



Responsible Palm Oil Sourcing Policy



Introduction

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

All our suppliers must comply with this Policy to continue working with Olam Agri. In addition, our suppliers must adhere either to our Supplier Code, or to a Code equivalent to our Supplier Code which we've previously approved, or to the Roundtable on Sustainable Palm Oil (RSPO) requirements.

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

Conservation & GHG Emissions Reduction

Our policy is based on the principle of No HCV, HCS and No Peat. Any new developments must identify HCV² areas and HCS³ forests for protection, using international best practice guidance from the RSPO Principles and Criteria, High Conservation Value (HCV) Resource Network and the High Carbon Stock (HCS) Approach.

New HCV-HCSA assessments by our suppliers must be led by an Assessor accredited by the Assessor Licensing Scheme. HCV-HCSA assessment should include consideration for community needs and cultural values. The HCS Approach methodology considers indigenous and local peoples' lands and the FPIC process.

We don't permit deforestation of protected areas or any new development on peat regardless of depth. For plantations previously established on peat, the company must adopt best management practices for peat, as defined by the RSPO and peat experts.

We don't permit burning, and we require no use of fire during land preparation, planting, or replanting. We expect suppliers to take immediate action for sensitisation of the sustainability policies with the farmers if any burning is found in their supply chain.

Suppliers with plantations in peat areas are expected to implement best practices as per the RSPO guidelines for water management to reduce GHG emissions and mitigate fire risk during the dry season. The feasibility of replanting on peat must be confirmed as per RSPO guidelines and the area should be replanted with other crops with higher water table.

¹ Group level = RSPO's definition

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

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

Respecting Workers, Communities & Livelihoods

At Olam Agri, we:

- Promote responsible labour practices and respect legal, communal, or customary rights of local communities and indigenous peoples, according to the principles outlined in the RSPO and Free and Fair Labor Guidance.
- Enforce strict rules to prevent and protect against child labour/forced labour, as defined by ILO standards and national laws.
- Provide a healthy and safe workplace for employees, contractors, and visitors, ensuring ethical recruitment so that workers don't incur any fees at any stage of the recruitment process or face retention of their passports or identity documents.
- Respect and uphold the rights of all contract, temporary and migrant workers, in accordance with the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and any related international covenants.
- Respect the right to freedom of association, and we recognise the right to collective bargaining of workers in accordance with Conventions 87 and 98 of the ILO.
- Provide equal opportunities of employment regardless of race, colour, religion, sex, age, national origin, sexual orientation, disability, citizenship status, or marital status.
- Enforce a transparent and easily accessible grievance procedure.



Communities

At Olam Agri, we:

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

Traceable Third-Party Supply Chains

To facilitate the monitoring of our supply chains we ensure:

- **Traceability to mill**
Including the name of mill, parent company name and address/GPS coordinates. Additional information such as certification status and universal mill code may also be included and published on our website.
- **Traceability to plantation**
Including the name of plantation, map area and plantation size.
- **Traceability to smallholders**
The GPS coordinates of the nearest village to the farm, number of farmers and total hectareage.
- **RSPO SG Certified Sourcing**
We require this to be fully traceable to each plantation and/or farm.

In addition we have the following requirements:

- **For Direct Sourcing (specific to our mills)**
All our suppliers are required to disclose traceability to plantation/farm as part of our due diligence, risk assessment and action plan development for 100% plantation/farm traceability. This requirement has been mandatory since 2022.
- **For Indirect Sourcing (relates to trading companies/refineries)**
All our suppliers need to disclose mill traceability and have a system to monitor their supply chain until plantation, ensuring it meets the requirements of our Policy.

Transparency Grievance Procedures

We have a dedicated grievance channel which enables any of our stakeholders to raise a grievance against any party.

- We'll deal promptly with all grievances logged under our Palm Grievance Procedure, and we report all details on our Grievance Log.
- **Direct Suppliers:** If we find any direct supplier to be non-compliant, we will investigate and seek corrective actions at the parent company level. We adopt a 'suspend and engage' approach to each individual case. While the investigations are ongoing, we ensure that the suspended mill does not enter our supply chain. While the mill is suspended from our supply chain, we engage in ad-hoc advisory at the parent company level for corrective actions to be incorporated. Such correction actions may include compensation, conservation and/or restoration of peatland/forest by working with expert stakeholders and communities.
- **Indirect Sourcing:** For indirect sourcing, we adopt constructive engagement and solution-oriented approach. If the investigations are proven to be valid then we will ask our direct supplier(s) to

exclude those non-compliant producers and/or mill from our supply chain.

While the investigations are ongoing, we may work with our intermediary on an ad-hoc advisory role to incorporate corrective actions. Such actions may include compensation, conservation and/or restoration of peatland/forest by working with expert stakeholders and communities.

- There may be situations where grievance cases are investigated through external mechanisms, such as the RSPO Complaints Procedure. We'll review these cases and be guided by the third-party.
- Our grievance log, including suspended suppliers, will continue to be updated on our website. You can access our grievance mechanism on admissibility of a grievance and re-entry protocol with a suspended supplier on our website (olamagri.com).



Learn More



Follow Us



Olam Agri

7 Straits View, Marina One East,
Tower #20-01, Singapore 018936
T +65 6339 4100