NATURAL RAW MATERIALS SOURCING STANDARD

Appendix A: Palm Oil

reckitt

RECKITT AND PALM OIL

In order to produce large volumes of the palm oil derivatives a much larger volume of crude palm oil is required. This results in a complex supply chain within which multiple farms and plantations supply mills and ultimately the refineries that supply us. With this complexity and scale, the risks of human rights and environmental issues existing in these supply chains is high. This requires appropriate due diligence. For this reason, additional criteria only applicable to palm oil supply chains are detailed below.

We are committed to supporting international and national, jurisdictional, sectoral and multi-stakeholder efforts to halt further destruction of important landscapes and threats to protected, rare, threatened or endangered species as specified in the NDPE principles outlined in Section 1.0.1 and expect our Business Partners to be equally committed through adherence to the following criteria.

PALM OIL SPECIFIC CRITERIA

PRINCIPLE 01: Understanding the origins of materials

Transparency

1.0.1
Public commitment on a 'forest positive' approach, as defined by the Consumer Goods Forum and to the No Deforestation, destruction of Peat lands or Exploitation (NDPE) principle in palm oil supply chains.

Traceability

1.1.3 A list of the fresh fruit bunch (FFB) processing mills supplying refineries in supply chains is made publicly available
This should be updated at least annually, preferably quarterly.

1.1.4 Traceability to plantation (TTP) and smallholder farms
Time-bound plans are in place to achieve this.

1.1.5 Concession boundaries
Maps showing the legal concessions that mills are purchasing from should be accessible and ideally publicly available. Where these are not available to Business Partners, alternative solutions are in place, enabling third-party verification of mill supply chains as free of deforestation as defined by this Standard.

Monitoring

1.2.1 Mill-level monitoring
Systems are in place to monitor mill compliance with NDPE principles, including:

- Policies, commitments and time-bound plans by mills to ensure adherence to NDPE principles.
- Policies, commitments and time-bound plans to ensure the delivery of traceability and mapping outlined above under 1.1.2 and 1.1.3.

1.2.2 Satellite monitoring
To identify destruction of high, medium and low-density HCS and HCV forests and peatland after 2015.
This should enable the identification of:

1.2.2.1 Palm oil plantations created after 2015 – Owners of these plantations should be suspended from supplier supply chains until recovery plans are in place.

1.2.2.2 Significant deforestation and peatland destruction since 2015 – Where this has occurred, suppliers should:

1.2.2.1.1 Verify whether the deforestation event has occurred on land designated as important and/or protected, according to HCS/HCV methodology and criteria 3.0–3.5 of the NRM Sourcing Standard.

1.2.2.1.2 Identify the ownership of relevant concessions and – where appropriate – suspend purchasing from such groups until a suitable recovery process is committed to and in place within appropriate time scales.

1.2.2.1.3 Monitor these concessions and the mill supply chains they sit within to ensure these do not enter palm oil supply chains.

1.3.1 Engagement
Suppliers have a system to ensure mills are able to report against NDPE principles, in line with this Standard.

1.4.1 Grievance process
A time-bound process is in place to evaluate, record, monitor and resolve reported behaviours and actions that are incompatible with NDPE commitments, as outlined in this Standard (ref. 1.2.1 and 1.2.2 of the NRM Sourcing Standard). This should ensure:

1.4.1.1 Monitoring of grievances raised against any actor within the supply chain and ensuring resolution against time-bound remediation plans.

1.4.1.2 Suspension of offending entities. Time-bound plans are in place to rectify legitimate grievances. Where it is clear these plans will not deliver the change required, suspension or de-listing should be used.

PRINCIPLE 03: Protecting ecosystems

Business Partner requirements

3.1.1 Protection
Using systems outlined under criteria 1.0.1, 1.1.3, 1.1.4, 1.2.1, 1.2.2, 1.3.1 and 1.4.1, Business Partners are committed to time-bound plans to ensure the supply shed of mills in supply chains are independently verified as deforestation free.

3.2.1 Deforestation
Public commitment to eliminating deforestation from their supply chains in line with criteria 1.0.1 and a wider forest-positive approach.

Where deforestation has occurred in supply chains since 2015 on land designated as important or protected (according to criteria 3.0–3.3 in the NRM Sourcing Standard), this is either compensated for or restored, according to HCS and HCV monitoring and implementation methodologies or their equivalents (ref. 3.1 in the NRM Sourcing Standard).

3.3.1 Protection of peatlands
Incorporated in the proactive monitoring outlined in criteria 1.0.1, 1.1.3, 1.1.4, 1.2.1, 1.2.2, 1.3.1 and 1.4.1 and reported publicly or through a public grievance process.

Certifications

Round Table for Sustainable Palm Oil (RSPO)

Business Partners supplying palm oil derived products must be members of the RSPO. Fats blends and other materials derived from palm oil to be used for human consumption should be sourced directly from RSPO certified farms through RSPO's segregated certification system (SG). Wherever possible, palm oil used in our products should be sourced from RSPO plantations and farms. Where this is not possible, we will endeavour to purchase RSPO credits to cover volumes within acceptable timescales. Our ambition is for our 100% of our palm volumes to be supporting the RSPO programme by 2026.