



Living Landscapes Policy



Introduction

We're transforming food, feed and fibre for a more sustainable future by driving positive actions and outcomes for our people and our planet.

Our natural life support systems are threatened by unsustainable conversion and over-exploitation of forests and other natural habitats for food, fuel, and fibre. This includes soil, air, water, all living things, and our climate – this has serious implications for future generations if we don't act now.

Agriculture faces the huge challenge of producing enough food and fibre for 9.5 billion people by 2050, while alleviating poverty, providing employment and livelihood opportunities in rural areas, and conserving natural habitats and biodiversity.

A response focused on doing less harm rather than more good, won't help us meet these huge challenges – whether or not we focus on the elimination of

unacceptable practices, such as deforestation at the scale of individual farms or plantations, or on our support of companies which only make incremental improvements across a small fraction of our supply chain.

We need to transform global agriculture – moving away from the destruction of natural resources, and ensuring our focus on making a positive impact, at scale, see 'What We Do & How We Do It' on page 4, based on the creation and restoration of natural and social capital within Living Landscapes.

What We Mean by **Living Landscapes**

There is no single correct definition of a Living Landscape, other than that it's large scale. From place to place, it may be defined as a water catchment area, a jurisdiction, a characteristic pattern of habitats and land use, a bio-geographic zone, or a space culturally defined by its inhabitants.

We define it as large land areas where prosperous farmers and growers, thriving rural communities, and healthy ecosystems coexist. Farming, plantations, and other land use activities are planned and managed in ways that maintain or enhance critical habitats, regenerate the natural capital of soil, water and natural ecosystems, and store carbon.

In Living Landscapes, local voices play an important role in decision-making processes – while farms and

the natural ecosystems within and around them are a source of pride, prosperity and wellbeing for the people who live and work there, helping to build social and human capital.

They're also a focal area for shared efforts to slow, halt and eventually reverse the negative impacts of human activities – including deforestation and land degradation. Living Landscapes are dynamic rather than static.

Our Key Objectives

Our key objectives are to:

- Achieve positive impact in the places where we source and grow our products.
- Collaborate with our partners to create and sustain Living Landscapes – where prosperous farmers, thriving rural communities and healthy ecosystems coexist.



1 Ensure a Triple-Positive Impact

We expect all our businesses to contribute fully to our Living Landscapes Policy – driven by our Purpose of ‘transforming food, feed and fibre for a more sustainable future’.

2 Inspire Change

We strongly encourage our employees, suppliers and partners to embrace our ambitions – together we can make them a reality.

3 Adopt Strategic Alliances

With our partners we will focus on key initiatives that support up-scaling of our actions, we can adopt strategic alliances that will support our objectives.

We'll achieve our objectives by:

- Setting out, implementing, and periodically reviewing suitable strategies, targets and timelines in our own operations and supply chains.
- Sustaining durable economic profitability of our own operations – while working with our suppliers to maximise farm and plantation efficiencies – and ensuring quality of our products, consistent with maintaining natural capital.
- Supporting rural livelihoods (farming communities) together with our partners – from whom we source products – to access essential services, building human and social capital.
- Striving to transform our agricultural supply chains to be deforestation-free, and eliminate any unacceptable practices related to land management – as defined in this Policy – across our operations and our supply chains (see 'Unacceptable Practices' on page 7).
- Defining, measuring, and monitoring the impacts – both positive and negative – on natural and social capital associated with our operations and supply chains.
- Continually seeking to build and support effective partnerships for local and large-scale conservation efforts, including landscape restoration in the landscapes where we work.

What We Do & How We Do It

We adopt net-positive principles that put more back into food and farming systems that we take out. In simpler terms, we want to improve the wellbeing of everyone impacted.

Our philosophy is 'regenerative', aiming to deliver a positive impact for:

1 Farmer and Farming Systems

Ensuring economically viable production that sustains a decent livelihood for farmers and agricultural workers, including safe and decent employment opportunities, access to training, finance and fair pricing.

2 Thriving Communities

Revitalising rural communities to live well, enjoying access to essential services such as health, education, and sanitation, securing nutritious food for everyone.

3 Regenerating the Living World

Maintaining or restoring healthy ecosystems that support viable populations of animals and plants (biodiversity), enhancing local ecosystem services (i.e. water regulation, soil fertility and erosion control), and regulating the global climate (i.e. carbon storage and greenhouse gas emissions).

We're Transparent

We define and communicate measurable targets for positive change, and we monitor and report on our progress.

We're Focused

We focus on the areas where we can make the greatest impact, building on our experience and strengths.

We're Systematic

We work with our various stakeholders to implement the changes needed to achieve net-positive impacts across communities, landscapes, and supply chains.



How We Apply the Policy

Our Living Landscapes Policy applies to all our agricultural commodity businesses, including upstream production and third-party sourcing. We already have relevant Sustainability Policies and Codes in place, which sit within this Policy as shown in the table below.

Our Own Developments

Where we control operations, our Living Landscapes Policy requirements will be integrated in our own detailed framework for due diligence, planning, standard operating procedures and reporting.

For our own plantations and farms, this detailed framework will continue to include our Plantations, Concessions and Farms Code, covering our requirements for:

- Social and environmental due diligence
- Management of soil, water, land, and biodiversity
- Fertilisers and chemicals
- Energy, waste and recycling
- Transport, labour and local communities.

As we evolve our understanding of Living Landscape requirements, we periodically review our commitments. Where necessary, our individual businesses may develop specific policies – such as our Responsible Palm Oil Sourcing Policy¹, which interprets our Living Landscapes Policy to reflect its specific business needs.

Our businesses will comply with credible international certification standards² where available and necessary, and we'll supplement certification requirements with additional elements of the Living Landscapes Policy. As the parent company of FSC® certified³ operations, we abide by FCS Codes, rules, and regulations, including the Policy for Association.

Our Third-Party Supply Chains

Where we source food, feed and/or fibre, i.e. timber products from third-parties – and can't directly control their operations – we work with our suppliers to ensure that they conform to our Policies. This includes our Living Landscapes Policy, the application of our Supplier Code, and a product-specific Policy – such as our Responsible Palm Oil Sourcing Policy which sets specific targets, product-specific tools and reporting requirements relevant to that business and its supply chain.

All our suppliers are required to stop unacceptable land use practices from the date of publication of this Policy. Our businesses may choose to adopt an earlier date according to their unique demands.

These sourcing policies incorporate the key elements of our Living Landscapes Policy. Our supplier code or our product-specific policies can be adapted to the specific circumstances of our widely varying crops and origins, but we'll never provide less protection than our Living Landscapes Policy. Where we source from smallholders, the language and implementation tools we use may be adapted to consider individual technical capacity and training needs.

Table 1: Our Other Sustainability Policies

Our Policies/Codes	Own Developments	Third-Party Supply Chains
Living Landscapes Policy	●	●
Plantations, Concessions & Farms Policy	●	
Supplier Code		●
Responsible Palm Oil Sourcing Policy	●	●

¹ <https://www.olamgroup.com/sustainability/governance/policies-and-positions/palm-policy.html>

² Such as those which meet the ISEAL Codes of Good Practice requirements <http://www.isealliance.org/ourwork/defining-credibility/codes-of-good-practice>

³ FSC-C014998; FSC-C128941; FSC-C104637

Implementation, Monitoring & Evaluation

We take a risk-based approach to address the key objectives and commitments of this Policy – establishing strategies and plans which support our role in growing, sourcing, processing, and trading each crop and commodity.

Our Living Landscapes Policy is designed to be applied in conjunction with our other corporate Policies, which are reviewed annually and updated accordingly.

We report our overall progress in our Annual Report. The Policy will be reviewed every year, and if necessary, we'll update our commitments accordingly.

Continued Improvement

Implementing net-positive strategies and landscape-scale approaches is new. Sustainable agricultural production is challenging, and requires new frameworks for planning, implementation, monitoring, and evaluation.

During the implementation of this Policy, we'll seek the guidance and advice of a multi-stakeholder network of experts, development agencies, national institutions,

investors and civil society, to support us through the challenges and to contribute to our continuous improvement.



Unacceptable Practices

We need to eliminate unacceptable practices from our operations and supply chains to achieve net-positive benefits. This is recognised in this Policy.

This section includes an overview of guiding principles and unacceptable practices, such as:

- 1** Legal & Regulatory Compliance
- 2** Respect Protected Areas, Maintain Biodiversity Ecosystem Services
- 3** Forest Conservation & Reducing Carbon Emissions
- 4** No Fire in Land Clearance & Preparation
- 5** Free, Prior & Informed Consent



Please Note: Our Group requirement to eliminate unacceptable land use practices applies to all our suppliers from the date our Living Landscapes Policy was published.

Overview

The following unacceptable land use practices are not permitted in our operations or third-party supply chains, and if present, must be eliminated.

Our own operations and third-party suppliers must ensure:

- No illegal activities
- Full compliance with applicable national and international laws, including human and labour rights
- Respect of legally protected/internationally-recognised areas
- No conversion or degradation of critical habitats, such as High Conservation Value (HCV) areas and other nationally-recognised conservation priorities
- No conversion or degradation of peatlands
- No conversion or degradation of other natural habitats with high levels of organic carbon such as High Carbon Stock (HCS) forests
- No use of fire in land preparation including planting and replanting.
- No development without the Free, Prior and Informed Consent (FPIC) of indigenous peoples and/or local communities, recognising traditional and customary rights.

Guiding Principles

We need to actively engage with our suppliers, even where we recognise current weaknesses or compliance failings.

Systemic change in supply chains – where unacceptable practices are widespread and prevalent – can only be achieved by providing suppliers (i.e. farmers, farmer groups, intermediaries, or manufacturers) with incentives for good performance (and disincentives for non-compliance) and may often require the intervention of many different actors.

Our guiding principles for dealing with unacceptable practices are:

- We'll assess risks associated with our Policy requirements across our supply chains and we'll use these assessments to define the priorities we need to address with our suppliers, partners and third-parties.
- We'll communicate these risks to our suppliers and customers on an ongoing basis.
- We'll ensure that all our suppliers understand the practices we need to eliminate from our supply chains, and that they agree to abide by our Supplier Code or equivalent product Code, as a condition of doing business with us.
- We'll work with our customers, partners and other third-parties (where applicable) to train suppliers on our requirements and address any relevant underlying factors to eliminate these practices from our supply chains.
- If unacceptable practices are reported in our own operations or in those of our third-party suppliers, we'll assess the extent and nature of non-compliance, and establish a time-bound plan with our suppliers to address the issue, and where necessary, halt and negate the existing negative impacts of non-compliance.
- We'll stop working with suppliers who fail to quickly take positive steps to eliminate unacceptable practices.

Legal & Regulatory Compliance

We expect our own operations and those of our suppliers to be conducted with integrity, and in compliance with the relevant applicable laws and regulations that govern their operations, business, industry, trade, and personnel – including all applicable relevant laws and regulations relating to the protection of the environment, and the protection and humane treatment of animals.

Our requirement for legal and regulatory compliance extends to laws and regulations governing labour rights, human rights, the elimination of exploitation and discrimination, and workplace health and safety, with guidance in our Supplier Code.

With our suppliers, we'll respect legally protected areas or internationally-recognised areas as defined within this Policy. We'll not knowingly source from lands that have been illegally deforested or cleared by a third-party, whether a supplier is the agent of that land clearance or not.

Respecting Protected Areas

We highly regard legally protected and internationally-recognised areas. So:

- We won't develop operations in protected areas which have management objectives which meet the definition of IUCN Categories I, IIa, IIb or III⁴.
- We won't purchase from suppliers of, or trade in, products grown in protected areas with management objectives which meet the definition of IUCN Category I, IIa, IIb or III.
- In exceptional cases, where suppliers have previously encroached on such areas, we'll work as necessary with the Government, with local partners and with the communities themselves to help vulnerable smallholders find alternative means of supporting themselves, and we'll contribute to reversing any damage done to protected areas.
- We'll only develop, purchase from smallholders or trade in products grown in protected areas with management objectives which meet the definition of IUCN Category IV to VI – if they're grown in a manner acceptable to our recognised management plan.
- Internationally Recognised Areas (IRA) comprise World Heritage Sites, UNESCO Biosphere Reserves, Ramsar Sites and Key Biodiversity Areas. We'll only develop, purchase from smallholders, or trade in products grown in IRAs if they're grown in a manner compatible with maintaining and enhancing the values for which the area was originally designated.

⁴ The IUCN categories are defined here:
<https://www.iucn.org/theme/protected-areas/about/protected-area-categories>

Maintaining Biodiversity & Ecosystem Services Compliance

We adopt a landscape-level and ecosystem approach, aiming to achieve a positive impact on biodiversity conservation and ecosystem services such as water regulation, soil health and erosion control, which we implement through internationally-recognised tools and guidance.

- We'll support and promote the High Conservation Value (HCV) concept as a practical, robust, and credible tool for assessing, defining, and implementing biodiversity conservation, ecosystem service provision (such as erosion control, water regulation), and some social and cultural goals in managed landscapes.
- We'll follow the definition and guidance of the multi-stakeholder platform of experts, the HCV Network⁵.
- We'll encourage the use of Critical Habitat and Natural Habitat (as defined by the International Finance Corporation Performance Standard 6 and associated guidance) as indicators of the presence of HCVs.
- HCV areas and critical habitats may include any type of significant terrestrial or aquatic ecosystem – including forests, grasslands, and wetlands. We recognise that some degraded ecosystems, such as logged tropical forests, may be classified as HCV or critical habitat, and require protection or restoration.
- We'll adopt publicly available tools such as the IFC GMAP Commodity risk tool, the Global Forest Watch risk tools, and www.palmoil.org to address specific risks related to natural habitat conversion and deforestation.
- We'll engage qualified parties to carry out rigorous and credible Environmental and Social Impact Assessments, including critical habitat and/or HCV assessments on our new farming and plantations developments – combining as appropriate remote sensing, field surveys, landscape analysis and wide-ranging consultations with NGOs, experts, and local communities.
- We'll review our assessments in compliance with legal requirements and the quality control mechanisms of the HCV Resource Network.
- There won't be any conversion or degradation of critical habitats or HCV areas in locations under our direct management.
- HCVs will be maintained and enhanced at an appropriate landscape level in areas under our direct management.
- We won't accept conversion or degradation of critical habitats or HCV areas by third-party suppliers, or knowingly source from any such areas.



⁵ We'll follow the definitions and guidance of the global multi-stakeholder platform of expertise on HCVs, the HCV Network www.hcvnetwork.org as applicable.

Conserving Forests & Reducing Carbon Emissions

We're committed to transforming our agricultural supply chains to be deforestation-free. We'll do this by implementing deforestation-free strategies and safeguarding HCS forests and peatlands.

Implementing Deforestation-Free Strategies

We'll support and promote deforestation-free strategies or initiatives to end deforestation in our supply chains and to protect or restore forests at a regional, national, landscape, jurisdictional and/or local level in every area where we operate. These should be implemented through recognised mechanisms involving national stakeholders – such as national/sub-national land use plans and spatial zoning – which define and respect a landscape approach to deforestation-free development and forest conservation.

Other regulatory frameworks which are aligned with this policy include:

- Sectoral sustainability standards and initiatives which define deforestation-free for specific sectors and jurisdictions such as FSC, RSPO, RTRS, or HCS approach.
- Emerging consensus frameworks, such as the Accountability Framework and The Forest Dialogue – Understanding Deforestation-Free (UDF) platform.
- Locally adapted concepts and approaches to forest protection, including traditional and culturally appropriate forest management practices accessible to smallholders, where these are aligned with the other elements of this Policy.

Safeguarding HCS Forests and Peatlands

We adopt a landscape-level and ecosystem approach to conserving carbon-rich habitats, aiming to achieve a positive impact on GHG emissions from land use and land use change. As well as our suppliers, we'll follow international best practice and use locally adapted tools and guidance to identify and conserve forests and other natural habitats with high levels of biomass or organic carbon, such as:

- The High Carbon Stock Approach⁶, where this has been recognised through a multi-stakeholder process involving national stakeholders. For example, as developed by the HCSA membership for use in fragmented mosaic landscapes of Southeast Asia
- Nation adaptations of the High Carbon Stock concept integrated into legal and regulatory frameworks or credible certification standards such as the RSPO.
- A recognised national forest carbon conservation framework, such as a UN Climate Convention REDD+ plan, Nationally Determined Contribution (NDC or INDC), or equivalent.
- Equivalent nationally applicable forest definitions or carbon thresholds established through a national multi-stakeholder dialogue, where these are aligned with the other elements of this Policy.
- Peatlands – and especially tropical peat swamp forests – are particularly fragile ecosystems, whose clearance for agriculture contributes disproportionately to man-made carbon emissions. Under our direct management, there won't be any conversion of high carbon stock forests or peatlands in locations.
- We won't accept new conversion of high carbon stock forests or peatlands by third-party suppliers, or knowingly source from such areas. In the case of existing plantations on peat, we'll require suppliers to work to restore peatlands at the end of the crop cycle.
- Where possible, we'll support the underpinning science of forest description, forest biomass and carbon stock estimation and carbon balance from land use change, to support and direct the above processes.

⁶ <http://highcarbonstock.org>

Transforming Supply Chains

We've set out our commitment and time bound action plans to support all our efforts to transform our important supply chains.

Rubber

We're committed to sustainable and responsible natural rubber, which includes no sourcing from deforested or high conservation value (HCV) areas degraded after April 1, 2019. We're a member of the Global Platform on Sustainable Natural Rubber (GPSNR) and our sustainable rubber strategy aligns to the GPSNR policy framework.

For more details, please refer to our website at olamagri.com/products-services/rubber and our GPSNR Policy Framework.

Soy

We strive to halt deforestation and conversion-free soy supply chains linked to soy areas in the Chaco, Cerrado, and Amazon biomes.

We're part of the agriculture sector roadmap to 1.5°C, where all signatories are committed as a soy sector to halting deforestation linked to soy areas in the Chaco, Cerrado, and Amazon biomes in 2025, and the conversion in non-forest primary native vegetation no later than 2030. We remain in compliance regarding deforestation in the Brazilian Amazon Biome.

Please refer to the roadmap.

Please also refer to Olam Agri's Progress report on the soy sector.

Palm

We're committed to responsible palm oil processing activities and third-party sourcing. Our responsible palm policy applies to our suppliers at Group level with a February 2017 cut-off date for implementation.

For direct sourcing from mills, we ask our suppliers to disclose traceability to the plantation/farm as part of our due diligence, risk assessment and action plan development for 100% plantation/farm traceability by 2022. For more details on responsible sourcing, please refer to the Olam Agri policy.

In addition, we're also part of the agriculture sector roadmap to 1.5°C, where all signatories are committed as a palm sector to have all palm oil volumes in the 'Delivering' category of the NDPE IRF (Implementation Reporting Framework) by 2025.

For more details, please refer to our roadmap.



No Fire in Land Clearance & Preparation

Use of fire in land clearance and preparation creates an unacceptable risk

of propagating forest fires, creates air pollution, contributes to greenhouse gas emissions, damages health, and impoverishes soils. The risks of uncontrolled burning are high in drained peatlands and drought-prone ecosystems.

- We won't use fire in land preparation for planting or replanting in our own operations. In exceptional circumstances and where permitted by the standards and certification systems that we work towards, e.g. where pests and diseases pose a proven and significant danger to crops, limited use of fire under tight control may be permitted to destroy potential disease reservoirs, where no feasible alternative exists.
- We adopt a risk-based approach to understand and eliminate the incidence of irresponsible fire use for land clearance in our third-party supply chains and we'll use a suitable verification process to identify and cease trading with suppliers who don't comply systematically with our Policy.
- In the case of food supply chains, where individual smallholders are the main source of traded products and some operate a traditional swidden system, we'll promote sustainable agricultural systems and elimination of unsustainable forest burning by applying our Supplier Code and through suitable partnerships.

Free, Prior & Informed Consent

We respect the customary and legal tenure and access rights of Indigenous Peoples or other local communities affected by our operations and we'll work with such local communities to achieve a positive impact on their livelihoods and wellbeing.

- We'll obtain the Free, Prior and Informed Consent (FPIC)⁷ from people or communities that might be affected by our plantations and farms, before developing any land that may be encumbered by such rights.
- We'll follow internationally-recognised methodologies on participatory mapping and FPIC process⁸. Adequate compensation for the affected community rights and planning land and livelihood needs of communities will be part of the FPIC outcomes. FPIC process – as well as remediation of any harm to rights of indigenous peoples and local communities that may have unintentionally caused in the past – will be conducted transparently with the participation of all mutually-agreed third-parties.
- Our FPIC Process is the first step in an ongoing relationship based on informed consultation and participation with indigenous peoples and local communities. We view these local people as co-owners and partners of our Living Landscape conservation efforts.
- We'll share and provide insights into the practical application of FPIC in our operations with our partners and parties dedicated to the continuous improvement of the FPIC process.
- We'll offer and develop appropriate opportunities for peoples and communities to work with us or supply us with goods and services, and contribute to community development, consistent with building social and human capital.

⁷ FPIC is a principle enshrined in international treaties and conventions such as the UN Declaration of the Human Rights of Indigenous Peoples and ILO Convention on Indigenous and Tribal Peoples and in various certification and investment standards, including the IFC, FSC, RSPO and many others.

⁸ For example, the FPIC Guidelines of the UN-REDD programme and the Free, Prior And Informed Consent Guide For RSPO Members.



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