Olam Agri

Environmental Policy for Olam Agri's Wood Business

Executive Summary

This Environmental Policy defines the principles and operational standards that govern how Olam Agri's Wood Business manages its environmental impacts. It applies to all forestry, industrial, and logistical operations carried out by the company and its subsidiaries, including the Congolaise Industrielle des Bois (CIB) in the Republic of Congo.

As part of Olam Agri's broader ESG strategy, this policy outlines a structured environmental management framework that promotes sustainable forest use, safeguards ecological functions, and ensures compliance with evolving international standards.

It is aligned with third-party certification requirements (FSC®[1], PEFC/PAFC), the EU Deforestation Regulation (EUDR), the U.S. Lacey Act, and other applicable regulatory frameworks.

The policy is based on several core principles:

1. **A strict commitment to zero deforestation and no conversion of natural ecosystems;**
2. **The identification of High Conservation Value (HCV) and High Carbon Stock (HCS) areas, with differentiated management measures such as buffer zones, strict protection, or reduced-impact logging;**
3. **A complete exclusion of peatland areas from all operations, applying the precautionary principle;**
4. **Full assurance of legality and traceability from forest to final export.**

These principles are integrated into forest zoning, annual harvest planning, and infrastructure development decisions. Thematic commitments are also defined, addressing biodiversity protection, climate mitigation, water and pollution management, resource efficiency, and the management of degraded areas. Over 25% of forest holdings are designated as conservation areas with no-harvest rules, contributing to broader landscape-level planning.

Environmental monitoring relies on a combination of ESG indicators, internal controls, and independent audits. Key metrics — such as greenhouse gas emissions, chemical use, and water and waste volumes — are tracked annually and consolidated into ESG performance dashboards. Where gaps or non-conformities are identified, Corrective Action Plans are deployed.

Stakeholder engagement is central to implementation. Local communities, government bodies, and scientific partners are involved in environmental planning and impact monitoring. Transparency is maintained through public reporting, audit documentation, and participation in disclosure platforms like SPOTT and CDP.

The policy is subject to regular review in response to regulatory updates, audit feedback, and scientific developments.

[1] FSC-C014998/FSC-C128941/FSC-C104637/FSC-C156094/FSC-C005457

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Purpose and Scope

This Environmental Policy defines the environmental management principles and operational boundaries applicable to all wood-related activities conducted by Olam Agri's Wood Business, including those implemented by its fully owned subsidiary, the Congolaise Industrielle des Bois (CIB), in the Republic of Congo. It establishes common environmental expectations across forest management, processing, transport, and logistical operations—both in concession areas and in industrial sites.

The policy provides a technical and regulatory framework for the prevention of environmental degradation, the management of ecosystem functions, and the responsible use of natural resources.

It is applicable to:

- All forest concessions, wood processing facilities, and associated infrastructure managed by Olam Agri's Wood Business
- All subsidiaries, joint ventures, and contractors operating under the operational control of Olam Agri's Wood Business
- Development and investment projects with a potential environmental footprint, including road construction, industrial expansion, and land-use planning initiatives

This policy is part of a broader suite of governance instruments that together define the ESG framework for our Wood Business. It complements thematic policies including the ESG Policy, the Peatland Preservation Declaration, the High Conservation Value (HCV) Management Framework, the Chemical Use Policy, and the Third-Party Certification Position Paper. It supports compliance with international obligations such as the EU Deforestation Regulation (EUDR), the UK Timber Regulation (UKTR), the U.S. Lacey Act, and applicable CITES provisions.

The Environmental Policy will be reviewed periodically based on operational developments, audit results, scientific input, and regulatory changes. It is mandatory for all teams involved in forest operations, industrial activities, and supply chain management within the wood division of Olam Agri.

Key Environmental Principles

The environmental principles outlined in this policy guide our planning, implementation, and monitoring of all forestry and wood processing operations. These principles are grounded in recognised international norms, such as the FSC Principles & Criteria, the PEFC Sustainable Forest Management standard, and the Accountability Framework Initiative (AFi), as well as relevant legal obligations in key export markets.

No Deforestation and No Conversion of Natural Ecosystems

We uphold a strict zero-deforestation commitment across all our forest operations and wood sourcing activities. This commitment is defined according to the AFi and the FSC definitions, and excludes any conversion of natural forest to non-forest land use.

Selective logging is practiced under permanent production forest classification, with intensities below one tree per hectare every 30–35 years, ensuring the maintenance of continuous forest cover and natural regeneration. No timber is harvested from areas that were natural forest after the established cut-off date, and all operations aim to maintain ecological functionality at landscape scale.

All sourcing is conducted within FSC-certified concessions. No wood is purchased from non-certified suppliers. High Conservation Value (HCV) and High Carbon Stock (HCS) areas are identified and mapped. While HCV areas are subject to differentiated management—ranging from strict protection to reduced-impact harvesting depending on their type and sensitivity—HCS areas are not systematically excluded from operations, as no certification standard currently requires this. Management plans integrate buffer zones and ecological corridors to enhance ecological connectivity. While current forest management plans do not mandate active restoration measures, degraded areas — when identified — may be subject to protective zoning or natural regeneration depending on their ecological context and land-use history.

Conservation zones represent over 25% of total managed areas and are subject to third-party verification. In line with the EUDR, full geolocation data is available for every cutting block, ensuring traceability to origin.

This approach applies both to directly managed and to the rare externally sourced volumes, which must meet the same certification and environmental criteria.

High Conservation Value Areas

Our approach to HCV is based on FSC Principle 9 and the guidance provided by the High Conservation Value Resource Network (HCVRN). HCV areas are systematically identified, mapped, and monitored across all Forest Management Units (FMUs) under concession.

The six HCV categories assessed include:

- **HCV 1:** Significant concentrations of biodiversity, including threatened, endemic, or restricted-range species;
- **HCV 2:** Intact forest landscapes and large-scale ecosystems;
- **HCV 3:** Rare or endangered ecosystems;
- **HCV 4:** Critical ecosystem services, such as erosion control and watershed protection;
- **HCV 5:** Sites critical to meeting basic needs of local communities;
- **HCV 6:** Areas of cultural, archaeological, or religious significance.

We maintain a dedicated HCV management and monitoring plan based on the risk profile and ecological characteristics of each FMU. Buffer zones and no-harvest areas are designated around key ecological features, including riparian forests, national park boundaries, and areas with high faunal densities.

Management plans are developed based on multi-stakeholder consultations, including input from communities, scientific experts, and relevant authorities. CIB, as a case example, publishes periodic updates to its HCV framework, and conducts annual reviews to validate the relevance and effectiveness of its conservation measures.

The full HCV identification and management document is publicly available and can be accessed upon request or via the ESG documentation portal of Olam Agri's Wood Business. Compliance with its provisions is assessed through independent third-party audits.

High Carbon Stock Areas

High Carbon Stock areas are defined as natural forest zones that store significant quantities of carbon and support key ecosystem functions. We do not apply a blanket exclusion to HCS areas, as no certification standard currently requires their full protection. Instead, we use a stratified approach to identify carbon-dense forest types based on the methodology validated by the PAFC Congo Basin standard and supported by satellite data, inventory records, and ecological analysis.

In high-risk areas—such as swamp forests, peatlands, and intact forest corridors—the company applies a precautionary approach, including conservation zoning, low-impact operations, or protection from road access. In northern Congo, aerial carbon maps are used to inform planning and prioritise conservation outcomes without restricting all productive use.

We update carbon stock mapping at least every five years in accordance with PAFC standard and adjusts its management plans accordingly. This allows us to balance production goals with climate mitigation objectives, while integrating scientific evidence and evolving expectations from regulators and market partners.

No Harvesting in Peatlands

We prohibit all harvesting and infrastructure development in areas identified as peatlands. This commitment, based on the precautionary principle, applies across all operations, including those managed by CIB.

Peatlands are critical ecosystems for carbon storage and hydrological regulation. Given their vulnerability and ecological importance, we have initiated a mapping and monitoring strategy combining satellite imagery, field verification, and collaboration with scientific institutions.

Confirmed peatlands are excluded from management activities. No logging, road construction, or heavy equipment use is allowed. In areas suspected to contain peat but lacking full confirmation, access is strictly limited and subject to environmental and social impact assessments.

A scientific advisory group will support oversight, and regular public reporting will ensure transparency. This approach aligns with FSC certification standards, the EU Deforestation Regulation, and international wetland conservation frameworks.

Peatland protection is integrated into annual audits and forest management plans and reflects our broader environmental strategy focused on risk mitigation, biodiversity protection, and climate action.

Legal and Traceable Sourcing

Olam Agri's Wood Business ensures that all timber sourced and processed under its operations is fully legal and traceable. All harvesting activities are conducted within FSC or PEFC/PAFC-certified forest management units, with no sourcing from external suppliers in the case of CIB.

Traceability is maintained from individual tree inventories through to processing and export, using geolocation, barcoding, and SAP-integrated tracking systems. These systems are verified annually through third-party audits, ensuring compliance with certification requirements and legal frameworks such as the EUDR, the UKTR, and the U.S. Lacey Act.

No timber is harvested or traded without documented legality, confirmed origin, and a valid management plan. Volumes occasionally handled outside of CIB's supply chain involve certified third-party suppliers only, with their FSC and/or PEFC certification status independently verified.

This sourcing model guarantees full control over wood origin and legality, aligned with international trade and sustainability standards. Documentation — including audit summaries, forest management plans, and FPIC protocols — is publicly accessible or available upon request.

Climate Mitigation and Resource Efficiency

We are committed to progressively reducing the greenhouse gas emissions associated with our operations. This includes emissions from logging, industrial processing, transport, and fuel use. We align our climate strategy with the Science-Based Targets initiative (SBTi) and track emissions across Scopes 1, 2, and partially Scope 3.

Mitigation efforts include optimising fuel consumption, improving kiln efficiency, reducing waste, and increasing the use of renewable energy where feasible. Harvesting plans incorporate reduced-impact logging (RIL) principles to minimise collateral forest damage and soil disturbance.

The impact of timber harvesting and infrastructure development on forest cover is monitored annually

using geospatial analysis and field validation. For each harvesting site, canopy disturbance rates are calculated and compared to predefined thresholds established in the HCV management and monitoring plan. These rates are published for every active harvesting block and reviewed annually as part of internal audits and third-party certification assessments.

Water use, energy efficiency, and material productivity are also monitored at industrial sites. Indicators are integrated into internal dashboards, feeding into our ESG reporting and audit cycles.

Resource use efficiency is pursued through improved yield recovery, re-use of residues, and gradual upgrades to equipment with lower environmental footprints. These efforts contribute to both environmental performance and long-term operational resilience.

Pollution Prevention and Chemical Management

Pollution risks are controlled through strict internal procedures for chemical use, waste management, and effluent control. We apply a precautionary approach, guided by our Chemical Use Policy.

Only chemicals approved under national law and aligned with international safety standards are authorised. Storage and application follow regulated protocols. Disposal of hazardous substances is conducted via licensed contractors, with documentation retained for compliance audits.

Accidental spills or discharges trigger emergency protocols and are reported internally for corrective action. Solid and liquid waste management plans are included in forest and industrial site operations.

Air and noise pollution from machinery and transport are minimised through equipment maintenance and route optimisation. Specific thresholds apply near settlements, water bodies, and conservation areas.

Prevention of Environmental Degradation

To prevent soil erosion, sedimentation, and habitat fragmentation, we apply terrain-adapted planning, including:

- Retention of riparian buffer zones
- Avoidance of steep slopes and hydromorphic soils for road construction
- Use of low-impact machinery and logging techniques

Site-level risks are assessed before each annual harvesting plan. Mitigation measures are embedded into operational prescriptions and monitored post-harvest. Degradation indicators are reviewed during annual audits and site inspections.

Risk-Based Decision Making and Adaptive Management

Environmental management decisions are guided by site-specific risk assessments and adaptive management principles. Where environmental data is lacking or uncertainty is high, a precautionary approach is enforced.

Annual operational planning incorporates environmental constraints through GIS-based zoning and multi-criteria assessments. Management strategies are adjusted based on monitoring results, non-conformities, or external scientific input.

Key elements include:

- Continuous learning from audit outcomes and impact evaluations
- Integration of new data from biodiversity and peatland research
- Revision of practices in response to stakeholder concerns or evolving regulations.

This risk-based and adaptive approach ensures operational decisions remain aligned with both environmental integrity and legal obligations.

Thematic Commitments

Olam Agri's Wood Business translates its environmental principles into concrete action through a series of thematic commitments that structure operational implementation across its forest concessions, industrial sites, and logistical operations.

Forest Integrity and Biodiversity

Forest management plans incorporate zoning systems that designate protection areas, conservation corridors, and reduced-impact harvesting zones. Over 500,000 hectares—approximately 25% of the company's total managed area—are set aside for conservation purposes.

HCV areas are identified and protected in line with FSC Congo standards, with detailed measures for species protection, hydrological functions, and cultural values. Monitoring indicators are defined and reviewed annually to track ecosystem health and adaptive management outcomes.

Hunting and bushmeat trade are prohibited for staff and subcontractors. Anti-poaching patrols are deployed in coordination with national park authorities and conservation NGOs.

Partnership-Based Landscape Conservation Model

Since 1999, CIB has helped pioneer an innovative model of landscape-level forest management in the northern Republic of Congo, based on a multi-stakeholder partnership involving the Republic of Congo's Ministry of Forest Economy and the Wildlife Conservation Society (WCS).

This collaboration—formalised through the Peripheral Ecosystems Management Project (PROGEPP)—is a longstanding example of how conservation NGOs, governments, and the private sector can co-develop and implement ecological strategies within and around forest concessions. The project safeguards biodiversity across more than 1.3 million hectares of forest, buffering the Nouabalé-Ndoki National Park, a UNESCO World Heritage Site, and ensures compatibility between forest production, conservation, and community development.

Through joint land-use planning, targeted wildlife management, anti-poaching patrols, biomonitoring, and environmental education, the partnership has demonstrated measurable success in protecting threatened species and maintaining ecological corridors. All management actions are based on scientific data, participatory governance, and legal enforcement.

The PROGEPP partnership is widely recognised as a reference model for private sector engagement in conservation and is one of the oldest continuous biodiversity partnerships of its kind in tropical production forests.

With its partners, CIB is shaping a landscape-based approach to forest management where timber production, biodiversity conservation, community well-being, and complementary land uses are integrated rather than compartmentalised. The model envisions synergies across these functions—through joint planning, spatial differentiation, and shared governance—within a single managed forest landscape. While still evolving, this approach aims to demonstrate that production forests can serve multiple roles beyond timber, contributing to both environmental integrity and inclusive development across the territory.

Climate and Carbon Strategy

We align our climate strategy with the SBTi and monitors greenhouse gas emissions annually across Scopes 1, 2, and 3. Emission data is consolidated into internal ESG reporting dashboards and used to inform energy efficiency and fuel substitution strategies. A biomass cogeneration plant in Pokola, operational since 2014, contributes to reducing fossil fuel dependence in industrial processing.

Forest carbon is maintained through the conservation of natural forest cover, the exclusion of peatlands from harvesting and infrastructure, and the integration of carbon-related criteria into forest management planning. HCS areas are not systematically excluded from production activities, but are stratified and assessed using remote sensing, inventory data, and field validation. This allows for targeted conservation in carbon-dense ecosystems such as peat-rich swamp forests.

We also explore the optional use of the FSC Ecosystem Services Procedure to document carbon-related co-benefits in specific areas. Climate vulnerability and carbon stock data are gradually being incorporated into landscape-level planning to support climate adaptation and alignment with international market expectations.

Peatland Conservation

All confirmed and suspected peatland areas are excluded from harvesting, road construction, and infrastructure development. Mapping is conducted using satellite data and field validation, in collaboration with scientific institutions and conservation NGOs.

We apply the precautionary principle, including the establishment of buffer zones, and commit to publishing regular progress reports on peatland protection. These commitments are detailed in the publicly available Peatland Preservation Declaration and internal planning documents.

Water Management and Pollution Control

Water sources and riparian buffers are protected through harvesting exclusion zones and construction guidelines that minimise sedimentation and contamination. Industrial water use is monitored, and effluent discharge is managed through retention and sedimentation systems.

The Chemical Use Policy regulates the purchase, use, and disposal of hazardous substances. Only approved products are permitted, and their application is documented. Storage facilities comply with international safety standards. Waste and chemical residues are removed by licensed operators.

Waste and Resource Efficiency

Resource efficiency is pursued across harvesting, processing, and logistics. Wood recovery rates are monitored, and residues are valorised through biomass energy production, secondary processing (e.g., finger-jointing), or distributed to local communities for domestic use or traditional charcoal production.

At industrial sites, waste is segregated, stored, and evacuated in accordance with local regulations. The absence of compliant landfills in northern Congo is a recognised challenge and part of future investment planning.

Ecosystem Restoration and Degraded Area Management

Degraded areas within the managed landscape of our forest concessions are limited in extent and primarily consist of zones previously used by local populations (e.g. shifting agriculture), forest patches with uncertain origin (such as Marantaceae-rich clearings), or localised quarry sites exploited for road construction.

These areas are not the result of intensive industrial logging and are not considered degraded in the conventional ecological sense. Nevertheless, they are assessed and documented as part of landscape-scale planning, and, where relevant, subject to protective zoning or natural regeneration monitoring.

All such zones are mapped and periodically reviewed to ensure they do not compromise biodiversity values or conservation goals.

Legal Compliance and Alignment with International Frameworks

All thematic areas above are implemented in line with applicable national laws, certification requirements (FSC, PEFC/PAFC), and international frameworks such as the EUDR, UKTR, Lacey Act, CITES, and CBD.

Traceability systems ensure that environmental commitments are verifiable from forest to export. Environmental obligations are reviewed annually as part of internal audits and certification surveillance.

Monitoring, Reporting and Verification

Olam Agri's Wood Business implements a structured monitoring framework for its environmental performance, combining field-based data collection, certification audits, and standardised ESG indicators. The system is aligned with its internal ESG Policy, FSC/PEFC certification frameworks, and evolving regulatory disclosure obligations such as the EUDR.

Indicator-based Monitoring

Key environmental indicators are tracked annually, including:

- **GHG emissions** from Scope 1, 2, and 3 are calculated annually and integrated into the company's internal climate reporting framework. Scope 3 calculations include upstream and downstream emissions relevant to the wood product value chain, in alignment with ESG disclosure benchmarks
- **Energy and fuel use:** Diesel consumption by mobile equipment and generators is tracked in cubic meters or litres.
- **Water use:** Surface and groundwater withdrawals are recorded monthly by site.
- **Chemical use:** Purchase, storage, and application of wood treatment products and industrial chemicals are documented and verified against internal safety and compliance protocols. Only authorised substances—such as anti-stain agents, fumigants, and maintenance-related chemicals—are permitted, in line with national legislation and international safety standards.
- **Solid and liquid waste:** Waste volumes (in m^3 or tons) are recorded at Pokola and Enyellé, by type (hazardous/non-hazardous) and final disposal route.
- **Land area under conservation:** Including peatland, HCV, and HCS zones, verified annually through GIS and FSC/PEFC audits.

Data is collected using site-level templates and consolidated through internal dashboards.

Certification and Audit Mechanisms

All forest management units (FMUs) are subject to annual third-party audits under FSC and PEFC schemes. Indicators reviewed include compliance with environmental prescriptions, buffer zones, and reduced-impact logging standards. Corrective actions are documented and followed up internally.

Internal environmental audits also complement certification reviews, covering chemical management, erosion risks, and waste handling practices.

Regulatory and Voluntary Disclosure

Environmental performance indicators are disclosed via:

- Annual internal ESG reports shared with senior leadership and investors
- Public summaries published by FSC auditors
- External platforms such as SPOTT, Forest 500, and CDP where applicable
- Client-facing due diligence documentation including EUDR-compliant geolocation and traceability data

All geolocation and chain-of-custody data is stored for at least five years, ensuring auditability.

Continuous Improvement and Stakeholder Engagement

Continuous Improvement Processes

Environmental management is approached as an adaptive cycle. Internal reviews, audit findings, and monitoring data are used systematically to revise practices and close performance gaps. Key mechanisms include:

- **Annual ESG reviews** at senior management level, incorporating field data, certification outcomes, and stakeholder feedback
- **Corrective Action Plans (CAPs)** developed in response to internal audits or external non-conformities, tracked via structured timelines
- **Periodic policy reviews,** informed by the AFi self-assessment tool and benchmarked against FSC, PEFC, and external ESG frameworks
- **Departmental ESG integration,** where each operational department (forest, industry, logistics, community) adapts its procedures to align with evolving environmental requirements

All updates to environmental procedures or controls are documented and communicated to field teams. Training needs are reassessed annually and adjusted based on audit feedback and indicator trends.

Stakeholder Engagement Mechanisms

Environmental policy implementation is strengthened through regular consultation with affected and interested parties. Engagement mechanisms include:

- **Community platforms** in each forest management unit, which allow for review of environmental impacts, buffer zone boundaries, and mitigation measures
- **Dialogue with regulatory authorities,** including provision of EUDR-compliant traceability and geolocation data on request
- **Technical consultations with certification bodies and scientific institutions,** particularly in areas of peatland mapping, HCV/HCS delineation, or carbon stock assessment
- **Participation in multi-stakeholder platforms,** such as ATIBT, WBCSD, IUCN, and forest legality forums
- Feedback gathered through these processes is used to adjust operational zoning, update impact assessments, and improve communication tools (e.g., maps, indicators, procedures).

Transparency and Accountability

Environmental commitments and progress updates are communicated to stakeholders through:

- Public summary audit reports (FSC/PEFC)
- Client due diligence responses, including risk documentation and traceability
- ESG disclosure platforms (e.g., SPOTT, CDP), where relevant

Stakeholder feedback mechanisms — including grievance procedures and consultation records — are integrated into internal decision-making and annual policy review cycles.

Annex A

Reference Documents and Their Status

This annex lists the key internal and external documents that underpin the Environmental Policy of Olam Agri's Wood Business. These reference materials define technical procedures, operational standards, and policy commitments relevant to environmental management across our forest and industrial operations. Each document contributes to the consistency, transparency, and auditability of the company's ESG framework. Public documents are available upon request or online; internal documents are accessible to auditors and relevant stakeholders as appropriate.

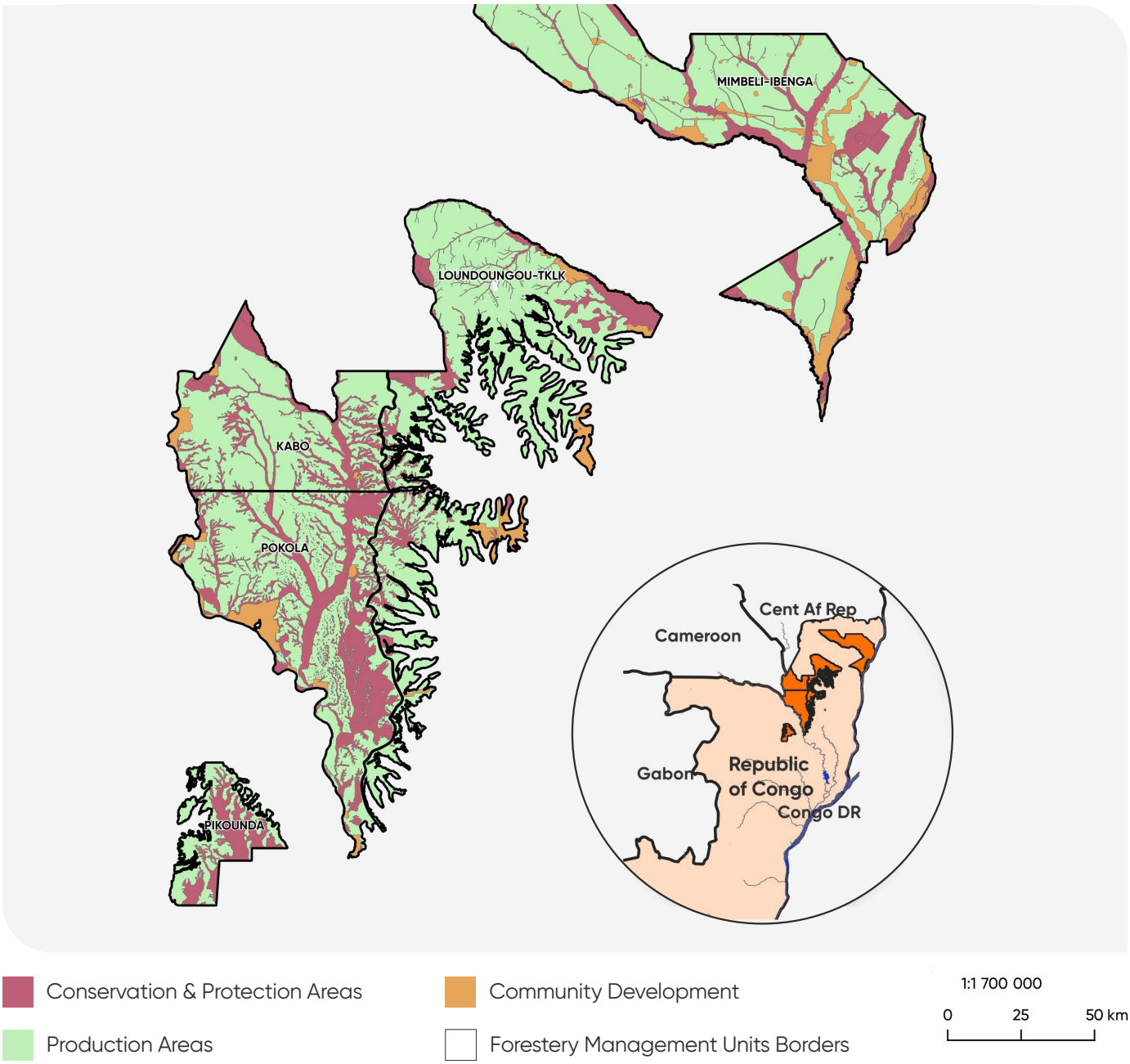
Document Title	Content Focus	Status
Declaration of Commitment	Certification-aligned principles for forest stewardship	Public
ESG Policy	Strategic framework for environmental, social, and governance practices across forestry operations, aligned with FSC, EUDR, and disclosure benchmarks	Public
HCV Identification and Management Framework	Protection of High Conservation Value areas	Public
Peatland Preservation Declaration	Environmental commitment; peatland exclusion	Public
Chemical Use Policy	Standards and procedures for the safe use, storage, and disposal of agrochemicals and hazardous substances	Internal
Olam Agri Living Landscapes Policy	Group vision for landscape-level conservation	Public
Third-Party Certification Commitment	Public statement on exclusive sourcing from FSC/ PEFC-certified forests and alignment with EUDR due diligence requirements	Public
Plantations, Concessions & Farms Code	Social and environmental safeguards for responsible land use and operational compliance	Public
Inclusive Engagement Strategy	Social and Human Rights Policy; FPIC; PS7	Public
FPIC-CIB Guidance Document	CIB's detailed FPIC methodology and operational protocol	Public
Comparative Definitions of 'Forest'	Definitions of "forest" across FSC, PEFC, FAO, AFi, and EUDR frameworks; included in ESG Policy – Annex D	Public

Note: Additional supporting procedures and operational documents—such as implementation protocols, environmental compliance reports, and forest operations manuals—exist beyond the list below. These documents are available to auditors, certification bodies, and institutional partners upon request

Annex B

Environmental Zoning Map Examples

This zoning map extract illustrates how CIB, the forestry subsidiary of Olam Agri in the Republic of Congo, integrates its environmental and social commitments into spatial planning. The map displays the main forest management zones as defined in the approved Forest Management Plans (FMPs), including production areas, conservation set-asides, protection zones (e.g., buffer zones, riparian forests), and areas reserved for community use. While only one representative map is included here, additional thematic layers—such as HCV zones, peatlands, and detailed ecological features—are available upon request.



Annex C

Regulatory and Certification Alignment Matrix

This annex provides a crosswalk between the environmental commitments defined in Olam Agri's Wood Business' Environmental Policy and the key regulatory and certification frameworks applicable to its operations. It demonstrates how internal practices align with external obligations, enabling consistent implementation, audit readiness, and stakeholder confidence.

The matrix below includes core frameworks such as:

- **FSC Principles & Criteria,** including associated normative documents
- **PEFC/PAFC Sustainable Forest Management Standards,** along with applicable procedures
- **EU Deforestation Regulation (EUDR)**
- **U.S. Lacey Act**
- **UK Timber Regulation (UKTR)**
- **Accountability Framework Initiative (AFi)**
- **IFC Performance Standards**
- **SPOTT**
- **Forest 500 disclosure criteria**
- **Science-Based Targets initiative (SBTi)**
- **CDP Forests** for climate reporting
- **Global Reporting Initiative (GRI)**

Environmental Commitment	FSC / PEFC	EUDR	Lacey Act / UKTR	AFi / Voluntary Standard
No deforestation / No conversion	FSC P1, P6; PEFC SFM Req. 5.1, 5.2	Art. 3 & 4 – No deforestation	Legal origin + declaration	AFi definitions + cut-off date alignment
HCV & HCS area protection	FSC P9; PEFC Req. 6.1, 6.2	Indirect via ecosystem integrity	Risk-based sourcing	HCVRN Toolkit; HCSA Manual
Peatland exclusion	FSC Congo Nat. Std. Ind. 6.5.5	High carbon stock protection	Not directly addressed	FSC ES Procedure; IUCN guidance
Legality & traceability	FSC P1; PEFC Chain of Custody	Full legality + geolocation	Declaration & risk mitigation	SPOTT/Forest 500 traceability criteria
Pollution & hazardous materials management	FSC P6; PEFC Req. 8.1, 8.2	Not specified	EHS regulations (indirect)	IFC EHS Guidelines
Climate mitigation & emissions tracking	FSC ES Procedure (voluntary)	Indirect via sustainability link	Not covered	SBTi alignment; CDP Forests
Restoration of degraded areas	FSC P6.5.2; PEFC Req. 7.3	Not required	Not required	AFi Restoration Framework
Monitoring, reporting & transparency	FSC P8; PEFC Req. 9	Art. 9 – Operator obligations	Documentation on request	GRI / SPOTT / CDP
Community consultation & FPIC	FSC P4; PEFC Req. 2.6	Indirect via stakeholder risk	Not directly required	IFC PS7; UNGP; AFi FPIC Guidelines

Note: This matrix is not exhaustive. Detailed operational alignment is documented in each supporting policy and procedure (see Annex A). This tool is intended to support audit readiness and due diligence responses.

Annex D

Glossary of Technical Terms

This glossary defines key technical terms used throughout the Environmental Policy of Olam Agri's Wood Business. Definitions are aligned with international standards and sectoral frameworks to support a shared understanding and consistent interpretation across operational teams, auditors, and external stakeholders.

Term	Definition
AFi	Accountability Framework initiative. A set of norms and definitions supporting ethical supply chains, widely used for zero-deforestation commitments.
Annual Allowable Cut (AAC)	In the Republic of Congo, the maximum volume or number of trees that can be harvested from a forest area in a given year, based on sustainable yield calculations.
Buffer Zone	A protective area around sensitive ecosystems (e.g. rivers, peatlands) where harvesting or disturbance is restricted or prohibited.
Convention on Biological Diversity (CBD)	A multilateral treaty that promotes the conservation of biological diversity, the sustainable use of its components, and the fair and equitable sharing of benefits arising from the use of genetic resources. It is one of the key international frameworks guiding biodiversity and ecosystem protection efforts.
Carbon Disclosure Project (CDP)	A global environmental disclosure system assessing companies on climate, forests, and water use.
Chain of Custody (CoC)	A documented sequence of custody, control, transfer, and certification from forest source to final product, ensuring traceability and integrity.
Corrective Action Plan (CAP)	A structured response to non-conformities, identifying causes and defining actions and timelines to restore compliance.
Deforestation	The conversion of natural forest to another land use or the long-term reduction of tree canopy cover below the threshold defining a forest.
EU Deforestation Regulation (EUDR)	A European Union regulation that requires companies placing forest-risk commodities on the EU market to demonstrate that products are deforestation-free, legal, and geolocated, through a due diligence system.
Forest Conversion	A change from natural forest to plantations, agriculture, infrastructure, or other non-forest land use.
Forest Management Unit (FMU)	A clearly defined area covered by a single Forest Management Plan and managed to a set of documented objectives and standards.
Forest Stewardship Council (FSC)	A global forest certification system ensuring responsible forest management and chain of custody.
Geolocation	The geographic coordinates (latitude and longitude) of the polygon where timber was harvested, required under EUDR for traceability.
GHG Scopes 1, 2, 3	Categories of greenhouse gas emissions: Scope 1 (direct), Scope 2 (indirect from electricity), Scope 3 (other indirect, e.g. transport, supply chain).

Term	Definition
Global Reporting Initiative (GRI)	A global standard for sustainability reporting used to disclose ESG performance.
High Conservation Value Resource Network (HCVRN)	A multi-stakeholder initiative providing guidance on HCV identification and management.
High Carbon Stock (HCS)	Forests identified as having high aboveground carbon density, typically primary forests or degraded natural forests suitable for restoration.
High Conservation Value (HCV)	Biological, ecological, social or cultural values of outstanding significance or critical importance. Categories range from biodiversity to cultural heritage.
International Finance Corporation (IFC)	The private sector arm of the World Bank Group. Its Performance Standards are widely used in ESG and project risk frameworks.
Lacey Act	A U.S. law prohibiting trade in wildlife, fish, and plants that have been illegally taken, possessed, transported, or sold. Applies to timber imports into the U.S.
Peatland	A type of wetland composed of accumulated partially decomposed organic matter (peat). Peatlands are high in carbon and sensitive to disturbance.
PEFC / PAFC	Programme for the Endorsement of Forest Certification / Pan-African Forest Certification. Voluntary certification systems for sustainable forest use.
Precautionary Principle	A risk management approach where protective measures are taken even if some cause-and-effect relationships are not fully established scientifically.
Reduced-Impact Logging (RIL)	A set of planning and operational techniques that minimise damage to forest stands and soils during timber harvesting.
Science Based Targets initiative (SBTi)	A partnership that helps companies align their emissions reduction targets with climate science and the Paris Agreement.
Sustainability Policy Transparency Toolkit (SPOTT)	A benchmarking platform managed by ZSL evaluating forestry and agribusiness ESG disclosure.
Stakeholder Engagement	A process of consulting, informing, and involving people who are affected by or can affect a company's operations and decisions.
UK Timber Regulation (UKTR)	UK regulation requiring that imported timber and timber products are legal and traceable; it mirrors the previous EU Timber Regulation.

Note: Where definitions vary slightly across frameworks (e.g. FSC vs. EUDR), the interpretation used by Olam Agri is aligned with FSC Congo Basin standards, PAFC, and the Accountability Framework.

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