



POLICY IMPLEMENTATION MANUAL

**Corrie MacColl Limited, Sustainable
Sourcing Policy**

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INTRODUCTION

The purpose of this Implementation Manual is to ensure that Corrie MacColl's suppliers understand the values expressed within the company's Sustainable Sourcing Policy, demonstrate full alignment, and strive to move towards them by implementing pragmatic and appropriate 'Strategic Actions.' Additionally, the Manual provides information and technical instructions to support the supplier in fulfilling these Strategic Actions over a five-year implementation period.

In 2019, Corrie MacColl developed its Sustainable Sourcing Policy (Policy) which outlines a collective commitment to promoting, developing and implementing sustainable procurement and use of natural rubber throughout its entire supply chain.

The instructions outlined in this manual might go beyond local legal requirements, whilst in line with international conventions and recognized good practices. If the manual establishes a higher standard than is required by applicable law, it is expected that suppliers align with the principles contained in this Manual. Where alignment with the Manual may lead to conflict with local applicable law, the supplier (organisation) is expected to contact Corrie MacColl to outline the situation and its resolution. Corrie MacColl will review whether suppliers have found better solutions than those identified in this manual, subject in all cases to compliance with applicable legal requirements and the internationally recognized guidelines.

This Manual should not be read as a standard or checklist, but as the expectations of Corrie MacColl, and therefore should be read as step-by-step guidelines to implement the company's sourcing policy. Please note the described actions to be taken, while being as comprehensive as possible, do not constitute the ultimate requirement to ensure sustainability throughout your supply chain. Corrie MacColl encourages you to further develop your policies, using this Implementation Manual and accompanying Strategic Actions Guide as a foundation.

Corrie MacColl will value its suppliers who share its values and demonstrate full alignment. Corrie MacColl recognizes that each country and each context provides specific challenges which may require different timing, processes, and approaches to reach the full implementation of this manual provisions. Corrie MacColl recognizes that this Manual is meant to evolve and improve over time as experience on the ground will help to refine its content or as the laws, the industry, the concepts or the references will evolve. Therefore, Corrie MacColl will periodically review it in order to ensure it is updated and aligned with the latest progress.

Relevant documents:

- Sustainable Sourcing Policy
- Implementation Manual – this overview document
- Strategic Actions Guide – a spreadsheet of Strategic Actions to be implemented by the supplier
- Business Partner Acknowledgment – a document confirming receipt and alignment
- Statement of Compliance form – a reporting document



COMMITMENTS

Corrie MacColl's Policy is built around five aspects (Human rights, Land Use Rights, Environmental Responsibility, Business Ethics and Transparency, Supply Chain Traceability). Our commitment to drive positive change in the natural rubber supply chain is founded on the following principles:

- Compliance to applicable national law and regulations
- Respectful working conditions
- No forced labour, No child labour
- No discrimination¹
- Respect freedom of association
- Respect right for collective bargaining
- Protection of land use rights of communities and traditional peoples
- Protection of indigenous peoples' rights and free, prior and informed consent (FPIC)
- Respect of environmental values and minimalization of negative impacts
- No deforestation, Peat protection, and No exploitation (NDPE)
- Protection and wherever possible restoration of High Conservation Values (HCVs)
- Enhanced livelihoods for smallholders and their communities wherever possible
- Continuous improvement

¹ based on gender, marital status, sexual orientation, religion, political beliefs, union membership, ethnicity, nationality, age, social status, physical or mental disability



ROLES AND RESPONSIBILITIES

Corrie MacColl acknowledges that the work needed to meet these requirements may represent substantial efforts and a long journey for its suppliers and their supply chain. However, Corrie MacColl expects all its direct suppliers, existing and newcomers, to:

- Manage its activities in alignment with all aspects, definitions, and rationales outlined in Corrie MacColl's Sustainable Sourcing Policy
- Require its suppliers to manage their activities in alignment with the Sustainable Sourcing Policy, and to cascade it throughout their own supply chain.
- Support the local middlemen and smallholders to develop their own roadmap and implement it.

To turn these roles and responsibilities into practice, the suppliers should follow the Policy's accompanying *Strategic Actions Guide*, and the five-year roadmap of Strategic Actions listed within it. Adherence to this roadmap aims to ensure accountability and uptake of concrete actions to drive positive change for the natural rubber industry.

As part of this procedure, suppliers should:

- Identify areas from which the natural rubber they buy / process originates from.
- Trace the source back to the village or plantation level in order to monitor and adjust volumes purchased in-line with Policy guidelines.
- Carry out a gap analysis of its operations and supply chain to identify where those practices do not meet the expectations set in this manual.
- Develop and implement any necessary solutions, guided by the Strategic Actions Guide.
- Share transparently this time-bound roadmap with Corrie MacColl.
- Implement the actions and monitor the outcomes and impacts of the actions.
- Report on the progress to Corrie MacColl and review the action plan.

Corrie MacColl will work with its suppliers to ensure the proposed roadmaps can be feasibly adopted, and will monitor the progress made by suppliers in alignment to the policy.



COMPLIANCE & NONCOMPLIANCE

Corrie MacColl believes in continuous improvement and recognizes that implementing the standards under this Policy in your organizations' operations and supply chains is an iterative rather than a static process. It is hence critical that Business Partners show dedication towards embedding the principles of this Policy into their operations and across their supply chains, and seek continuous improvement over time in order to progress in all areas covered by this Policy. Therefore, Corrie MacColl expects its suppliers to demonstrate compliance by:

- Accepting and complying with the prerequisites that the Policy is outlining
- Implementing the Strategic Actions by the required dates, as outlined in the Strategic Actions Guide (see page 7).
- Reporting adherence to the Policy annually by confirming the timely implementation of the Strategic Actions and by submitting a Statement of Compliance (see page 8).
- In the case of non-fulfilment of Strategic Action(s) by the relevant reporting date, we require an explanation for this delay. We also require a strategic roadmap, developed by the supplier, outlining how the unfilled Strategic Action(s) will be implemented the following reporting year.

Lack of cooperation, failure to address violations of the principles of this Policy and/or non-timely implementation of necessary corrective action plans may result in a reduction in business and, ultimately, an end to the business relationship with Corrie MacColl.

Evidence of severe non-compliance with the Corrie MacColl Sustainable Sourcing Policy or refusal to set a recovery plan, or failure to implement an agreed recovery plan, may lead to the suspension or exclusion from Corrie MacColl 's business relations.

Should any actor in the Corrie MacColl natural rubber supply chain be implicated with serious evidence of non-compliance, Corrie MacColl will discuss the most proper way to act with the tier 1 supplier involved. Rather than immediate termination, proven good faith and a proactive approach to countermeasures are considered by Corrie MacColl as a starting point towards responsible and shared mitigation.

Corrie MacColl believes that such an approach contributes to creating a culture of continuous improvement. However, suppliers must demonstrate commitment and willingness to be proactive in identifying and addressing any gap against the Policy provisions.

Reporting on Breaches

Any breach of the Policy of which the organisation is aware should be immediately reported to allow Corrie MacColl to take appropriate actions. An organization's vendors are able to submit concerns, and in any case, confidentiality and anonymity of persons reporting a concern will be protected to the extent permitted by law. Corrie MacColl supports transparency and openness and will not take any retaliation against those who report actual or suspected breaches.



STRATEGIC ACTIONS GUIDE

To ensure the success of the policy, we have accompanied the Sustainable Sourcing Policy with a *Strategic Actions Guide*. The *Strategic Actions Guide* provides a roadmap of *Strategic Actions* that suppliers are required to fulfil to demonstrate alignment with the policy. Each Strategic Action has an associated 'Year for action to be completed,' distributed over a five-year implementation period. This five-year tiering structure ensures that suppliers can make steady progress across a reasonable timescale. We expect compliance with this timeline by the expected dates.

For example, in the first year of SSP alignment and implementation (2021-2022), we expect all *Year 1* Strategic Actions to be implemented. Please note that this five-year tiering structure does not indicate the degree of priority we give to each Strategic Action.

Understanding the Strategic Actions Guide spreadsheet:

- The Strategic Actions are categorised by *Scope* - such as, 'Occupational Health and Safety' - and begin with one or more *Overview(s)* summarising the ensuing requirements.
- Each Strategic Action has an associated 'Year for action to be completed,' which is also marked in the respective Excel tabs ranging from Year 1 to Year 5.

Year 1	2021 - 2022 (implementation and reporting by March 2022)
Year 2	2022 - 2023
Year 3	2023 - 2024
Year 4	2024 - 2025
Year 5	2025 - 2026

- Certain rows might include further information within the *Expected Outcome* column and *Resources* column, with the latter providing links to relevant website pages.
- Rows might also include information within the *Means of Verification* column, which highlights relevant assessment methods for the Strategic Actions.
- **Each 'Year' tab includes a 'Completed' column. This is to be completed by the supplier as part of the reporting process, confirming whether the Strategic Action within its row has or has not been implemented within the required timeframe.**



REPORTING

The success of the Sustainable Sourcing Policy relies on the collective efforts of our industry. By extension, Corrie MacColl relies on the integrity of suppliers to confirm their compliance to the Policy annually without being required to provide evidence verifying the implementation of the Strategic Actions. This reporting method is built on industry trust and transparency, although we will request supporting documentation regarding the fulfilment, or reporting, of Strategic Actions if it is deemed necessary.

Suppliers need to sign and return the Business Partner Acknowledgement page.

Suppliers will confirm their implementation of the Strategic Actions - due for the appropriate Year of reporting - annually.

By the **31st March of the following Year**, we ask Supplier to return the following documents to Corrie MacColl via this email address: SSP@corrie-maccoll.com

- The Strategic Actions Guide, with the 'Completed' column in the relevant 'Year' tab edited to indicate whether each Strategic Action has or has not been implemented.
- Statement of Compliance signed by the appropriate company representative, and featuring the company stamp.

Reporting Timeline

Year 1	2021 – 2022 (Report compliance by 31 st March 2022 regarding all Year 1 Strategic Actions)
Year 2	2022 – 2023 (Report compliance by 31 st March 2023 regarding all Year 2 Strategic Actions)
Year 3	2023 – 2024 (Report compliance by 31 st March 2024 regarding all Year 3 Strategic Actions)
Year 4	2024 – 2025 (Report compliance by 31 st March 2025 regarding all Year 4 Strategic Actions)
Year 5	2025 – 2026 (Report compliance by 31 st March 2026 regarding all Year 5 Strategic Actions)



OVERVIEW OF STRATEGIC ACTIONS

Human Rights

Corrie MacColl highly values fair treatment of employees and supports fundamental human rights for all people. It complies with the employment and labour laws in every country and region in which Corrie MacColl operates. Therefore, Corrie MacColl expects its business partners, to:

- Have robust and relevant management practices in order to comply with applicable health and safety laws, rules, regulations and industry standards.
- Provide employees with safe and healthy work environment, and ensure workers have and use appropriate personal protective equipment (PPE) to minimise risks to employees and maintain a productive workplace, including no use of WHO prohibited chemicals and the safe use and storage of other chemicals used.
- Train workers regularly on health and safety, and keep appropriate records.
- Maintain working practices and a working environment that are inclusive and professional. & Do not tolerate offensive, demeaning or abusive behaviour of any kind.
- Provide equal hiring and employment opportunities and do not discriminate based on personal characteristics, such as gender, race, religion, age, marital status, disability, sexual orientation or nationality etc.
- Have mechanisms in place that allow for anonymous grievances reporting, in which reporters are protected from any repercussions, and ensure
- Promote and maintain adequate working conditions and provide employees with employment contracts, salaries at least equal to the country's minimum wage for an equivalent job where relevant, and fair working hours in accordance with applicable national and international laws, supporting those living on plantations and in processing sites to obtain access to the necessary resources for adequate living conditions, including decent housing and sanitation facilities and access to potable water supply (as described in ILO Convention 110).
- Adopt an open attitude towards the activities of trade unions and other worker organisations. Respect and do not interfere with the right of workers to form or join a trade union or representative organisation of their own choosing and in line with applicable national and international guidance. No workers shall be intimidated or harassed while participating in any collective bargaining conducted in accordance with legal procedures.
- Strictly adhere to minimum age of employment as stipulated by local laws and regulations and as a bare minimum requirement by the relevant international recognised guidance.
- Young workers (above minimum age under applicable law and below 18) should not be allowed to undertake duties which are exposed to undue physical risks that can harm physical, mental or emotional development.
- Prohibit all work or service that is exacted from any person under the menace of any penalty, and for which the said person has not offered himself voluntarily.
- Do not engage in or condone the use of forced or trafficked labour.



Land Use Rights

Corrie MacColl recognizes that our business is reliant on land availability for rubber plantations and that there are serious risks of deforestation and biodiversity loss if proper monitoring and control mechanisms are not in place.

Therefore, Corrie MacColl expects its business partners commit to:

- Respect the rights and title of individuals and local communities, including indigenous communities, to their land and natural resources and prohibit land acquisitions which are not based on a thorough assessment, or are in disregard of social, economic and environmental impacts, including the way they are gendered.
- Comply fully with all applicable local and national legislation for land use, respect and protect Customary Land Tenure Rights and prohibit any Land Grabbing approaches.
- Develop and implement a remediation process to resolve ongoing disputes (similar to the restitution of land or payment of compensation) in accordance to the FAO's Voluntary Guidelines on the Responsible Governance of Tenure.
- Apply Free, Prior and Informed Consent (FPIC) methodology and guidelines developed by the United Nations Programme on Reducing Emissions from Deforestation and Forest Degradation (UN-REDD) and The Accountability Framework Initiative (AFI) for land acquired and/or transformed for industrial plantation use.

Environmental Responsibility

Corrie MacColl recognizes the significant value of natural resources and environment, which are basic elements of agro-industrial. It is committed to achieving zero deforestation in all its plantations and ensuring responsible cultivation, harvesting, and processing of natural rubber across the value chain. Business Partners are expected to support activities to verify the origin of raw material to ensure compliance with our Policy and join forces with Corrie MacColl.

Therefore, Corrie MacColl expects its business partners commit to:

- Commit to achieving zero deforestation and eliminating deforestation from the supply chain.
- Collaboration towards deforestation-free supply chains, and delinking from rubber produced commercially from deforested High Conservation Value (HCV) and High Carbon Stock (HCS) areas.
- Prohibit any form of rubber entering the supply chain that knowingly originates from production on known peat land and the use of fire in the preparation of new planting areas, re-planting areas or any other developments.
- Ensure that land for rubber development is appropriate for industrial natural rubber planting by determining where natural ecosystems should be protected by utilising the High Conservation Value (HCV), High Carbon Stock (HCS), or other equivalent land assessment and management toolkits.
- Emphasise climate change mitigation, biodiversity, and ecosystem services conservation in business activities.
- Comply with all applicable laws (international, national and sub-national) and regulations related to the identification and/or protection of environmental values including all regulations and environmentally friendly practices.
- To put a system in place to manage the environmental aspects of business operations in order to minimise any adverse impact on the ecosystem and wider environment affecting the dependent communities living adjacent to the respective facility
- Optimise production practices to minimise environmental impact, improve and develop the operation processes for higher production efficiency.
- Use and consume natural resources and sources of energy in an optimised and efficient way, with particular focus on implementing conservation and recycling practices.



Business Ethics and Transparency

Corrie MacColl upholds the highest standards of integrity and always operate honestly and equitably throughout our operations and business relationships. We are committed to fighting corruption in all its forms and do not tolerate any form of active or passive corruption within our supply chain. Business Partners are required to conduct their business in the same way; therefore, Corrie MacColl expects them to commit to:

- Comply with all anti-corruption laws and statutes to guarantee that the business is conducted lawfully and with integrity.
- Refuse to engage in, endorse or tolerate any form of bribery or corruption, directly or indirectly.
- Conform with all applicable fair trade, competition and anti-trust laws and regulations and not to have any anti-competitive discussions or enter into any anticompetitive agreements, including illegal price-fixing, market sharing, customer allocation or other illegal restrictive practices, at any level of the production or distribution supply chain.
- Conduct business in a transparent way, leading the way in the supply of responsible products and product traceability.

Supply Chain Traceability

Corrie MacColl is developing tools and methodologies to enhance our visibility into our deep upstream in order that we can demonstrate to our own customers that the rubber they buy from us comes ultimately from rubber-producing areas and processors which are closely aligned with the principles expressed in this policy. We expect all Business Partners to:

- Cooperate in traceability programmes and be able to provide the evidence or certificates of the product and service origin and international recognised quality standard of production to the Company and all the concerned parties, when requested.



GLOSSARY

Access to remedy is the means to recover a right or to prevent or obtain redress for a wrong.

Attribute is a specific feature (e.g. a species, a species' population, a site, an ecosystem service, a landscape, etc.) of an area, which makes this area considered as an HCV area, an HCS forest, an Intact Forest Landscape or a peatland.

Applicable Law: Includes local, county, province, state or national law and that law which has been integrated into or legally deemed to be superior to national law by a state's signing of an international treaty

Certification is the provision by an independent body of written assurance (a certificate) that the product, service or system in question meets specific requirements.

Child labour is a work that deprives children of their childhood, their potential and their dignity, and that is harmful to their physical or mental development, including night work.

Collective bargaining is the negotiation of wages and other conditions of employment by an organized body of employees.

Community Development is a process where community members come together to take collective action and generate solutions to common problems. The programme will list actions identified by civic leaders, activists, involved citizens and professionals to improve various aspects of communities, typically aiming to build stronger and more resilient local communities.

Customary rights are the rights of local communities and indigenous peoples to practise and revitalize their cultural traditions and customs. This includes the right to maintain, protect and develop the past, present and future manifestations of their cultures, such as archaeological and historical sites, artefacts, designs, ceremonies, technologies and visual and performing arts and literature.

Discrimination is any distinction, exclusion, restriction or preference based on race, colour, descent or national or ethnic origin, sex, religion, political opinion, which has the purpose or effect of nullifying or impairing the recognition, enjoyment or exercise, on an equal footing, of human rights and fundamental freedoms in the political, economic, social, cultural or any other field of public life.

Due diligence refers to an enterprise's ongoing process which aims to identify, prevent, mitigate, and account for how it addresses the adverse human rights impacts of its operations. The process should include assessing actual and potential human rights impacts, integrating and acting upon the findings, tracking responses, and communicating how impacts are addressed.

External worker is a person working and being paid directly or indirectly by the entity for the labour he/she carries out on the entity's operations.

Forced labour refers to situations in which persons are coerced to work through the use of violence or intimidation, or by more subtle means such as accumulated debt, retention of identity papers or threats of denunciation to immigration authorities.



Forced labour, contemporary forms of slavery, debt bondage and human trafficking are closely related terms though not identical in a legal sense. Most situations of slavery or human trafficking are however covered by ILO's definition of forced labour.

Free, Prior and Informed Consent (FPIC) is a specific right that pertains to local communities. It allows them to give or withhold consent to a project that may affect them or their territories. 'Free' means that there is no manipulation or coercion of the communities and that the process is self-directed by those affected by the project. 'Prior' implies that consent is sought sufficiently in advance of any activities being either commenced or authorised, and time for the consultation process to occur must be guaranteed by the relative agents.

'Informed' suggests that the relevant communities' representatives receive satisfactory information on the key points of the project such as the nature, size, pace, reversibility, the scope of the project, the reason for it, and its duration. The communities should also have access to the primary reports on the economic, environmental cultural impact that the project will have. The language used must be able to be understood by the people. 'Consent' means a process in which participation and consultation are the central pillars and where an agreement is reached.

Freedom of association is the right of workers to freely form and join workers organisations such as trade unions, worker associations and worker councils or committees for the promotion and defence of occupational interests.

Hazardous work is work that, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of the children or youths.

High Carbon Stock (HCS) Approach is a methodology that distinguishes forest areas for protection from degraded lands with low carbon and biodiversity values that may be developed. The methodology was developed with the aim to ensure a practical, transparent, robust, and scientifically credible approach that is widely accepted to implement commitments to halt deforestation in the tropics, while ensuring the rights and livelihoods of local peoples are respected.

High Conservation Value (HCV) are biological, ecological, social or cultural values that are outstandingly significant or critically important at the national, regional or global level.

Industrial plantation is any plantation with a size above the small holder size.

Land clearing, conversion and preparation is the activity carried out when an entity removes the current land cover (forest, scrub, savannah, etc.) in order to start its project.

Local community includes people living in or around the entity's site which are directly or indirectly impacted by the operations of the entity's site. In this document it includes also "indigenous people" as defined by the United Nations.

Middle men in this document means an entity which buys raw material to the growers (small or industrial) and sells it to another entity, this includes, but is not limited to, collecting centers, dealers, middle men, industrial plantations which purchase small holders harvest to further sell it.

Minimum wage is the lowest wage permitted by law or by a special agreement.

Participatory mapping is the process of identifying and mapping borders and community land uses zoning of the communities in order to ensure the sustainability of the livelihood of the indigenous people and local community, through a consultation and with the final agreement by the community members of the neighbouring villages.



Peatlands are any land with peat soils that are characterised by an organic content of more than 65%, regardless of depth and surface area. By their important content in non-decayed organic matter, peat soils are important carbon sink.

Processor represents in this document any type of supply chain actor who is transforming the natural rubber after its harvest and collection from the growers.

Small holders are defined by the size of their plantation. When no local legislations define the maximum size for the plantation of a small holder, this is set at 50 ha (this varies per country and cultural context)

Stakeholder is a person, a group or an organisation that has a legitimate interest in a project or entity. This legitimate interest can come from effects of the entity's activities which are or are likely to affect the stakeholder, or from specific knowledge or mission the stakeholder has which is related to the entity's activities or to the subject of consultation.

Supply shed represents the entire area from which an entity sources its input materials.

The dome-shaped peat surface possesses its own-perched water-table fed by rainwater.

Third party supplier is any supplier that is not part of the same organisation/ company as the entity. This includes, but not limited to small holders, external growers, independent middle men.

Traceability is the ability to identify and trace the history, distribution, location and application of products, parts and materials, to identify their origin.

Vulnerable groups are a population, individual or organization unable to anticipate, cope with, resist and recover from negative impacts. It includes 12 groups; people with limited resources or increased relative risk for morbidity, mother child mortality, women-headed household, children with special needs, elderly people or youth, ethnic minorities, displaced populations, people living away from services or suffering from chronic illness, people with disability.

Young worker is a worker above the minimum age of employment by law but under the age of 18.