synthetical fertilizers, e.g. by using organic fertilizers or monitoring the nitrogen and phosphorus contents in water.
- o Reduction targets for water consumption on plantations and in mills as well as prevention of water pollution.
- o Measures for protecting RTE (Rare, Threatened, & Endangered)-species even outside the administrative area/ in the landscape.

Social consideration and development

- O You support the rigorous implementation of consent process and social impact assessments with regard to the development of plantings.
- o Compliance with human rights and protection of workers.
- o Ensure protection and promotion of the rights of indigenous peoples and vulnerable communities.
- o Ensure a continuous enhancement process toward free and fair labor specific to oil palm.
- Promote equality between women and men in sustainable production of palm oil to eliminate gender discrimination in the workplace and to promote a genderfriendly work environment.
- o Responsible development of new land areas, which does not result in 'land grabbing'.
- o Promote smallholder inclusion into certified supply chains and ensure fair smallholder treatment
- o Prevention of forced and child labour as well as human trafficking; Providing pensions and social insurance for all employees.
- o In case plantations are further developed or extended: The local food security must be evaluated/guaranteed.

Transparency and Conflict resolution

- o Encourage suppliers and their third parties to be transparent about their supply chains.
- o You support upstream traceability
- o Responsible handling of all complaints in a consultative and transparent process for conflict resolution
- o Processing of fresh-fruit bunches only from legal cultivation (please refer to http://www.forumpalmoel.org for the original wording)