



NDPE POLICY

Zschimmer & Schwarz uses palm oil and palm kernel oil derivatives in various ranges of high performances chemical specialty products and auxiliaries dedicated to cosmetics and cleaning applications.

Despite the many benefits this agricultural feedstock presents as one of the most productive crop in the world, we recognize that the fast-growing development of palm oil plantations, when not organized sustainably, has generated impacts on the environment, biodiversity and local communities in the countries where it is produced. We also understand the importance of supporting the transformation of the palm oil industry towards more responsible practices.

As per our engagement to promote environmentally friendly production, the continuous improvement of energy efficiency as well as the thoughtful use of resources in our daily activities, **Zschimmer & Schwarz is committed to ensure a responsible and deforestation-free sourcing of our palm-based supplies.**

With the support of our direct and indirect suppliers, we will work to enhance compliance of our palm derivatives supply chain with the following principles:

- Full transparency of the raw materials, suppliers and sourcing areas entering our supply chain
- Full legality of the production and manufacturing steps following the local, national and international laws, including respect of the MSPO (Malaysian Sustainable Palm Oil) and ISPO (Indonesian Sustainable Palm Oil) standards
- Renouncement to the conversion and degradation of High Conservation Value (HCV) and High Carbon Stock (HCS) areas, following definitions of the *High Carbon Stock Approach*
- Participation in the conservation and restoration of HCV and HCS areas when expanding palm plantations
- Renouncement of burning and to the clearance of peat lands regardless of their depth when expanding palm plantations
- Respect of the *Universal Declaration of Human Rights* and the *International Labor Organization's* principles (ILO), in order to recognize the rights of workers and prevent non-responsible working practices such as forced labor, child labor, discrimination and harassment
- Respect for the Free, Prior and Informed Consent (FPIC) of local populations as well as their rights to ownership of the land over which they have legal, community and/or customary rights



ZSCHIMMER & SCHWARZ

- Inclusion and support of independent palm oil smallholders in the global derivatives supply chain, by promoting greater access to market and fair prices
- Full compliance with No Deforestation, No Peat, No Exploitation (NDPE) principles
- The cut-off date for deforestation and conversion is 31.12.2020.

Action plan

Zschimmer & Schwarz is an ordinary member of the Round Table on Sustainable Palm Oil (RSPO) since 2016 and is committed to promote certification to our customers via the increase of Mass Balance certified products available.

In alignment with our policy, we are fully supportive of the new Principles & Criteria of the RSPO (adopted on 13 November 2024) and of the various multi-stakeholders' initiatives implemented to accelerate the achievement of "No Deforestation, No Peat, No Exploitation" commitments in the palm industry (in line with the 12 core principles of the Accountability Framework Initiative).

In parallel, our procurement teams have engaged with a third-party organization to investigate our supply chain. The purpose will be to identify the origins of our raw materials, evaluate the potential issues at stake and develop a long-term traceability and sustainable sourcing model with our suppliers.

In 2019 we joined the collaborative Action for Sustainable Derivatives (ASD) aiming at accelerating transformation of the palm derivatives industry towards compliance with No Deforestation, No Peat, No Exploitation (NDPE) principles and we still collaborate.

All our direct and indirect business partners are asked to comply with our Sustainable Palm Oil policy.

We are going to communicate our progress and update our policy when necessary to remain in line with the sector's challenges.

The commitment applied to all segments of the company and to all markets.

Zschimmer & Schwarz joined in 2022 through ASD the project Mosaik Inobu whose purpose is mainly helping smallholders in RSPO certifying and mapping.

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