



Olam Agri



Responsible Palm Oil Sourcing Policy

January 2023

Let's Talk

Responsible Palm Oil

We're committed to responsible Palm Oil processing activities and third-party sourcing. This policy applies to our suppliers at Group Level¹. The cut-off date for implementation of this Policy was February 2017.

Our Commitment

All our suppliers must comply with this Policy to supply to Olam Agri.

In addition, our suppliers must adhere to our Supplier Code, to the Roundtable on Sustainable Palm Oil (*RSPO*) requirements, or to a Code that is equivalent to our Supplier Code that's been approved by us.

This Policy outlines requirements in-line with our 'No Deforestation, No Peat, No Fire & No Exploitation' (*NDPE*) commitments, as well as the rigorous due-dilligence & NDPE sourcing requirements of our third-party suppliers, since 2017.



1. Group level = RSPO's definition

2.1 Forest Conservation & GHG Emissions Reduction

- No HCV, HCS & No Peat.
- Any new development must identify HCV² areas and HCS³ forests for protection utilising international best practice guidance from the RSPO Principles and Criteria, High Conservation Value Resource Network and the High Carbon Stock (HCS) Approach. New HCV-HCSA assessments by our suppliers must be led by an accredited Assessor by the Assessor Licensing Scheme. HCV-HCSA assessment should include consideration for community needs and cultural values. The HCS Approach methodology considers indigenous and local peoples' lands & the FPIC process.
- There'll be no deforestation of protected areas.
- There'll be no new development on peat regardless of depth. For plantations previously established on peat, the company must adopt best management practices for peat, as defined by the RSPO and peat experts.
- There'll be zero burning including no use of fire during land preparation, planting or replanting. We expect suppliers to take immediate action if burning is found in their supply-chain.
- Suppliers with plantations in a peat area are expected to implement best practices for water management to reduce GHG emissions and mitigate fire risk during dry season. Feasibility of replanting on peat must be confirmed and the area is to be replanted with other crops with higher water table.

2.2 Respecting Workers, Livelihoods & Communities

- Promote responsible labour practices & respect legal, communal or customary rights of local communities and indigenous people according to the principles outlined in the RSPO and Free and Fair Labor Guidance.
- Enforce strict rules to prevent and protect against child labour/forced labour as defined by ILO standards and national laws.
- Provide a healthy and safe workplace for employees, contractors & visitors. Ensuring ethical recruitment so that workers do not incur any fees at any stage of the recruitment process, and no retention of passports or identity documents.
- Respect & uphold the rights of all contract, temporary & migrant workers, in accordance with the Universal Declaration of Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work and related international covenants.
- Respect the right to freedom of association, and recognise the right to collective bargaining of workers in accordance with Conventions 87 & 98 of the International Labour Organisation.
- Provide equal opportunities of employment without regard to a person's race, colour, religion, sex, age, national origin, sexual orientation, disability, citizenship status, marital status, etc.
- Enforce a transparent and easily accessible grievance procedure.

2. We will follow the definitions and guidance of the global multi-stakeholder platform of expertise on HCVs, the HCV Network, www.hcvnetwork.org as applicable, to achieve quality HCV assessment by only engaging with licensed High Conservation Value (HCV) assessors accredited by the HCV Resource Network's Assessor Licensing Scheme.

3. We will follow the definitions and guidance of the global multi-stakeholder platform of expertise on HCS, the High Carbon Stock Approach (HCSA), <http://highcarbonstock.org> or those of an RSPO-endorsed HCS methodology, as applicable.

2.3 Communities

- Engage transparently to ensure Free, Prior and Informed Consent (FPIC) of local communities & stakeholders.
- Respect legal & customary land tenure rights, with reference to the UN Declaration on the Rights of Indigenous Peoples.
- Support the inclusion of smallholders into the supply-chain.
- Support outgrowers & smallholders to build capacity, improve yields, apply good practices and avoid deforestation.
- Ensure communities have access to a transparent grievance procedure.

2.4 Traceable Third-Party Supply-Chains

To facilitate the monitoring of our supply-chains we'll continue to ensure traceability with information as per below:

- **Traceability to Mill:** Name of mill, parent company name & address/GPS coordinates. Additional info, i.e. certification status & universal mill code may also be included and published on our website.
- **Traceability to plantation:** Name of plantation, map area & plantation size.
- **Smallholders:** GPS coordinates of the nearest village to the farm, number of farmers and total hectareage.
- **RSPO SG Certified Sourcing:** This is considered as fully traceable to plantation/farm.
- **Direct Sourcing:** This relates to mills whereby the supplier shall disclose traceability to plantation/farm as part of our due-diligence, risk assessment & action plan development for 100% plantation/farm traceability by 2022.
- **Indirect Sourcing:** This relates to trading companies/refineries, whereby suppliers shall... disclose mill traceability and have a system to monitor their supply-chain, ensuring it adheres to our Policy.

2.5 Transparent Grievance Procedure

- We've a dedicated grievance channel which enables any stakeholder to raise a grievance against any party.
- All grievances logged under our Palm Grievance Procedure will be dealt with in a timely manner and details reported transparently on our Grievance Log.
- If any supplier is found to be non-compliant, they will be investigated, and corrective actions sought at parent company level.
- If a supplier is found with evidence to be non-compliant to our policy, we'll adopt a 'suspend & engage approach' of the case. We expect our suppliers to immediately apply a stop-work order while investigations are ongoing. Suspension will apply at the Parent-Company/Group Level.
- There may be cases where grievance cases are investigated through external mechanisms, such as the RSPO Complaints Procedure. We'll review these cases and be guided by them.
- For our indirect sourcing, we'll request our direct supplier(s) to suspend the producer/mill. Engagement could continue for corrective action. Such action for non-compliance after cut-off date (*February 2017*) may include compensation, conservation and/or restoration of peatland/forest, by working with expert stakeholders & communities. This applies to both their own plantations and their third-party supplies.
- Our grievance log including suspended suppliers will continue to be updated on our website. Refer to our grievance mechanism on admissibility of a grievance & re-engagement protocol with a suspended supplier.