



Olam Agri



Living Landscapes Policy

February 2024



Olam Agri

Let's Talk

Living Landscapes

We're 'Transforming food, feed & fiber' for a more sustainable future by driving positive actions & outcomes for our people & planet.

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Intro

Our natural life support systems are threatened through unsustainable conversion/over-exploitation of forests & other natural habitats for the food, fuel, fibre and more. This includes, soil, air, water, all living things & our climate, with serious implications for future generations if we don't take action.

Agriculture faces the immense challenge of producing enough food & fibre for 9.5 billion people by 2050, whilst alleviating poverty, providing employment and decent livelihood opportunities in rural areas, and conserving natural habitats and biodiversity.

A response based mainly on doing less harm will not be sufficient to meet these challenges, whether it's focusing on eliminating unacceptable practices, such as deforestation at the scale of individual farms or plantations, or companies making incremental improvements in a small fraction of the supply-chain. Instead, we need to transform global agriculture, shifting away from destructive resource extraction, and towards a net positive impact at scale (See 'Our Approach' on page 5), based on the creation and restoration of natural and social capital within living landscapes.

What We Mean by Living Landscapes

Living Landscapes are large land areas where prosperous farmers and growers, thriving rural communities, and healthy ecosystems coexist. Farming, plantations and other land use activities are planned and managed in such a way to maintain or enhance critical habitats, regenerate the natural capital of soil, water and natural ecosystems, and store carbon.

In Living Landscapes, local voices play an important role in decision-making processes, whilst farms and the natural ecosystems within, and around them, are a source of pride, prosperity and well-being for the people who live and work there, helping to build social and human capital.

Living Landscapes are also a focal area for shared efforts to slow, halt and eventually reverse the negative impacts of human activities, including deforestation and land degradation. Living Landscapes are not static, but dynamic, adaptive and resilient to change.

There is no single 'right' definition of a Living Landscape, other than its large scale. It may from place to place be defined as a water catchment area, a jurisdiction, a characteristic pattern of habitats and land use, a biogeographic zone, or a culturally defined unit as understood by its inhabitants.

Our Key Objectives

Driving positive impact in the places we source & grow our products, working together with our partners to create & sustain Living Landscapes, where prosperous farmers, thriving rural communities & healthy ecosystems co-exist.

1. To Ensure a Triple-Positive Impact

We expect our businesses to contribute fully to our Living Landscapes Policy that's driven by our Purpose of 'Transforming food, feed & fibre for a more sustainable future'.

2. To Inspire Change

We strongly encourage our employees, suppliers & partners to embrace & together achieve our ambitions.

3. To Foster Strategic Alliances

Together with our partners & through key initiatives that support up-scaling of our actions.

How We'll Achieve These

- Set out, implement and periodically review suitable strategies, targets & timelines related to our Objectives in our own operations and supply-chains.
- Sustain durable economic profitability of our own operations, whilst working with suppliers to maximise farms/plantations efficiencies, and ensuring quality of our products consistent with maintaining natural capital.
- Support rural livelihoods (*Farming communities*) together with our partners, from which we source products, to access essential services, thus building human & social capital.
- Strive to transform our agricultural supply chains to be deforestation-free and eliminate unacceptable practices related to land management defined in this Policy from our operations and supply-chains. (*See Unacceptable Practices Section*).
- Define, measure & monitor the impacts (*Positive & negative*) on natural and social capital associated with our operations and supply-chains.
- Continually seek to catalyse, build & support effective partnerships for local and large-scale conservation efforts, including landscape restoration in the landscapes where we operate.

Our Approach

We adopt net-positive principles that put more back into food & farming systems that we take out. Our philosophy is 'regenerative', aiming to deliver a triple-positive impact for:

- 1. Farmer & Farming Systems Prosperity**
Economically viable production that sustains a decent livelihood for farmers & agricultural workers, including safe and decent employment opportunities, access to training, finance & fair pricing.
- 2. Thriving Communities**
Supporting rural and forest communities to have access to essential services, such as drinking water, sanitation, health and education, as well as sufficient nutritious food, and creating stable employment opportunities.
- 3. Regenerating the Living World**
Maintaining or restoring healthy ecosystems that support viable populations of animals & plants (*biodiversity*), enhancing local ecosystem services (*i.e. water regulation, soil fertility & erosion control*), regulating the global climate (*i.e. carbon storage & greenhouse gas emissions*).

We're Transparent

Defining & communicating measurable targets for positive change, and monitoring/reporting on our progress.

We're Material

Focusing on the areas we can make the greatest impact. Building upon our experience & strengths as an organisation.

We're Systemic

Working with our various stakeholders to implement the changes required to achieve net-positive impacts across communities, landscapes & supply-chains.



Our Application

Our Living Landscapes Policy applies to all our agricultural commodity businesses, including upstream production and third-party sourcing. We already have in place a suite of Sustainability Policies & Codes, of which sit within this Policy as shown in the table below.

Our Own Developments

Where we control operations, our Living Landscapes Policy requirements will be integrated in our own detailed framework for due diligence, planning, standard operating procedures & reporting.

For our own plantations and farms, this detailed framework will continue to be our Plantations, Concessions & Farms Code, which covers our requirements for:

- Social & Environmental Due Diligence
- Management of Soil, Water, Land & Biodiversity
- Fertilisers & Chemicals
- Energy, Waste & Recycling
- Transport, Labour & Local Communities

We periodically review these as we evolve our understanding of Living Landscape requirements. Where necessary, our businesses may develop specific policies, such as our Responsible Palm Oil Sourcing Policy², which interprets the Living Landscapes Policy in a form appropriate to the business.

Our businesses may choose to comply with credible international certification standards³ where available, and supplement certification requirements with additional elements of the Living Landscapes Policy. As the parent company of FSC certified operations, we abide by FSC Codes, rules & regulations, including the Policy for Association.

Our Third-Party Supply-Chains

Where we source food, feed and/or fibre, i.e. timber products from third-parties, hence unable to directly control their operations, we work with our suppliers to ensure that they conform to our Policies. This includes the Living Landscapes Policy, the application of our Supplier Code or a product-specific Policy such as our Responsible Palm Oil Sourcing Policy, of which sets specific targets, product specific tools and reporting requirements appropriate to that business and supply-chain.

The requirement to eliminate unacceptable land use practices applies to all our suppliers from the date of publication of this Policy. Our businesses may choose to adopt an earlier date according to the demands of their sector.

These sourcing policies incorporate the key elements of the Living Landscapes Policy. Our Supplier Code or product-specific policies, can be adapted to the specific circumstances of our widely varying crops & origins, but we'll never provide less protection than our Living Landscapes Policy. Where we source from smallholders, the language and implementation tools we use may be adapted to take into account their technical capacity and training needs.

Table 1: Our Other Sustainability Policies

Our Policies/Codes	Own Developments	Third Party Supply-chains
Living Landscapes Policy	●	●
Plantations, Concessions & Farms Policy	●	●
Supplier Code	●	●
Responsible Palm Oil Sourcing Policy	●	●

2. <https://www.olamgroup.com/sustainability/governance/policies-and-positions/palm-policy.html>

3. Such as those which meet the ISEAL Codes of Good Practice requirements <http://www.isealalliance.org/our-work/defining-credibility/codes-of-good-practice>

4. FSC-C014998; FSC-C128941; FSC-C104637

Implement, Monitor & Evaluate

Our business will take a risk-based approach to address the key objectives & commitments of this Policy, and establish strategies and plans appropriate to our role in growing, sourcing, processing and trading each crop & commodity.

Our Living Landscapes Policy is designed to be applied in conjunction with our other corporate Policies, of which are reviewed annually and updated accordingly. Overall progress is reported in our Annual Report.

This Policy will be reviewed on an annual basis and our commitments will be updated accordingly.

Continued Improvement

We recognise that implementing net positive strategies and landscape-scale approaches to sustainable agricultural production is a new and challenging field, requiring the development of new frameworks for planning, implementation, monitoring & evaluation.

During the implementation of this Policy, we'll seek the guidance and advice of a multi-stakeholder network of relevant experts, development agencies, national institutions, investors & civil society, to guide us through the many challenges ahead, and to contribute to our continuous improvement.



Unacceptable Practices

Our Living Landscapes Policy recognises that achieving net positive benefits also requires eliminating unacceptable practices from our operations and supply-chains.

This section outlines an overview, guiding principles & unacceptable practices, of which include:

1. Legal & Regulatory Compliance
2. Respect Protected Areas
3. Maintain Biodiversity & Ecosystem Services
4. Forest Conservation & Reducing Carbon Emissions
5. No Fire in Land Clearance & Preparation
6. Free, Prior & Informed Consent

Please Note: The requirement to eliminate unacceptable land use practices applies to all our suppliers from the date of publication of our Living Landscapes Policy.



Overview

The following unacceptable land use practices are not permitted in our operations or third-party supply-chains, and if present, must be eliminated.

Therefore, we require that our own operations and third suppliers must carry out:

- No illegal activities.
- Full compliance with applicable national & international laws, including human and labour rights.
- Respect legally protected/internationally recognised areas.
- No conversion or degradation of critical habitats i.e. High Conservation Value (HCV) areas and other nationally recognised conservation priorities.
- No conversion or degradation of peatlands of any depth.
- No conversion or degradation of other natural habitats with high levels of organic carbon such as High Carbon Stock (HCS) forests.
- No use of fire in land preparation including planting & replanting.
- No development without the Free, Prior & Informed Consent (FPIC) of indigenous peoples and/or local communities, recognising traditional & customary rights.

Guiding Principles

We believe that we need to be actively engaged with our suppliers even where we recognise current weaknesses or failings in compliance.

Systemic change in supply-chains where unacceptable practices are widespread and prevalent can only be achieved by providing suppliers (i.e. *farmers, farmer groups, intermediaries or manufacturers*) with disincentives for non-compliance & incentives for good performance, and will often require the intervention of many different actors. **Our guiding principles for dealing with unacceptable practices:**

- We'll assess risks associated with our Policy requirements in our supply-chains and use these risk assessments to define priorities to be addressed by our businesses with our suppliers, partners & third parties.
- We'll communicate these risks to our suppliers and customers on an ongoing basis.
- We'll ensure that all our suppliers understand the practices we need to eliminate from supply-chains and agree to abide by our Supplier Code or equivalent product Code as a condition of doing business with us.
- We'll work with our customers, partners & other third-parties (*where required*) to train suppliers on our requirements and address underlying factors required to eliminate these practices from our supply-chains.
- If unacceptable practices are reported in our own operations or those of third-party suppliers, we'll assess the extent and nature of non-compliance and establish a time-bound plan with our suppliers to address the issue and where necessary remediate material negative impacts of non-compliance.
- We'll disengage from suppliers who are unable to demonstrate positive steps to eliminate unacceptable practices in a time-bound manner.

1. Legal & Regulatory Compliance

- We expect our own operations and our suppliers to conduct their business with integrity and in compliance with the relevant applicable laws and regulations that govern their operations, business, industry, trade and personnel, including all applicable relevant laws and regulations relating to the protection of the environment and the protection and humane treatment of animals.
- Our requirement for legal and regulatory compliance extends to laws and regulations governing labour rights, human rights, the elimination of exploitation & discrimination, and workplace health & safety, with guidance in our Supplier Code.
- We, and our suppliers, will respect legally protected areas or internationally recognised areas as defined in this Policy.
- We'll not knowingly source from lands that have been illegally deforested or cleared by a third-party, whether or not a supplier is the agent of that land clearance.

2. Respect Protected Areas

We highly regard legally protected & internationally recognised areas, therefore...

- We'll not develop operations in protected areas which have management objectives which meet the definition of IUCN Categories I, IIa, IIb or III⁷.
- We'll not purchase from suppliers or trade in products grown in protected areas which have management objectives which meet the definition of IUCN Category I, IIa, IIb or III.
- In exceptional cases, where suppliers have encroached on such areas in the past, we'll work as appropriate with the Government, local partners and the communities themselves to help vulnerable smallholders to find alternative means of supporting themselves and contribute to reversing the damage done to protected areas.
- We'll only develop, purchase from smallholders or trade in products grown in protected areas which have management objectives which meet the definition of IUCN Category IV to VI if they are grown in a manner acceptable to a recognised management plan.
- Internationally Recognised Areas (IRA) are World Heritage Sites, UNESCO Biosphere Reserves, Ramsar Sites, and Key Biodiversity Areas. We'll only develop, purchase from smallholders or trade in products grown in IRAs if they are grown in a manner compatible with maintaining and enhancing the values for which the area was designated.

7. The IUCN categories are defined here: <https://www.iucn.org/theme/protected-areas/about/protected-area-categories>

3. Maintain Biodiversity & Ecosystem Services

- We adopt a landscape-level and ecosystem approach, aiming to achieve a positive impact on biodiversity conservation and ecosystem services such as water regulation, soil health and erosion control, which we implement through internationally recognised tools and guidance:
- We'll support and promote the High Conservation Value (HCV) concept as a practical, robust, credible tool for assessing, defining and implementing biodiversity conservation, ecosystem service provision (e.g. erosion control, water regulation) and some social & cultural goals in managed landscapes⁸.
- We'll encourage the use of Critical Habitat and Natural Habitat (as defined by the International Finance Corporation Performance Standard 6 and associated guidance) as indicators of the presence of HCVs.
- HCV areas and critical habitats may include any type of significant terrestrial or aquatic ecosystem, including forests, grasslands & wetlands. We recognise that some degraded ecosystems such as logged tropical forest may be classified as HCV or critical habitat and require protection or restoration.
- We'll adopt publicly available tools such as the IFC GMAP Commodity Risk Tool, the Global Forest Watch forest risk tools, and www.palmoil.org to address specific risks related to natural habitat conversion and deforestation
- We'll engage qualified parties to carry out rigorous and credible Environmental and Social Impact Assessments including critical habitat and/or HCV assessments on our new farming and plantations developments, combining as appropriate remote sensing, field surveys, landscape analysis and wide-ranging consultations with NGOs, experts and local communities.
- We'll review our assessments in compliance with legal requirements and the quality control mechanisms of the HCV Resource Network.
- There will be no conversion or degradation of critical habitats or HCV areas in locations under our direct management.
- HCVs will be maintained and enhanced at an appropriate landscape level in areas under our direct management
- We'll not accept conversion or degradation of critical habitats or HCV areas by third-party suppliers, or knowingly source from such areas.



8. We'll follow the definitions and guidance of the global multi-stakeholder platform of expertise on HCVs, the HCV Network www.hcvnetwork.org as applicable.

4. Forest Conservation & Reducing Carbon Emissions

We're committed to transforming our agricultural supply chains to be deforestation-free. Here's how...

Implementing Deforestation-Free Strategies

- We'll support and promote deforestation-free strategies or initiatives, to end deforestation in our supply-chains and to protect or restore forests at a regional, national, landscape, jurisdictional and/or local level where we operate. These should be implemented through recognised mechanisms involving national stakeholders e.g.
 - National/subnational land use plans and spatial zoning which defines and respects a landscape approach to deforestation-free development and forest conservation
 - Other national regulatory frameworks aligned with this policy.
 - Sectoral sustainability standards & initiatives including certification standards which define deforestation-free for specific sectors & jurisdictions, i.e. FSC, RSPO, RTRS, HCS approach.
 - Emerging consensus frameworks such as the Accountability Framework and The Forest Dialogue – Understanding Deforestation Free platform.
 - Locally adapted concepts and approaches to forest protection including traditional and culturally appropriate forest management practices, accessible to smallholders, where these are aligned with the other elements of this Policy.

Safeguarding HCS Forests & Peatlands

- We adopt a landscape-level and ecosystem approach to conserving carbon-rich habitats, aiming to achieve a positive impact on GHG emissions from land use and land use change. We'll follow, as well as our suppliers, international best practice and locally-adapted tools & guidance to identify and conserve forests & other natural habitats with high levels of biomass or organic carbon e.g.
 - The High Carbon Stock Approach¹⁰, where this has been recognised through a multi-stakeholder process involving national stakeholders. For example, as developed by the HCSA membership for use in fragmented mosaic landscapes of South East Asia
 - National adaptations of the High Carbon Stock concept integrated into legal and regulatory frameworks or credible certification standards such as the RSPO.
 - A recognised national forest carbon conservation framework such as a UN Climate Convention REDD+ plan, Nationally Determined Contribution (NDC or INDC), or equivalent.
 - Equivalent nationally applicable forest definitions or carbon thresholds established through a national multi-stakeholder dialogue, where these are aligned with the other elements of this Policy.
- Peatlands, and especially tropical peat swamp forests, are particularly fragile ecosystems, whose clearance for agriculture contributes disproportionately to man-made carbon emissions. There will be no conversion of high carbon stock forests or peatlands in locations under our direct management.
- We'll not accept new conversion of high carbon stock forests or peatlands by third party suppliers, or knowingly source from such areas. In the case of existing plantations on peat, we'll require that suppliers work to restore peatlands at the end of the crop cycle.
- Where possible we'll support the underpinning science of forest description, forest biomass & carbon stock estimation & carbon balance from land use change, to inform the above processes.



10. We'll follow the definitions and guidance of the multi-stakeholder platform of expertise on HCS, the High Carbon Stock Approach <http://highcarbonstock.org> as applicable.



We've set out our commitment and time bound action plans to support efforts to transform our prioritised supply chains:

Rubber

We're committed to sustainable and responsible natural rubber, which includes not sourcing from deforested or high conservation value (HCV) areas degraded after April 1, 2019. We're a member of the Global Platform on Sustainable Natural Rubber (GPSNR) and our sustainable rubber strategy aligns to the GPSNR policy framework.

For more details, please refer to our website at olamagri.com/products-services/rubber and our [GPSNR Policy Framework](#)

Soy

We strive to halt deforestation and conversion-free soy supply chains linked to soy areas in the Chaco, Cerrado, and Amazon biomes in 2025.

We're part of the agriculture sector roadmap to 1.5°C, where all signatories are committed as a soy sector to halting deforestation linked to soy areas in the Chaco, Cerrado and Amazon biomes in 2025 and the conversion in non-forest primary native vegetation no later than 2030. For the deforestation in the Brazilian Amazon Biome, the compliance with the Soy Moratorium remains applicable. Please refer to the [roadmap](#).

Please also refer to Olam Agri's [Progress report](#) on the soy sector.

Palm

We're committed to responsible palm oil processing activities and third-party sourcing. Our responsible palm policy applies to our suppliers at the Group level with a cut-off date for implementation of February 2017.

For the direct sourcing from mills, we require our suppliers to disclose traceability to the plantation/farm as part of our due diligence, risk assessment, and action plan development for 100% plantation/farm traceability by 2022. For more details on responsible sourcing, please refer to the [Olam Agri policy](#).

In addition, we're also part of the agriculture sector roadmap to 1.5°C, where all signatories are committed as a palm sector to have all palm oil volumes in the "Delivering" category of the NDPE IRF (Implementation Reporting Framework) by 2025. For more details, please refer to the [roadmap](#).

5. No Fire in Land Clearance & Preparation

- Use of fire in land clearance and preparation creates an unacceptable risk of propagating forest fires, creates air pollution, contributes to greenhouse gas emissions, damages health and impoverishes soils. The risks of uncontrolled burning are high in drained peatlands & drought prone ecosystems.
- We'll not use fire in land preparation for planting or replanting in our own operations.¹¹
- We adopt a risk-based approach to understand and eliminate the incidence of irresponsible fire use for land clearance in our third-party supply-chains, and will work through a suitable verification process to identify and cease trading with suppliers who do not comply systematically with our Policy.
- In the case of many food supply-chains where individual smallholders are the main source of traded products, and some operate a traditional swidden system, we'll promote sustainable agricultural systems and elimination of unsustainable forest burning through the application of our Supplier Code and through suitable partnerships.

6. Free, Prior & Informed Consent

We respect the customary and legal tenure and access rights of Indigenous Peoples or other local communities affected by our operations, and will work with such local communities to achieve a positive impact on their livelihoods and well-being. [Here's how...](#)

- We'll obtain the Free, Prior and Informed Consent (FPIC)¹² from peoples or communities that may be affected by our plantations and farms, before developing any land that may be encumbered by such rights.
- We'll follow internationally recognised methodologies on participatory mapping and FPIC process¹³. Adequate compensation for the affected community rights and planning for the future land and livelihood needs of communities will be part of the FPIC outcomes. FPIC process, as well as remediation of any harm to rights of indigenous people and local communities that may have unintentionally caused in the past, will be conducted in a transparent way with participation of mutually agreed third-parties.
- Our FPIC Process is the first step in an ongoing relationship based on informed consultation and participation with indigenous peoples and local communities. We view these local people as co-owners and partners of our Living Landscape conservation efforts.
- We'll share and provide insights into the practical application of FPIC in our operations with our partners and parties dedicated to the continuous improvement of the FPIC process.
- We'll offer and develop appropriate opportunities for peoples and communities to work with us or supply us with goods and services, and contribute to community development, consistent with building social and human capital.

11. In exceptional circumstances and where permitted by the standards and certification systems that we work towards, e.g. where pests and diseases pose a proven and significant danger to crops, limited use of fire under tight control may be permitted to destroy potential disease reservoirs, where no feasible alternative exists.

12. FPIC is a principle enshrined in international treaties and conventions such as the UN Declaration of the Human Rights of Indigenous Peoples and ILO Convention on Indigenous and Tribal Peoples and in various certification and investment standards, including the IFC, FSC, RSPO and many others.

13. For example the FPIC Guidelines of the UN-REDD programme and the Free, Prior And Informed Consent Guide For RSPO Members.