



ZSCHIMMER & SCHWARZ

GRIEVANCE PROCEDURE for the implementation of Z&S NDPE Policy January 2025

Scope

Zschimmer & Schwarz NDPE policy shall apply to all operations. In order to be compliant, there is the need for a Grievance Procedure. Our Grievance Procedure has been designed to align with the United Nations Guiding Principles on Business and Human Rights criteria for effective grievance mechanisms and was developed following ASD suggestions and collaboration. Main Grievances are handled by ASD in order to be more effective and obtain the best results. For more information on ASD please check <https://sustainablederivatives.org/>.

- 1) ASD Secretariat actively monitors cases of human rights violations and environmental impact in the palm oil sector. It considers cases raised by NGOs and civil society, by ASD members, and during Stakeholder Coordination Calls (sources). Deforestation alerts identified with the Nusantara Atlas tool are also considered. We also inform ASD if we identify any grievance.
- 2) Once the ASD secretariat is aware of a new grievance, it can examine the case and verify supply chain connection. The ASD secretariat first examines the case quickly to see if it represents an NDPE breach. Then, ASD verifies the link with ASD members' supply chain by identifying the mill involved. If the source of the complaint only specifies the plantation involved, the ASD secretariat will then try to identify the mills supplying this plantation using the data available. The connection of the case to the members' supply chain is the first condition for the grievance to be considered. This means that only grievances connected to members' supply chains will be taken into account in the ASD secretariat's scope of investigation. If the case is not connected to ASD members supply chain, it does not fall within the scope of the analysis. Nevertheless, an update will be made every year following the results of the investigation and the evolution of the case. We check the ASD collective dashboard every 10 working days to keep informed.

- 3) Step three consists of analysis and assessment of priority. Grievance cases are prioritized according to their severity. All grievances linked to the members' supply chain are considered. They are classified into three categories: high priority, medium priority and low priority.

ASD secretariat carries out a deeper analysis only for cases classified as high priority. However, when an ASD member is directly named in a grievance, but the grievance is not classified as high priority, the ASD secretariat will still inform the member concerned. For other grievances, a monitoring system will be set up to track the progress of medium and low priority cases. If there is no change after 6 months, grievances classified as medium priority become high priority, while those classified as low priority are considered out of the scope of the ASD secretariat. ASD members directly named in a case are notified by mail regardless of its priority. Reassessment of medium and low priority cases are done every 6 months to check their progress.

- 4) For each high priority grievance, ASD secretariat collects the maximum information about the case and its context (Desk review, NGO consultations, grievance coordination call). The scope is to identify the most relevant players to engage with and to avoid duplication in the engagement. To do this, the procedure is to verify whether the case has already been registered in the grievance tracking system of specific stakeholders. If the case has already been registered, the ASD Secretariat will contact the stakeholder who registered the case and try to identify the status of the grievance and verify if any action has been taken to resolve the case. In cases where the complaint has already been registered by the RSPO, the ASD secretariat will not contact the parties involved directly, in order to avoid any duplication of efforts. The ASD will be responsible for following up the case using the RSPO Complaint System. If the case has never been registered/identified, ASD Secretariat will contact the stakeholder who may have the most leverage over the targeted entity (usually refineries or traders). In parallel, the ASD Secretariat will discuss the most serious cases during the grievance coordination meeting. Once obtained a detailed understanding of the case and identified the supplier to engage, ASD Secretariat will check whether the supplier targeted by the grievance has considered the case and taken corrective action accordingly.

In the absence of consideration of the case or a robust action plan, individual actions from ASD members will be required to address the non-compliance (engagement, suspension or exclusion).

Zschimmer & Schwarz follows each step of this process in order to verify its suppliers and to engage them in order to be as effective as possible. All collected information is shared with ASD.

If a Grievance is not solved at the agreed time, the following alternatives can be faced: - Suspended: temporarily pauses purchasing from supplier but continue to engage to resolve the non-compliance(s). - Excluded: end of purchasing relationship or avoid purchasing from supplier (in case of spot market or lack of ongoing relationship).

The suspension or exclusion can be extended to all or only a subset of the entities and operations associated with that supplier.

Suspension or exclusion are no remedy in themselves but are intended to encourage remedy.

The final decision is made by all the functions involved.

All grievances faced since 2023 and their status have been published on the website and updated every six months with the possible solutions/conclusions.