



Plantations, Concessions & Farms Code

February 2024

Let's Talk

Plantations, Concessions & Farms

We're committed to responsible land management, taking into consideration various environmental/social risks & opportunities.

Please Note: This Code should be read in conjunction with other relevant Policies/Codes, that together form our Sustainability Framework, of which address our business activities across the complete supply-chain.



Intro

This Code outlines the process and standards for managing the environmental & social requirements of new and existing upstream developments under our management, as well as acquisitions across a project life-cycle, as shown below.

This Code is applicable for Olam Agri managed plantations, concessions & farms, as well as joint ventures in operating upstream businesses. For Third-Party Suppliers, please refer to our Supplier Code or specific product Policy.

Requirements

This Code provides the minimum acceptable standards for all our upstream operations.

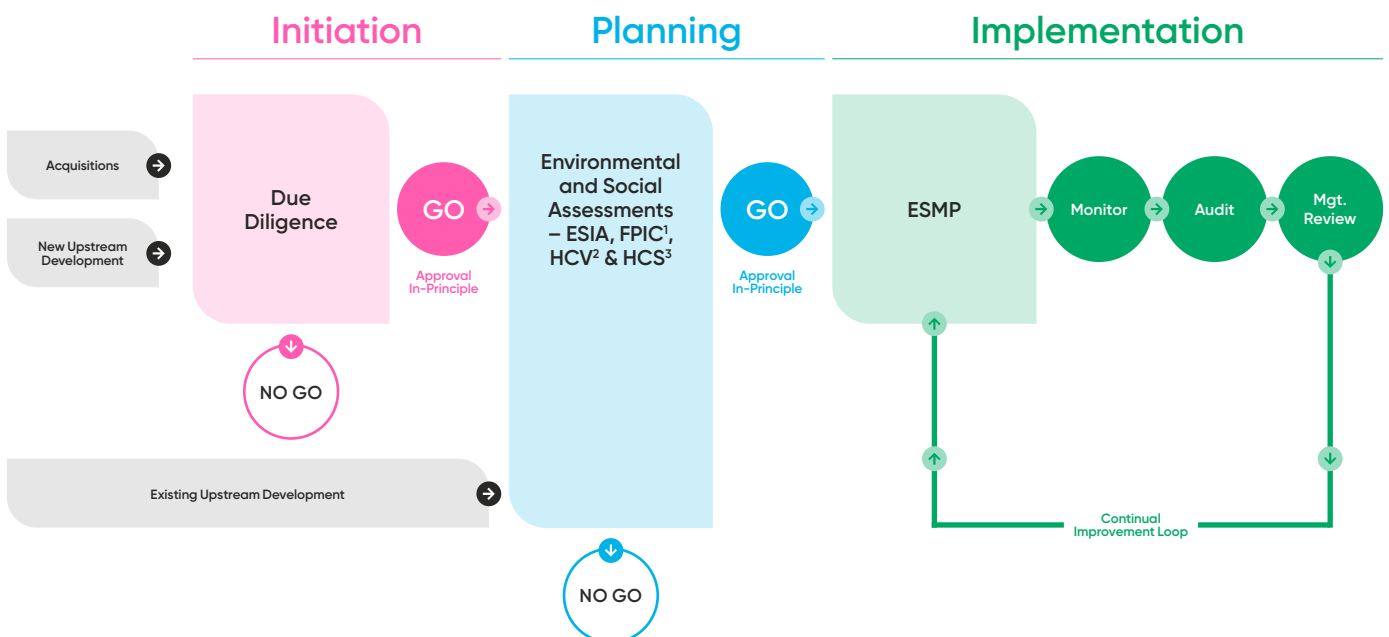
Our investment process requires comprehensive legal, environmental and social scoping and assessment to ensure compliance with our policies, objectives and relevant laws/charter, in addition to public commitments to good practice.

Here we identify the most important Corporate Responsibility & Sustainability (CR&S) issues for our upstream operations, Due Diligence checklist, and guidance for Environmental & Social Impact Assessments (ESIAs).

Each business must address the relevant requirements of this Code through an Environment & Social Management Plan (ESMP) and comply with the overarching commitments of our Sustainability Framework.

We recognise there may also be additional CR&S commitments that are specific to a business, and/or related to external certification standards e.g. Rainforest Alliance and the RSPO.

Our Upstream Development Process adopts a phased approach, consisting of; **Initiation**, **Planning**, **Implementation** & **Continual Improvement**.



1. Free Prior & Informed Consent | 2. High Conservation Value | 3. High Carbon Stock

Initiation Phase

It's our policy to conduct comprehensive legal, social and environmental due-diligence before any acquisition or new land development.

Due-Diligence

A Due-Diligence Checklist is completed by our CR&S function (*or their proxy*) on behalf of the business.

It's completed in the very early stages of evaluating land for new developments, especially greenfield sites, and in the early risk and impact assessment phase of an upstream acquisition, or an upstream project before the release of project finance.

Conducting comprehensive due-diligence at this early stage allows the business to identify potential environmental and/or social risks/opportunities that could impact the business.

This approach can significantly reduce project viability risks and project development costs, whilst enhancing the environmental and social license to operate, future operational costs and the project delivery timescale.

The Due-diligence Checklist forms part of the project review to receive approval in-principle.



Planning Phase

Once approval in-principle has been obtained, comprehensive Environmental and Social Impact Assessments must be conducted before any acquisition is completed or land development or operations commence.

ESIAs

In order to provide a consistent approach across our business, the Terms of Reference for the ESIA will be carried out using the detailed guidance accompanying the Code.

ESIAs will include High Conservation Value (HCV) and High Carbon Stock (HCS) assessments and Free Prior Informed Consent (FPIC) procedures where applicable, as well as consider measures to avoid or mitigate Greenhouse Gas (GHG) emissions.

An ESIA aims to establish a project's environmental and social baseline and propose mitigation measures through management and monitoring plans for the duration of the upstream operation.

The ESIA, HCV, HCS and FPIC will form part of the project review to receive final approval.



Implementation Phase

Following the successful outcome of the Initiation and/or Planning phases each plantation, concession & farm must develop and implement an Environmental & Social Management Plan, incorporating a continual improvement loop.

Environmental & Social Management Plan

(ESMP) describes the systematic and documented measures to address the requirements of this Code and any specific issues identified by either the due-diligence process and/or resulting from the assessment of environmental and social impacts in the ESIA, FPIC and HCV processes.

The ESMP will address all ten requirements of this Code, unless a requirement can be proven as not being relevant to a specific upstream operation. The ESMP will describe and drive the necessary improvement actions, assign appropriate roles and responsibilities, set clear timescales for delivery and communicate the performance progress required by this Code.

It will also be used to contribute to the Key Results Area (KRAs) for plantation, concession and farm managers.

Summary Of The ESMP Key Requirements

- 1 Assessment & Management**

We conduct ESIA's to identify aspects of our business that could give rise to potential environmental and social impacts (*both negative and/or positive*). These assessments are used to establish an ESMP for each operation encompassing the following nine areas.
- 2 Biodiversity & Habitats**

When considering the establishment of plantations, we'll favour modified habitats over natural habitats. Areas identified as HCV will be set aside for conservation.

We'll use mitigation hierarchy (avoidance, minimising, restoring, offsetting) as a standard approach to limiting impacts from our operations on biodiversity.

We'll protect rare, threatened, endangered and critically endangered species within our concessions from poaching, over-hunting and habitat loss.
- 3 Energy Usage & GHG Emissions**

We follow the principles of cleaner production and set improvement targets and implement activities that avoid excessive carbon emissions (*including clearance of lands with HCS*), aim to increase carbon storage and energy efficiency, reduce dependence on non-renewable resources and increase the proportion of renewable energy wherever possible.
- 4 Natural Resources**

Water management: We'll protect surface and ground water sources from chemical contamination and sedimentation. Operations using surface and groundwater for irrigation and/or located in water vulnerable areas (e.g. too much, too little, quality issues etc.) require an Integrated Water Resource Management (IWRM) Plan to protect water quality and quantity.

Soil: We'll take effective measures to prevent soil contamination, erosion and degradation, and will protect soil health and fertility.

Summary Of The ESMP Key Requirements

Continued...

4 Nutrients: We prevent, reduce or control contamination of groundwater and surface water from runoff and leaching of excess crop nutrients through fertiliser best management practices.

5 Use of Fire
We'll not use fire in land or waste management, except in exceptional circumstances⁴, in which case the justification for the burning will be documented and the burning activity will be carried out in a controlled manner.

6 Waste & Recycling
We actively encourage the reduction of waste from all aspects of the site operation. We follow the waste hierarchy in that wastes will be recovered and reused whenever possible with residual wastes being treated, destroyed and disposed of in an environmentally sound manner.

7 Chemicals
We ensure the safe use and handling of all chemicals. We provide training and instructions for safe application and use of appropriate personal protective equipment. The use of pesticides will be minimised and continually evaluated, and pesticides in WHO⁵ Classes 1a, 1b will not be used.

8 Labour & Working Conditions
Employment: We comply with all applicable ILO⁶ standards, national legal requirements and industry standards. The use of child labour is strictly prohibited and compliance with the ILO Convention 138 on the minimum age of employment and ILO Convention 182 on the worst forms of child labour are a prerequisite. We create an inclusive work environment that avoids any form of discrimination. We offer fair and equal pay, training, promotion opportunities and benefits to all workers for the same type of work. All operations must also comply with our Fair Employment Policy.

Training: We undertake worker training to ensure full understanding and effective implementation of this Code and key operating procedures.

Occupational Health & Safety: We identify and minimise occupational risks to workers and incorporate our policy on Health & Safety. We address the identification of potential hazards & risks associated with each category of work; preventive & protective measures; training of workers; documentation and reporting of accidents; emergency prevention, preparedness and response arrangements.

9 Transport Safety
We identify and address the risks associated with the transportation of all our employees and incorporate our Safety Code of Practice S-111 "Work Related Vehicle Safety".

10 Local Communities
Economic, social and cultural rights and wellbeing of people living inside and nearby our plantations, concessions and farms are protected and regular community engagements are carried out in order to identify opportunities for community development.

Grievance mechanisms are made available to community members for speedy and effective resolution of any concerns related to our activities.

11 Animal Welfare
We'll optimise animal welfare conditions according to the '**Five Freedoms**' as follows:

1. Freedom from Hunger & Thirst
2. Freedom from Discomfort
3. Freedom from Pain, Injury, & Disease
4. Freedom to Express Normal Behaviour
5. Freedom from Fear & Distress

4. 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.

5. World Health Organisation | 6. International Labour Organization

Continual Improvement

As part of the 'Implementation Phase' we adopt a cycle of improvement, whereby...

We Monitor

Each upstream operation will implement KPIs and routinely report against them for each of their relevant ESMP requirements.

Additionally, they will report their status against the CR&S controls in our Integrated Risk Assurance Framework.

The results will be reviewed by the CR&S Function with any significant issues escalated to the relevant product business management and the CR&S Committee of the Board.

We Audit

On an annual basis our CR&S function will facilitate an internal audit of each upstream operation.

The results of each audit will be reviewed with the operational management and any learnings will be shared with other upstream operations with remedial action plans developed and implemented to address any significant issues.

Audit findings will be communicated to the product business management and the CRSC.

We Review

For each upstream operation, our CR&S function, the upstream operational management and product business management will perform a formal annual review.

This review will be used to assess the status and ongoing relevance of the ESMP; identify future resource in terms of financial, manpower and technical requirements; acknowledge and share positive progress made; and ensure the ongoing resilience of the upstream business.

