



To do the right thing for the

CUSTOMER & BRAND

by delivering

SUSTAINABLE INGREDIENTS

to all M&S products around the world

Marks & Spencer

Palm Oil Policy

M&S
EST. 1884

Introduction

Palm oil is the world's most widely used vegetable oil with a broad range of applications in Food. Increase in global demand has resulted in palm oil historically making a substantial contribution to forest & peatland loss and degradation, particularly in the major producing regions in Southeast Asia. However, palm oil makes a positive contribution to economic development and poverty alleviation and has a productivity advantage over other oils that means it needs less than half the land of other vegetable oil crops to produce the same amount of oil. M&S is committed to sourcing palm oil in an environmentally and socially responsible manner to ensure that companies who produce the palm oil used in our products don't contribute to legal or illegal deforestation, conversion or degradation of all natural ecosystems in accordance with the definitions and operational guidance of the Accountability Framework Initiative, don't develop on peatland and protect the communities and workers in the palm oil industry. Palm oil supply chains are complex, and M&S can be distant from production. We expect all companies in our supply chain to contribute to positive palm oil development and to sourcing with integrity. M&S aim to ensure zero deforestation, conversion or degradation of all natural ecosystems from the use of palm oil in the manufacture of M&S products. More information on what this means to M&S can be found on [Palm Oil | Marks & Spencer \(marksandspencer.com\)](https://marksandspencer.com/palm-oil).

Scope

In scope:

- This policy applies to all palm oil, its fractions or its derivatives in the ingredients list of M&S food products.

Out of scope:

- Palm Oil used indirectly in Animal Feed - please refer to the M&S Animal Feed Policy.
- Non-Food: Specific rules apply for Palm oil used in M&S Household and Personal care products. Please discuss with your category technologist for further details.
- Due to the low total impact and complex nature of small composite ingredients this policy only applies to palm oil and palm oil derivatives which are listed in the finished food product. Therefore, all undeclared processing aids are out of scope of this policy.

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Outcome

- To ensure all palm oil used by M&S meets the Roundtable on Sustainable Palm Oil production and supply chain requirements (*or equivalents, see definitions*)
- To enable M&S to meet its Plan A commitment to ensure zero legal or illegal deforestation, conversion or degradation of all natural ecosystems from the use of palm oil in the manufacture of M&S products by the end of 2025
- To promote transparent supply chains so only companies who share our commitment to zero deforestation and conversion (with a cut-off date of 2018 if segregated and certified, of 2020 in the absence of certification), no peat and no exploitation are in our value chain and to allow us to exclude palm oil suppliers that M&S considers high risk
- To provide clarity in respect to roles and responsibilities in relation to the sourcing of palm oil products for sale by M&S

M&S Palm Oil Position

- All palm oil products used in M&S Foods must be from an RSPO (or equivalent) certified segregated source.
- All palm oil fractions and/or derivatives must be from an RSPO (or equivalent) certified segregated source.
 - Where an existing source is already in place, this must be maintained.
 - If a certain fraction and/or derivative cannot currently be sourced from a segregated source (i.e. due to availability challenges), an action plan must be put in place to transition the source to 100% segregated RSPO by the end of 2025. This action plan must be agreed with your M&S Technologist and M&S Sustainable Raw Material Manager.
- M&S's approach is not to remove palm oil for sustainability reasons. Selecting segregated RSPO (or equivalent) palm oil is preferred to removing palm oil or replacing with other fats. Any category plans to actively remove palm oil from products for marketing or labelling purposes (i.e. claiming 'No palm oil' on pack for preferable social or environmental sustainability outcome) must be discussed with the M&S Sustainability Team, as this is in breach of M&S membership of the RSPO.

M&S Direct suppliers' requirements:

In order to meet these commitments all palm oil going into M&S products must:

- Be supplied by ingredient and product manufacturers who are RSPO members and are currently RSPO supply chain certified.
- Be declared in raw material specifications if it is RSPO/ CSPO or equivalent.
- Be included within the site Integrity and Segregation Risk Assessments.
- Adhere to RSPO segregated or equivalent standards during new product development
- Be from first importers of palm oil who ensure palm oil supplied into the M&S supply chain:

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- Does not contribute to deforestation, conversion or degradation of natural ecosystems
- Does not contribute to clearance of high carbon stock (HCS)
- Does not contribute to peatland expansion (regardless of depth) and use best management practices for existing plantations on peat
- Is traceable from refinery to extraction mill and from validated mill and plantation sources
- Protect human rights in line with M&S Global Sourcing Principles
- Be compliant with RSPO (or equivalent) requirements in relation to product and company claims (www.rspo.org)
- Exclude any organisation considered high risk from their palm oil supply chain within an agreed timeframe in agreement with M&S.

When requested, information on palm oil usage and supply chains must be submitted on an annual basis, providing all requested information in a timely manner including:

- Identification and disclosure of upstream supply chains to first importer
- Appropriate documented evidence to support declarations

M&S Foods commits to:

- Work to ensure 100% RSPO or equivalent palm oil in existing M&S products and achieving goal of 100% segregated palm oil supply chain (including derivatives and fractions by 2025).
- Submit data for internal and external reports, benchmarks, scorecards etc.
- Engage and consult with external stakeholders on policy and regulatory matters.
- Ensure that local processes exist to fulfil the requirements of this policy and that appropriate compliance and communication arrangements are in place.
- Assess or investigate any actual or potential policy breaches, including where complaints are received in collaboration with the Plan A team.
- Action to manage risks associated with palm oil from sources which do not meet M&S minimum standards or to remove palm oil from unacceptable sources.
- Ensuring that new product development does not introduce non-compliant palm oil or palm oil derivatives.
- Work to support small holder farmers in the production of palm oil.

M&S lead Technologists must:

- Ensure they have read and understood the policy.
- Ensure suppliers are adhering to the policy as part of NPD, and any non-conformances raised through Integrity Audit are followed up and closed out with the supplier.
- For any suppliers who are sourcing fractions and/or derivatives that are not fully RSPO (or equivalent) certified segregated, agree an action plan with the supplier to transition the source to 100% segregated RSPO by the end of 2025.

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- Make the M&S Sustainability team aware of any category plans to actively remove palm oil from products for marketing or labelling purposes (i.e. claiming 'No palm oil' on pack for preferable social or environmental sustainability outcome), as this is in breach of M&S membership with RSPO.

Appendix

Supporting Documents

- For more information on how M&S measure compliance against these Standards please refer to the M&S Audit Protocol.
- This document should be read in conjunction with the following documents that are also in scope for Hardware suppliers & Agents:
 - Technical Terms of Trade
 - Food safety & Quality Standard
 - Brand Integrity Standards
 - Labelling Standard
 - Human rights standard
 - Global sourcing principles

Definitions

Accountability Framework Initiative: a collective effort of diverse organisations dedicated to protecting forests, natural ecosystems, and human rights, focused on ethical production of commodities such as palm oil. For further information see: <https://accountability-framework.org/use-the-accountability-framework/download-the-full-framework/>

Palm Oil: means all materials derived from the fruit of the oil palm tree (*Elaeis guineensis*) including palm and palm kernel oil and all palm oil-based ingredients and derivatives. It includes products such as palm fatty acids (PFAD), palm kernel fatty acids (PKFAD), olein, stearin, or other products that are derived from fractionation of palm oil and palm kernel oil.

Palm Oil Derivatives: Products derived from crude palm oil/palm kernel oil; coming from, but not limited to, refining, fractionating, blending and oleochemical activities. These can include fatty acids, glycerine, fatty nitrogen compounds etc.

Palm Oil and Palm Kernel Oil Fractions: Fractions created from fractionation which separates liquid palm Olein from solid palm Stearin, mainly but not limited to palm oil stearin and palm oil olein.

Processing aids:

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- Substances that are added to a product during the processing of such products but are removed in some manner from the product before it is packaged in its finished form.
- Substances that are added to a product during processing, are converted into constituents normally present in the product, and do not significantly increase the amount of the constituents naturally found in the product.
- Substances that are added to a product for their technical or functional effect in the processing but are present in the finished product at insignificant levels and do not have any technical or functional effect in that product

First Importer: companies who import, process or supply substantial volumes of palm oil and palm oil derivatives upstream of the supply chain from M&S direct suppliers. The term is not prescriptive and may be extended to other companies using palm oil deemed to be material to M&S supply chains.

Roundtable on Sustainable Palm Oil: sustainability scheme for palm oil production and supply. RSPO standards are developed through multi-stakeholder input and are supported by Production and Supply Chain (chain of custody) certification.

RSPO equivalent: M&S accepts other schemes that meet or exceed RSPO principles and criteria, currently only ISCC+ is approved. Other schemes will be considered on request.

Business Unit: area of within the M&S business – i.e. Foods, Home, Beauty etc

Validated Fresh Fruit Bunch: Fresh harvested palm fruit from a known and risk assessed source (applicable to first importers not direct suppliers).

Mass Balance: Certified palm oil is mixed with non-certified palm, but the volume of palm oil sold as RSPO matches the amount of non-certified palm oil purchased. The supply chain model allows certified claims to be transferred from one oil palm product to another either through physical blending or administratively.

Segregated: The Segregated (SG) supply chain model assures that RSPO certified oil palm products delivered to the end user come only from RSPO certified sources, with a deforestation and conversion cut-off date of 2018 if segregated and certified or 2020 in the absence of certification. Sustainable palm oil from different certified sources can be blended but must be kept separate from ordinary palm oil throughout the supply chain.

Identity Preserved: Supply chain model assures that the RSPO certified oil palm product delivered to the end user is uniquely identifiable to a single RSPO certified IP mill.

Amendment log

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Date	Standard & page link	Summary of changes
Nov 23	NA	No significant change in content, wording reviewed and clarified

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