



Olam Agri

# Supplier Code

January 2023

Let's Talk

# Supplier Standards

**Upholding high standards of behavior** and conducting business in an ethical, socially responsible & and environmentally sustainable manner is integral to our continued success and to our purpose of transforming food, feed & fibre for a more sustainable future.

We believe building enduring partnerships with our suppliers is central to develop more sustainable and responsible agricultural supply chains that conserve nature and enable farming communities to prosper.

Our Supplier Code sets out the standards and principles we expect of our suppliers to uphold our Policies and all applicable laws globally.

The Code applies to suppliers of agricultural products – including individual farmers and farmer groups, farming and processing enterprises, buying or collecting agents and trading companies – that supply products to us directly or through intermediaries (*Suppliers*). Direct suppliers to us are expected to ensure their own suppliers are aware of, and comply with, the principles set out in this Code, as described in the Ensuring Compliance section.

For the purpose of this Code, the terms 'worker' and 'employee' are used interchangeably and refer to permanent, temporary (*seasonal, daily*) labour, as well as workers contracted by a third-party and on a piece-rate basis.

The following sets out mandatory expectations, as well as areas where we expect Suppliers to continuously improve their practices.



# The Supplier Code

## Legal Compliance

Suppliers shall comply with all relevant laws & regulations that govern their operations, including labour, social security and environmental laws. If requirements of this Code differ from requirements set out in applicable local laws, Suppliers shall apply the higher standard.

## Ethical Business Practice

Suppliers shall not engage in unethical business practices, including bribery, corruption, fraud & abuse of power.

Suppliers shall be open, honest and accurate in their dealings with their own suppliers and with Olam Agri.

## Record Keeping & Transparency

Suppliers shall keep accurate records of product movements, mixing and collection from product origin<sup>1</sup> until Olam Agri takes ownership/possession.

Suppliers shall segregate products in line with requirements as applicable.

## Child Labour

Suppliers shall strictly respect these minimum ages for work and employment, or the minimum ages defined by the local law, whichever are higher:

- Individuals below 18 years of age may not perform hazardous work
- Children below the age of 15, and children of compulsory school age, may not be employed
- Children between 13 and 15 years old may only perform light work on their family farm, under the supervision of an adult and under the condition that the work does not interfere with their schooling
- Children below 13 years old are not allowed to work.

## Forced Labour

Suppliers shall not use or benefit from the use of any form of forced labour, such as slave labour, trafficked individuals or labour bonded by a debt, nor shall they use the labour of prisoners.

Coercive practices, including withholding of wages, identity documents (*IDs*), threats, violence or restricting of freedom are prohibited.

No employees shall be required to pay for their employment.

## Respect & Non-Discrimination

Suppliers shall make sure that no person is treated unequally on the basis of race, colour, gender, religion, age, disability, sexual orientation, nationality, ethnic origin, social status, political views, religion, family obligations or membership in associations.

Non-discrimination applies to all employment practices, including hiring, compensation, advancement, discipline and termination. In farmer groups, there shall be no discrimination in access to membership, leadership positions and to services.

No person shall be subject to violence or physical, sexual, verbal or psychological harassment.

Every person's privacy shall be protected from interference.

Rights to practice culture and religion shall be respected.

Disciplinary measures shall be fair and never involve humiliating practices or withholding or unjustified deduction of wages.

Suppliers shall strive to make reasonable adjustments to working conditions, hours and facilities to accommodate the diverse needs of individuals.

<sup>1</sup> Product origin shall be defined by Olam Agri and can mean producing region, farmer group or individual farmer.

## Terms of Employment

Suppliers shall ensure that terms of employment are compliant with the law, respect the rights of workers, are fully understood and freely agreed to by workers and adhered to by the employer.

## Working Hours

Suppliers shall respect limits to working hours or the legal maximum working hours, whichever is more stringent:

- A normal working shift shall not exceed 12 hours
- Regular breaks during the day shall be provided, including adequate breaks for meals
- A regular work week shall not exceed 48 hours
- Workers shall be allowed at least 24 hours (*consecutive*) of rest in every seven-day period
- All overtime work shall be consensual; overtime shall not be requested on a regular basis & shall be compensated at a higher rate
- Other than in exceptional circumstances<sup>2</sup>, the sum of regular and overtime hours in a week shall not exceed 60 hours

## Wages & Benefits

Suppliers shall pay their employees' wages not lower than the minimum wage established by the law or by a competent authority for this type of work in the locality, whichever is higher.

Wages and overtime compensations shall be paid in full, on time and at least monthly.

Recognizing workers' right for fair pay, Suppliers shall progressively offer compensation for a regular work week that is sufficient to meet the worker's basic needs and provides some discretionary income.



## Health & Safety

Suppliers shall ensure that work is performed in a safe way using appropriate tools and practices and that adequate safety trainings and personal protective equipment are provided to all workers at no cost to them.

Suppliers shall strive to prevent accidents and injuries and have measures to manage health and safety events and ensure workers' access to emergency medical services.

Suppliers shall ensure that working and living conditions are safe, provide adequate light, ventilation, temperature, shelter and access to water and sanitation.

## Freedom of Association & Right to Collective Bargaining

Suppliers shall recognize and respect the right of employees, as well as farmer group members, to form, join, or to refrain from joining, representative associations of their choice, and to bargain collectively with their employer and farmer group leaders on work-related topics. Agreements reached from collective bargaining shall be enforceable.



<sup>2</sup> Peak production periods cannot be counted as exceptional circumstances.



## Local Communities & Land Rights

Suppliers shall respect the customary, legal land tenure and access rights of indigenous people and local communities to natural resources.

Suppliers shall maintain open dialogue with local communities regarding the impacts of Suppliers' operations and strive to minimize these impacts.

Suppliers shall obtain the free, prior and informed consent of local communities in relation to any project or development that may affect their legal or traditional ownership, or customary use, of their land or territories and other resources.

Suppliers shall not participate in, or benefit from, forced evictions and shall ensure that displaced communities receive adequate, mutually agreed compensation.

## Grievance Mechanisms

Suppliers shall establish a process to receive, review and investigate complaints coming from employees, farmer group members and local communities, and take corrective actions as appropriate.

Employees, farmer group members and members of affected communities shall be aware of the process and of their right to express concerns and complaints without threat of reprisal or intimidation.

## Forests & Ecosystem Conservation

Suppliers shall not source products resulting from the destruction of important natural habitats, including:

- Legally protected areas.
- Areas of high conservation value, that are recognized locally, nationally, or internationally.
- Important natural ecosystems including forests and peatlands, which have high carbon stocks.

## Biodiversity

Suppliers and employees shall preserve nationally protected species, and vulnerable, endangered, and critically endangered species as defined by the UN Red List of Threatened Species.

They will adopt suitable practices to protect these species, their habitats, and important sites on and around farms.

Suppliers shall avoid introducing invasive & alien species and adopt suitable practices to control them.

## Use of Fire

Suppliers shall not use, nor allow the use of, fire in land preparation including planting and replanting, other than in exceptional circumstances to be agreed with Olam Agri.

## Soil Management

Suppliers shall adopt suitable practices to avoid and combat soil degradation and erosion. Fertilizer application practices shall take into account crop type and soil health.

## Safe & Responsible Use of Chemicals<sup>3</sup>

Suppliers shall ensure safe storage, handling, application, and disposal of agro-chemicals, including pesticides and fertilizers. Banned agro-chemicals<sup>4</sup>, as well as agro-chemicals with unclear composition and not properly labelled shall not be used. Suppliers shall strive to reduce the amounts of agro-chemicals used.

<sup>3</sup> Not applicable to production of certified bio and organic products

<sup>4</sup> Class Ia and Ib chemicals in the WHO Recommended Classification of Pesticides by Hazard, chemicals banned by Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, and the Stockholm Convention on Persistent Organic Pollutants



## Animal Welfare

Suppliers involved in animal-rearing, or using working animals, shall ensure humane treatment of animals and, at a minimum, provide them with regular and adequate food and water, necessary rest, shelter, medical treatment, and spare them from mental suffering and distress.

## Protection of Water Sources

Suppliers shall avoid contamination or pollution of surface and groundwater sources in and around farms and factories, respecting minimum distances from water sources and preserving buffer zones of natural vegetation.

Wastewater shall undergo appropriate treatment to minimize the load of contaminants.

In water-stressed areas, Suppliers shall adopt suitable practices to use water sources efficiently

## Waste Management

Suppliers shall ensure that waste collection, storage and disposal are properly organized and that hazardous waste is treated and disposed of in a safe way.

Suppliers shall strive to reduce, compact, reuse and recycle waste, including composting of the organic waste.

## Energy Efficiency

Suppliers shall strive to use fuel and electricity efficiently, and to use renewable energy sources.

Suppliers shall monitor energy use in production and processing.

## Ensuring Compliance to the Code

Suppliers shall communicate the requirements of the Code to their employees and ensure their compliance.

Farmer groups shall communicate the requirements of the Code to their members and ensure their compliance.

With respect to their own suppliers, Suppliers to Olam Agri shall:

- Communicate the requirements of the Code to their suppliers, up to the product origin.
- Ensure that they procure goods only from suppliers that respect the Code.
- Inform Olam Agri if their suppliers experience challenges applying the principles of the Code.
- Work with non-compliant suppliers to develop, implement and monitor action plans to resolve challenges.

Suppliers may be requested to supply evidence of compliance and Olam Agri reserves the right to conduct audits and inspections to verify compliance with the Code up to the product origin. In case a supplier is consistently found to be non-compliant, and does not demonstrate adequate effort to improve compliance, Olam Agri reserves the right to suspend procurement of products coming from this supplier.

## Product or Country-Specific Requirements

Where specific additional requirements are made for the supply chain, Olam Agri shall specify those requirements in an addendum to the Code. These requirements shall not contradict the requirements of the Code.

# Supplier Declaration

Please complete the fields below and return to your Olam Agri representative.

I confirm that I fully understand the requirements of the Olam Agri Supplier Code, and I and the farmer group and its members / the company, its subsidiaries and employees (*strike through as applicable*) that I represent, shall comply with the principles laid out in the Code. I shall also ensure that any upstream supplier whose produce or derivatives I sell to Olam Agri respects the code.

Supplier name	
Supplier ID with Olam Agri (if applicable)	
Title	
Name of authorized representative	
Signature	
Date	

Olam Agri business	
Name of authorized representative	
Title	
Signature	
Date	