



# ESG Policy for Olam Agri's Wood Business



# Executive Summary

**This Environment Social Governance (ESG) Policy defines the strategic direction and operational commitments of our Wood Business across three core pillars:**

environmental stewardship, social responsibility, and sound governance. It has been developed in alignment with internationally recognised frameworks—including FSC<sup>®</sup>, PEFC/PAFC, the European Union Deforestation Regulation (EUDR), CITES, and the Science-Based Targets initiative (SBTi).

We manage over two million hectares of FSC-certified forest in the Congo Basin, one of the planet's most ecologically and culturally important regions. With this stewardship comes the responsibility to conserve landscapes, support inclusive community development, and ensure full traceability and legal compliance throughout the supply chain.

This ESG Policy offers a transparent and structured roadmap for integrating sustainability at every step of the wood value chain—from selective tree inventory and reduced-impact logging to container loading, client due diligence responses, and stakeholder engagement.

It provides the overarching framework that connects operational procedures, regulatory obligations, third-party certifications, and social safeguards. It reflects current compliance with frameworks such as the EUDR and the Lacey Act, and sets the foundation for continued progress toward voluntary sustainability benchmarks such as SPOTT, Forest 500, and CDP. Climate mitigation targets are aligned with the SBTi's 1.5°C pathway and will be implemented progressively through tailored operational roadmaps.

Key focus areas include:

- |   |   |
|---|---|
| <b>1</b> Zero deforestation and peatland preservation | <b>5</b> Labour rights, gender equity, and local benefit-sharing        |
| <b>2</b> Climate mitigation and carbon tracking       | <b>6</b> Robust traceability, risk-based sourcing, and legal compliance |
| <b>3</b> Resource efficiency and pollution prevention | <b>7</b> Transparent reporting and independent verification             |
| <b>4</b> Inclusive community engagement and FPIC      |   |

This policy serves both as a strategic reference and as an operational guide, reflecting our ambition to lead by example in tropical forestry and to deliver inclusive, nature-positive outcomes in the Congo Basin and beyond.

# Executive Statement

**We are committed to leading by example in responsible forest management and in the transformation of wood value chains through sustainability, traceability, and inclusive development.** As stewards of over two million hectares of FSC-certified tropical forest in the Congo Basin, we recognise both the responsibility and the opportunity to integrate Environmental, Social, and Governance (ESG) excellence into every facet of our operations.

This ESG Policy affirms our commitment to halting deforestation, protecting critical ecosystems, promoting inclusive rural development, and ensuring legality and transparency across our supply chain.

It offers a practical framework for aligning our day-to-day practices with evolving global expectations, including those of the EU Deforestation Regulation (EUDR), our certification partners, and our clients.

Our ESG approach is grounded in field experience, community dialogue, and scientific guidance. It reflects our operational reality while drawing on internationally recognised frameworks such as FSC, PEFC, the Science-Based Targets initiative (SBTi), and the UN Guiding Principles on Business and Human Rights.

We are aware that sustainability is not a static target, but a process of continuous improvement. Through strong governance, local partnerships, and rigorous traceability systems, we are working to ensure that every cubic meter of wood exported under our name contributes to forest preservation, shared prosperity, and climate resilience.

This policy is both a declaration of values and a roadmap for implementation, guiding our teams, informing our partners, and holding us accountable for progress.

**Ashish Malik**

Senior Vice President

Business Head for Olam Agri's Wood Business

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# Purpose and Applicability

**Olam Agri's Wood Business operates as a global business division of Olam Agri,** headquartered in Singapore. Its tropical forestry operations are implemented primarily through the Congolaise Industrielle des Bois (CIB), a fully owned subsidiary of Olam Agri, based in the Republic of Congo.

This Environmental, Social, and Governance (ESG) Policy applies to all forestry and industrial activities under the operational and legal responsibility of Olam Agri's Wood Business. CIB's performance, governance systems, and ESG indicators are integrated into Olam Agri's group-level disclosures, certifications, and sustainability reporting. As such, all commitments made under this policy are applicable both at the corporate level (Olam Agri's Wood Business) and the field level (CIB), ensuring consistency and accountability across the value chain.

This policy complements a broader set of thematic and regional policies already in place, including:

- The Living Landscapes Policy (group-wide);
- The Declaration of Commitment to Sustainable Forestry;
- The Inclusive Engagement Strategy;
- The FPIC Guidance Document;
- The Peatland Preservation Declaration;
- The HCV Identification and Management Framework.
- FSC and PEFC national standards and procedures;

Together, these documents form a consistent ESG framework that supports regulatory compliance, certification standards, and international benchmarks.

# Policy Alignment and Reference Framework

**For the purposes of this policy, we adopt the Accountability Framework Initiative (AFi) definition of forest, which aligns with the approach used by FSC and is compatible with the FAO and EUDR standards.** A forest is defined as a naturally regenerated or planted area dominated by trees with a minimum canopy cover of 10%, capable of reaching a minimum height of 5 meters at maturity in situ, and not subject to agricultural or urban land use. See Annex D for a comparative overview of forest definitions used by regulatory and certification frameworks referenced in this policy.

Selective timber harvesting in our operations is conducted under permanent production forest classification, with harvesting intensities below one tree per hectare every 30 or 35 years. These activities maintain continuous forest cover, natural regeneration capacity, and the ecological integrity of the landscape.

Accordingly, our zero-deforestation commitment is not based on a cut-off date or the prevention of all tree removal, but on the guarantee that no areas of natural forest are converted to non-forest land use.

We align this ESG Policy with internationally recognised sustainability frameworks, regulatory requirements, and voluntary certification schemes to ensure credibility, comparability, and transparency in its approach.

The ESG Policy is grounded in, and complements, the following key internal and external reference documents:

- **Living Landscapes Policy** – group-level vision to protect and enhance ecosystem services at landscape scale, using FSC Ecosystem Services procedures where applicable.
- **Declaration of Commitment to Sustainable Forestry** – long-standing public statement of alignment with FSC Principles and Criteria.
- **HCV Identification and Management Framework** – detailed procedures and field protocols to ensure protection of High Conservation Value areas, aligned with FSC Congo Standard and SPOTT indicators.
- **Inclusive Engagement Strategy** – our formal Social and Human Rights Policy, aligned with IFC Performance Standards (especially PS1 and PS7) and the UN Guiding Principles on Business and Human Rights.
- **FPIC-CIB Guidance Document** – internal operational protocol for Free, Prior and Informed Consent, aligned with IFC PS7, FSC and AFi.
- **Peatland Preservation Declaration** – formal commitment to exclude peatlands from harvesting operations, applying the precautionary principle and ecosystem integrity principles.

Additionally, this policy supports and reflects compliance with:

- **FSC and PEFC certification frameworks**, including the FSC Congo Standard, all applicable FSC normative documents, the PEFC International Standards, and the PAFC-Bassin du Congo requirements.
- **European Union Deforestation Regulation (EUDR)** and its implementing guidance on traceability, risk assessment, and geolocation disclosure.
- **Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)** rules and national regulations for species at risk, with integration into our due diligence and traceability processes.
- **Lacey Act (USA)**, ensuring legality of timber products exported to the United States, including species origin and legality declaration requirements.
- **UK timber legislation**, including the UK Timber Regulation (UKTR) and post-Brexit requirements under the UK Forest Risk Commodities (FRC) framework and EU Exit Regulation 2020, governing legality, due diligence, and traceability of timber in Great Britain and Northern Ireland.

The ESG Policy is also informed by leading ESG reporting frameworks and performance-based sustainability benchmarks. While not intended as commitments to specific rankings, alignment with these standards enhances transparency and supports credible disclosure:

- **SPOTT:** indicators on transparency, FPIC, anti-corruption, grievance mechanisms, traceability, and biodiversity.
- **Forest 500:** expectations related to zero-deforestation commitments, supply chain control, and rights-based engagement.
- **CDP Forests and Climate:** disclosure of GHG emissions, deforestation-free targets, certification coverage, and traceability systems.

- **GRI:** global ESG disclosure standards based on materiality and harmonised indicators.
- **SBTi:** alignment of GHG reduction targets with climate science and the 1.5°C pathway.
- **TCFD and TNFD:** frameworks for understanding climate- and nature-related financial risks.

All documents referenced in this section are publicly available and cross-referenced in the annex of this policy. This ensures traceability of commitments and promotes comparability across jurisdictions and reporting frameworks.

# ESG Governance and Oversight

**We have established a clear governance framework** to ensure the effective implementation, accountability, and continual improvement of our ESG commitments.

## Governance Structure:

- **ESG oversight is led by the Head of ESG Wood Business**, who reports directly to the Senior Vice President, Head of Wood Business at Olam Agri, and coordinates strategic ESG leadership, operational integration, and sector positioning.
- **A cross-functional ESG Working Group** coordinates the integration of ESG priorities across departments, including operations, compliance, traceability, quality, and community relations.
- **Operational departments** are responsible for embedding ESG principles into day-to-day activities, in accordance with internal procedures and external standards.
- **A Compliance and Sustainability Manager** ensures alignment with applicable legal frameworks, certification systems, and audit readiness across sites and supply chains.

## Board-Level Engagement:

- ESG risks and opportunities are reviewed annually at the board level, ensuring alignment with corporate strategy and stakeholder expectations.
- Progress on key ESG indicators (climate, biodiversity, social impacts, governance practices) is integrated into corporate dashboards and reviewed by senior executives.

## Transparency and Stakeholder Communication:

- ESG governance processes ensure that relevant commitments, performance data, and supporting documentation (certificates, concession maps, grievance summaries, audit outcomes) are made publicly available, in line with SPOTT, Forest 500, and CDP transparency criteria.
- A designated ESG focal point coordinates responses to ESG-related due diligence requests from clients, investors, or authorities, including under EUDR and CITES.

## Monitoring and Evaluation:

- ESG performance is monitored through internal audits and continuous assessments. FSC and PEFC certifications are subject to annual third-party audits.
- ESG governance includes continuous feedback loops from local stakeholders and external partners to strengthen responsiveness and inclusion.
- All governance-related procedures are documented, reviewed, and adapted regularly in line with changes in regulations or operational realities.

This governance structure ensures that ESG is not treated as a peripheral compliance matter but as a central driver of value, resilience, and integrity across the wood business.



# Environmental Stewardship

## Zero Deforestation and Ecosystem Protection

We uphold a strict zero-deforestation commitment across all our timber production and sourcing activities. This commitment is grounded in the definitions and principles of the AFi, and operationalised through FSC and PEFC/PAFC certification, field-level implementation, and third-party audits.

All timber processed in the company's industrial operations is sourced exclusively from its own FSC-certified forest concessions in the Republic of Congo. These concessions are managed under long-term forest management plans that prohibit the conversion of natural forests, protect critical ecosystems, and ensure compliance with national and international regulations.

This policy aligns with the Accountability Framework's definitions of deforestation and conversion, and adopts a no-deforestation commitment based on no conversion of natural forests after an established cut-off date. Restoration or compensation mechanisms are foreseen for any identified non-compliance, in line with international best practices.

We commit to identifying and protecting HCV and HCS areas. These areas are mapped using a combination of field surveys, geospatial analysis, and stakeholder input, and are formally integrated into forest management plans.

While certain HCV types (e.g., critical habitats, cultural sites) are excluded from harvesting, others are managed through reduced-impact practices and protective prescriptions adapted to their ecological or social functions. HCS areas are stratified based on carbon density and ecological characteristics, but are not systematically excluded from production, as no certification or regulatory standard currently requires it.

All HCV and HCS zones are subject to regular monitoring and long-term management measures, in line with FSC and PAFC/PEFC standards and national forest policy frameworks.

In line with the EUDR, full geolocation data of all harvested areas is available and traceable down to individual cutting blocks. Each log is tracked using barcode or QR code technology, ensuring complete chain-of-custody from tree to export.

Landscape-level planning further strengthens conservation efforts by integrating ecological corridors, conservation set-asides, and targets for the restoration of degraded areas. These spatial strategies support ecosystem integrity and promote biodiversity across concession boundaries.

Compliance with the CITES is ensured through species-level risk assessments, legality verification, and export control procedures. Any species listed under CITES are harvested only with proper authorisation and under strict supervision.

A deforestation-free commitment applies to all timber volumes, whether sourced directly or—on rare occasions—indirectly. Any third-party volumes must come from suppliers holding valid FSC Forest Management certification and meeting equivalent environmental and social standards.

By aligning with the Accountability Framework, FSC and PEFC requirements, and emerging regulations such as the EUDR, the company ensures that its operations not only avoid deforestation, but actively contribute to forest conservation, ecosystem protection, and long-term climate resilience.

## Climate and Carbon Commitments

We recognise the urgent need to mitigate climate change and reduce greenhouse gas emissions across our operations. Our climate strategy is aligned with the **Science Based Targets initiative (SBTi) and aims for Net-Zero emissions by 2050.**

- Emissions are calculated and disclosed annually, covering **Scopes 1, 2, and 3**, with improvement plans in place.
- Renewable energy is prioritised wherever technically feasible. In northern Congo, since 2014, a biomass cogeneration plant is used to power industrial operations of our main industrial site, reducing dependence on fossil fuels.
- A departmental GHG reduction roadmap is under development to drive emissions cuts in logistics and field activities.
- Forest carbon is monitored through mapping of HCS zones, preservation of intact peatland areas, and optional ecosystem services valuation (e.g., FSC ES Procedure).

- Climate risk assessments are integrated into forest management plans and aligned with evolving frameworks such as the **Task Force on Climate-related Financial Disclosures (TCFD)**.

This climate strategy reinforces the company's role as a responsible forest manager and a contributor to global climate mitigation efforts.

## Resource Efficiency and Pollution Control

Improving efficiency in the use of resources and reducing pollution are essential to ensuring environmental sustainability and meeting compliance obligations.

- Industrial sites and camps are equipped with water management systems, and annual water withdrawal data is collected and reported.
- Waste from camps, workshops, and production sites is managed according to internal protocols. The absence of compliant landfills in northern Congo is identified as a priority for infrastructure investment.
- Hazardous materials are handled, stored, and disposed of through licensed companies in accordance with international standards, and the use of banned or restricted chemicals is strictly prohibited.
- Diesel consumption and associated emissions are tracked for all heavy machinery and transport vehicles. Fuel efficiency is an ongoing target.
- Environmental contingency plans are in place to prevent and respond to accidental spills or pollution events.

We are committed to aligning these practices with international Environmental, Health, and Safety (EHS) guidelines, including those of the World Bank and FSC. Future goals include reducing fossil fuel dependence, improving waste valorisation, and achieving measurable gains in water and energy efficiency.

## Species and Peatland Protection

Conserving threatened species and preserving critical ecosystems such as peatlands are essential to maintaining ecological balance and ensuring the long-term sustainability of forest landscapes.

- We have issued a public **Peatland Preservation Declaration**, committing to exclude all intact peatland areas from industrial operations, even when legally permitted.
- Peatland areas are identified using remote sensing, field verification, and scientific collaboration, and are excluded from annual harvesting plans.
- Buffer zones and hydrological protection measures are implemented to avoid indirect degradation from nearby operations.
- All species listed under **CITES** or identified as threatened by the IUCN are subject to enhanced monitoring and protection measures.
- Species risk assessments are conducted during inventory phases, and harvesting is avoided in sensitive habitats or breeding zones.
- Staff and contractors receive regular training on species recognition and reporting protocols.

These actions are aligned with the FSC and PAFC standards for the Republic of Congo and contribute to international biodiversity targets by preserving globally significant habitats and protecting vulnerable species within the company's operational footprint.

# Social Responsibility and Human Rights

## Inclusive Engagement and FPIC

The Inclusive Engagement Strategy serves as the formal Social and Human Rights Policy for Olam Agri's Wood Business. It defines how Indigenous Peoples and Local Communities (IPLCs) are meaningfully engaged, respected, and empowered across all forestry operations.

- The company fully applies the principles of Free, Prior and Informed Consent (FPIC), in line with IFC Performance Standard 7 and FSC Criterion 4. It ensures that IPLCs have the right to approve or reject activities that may affect their rights, lands, or livelihoods.
- Engagement is grounded in mutual respect, cultural sensitivity, and a recognition of customary institutions. Both Bantu and Indigenous (notably BaAka) populations are included, with dedicated approaches tailored to their realities.
- Community dialogue platforms are established and maintained in each management unit. These enable co-design of development plans, discussion of grievances, and monitoring of project impacts.
- Transparency and accessibility are prioritised through the use of oral communication, local languages, and visual tools when necessary, to overcome literacy or cultural barriers.
- The strategy includes formal commitments to non-discrimination, the recognition of traditional knowledge, and the equitable sharing of benefits derived from forest operations.
- Dedicated teams within the company's social department are trained to implement FPIC procedures and to follow up with communities over the long term.

This approach is not static. It is regularly reviewed through feedback mechanisms and external audits (e.g. FSC), contributing to stronger governance, conflict prevention, and inclusive development aligned with international human rights standards.

## Community Development and Local Benefits

Creating tangible, lasting benefits for communities is a cornerstone of the company's approach to responsible

forestry. Development efforts are co-designed with local stakeholders and adapted to community-defined priorities.

- Each forest management unit allocates a dedicated Local Development Fund to support community-identified projects in health, education, infrastructure, and livelihoods.
- Project selection and oversight are managed through inclusive community committees that include Indigenous and minority representation.
- Initiatives promote self-reliance and local capacity-building, including support to women-led enterprises, youth training, and access to basic services in remote villages.
- In partnership with public health actors, the company supports medical centres and health outreach programmes for underserved populations.
- Education support includes construction of classrooms, teacher subsidies, and school supply distribution, with a focus on improving access for Indigenous children.
- Infrastructure efforts prioritise water access, road maintenance, and access to energy solutions.

These activities reflect our commitment to shared value and inclusive growth, and are continuously adapted through participatory monitoring and feedback systems.

## Labour Rights and Occupational Health

Protecting the rights, safety, and dignity of all workers is a core element of responsible business practice. The company upholds international labour standards and promotes a safe, healthy, and fair working environment for all employees and contractors.

- Labour rights are aligned with International Labor Organization (ILO) conventions and the FSC Core Labour Requirements, including the prohibition of child labour, forced labour, and discrimination.
- All employees are provided with written contracts, fair wages, and working conditions that comply with national labour laws and sectoral agreements.
- Freedom of association and the right to collective bargaining are respected and protected.

- A comprehensive Occupational Health and Safety (OHS) program is implemented at all sites, including regular risk assessments, protective equipment, and incident reporting systems.
- The company monitors and discloses its Total Recordable Incident Rate (TRIR) and works toward continuous reduction of workplace accidents.
- Regular health check-ups, training, and awareness campaigns are conducted to promote well-being and prevent work-related illnesses.
- A dedicated internal OHS team ensures implementation of safety protocols and supports the development of a strong safety culture across all operational levels.

These commitments ensure compliance with applicable standards while fostering a respectful and secure workplace that attracts, retains, and protects its workforce.

## Gender Equity and Vulnerable Groups

Ensuring gender equity and the inclusion of vulnerable groups is essential to achieving social justice and balanced development outcomes. Olam Agri actively promotes the empowerment of women, Indigenous Peoples, persons with disabilities, and other marginalised groups within its sphere of influence.

- Recruitment, training, and promotion practices are guided by a commitment to non-discrimination and equal opportunity.

- Programmes targeting women's economic empowerment are prioritised in community development plans, including tailored support that enables women to access non-traditional employment opportunities and increase their financial autonomy.
- All forms of harassment, gender-based violence, and discrimination are prohibited by internal policies, with reporting channels and disciplinary procedures in place.
- Partnerships with local NGOs and women's associations help co-design solutions and increase the cultural relevance of interventions.
- Local employment strategies aim to remove barriers for Indigenous individuals, especially youth and women, through tailored outreach and flexible working arrangements.
- Social dialogue platforms are designed to be inclusive and representative.

By embedding gender and inclusion principles into its governance and field operations, the company strengthens the resilience of communities and ensures its business model contributes meaningfully to equitable development.

# Ethical Business Conduct and Compliance

## Anti-Corruption and Whistleblower Systems

We are committed to maintaining the highest standards of integrity and transparency in all our operations. A zero-tolerance approach to corruption, bribery, and unethical conduct is enforced throughout the wood business.

- A formal Anti-Corruption and Business Ethics Policy governs all interactions with public officials, contractors, suppliers, and third-party intermediaries.
- All employees receive regular training on ethical conduct, conflict of interest, and anti-bribery laws.
- Facilitation payments are strictly prohibited, and any gifts or hospitality offered or received must comply with a defined approval and reporting process.
- A confidential whistleblower mechanism is available to employees, contractors, and external stakeholders to report suspected misconduct without fear of retaliation.
- Reports are investigated promptly and independently, with documented procedures for escalation and remediation.
- Oversight of ethics compliance lies with a designated officer within the ESG or Compliance department, with periodic reporting to executive leadership.

## Legal Compliance and Certification

Compliance with all applicable legal frameworks and certification standards is fundamental to the company's license to operate and market access.

- All activities comply with national laws and regulations, including forestry codes, labour legislation, environmental rules, and fiscal obligations.
- The company maintains full certification under the FSC and PEFC/PAFC schemes across its managed forest areas and supply chain.
- Certification audits are conducted annually by accredited third parties. Non-conformities, if identified, are transparently reported and subject to corrective action plans.
- Specific procedures are in place to ensure compliance with CITES for the identification, documentation, and export of protected species.

- A robust internal control system ensures that all exported wood is legal, traceable, and accompanied by the appropriate documentation.
- Legal compliance is periodically reviewed and updated in response to evolving national and international regulatory frameworks.

These commitments ensure that wood products originating from the company meet the highest expectations of legality, sustainability, and international recognition.

## Supplier Due Diligence and Contractual Clauses

CIB sources all its timber exclusively from its own FSC-certified forest concessions in the Republic of Congo. As stated in its internal traceability procedures and FSC Chain of Custody handbook, no logs or sawn timber are purchased from external suppliers for use in CIB's industrial operations. This vertically integrated model ensures full control over the origin, legality, and certification of all processed wood.

At the group level, Olam Agri may occasionally engage in the resale of certified timber sourced from third-party suppliers outside the CIB supply chain. Such cases represent a very limited share of total volumes and concern only suppliers holding valid FSC Forest Management (FSC FM) certificates. These suppliers are explicitly listed in the FSC CoC Operations Handbook and undergo systematic verification of their certification status and compliance with FSC sourcing standards.

Due to this strict sourcing policy, the company does not apply a conventional supplier risk assessment or audit programme for upstream timber sourcing within CIB operations. All relevant due diligence requirements—such as legality verification, traceability, and deforestation-free assurances—are inherently met through the company's internal control systems and third-party certification audits.

This model provides full traceability and credibility to clients and regulators, and reinforces Olam Agri's commitment to responsible, deforestation-free forest product supply chains.



# Traceability, Risk Management and EUDR Alignment

## Chain of Custody and Digital Traceability

Maintaining full traceability from stump to export is essential to ensuring legality, certification integrity, and compliance with evolving international regulations such as the European Union Deforestation Regulation (EUDR).

- The company operates a robust Chain of Custody (CoC) system based on FSC and PEFC standards, allowing for the verification of certified and controlled material at each stage of the supply chain.
- All harvested trees are geolocated and individually coded at the time of inventory, enabling digital traceability throughout processing and transportation.
- Barcoding (including QR codes) are used to track logs from felling to loading, with real-time updates to a centralised database.
- Each wood product shipped is accompanied by documentation that includes species, origin, concession, and compliance status.
- Internal audits and third-party verifications ensure the integrity of the traceability system, which is aligned with the EUDR's requirements for geolocation transparency and risk documentation.
- Data on origin, species, and volume is retained in structured databases for a minimum of five years, ensuring readiness for regulatory inspections or customer due diligence requests.
- The traceability system is continuously updated to integrate new legal requirements, technological advancements, and lessons from operational feedback.

This integrated approach provides buyers, authorities, and partners with full assurance that the wood they source originates from legal, certified, and responsibly managed forests.

## Risk-Based Supply Chain Controls

Olam Agri applies a rigorous, risk-based approach to timber sourcing, aligned with international due diligence frameworks and regulatory requirements such as the EUDR.

- Within CIB's operations, all timber is sourced exclusively from its own FSC-certified forest concessions in the Republic of Congo. As no external logs or sawn timber are purchased, upstream supply chain risks are inherently eliminated and fully controlled through internal traceability systems, third-party audits, and forest management certification.
- At the group level, Olam Agri may occasionally trade limited volumes of timber originating from third-party forest concessions. In such cases, only suppliers holding valid FSC FM certification are approved, and all are explicitly listed in the FSC CoC Operations Handbook.
- For these rare external purchases, a due diligence system (DDS) is applied, focusing on species, concession, and country-level risk assessments. Criteria include legal compliance, conservation value, social conflict, and alignment with EUDR requirements.
- All third-party timber must be supported by documentation proving legal harvesting, transport, and export—such as harvesting permits, concession maps, and CITES certificates if relevant. Any identified risks are addressed through mitigation measures such as supplier verification or geospatial monitoring.
- The company maintains thorough documentation of findings, integrates them into procurement decisions, and regularly updates procedures in response to evolving regulatory landscapes.

This approach ensures that all wood products delivered—whether from internal or exceptional third-party sources—are traceable, legally compliant, and aligned with the highest environmental and social standards.

## Transparency with Competent Authorities

Collaboration with national and international authorities is essential to ensure effective enforcement of forest legality and sustainability frameworks.

- We maintain an open and cooperative relationship with regulatory authorities and customs agencies in all countries where we operate or export.
- Information required under the EUDR, including geolocation data, volume, species, and documentation of legality, is made readily available to competent authorities upon request.
- Regulatory audits and inspections are facilitated through transparent record-keeping systems and proactive communication.
- Export documentation complies fully with national requirements and international conventions such as CITES, and is updated to reflect any regulatory changes.

- The company also contributes to national traceability initiatives and capacity-building efforts, where applicable, to strengthen the governance of the forestry sector.
- In case of detected non-compliance or irregularities, appropriate remediation and reporting mechanisms are activated in line with national and international protocols.

These actions ensure that public authorities can rely on the company as a responsible operator, contributing to effective enforcement and confidence in global forest product markets.

# Data Disclosure and ESG Performance Monitoring

## Key Performance Indicators (KPIs)

We track and disclose annually a comprehensive set of environmental, social, and governance indicators to assess our performance and meet stakeholder expectations for transparency.

- **GHG emissions:** Scope 1, Scope 2 (including biogenic emissions) and Scope 3 are reported annually.
- **Water consumption:** Surface and groundwater withdrawals are tracked monthly.
- **Energy sources:** Generator fuel consumption and use of refrigerants (R22, R410A, etc.) are monitored quarterly.
- **Wastewater and solid waste:** Volumes are monitored in Pokola and Enyellé.
- **Local employment:** Share of workforce originating from local communities is tracked.
- **Community investments:** Annual financial allocations to infrastructure, education, and health-related projects are recorded.
- **Health outreach:** Number of patients treated at CIB clinics and participants in health awareness campaigns is reported.
- **Access to services:** Proportion of villages with access to health staff and safe drinking water is measured.
- **Grievance mechanism:** Number of grievances filed, addressed, and resolved is monitored.
- **ESG audits and certification status:** Annual third-party FSC/PEFC audits and internal compliance checks are conducted.

## Reporting Standards

Where applicable, ESG indicators are progressively aligned with recognised international frameworks such as GRI and CDP, to enhance transparency and comparability. Full alignment is an ongoing objective rather than a current state.

Although we are not currently subject to the CSRD, our monitoring systems are designed to allow future alignment as disclosure obligations expand.

## External Assurance and Verification

Third-party verification currently applies to forest management and chain-of-custody systems through annual certification audits under FSC and PEFC. These audits verify environmental, social, and traceability requirements across all concession areas and industrial operations.

In addition to formal certification audits, the company is regularly subject to client-led ESG due diligence processes. These include document reviews, field assessments, and compliance checks under frameworks such as the EUDR, FSC sourcing policies, and investor disclosure initiatives.

While broader ESG disclosures are not yet subject to independent assurance, internal reviews and data quality controls are conducted to ensure alignment with regulatory requirements and stakeholder expectations.

We are exploring opportunities to strengthen its assurance framework in line with international standards as reporting expectations evolve, particularly under frameworks such as the EUDR and CDP.

# Stakeholder Engagement and Advocacy

**Engaging transparently and constructively with stakeholders** is fundamental to the company's sustainability strategy and social license to operate.

- Stakeholders include IPLCs, employees, clients, NGOs, local and national authorities, certification bodies, and financial institutions.
- Ongoing dialogue mechanisms include structured community platforms, formal grievance procedures, intersectoral forums, and bilateral meetings.
- The company maintains active participation in national and international initiatives, including the FSC, the PEFC & PAFC, the Forest Solutions Group (FSG) developed by the WBCSD (World Business Council for Sustainable Development) and the ATIBT (Association Technique Internationale des Bois Tropicaux).
- It also contributes to the development of frameworks for sustainable trade and forest conservation, including jurisdictional approaches and landscape-level coalitions.
- Advocacy priorities include recognition of sustainable forest management as a nature-based solution, inclusion of community forestry in international finance, and alignment of trade regulations with field realities.
- Stakeholder feedback is systematically considered in the evolution of internal policies, project design, and reporting practices.

Through these channels, the company builds trust, fosters innovation, and reinforces its role as a proactive and credible voice in the global forest dialogue.

# Review Mechanism and Continuous Improvement

**Sustainability commitments require ongoing review, adaptation, and improvement** to remain effective and credible in a dynamic operating and regulatory context.

- The ESG Policy is reviewed periodically against the AFi Self-Assessment Tool to identify implementation gaps and align with best practices in ethical supply chains, and updated with senior leadership approval.
- Revisions are informed by regulatory changes, internal audits, stakeholder feedback, certification requirements, and lessons learned from implementation in the field.
- ESG training materials and departmental action plans are updated accordingly to reflect evolving responsibilities, performance gaps, and opportunities for innovation.
- Grievance outcomes, supplier engagement insights, and third-party due diligence also contribute to iterative improvements and reinforce the company's commitment to transparency and accountability.

This process ensures that the company's ESG strategy remains aligned with its operational realities, stakeholder expectations, and long-term sustainability vision.



# Annex A

## Reference Documents and Their Status

The following table lists all supporting public documents referenced in this ESG Policy, with an indication of their scope, content focus, and public availability. These documents ensure that the ESG Policy is anchored in operational practice, supported by both high-level principles and field-level implementation tools. Their combination of public transparency and internal governance reinforces the credibility and auditability of the company's ESG commitments.

Document Title	Content Focus	Status
Declaration of Commitment	Certification-aligned principles for forest stewardship	Public
Inclusive Engagement Strategy	Social and Human Rights Policy; FPIC; PS7	Public
Peatland Preservation Declaration	Environmental commitment; peatland exclusion	Public
Olam Agri Living Landscapes Policy	Group vision for landscape-level conservation	Public
FPIC-CIB Guidance Document	CIB's detailed FPIC methodology and operational protocol	Public
HCV Identification and Management Framework	Protection of High Conservation Value areas	Public
Olam Agri CoC Operations Procedure	Chain of Custody system, certification codes, audit scope	Public
Code of Conduct	Expectations on ethical conduct, anti-harassment, compliance and grievance mechanisms	Public
Fair Employment Policy	Guidelines on fair recruitment, non-discrimination, and labor conditions across sites	Public
Human and Labour Rights Position Statement	Olam Group's commitment to the UNGPs and ILO Conventions on workers' and communities' rights	Public
Plantations, Concessions & Farms Code	Social and environmental safeguards for responsible land use and operational compliance	Public
Anti-Bribery and Corruption Policy	Rules governing bribery, facilitation payments, gifts, and employee integrity	Public

**Note:** Additional supporting procedures and work instructions (e.g., implementation protocols, forest operations compliance reports etc.) exist and are made available to auditors and partners upon request.

# Annex B

## Regulatory and Certification Frameworks

The following table lists the legal, regulatory, and soft law frameworks that guide the ESG Policy's commitments and compliance structure.

Framework / Instrument	Content Focus	Jurisdiction / Scope
European Union Deforestation Regulation (EUDR)	Traceability, due diligence, geolocation data for forest-risk commodities	European Union
CITES	Trade rules for endangered species of flora and fauna	Global (UN treaty)
Lacey Act	Prohibition of illegal timber imports, declaration of species and origin	United States
UK Timber Regulation (UKTR)	Legality assurance and due diligence for timber imports	United Kingdom
UK FRC and EU Exit Regulation 2020	Legal compliance post-Brexit for forest products in Great Britain	United Kingdom (post-Brexit)
FSC Republic of Congo Standard	Voluntary certification standard for sustainable forest management	Republic of Congo / FSC-certified
PAFC Sustainable Forest Management Standard	Regional voluntary standard for forest management, aligned with PEFC.  PAFC applies to sustainable forest management, while PEFC governs the chain of custody.	Congo Basin / PEFC-certified

These frameworks are referenced directly or indirectly in the commitments and control systems described throughout this ESG Policy. They help ensure legality, traceability, sustainability, and alignment with both mandatory regulations and voluntary certification schemes.

# Annex C

## Voluntary ESG Frameworks and Disclosure Benchmarks

The following frameworks and initiatives inform the company's ESG performance measurement, transparency practices, and alignment with global sustainability trends. While not legally binding, these standards help shape our voluntary commitments and public reporting.

Framework / Initiative	Content Focus
GRI (Global Reporting Initiative)	Sustainability reporting standards based on stakeholder materiality
CDP Forests and Climate	Climate risk disclosure, deforestation-free sourcing, certification status
SPOTT	Transparency benchmarks on ESG, community rights, and forest governance
Forest 500	Evaluation of zero-deforestation policies and supply chain traceability
SBTi (Science-Based Targets initiative)	Target setting for GHG reduction aligned with 1.5°C pathways
TCFD (Task Force on Climate-related Financial Disclosures)	Disclosure of climate-related financial risks
TNFD (Taskforce on Nature-related Financial Disclosures)	Assessment and reporting on nature dependencies and impacts

These voluntary ESG frameworks provide additional guidance and credibility to our sustainability journey and support our engagement with customers, investors, and partners. These documents ensure that the ESG Policy is anchored in operational practice, supported by both high-level principles and field-level implementation tools. Their combination of public transparency and internal governance reinforces the credibility and auditability of the company's ESG commitments.

# Annex D

## Comparative Definitions of “Forest” for Zero Deforestation Commitments

The following table summarises how various frameworks referenced in this ESG Policy define “forest,” supporting Olam Agri’s Wood Business’ interpretation of “zero deforestation” and “no conversion” in line with international best practices.

Framework / Source	Definition of Forest	Use in ESG Policy
FAO	Land spanning >0.5 ha with trees >5 m and canopy cover ≥10%; excludes agricultural/urban land	Basis for EUDR and Afi definitions
EUDR	Adopts the FAO definition without modification	Regulatory baseline for EU market access
FSC Congo Standard	Forests are defined as tract of land dominated by trees, including natural and secondary forests, which maintain ecological function. Does not specify canopy or height thresholds.	Used for sustainable forest management and certification audits
PEFC / PAFC	Defines forests as permanent ecosystems managed for sustainable timber production and ecological services.	Used for sustainable forest management and certification audits
Afi (Accountability Framework Initiative)	Defines forest based on structural characteristics and ecological function. Differentiates deforestation from forest degradation or selective harvesting.	Key reference for CDP, Forest 500, and “conversion-free” claims
CDP Forests	No formal definition; companies are expected to disclose and apply a consistent definition, often referencing Afi or FAO.	Benchmark for climate and forest-risk disclosures
Forest 500	No proprietary definition; requires companies to publicly disclose and apply a clear forest definition consistent with international standards.	Transparency metric on forest commitments

All referenced frameworks converge toward a shared principle: forests are tree-dominated ecosystems whose conversion to non-forest land use constitutes deforestation. Olam Agri’s Wood Business uses this definition to affirm that its selective, low-intensity logging operations maintain forest cover and ecological function and therefore do not cause deforestation or land-use change.

This ESG Policy constitutes Olam Agri’s Wood Business formal deforestation-free policy. No additional standalone document is required, as all relevant commitments, definitions, procedures, and exclusions are integrated into this Policy and its annexes.



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