



# Olam Living Landscapes Policy

April 2018



# Olam Living Landscapes Policy

Translating our Core Purpose  
 “Re-imagining Global Agriculture:  
 Growing Responsibly” into positive actions  
 and outcomes for planet and people.

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# Olam's Living Landscapes Policy

## I. Introduction:

Unsustainable conversion or over-exploitation of forests and other natural habitats for food, fuel, fibre and other purposes threatens our natural life support systems, including soil, air, water, all living things, and the global climate, with serious implications for future generations.

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

A response based mainly on doing less harm, focusing efforts to eliminate unacceptable practices such as deforestation at the scale of individual farms or plantations, or on incremental improvements by companies representing a small fraction of the supply chain, will not be sufficient to meet these challenges. Instead, we need to **reimagine global agriculture**, shifting away from destructive resource extraction, and towards a **net positive impact** at scale (Box 1), based on the creation and restoration of natural and social capital within **living landscapes** (Box 2).

### Box 1: Our net positive approach

Our Living Landscapes policy adopts net-positive principles to **put back more** into food and farming systems than we take out.

**It is regenerative:** aiming to deliver a triple positive impact for:

- **Prosperous farmers and farming systems** e.g. 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.
- **Thriving communities** e.g. revitalising rural communities to live well, enjoying access to essential services such as health, education, and sanitation, and securing nutritious food for all.
- **Regenerating the living world** e.g. maintaining or restoring healthy ecosystems that support viable populations of animals and plants (biodiversity), enhancing local ecosystem services (e.g. water regulation, soil fertility and erosion control), and regulating the global climate (carbon storage and greenhouse gas emissions).

**It is transparent:** We will define and communicate measurable targets for positive change, and will monitor and report on our progress.

**It is material:** We focus on the areas where we can make the greatest difference and build on our existing experience and strengths as an organisation.

**It is systemic:** We will work with our customers, partners and stakeholders to effect the changes that are required to achieve net positive impacts at the scale of communities, landscapes and supply chains.

### Box 2: What we mean by Living Landscapes

**Living Landscapes** are 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 such a way to 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**, whilst farms and the natural ecosystems within and around them are a source of pride, prosperity and well-being for the people who live and work there, helping to build social and human capital.

**Living Landscapes are 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 not static, but dynamic, adaptive and resilient to change.

There is no single 'right' definition of a Living Landscape, other than its large scale: it may from place to place be defined as a water catchment area, a jurisdiction, a characteristic pattern of habitats and land use, a biogeographic zone, or a culturally defined unit as understood by its inhabitants.

## II. Ambition and Objectives of this Policy

### Our ambition

Olam aims to deliver a triple positive impact in the places where we source and grow our products, working across our businesses and with our partners to create and sustain Living Landscapes, where prosperous farmers, thriving rural communities, and healthy ecosystems coexist.

### Our Objectives:

1. To ensure that all of our businesses contribute to delivering a triple positive impact through Living Landscapes as part of our overall Core Purpose of Re-imagining Global Agriculture.
2. To inspire our staff, our suppliers and our partners to share and support our ambition
3. To foster the strategic alliances, partnerships and initiatives necessary to scale up our actions

### In order to deliver our objectives we will:

- Set out, implement and periodically review suitable strategies, targets and timelines related to our Ambition in our own operations and our supply chains, as described in this Policy (section V).
- Sustain durable economic profitability of our own operations, and work with our suppliers to maximise the efficiency of farms and plantations and the quality of our products, consistent with maintaining natural capital.
- Contribute with our partners to support rural livelihoods and access to essential services in farming communities from which we source products, for example through the Olam Livelihood Charter, thus building human and social capital.
- Eliminate the unacceptable practices related to land management defined in this Policy (Box 3) from our operations and supply chains.
- Define, measure and monitor the impacts (both positive and negative) on natural and social capital associated with our operations and supply chains.
- Continually seek to catalyse, build and support effective partnerships for local and large-scale conservation efforts, including landscape restoration<sup>1</sup> in the landscapes where we operate.

### Box 3 : Elimination of Unacceptable Practices in Land Management

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

- **No illegal activities:**
  - Full compliance with applicable national and international laws, including human and labour rights
  - Respect Legally Protected Areas or 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 of any depth.**
- **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.**

The detail of our approach is set out in **Annexure 1: Living Landscape Policy - Eliminating unacceptable practices.**

<sup>1</sup> <http://www.forestlandscaperestoration.org/tool/our-approach-landscape-approach>

### III. How this Policy is applied

Olam’s Living Landscapes Policy applies to all Olam’s agricultural commodity businesses, including upstream production and third-party sourcing. Olam already has in place a suite of sustainability policies and codes which now sit under the Living Landscapes Policy (Table 1 below).

**Table 1. Applicability of Olam’s other Sustainability Policies**

	Olam own developments	Third party supply chains
Living Landscapes Policy		
Olam Plantations, Concessions and Farms Code		
Olam Supplier Code		
Olam Livelihood Charter		
Olam Sustainable Palm Oil Policy		

Labour practices form the basis of a forthcoming Olam Labour Policy. Our existing commitments to Labour standards are contained within the Olam Plantations and Farms Code, Olam Supplier Code and the Olam Sustainable Palm Oil Policy.

**Within our own developments:**

Where Olam controls 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 be the Olam Plantations, Concessions and Farms Code (OPCF), which covers our requirements for social and environmental due diligence, and management of soil, water, land and biodiversity, fertilisers and chemicals, energy, waste and recycling, transport, labour, and local communities. The OPCF will be periodically reviewed to integrate our evolving understanding of Living Landscape requirements. Where necessary, business units may develop specific policies, such as the Olam Sustainable Palm Oil Policy<sup>2</sup> (OSPOP) which interpret the Living Landscapes Policy in a form appropriate to the business.

Our businesses may choose to comply with credible international certification standards<sup>3</sup> where available, and supplement certification requirements with additional elements of the Living Landscapes Policy. As the parent company of FSC®-certified operations, Olam abides by FSC® Codes<sup>4</sup>, rules, and regulations, including the Policy for Association.

**Within our third-party supply chains:**

Where we source food, fibre and timber products from third parties, and therefore do not directly control operations, we work with our suppliers to ensure that they conform to our Policies, including the Living Landscapes Policy, through the application of the Olam Supplier Code, OSC, or through a product-specific Policy such as the Olam Sustainable Palm Oil Policy which sets specific targets, product specific tools and reporting requirements appropriate to that business and Supply Chain.

The requirement to eliminate unacceptable land use practices applies to all our suppliers from the date of publication of this Policy and our businesses may choose to adopt an earlier date according to the demands of their sector.

These sourcing policies incorporate the key elements of the Living Landscapes Policy. The OSC or product-specific policies, can be adapted to the specific circumstances of our widely varying crops and origins, but as stated above will never provide less protection than the Olam Living Landscapes Policy. Where we source from smallholders, the language and implementation tools we use will be adapted to take into account their technical capacity and training needs.

Our Living Landscapes Policy is designed to be applied in conjunction with our other Corporate Policies and will be reviewed annually.

<sup>2</sup> <http://olamgroup.com/sustainability/codes-policies-2/palm-policy-2/>

<sup>3</sup> Such as those which meet the ISEAL Codes of Good Practice <http://www.isealalliance.org/our-work/defining-credibility/codes-of-good-practice>

<sup>4</sup> FSC-C014998; FSC-C128941; FSC-C104637

## IV. Implementation, monitoring and evaluation

Each Olam business will take a risk-based approach to address the ambition, objectives and commitments of this Policy, and establish strategies and plans appropriate to our role in growing, sourcing, processing and trading each crop and commodity. Our time-bound commitments for implementing this policy are detailed in section VI and in the accompanying document on eliminating unacceptable practices.

We will report on overall progress against our Living Landscapes Policy in our Annual Report, starting in the FY 2018 Report.

This Policy will be reviewed on an annual basis and our commitments will be updated accordingly.

## V. Continuous improvement

Olam recognises that implementing net positive strategies and landscape-scale approaches to sustainable agricultural production is a new and challenging field, requiring the development of new frameworks for planning, implementation, monitoring and evaluation.

During the implementation of this Policy, we will seek the guidance and advice of a multi-stakeholder network of relevant experts, development agencies, national institutions, investors and civil society, to guide us through the many challenges ahead, and to contribute to our continuous improvement.

## VI. Time-bound Commitments of the Living Landscapes Policy

To ensure successful application of this Policy group-wide Olam will implement the following actions:

### Establishing the Living Landscapes framework:

#### During 2018:

1. We will consult widely on our Living Landscapes principles and lay the groundwork for appropriately measuring, valuing and reporting natural and social capital in our operations and in the landscapes we work in.
2. We will establish a consultative multi-stakeholder group to help us further develop the net positive impact framework for agriculture.
3. We will set out a framework of action for putting the Living Landscapes principles in operation in key geographies.
4. We will develop a set of indicators related to this Policy for priority businesses during the course of 2018. We will report on these in the FY 2018 report.

#### By 2020:

5. Based on our consultative process, we will analyse gaps in our current approach to Living Landscape production systems in key geographies, comprising not just the elimination of unacceptable practices, but the triple positive impact objectives.
6. We will include in our Annual Reports a standardised valuation of natural and social impacts of agriculture and land use across our businesses, including third party sourcing.
7. We will set out a long term plan to embed a net positive approach in the commodity systems in which we participate.

#### Ongoing:

8. We will continue to catalyse, build and support effective partnerships for local and large-scale conservation efforts in the landscapes where we operate.

## VI. Time-bound Commitments of the Living Landscapes Policy

### Applying the Living Landscape Policy in our own farms and plantations:

#### During 2018:

9. Where we control operations (for example, plantations of oil palm, rubber, and coffee), our existing codes and policies already specify the elimination of unacceptable practices, and the Olam Sustainable Palm Oil Policy already specifies our commitment to triple-positive impacts. We will analyse any gaps in the other codes and strategies applying to our own farms and plantations and integrate the new commitments and requirements of this Policy.
10. We will participate in and support multi-stakeholder dialogues related to key elements of our Policy, such as the WCF Cocoa and Forests initiative, Tropical Forest Alliance 2020 initiative, RSPO standard revision and others.
11. We will review our existing plantation Grievance Procedures, to ensure that any affected communities and stakeholders can effectively communicate grievances to Olam<sup>5</sup> (for example, respecting the anonymity of complainants if desired).
12. Where we have not done so already (e.g. for Palm Oil) we will publish the location of our own concessions, plantations and mills on our website.
13. Where we do not already do so, we will publish summaries of relevant environmental impact assessments (EIAs) for our own upstream developments, including critical habitat/HCV, forest and forest carbon assessment, peatland and other natural habitat assessments according to good practice, and the outcomes of FPIC processes where this is legally and ethically permissible.
14. We will report on indicators chosen to assess our progress against the Living Landscapes Policy and report on progress (including grievance resolution) for our own plantations in our Annual Report for FY2018.

#### By 2020:

15. We will announce longer-term strategies targets and timelines for achieving Living Landscapes where we operate our own farms and plantations.

#### Ongoing:

16. We will sustain durable economic profitability of our own operations consistent with maintaining social and natural capital.
17. We will apply improved practices related to environmental and social aspects of production, as set out in our Plantations and Farms Code and the voluntary certification codes we adopt.

<sup>5</sup> Building on the procedure for Olam's palm operations <http://olamgroup.com/products-services/food-staples-packaged-foods/palm/faq-and-reports/grievance-procedures-olam-palm-operations/> and our online Code of Conduct portal.



## VI. Time-bound Commitments of the Living Landscapes Policy

### Applying the Living Landscape Policy to third party suppliers:

#### During 2018:

18. Building on work we have already done for third-party sourcing of specific high-risk products, we will develop an Olam-wide system for assessing country and product specific supply chain risks addressed by this Policy.
19. Where not already in place, all businesses will complete a compliance risk assessment for unacceptable practices by the end of 2018.
20. In businesses where there is a recognised high priority for action to end deforestation in supply chains (Palm Oil, Rubber, Cocoa and Coffee), where we have not already done so, we will develop strategies and targets related to this Policy. This work will build on our existing commitments to end deforestation in our Palm Oil supply chains globally, and in our main Cocoa origins.
21. Building on the current roll-out of the Olam Supplier Code, we will continue to improve our engagement with third-party suppliers through a global, Olam-wide mechanism for supplier engagement and monitoring to be adopted and rolled out by all businesses.
22. We will review our existing product-specific mechanisms for addressing non-compliance by third-party suppliers with the OSC or product Policies, and develop a global, Olam-wide mechanism for addressing non-compliance to be adopted and rolled out by all businesses.
23. Building on our existing Grievance Procedure in Palm Oil and our global Code of Conduct reporting mechanism, we will roll out a global Grievance Procedure related to third party sourcing, allowing all stakeholders to communicate grievances to Olam<sup>6</sup>, and report on progress in grievance resolution.
24. We will make the relevant systems and processes transparent to suppliers, customers and stakeholders

#### By 2020:

25. Our improved supplier engagement and monitoring system (see Action 21) will be fully operationalised across priority supply chains (Palm Oil, Rubber, Cocoa and Coffee).
26. Our improved mechanism for addressing non-compliance in supply chains (see action 22) will be fully operationalised across priority supply chains.
27. Other Business Units will implement this Policy on a priority basis commensurate with their potential impact on natural and social capital (both positive and negative) within their supply chains, and will publish strategies, targets and timelines on the base of their risk assessments.
28. Where we do not do so already, we will report on non-compliance issues in our supply chains and disclose our approach to correcting the issue, or our eventual disengagement from non-compliant suppliers.

#### Ongoing:

29. We will continue with our partners to support rural livelihoods in farming communities from which we source products, for example through the Olam Livelihood Charter.

<sup>6</sup> Building on the procedure for Olam's palm operations <http://olamgroup.com/products-services/food-staples-packaged-foods/palm/faq-and-reports/grievance-procedures-olams-palm-operations/> and our online Code of Conduct portal.

## VII. Annexure

### Living Landscapes Policy: eliminating unacceptable practices

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## Overview

The Living Landscapes Policy (LLP) recognises that achieving net positive benefits also requires eliminating **unacceptable practices** from our operations and supply chains.

Therefore, we require that our own operations and third suppliers must carry out:

- **No illegal activities:**
  - Full compliance with applicable national and international laws, including human and labour rights
  - Respect Legally Protected Areas or 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** of any depth.
- **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.

The requirement to eliminate unacceptable land use practices applies to all our suppliers from the date of publication of the Living Landscapes Policy.

Our approach and commitments under each one of these themes is explained in detail in sections 1-6 of this document.

## Guiding principles

We believe that we need to be actively engaged with our suppliers even where we recognise current weaknesses or failings in compliance. Systemic change in supply chains where unacceptable practices are widespread and prevalent can only be achieved by providing suppliers (whether farmers, farmer groups, intermediaries or manufacturers) with disincentives for non-compliance and incentives for good performance, and will often require the intervention of many different actors. Our guiding principles for dealing with unacceptable practices are the following:

- We will assess risks associated with our Policy requirements in our supply chains, and use these risk assessments to define priorities to be addressed by our businesses with our suppliers, partners and third parties.
- We will communicate these risks to our suppliers and customers on an ongoing basis.
- We will ensure that all our suppliers understand the practices we need to eliminate from supply chains, and agree to abide by the Olam Supplier Code or equivalent Product Code as a condition of doing business with us.
- Where required, we will work with our customers, partners and other third parties to train suppliers on our requirements and address underlying factors required to eliminate these practices from our supply chains.
- If unacceptable practices are reported in our own operations or those of third party suppliers, we will assess the extent and nature of non-compliance and establish a time-bound plan with our suppliers to address the issue and where necessary remediate material negative impacts of non-compliance.
- We will disengage from suppliers who are unable to demonstrate positive steps to eliminate unacceptable practices in a time-bound manner.

## 1 Legal and Regulatory compliance

- We expect our own operations and our suppliers to conduct their business 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 the Olam Supplier Code, Health and Safety Policy, Code of Conduct and other corporate policies.
- We and our suppliers will respect Legally Protected Areas or Internationally Recognised Areas as defined in this Policy.
- We will not knowingly source from lands that have been illegally deforested or cleared by a third party, whether or not a supplier is the agent of that land clearance.

## 2 Respecting Legally Protected Areas and Internationally Recognised Areas

- We will not develop operations in protected areas which have management objectives which meet the definition of IUCN Categories I, IIa, IIb or III<sup>7</sup>.
- We will not purchase from suppliers or trade in products grown in protected areas which have management objectives which meet the definition of IUCN Category I, IIa, IIb or III.
- In exceptional cases, where suppliers have encroached on such areas in the past, we will work as appropriate with the Government, local partners and the communities themselves to help vulnerable smallholders to find alternative means of supporting themselves, and contribute to reversing the damage done to protected areas.
- We will only develop, purchase from smallholders or trade in products grown in protected areas which have management objectives which meet the definition of IUCN Category IV to VI if they are grown in a manner acceptable to a recognised management plan.
- Internationally Recognised Areas (IRA) are: World Heritage Sites, UNESCO Biosphere Reserves, Ramsar Sites, and Key Biodiversity Areas. We will only develop, purchase from smallholders or trade in products grown in IRAs if they are grown in a manner compatible with maintaining and enhancing the values for which the area was designated.

<sup>7</sup> The IUCN categories are defined here: <https://www.iucn.org/theme/protected-areas/about/protected-area-categories>

### 3 Maintaining biodiversity and ecosystem services

- 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 will support and promote the high conservation value (HCV) concept as a practical, robust, credible tool for assessing, defining and implementing biodiversity conservation, ecosystem service provision (e.g. erosion control, water regulation) and some social and cultural goals in managed landscapes<sup>8</sup>.
  - We will 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.
  - High conservation value 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 forest may be classified as HCV or critical habitat and require protection or restoration.
  - We will adopt publicly available tools such as the IFC GMAP Commodity Risk Tool, the Global Forest Watch forest risk tools, and the ZSL PALM risk tool to address specific risks related to natural habitat conversion and deforestation
- We will 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.
  - Our assessments will be reviewed in compliance with legal requirements and the quality control mechanisms of the HCV Resource Network.
  - There will be no conversion or degradation of critical habitats or HCV areas in locations under our direct management.
  - High conservation values (HCVs) will be maintained and enhanced at an appropriate landscape level in areas under our direct management
  - We will not accept conversion or degradation of critical habitats or HCV areas by third party suppliers, or knowingly source from such areas.

<sup>8</sup> We will follow the definitions and guidance of the global multi-stakeholder platform of expertise on HCVs, the HCV Network [www.hcvnetwork.org](http://www.hcvnetwork.org) as applicable.

## 4 Promoting forest conservation and reducing carbon emissions from land use change:

### Implementing deforestation-free strategies:

- We will 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 where we operate. These should be implemented through recognised mechanisms involving national stakeholders e.g:
  - National/subnational land use plans and spatial zoning which defines and respects a landscape approach to deforestation-free development and forest conservation.
  - Other national regulatory frameworks aligned with this policy (such as emerging frameworks developed in West Africa, catalysed by the World Cocoa Foundation Cocoa and Forests Initiative).
  - Sectoral sustainability standards and initiatives including certification standards which define deforestation-free for specific sectors (e.g. FSC, RSPO<sup>9</sup>, RTRS, HCS approach – see below) or jurisdictions (e.g. Production, Protection and Inclusion compacts)
  - Emerging consensus frameworks such as the Accountability Framework and The Forest Dialogue – Understanding Deforestation Free 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 high-carbon stock forests (HCS) 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. Olam and our third party suppliers will follow international best practice and locally-adapted tools and guidance to identify

and conserve forests and other natural habitats with high levels of biomass or organic carbon, e.g.:

- The High Carbon Stock Approach<sup>10</sup>, 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 South East Asia)
- National adaptations of the High Carbon Stock concept integrated into legal and regulatory frameworks (e.g. referencing the TFA2020 Marrakesh declaration or WCF Cocoa and Forests Initiative) or credible certification standards such as 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. There will be no conversion of high carbon stock forests or peatlands in locations under our direct management.
- We will not 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, Olam will require that suppliers work to restore peatlands at the end of the crop cycle.
- Where possible we will support the underpinning science of forest description, forest biomass & carbon stock estimation, and carbon balance from land use change, to inform the above processes.

<sup>9</sup> RSPO is expected to develop no-deforestation criteria in its second full Standard revision, for approval in 2018.

<sup>10</sup> We will follow the definitions and guidance of the multi-stakeholder platform of expertise on HCS, the High Carbon Stock Approach <http://highcarbonstock.org> as applicable.

## 5 No use of fire in land clearance and 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 especially high in drained peatlands, and drought prone ecosystems.
- We will not use fire in land preparation for planting or replanting in our own operations.<sup>11</sup>
- 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 will work through a suitable verification process to identify and cease trading with suppliers who do not comply systematically with our Policy.
- In the case of many food supply chains where individual smallholders are the main source of traded products, and some operate a traditional swidden system, we will promote sustainable agricultural systems and elimination of unsustainable forest burning through the application of the Olam Supplier Code, the Olam Livelihood Charter, and through suitable partnerships.

## 6 Free, Prior, and Informed Consent (FPIC) of indigenous peoples and/or local communities

We respect the customary and legal tenure and access rights of Indigenous Peoples or other local communities (IPLC) affected by our operations, and will work with such local communities to achieve a positive impact on their livelihoods and well-being:

- We will obtain the Free, Prior and Informed Consent (FPIC)<sup>12</sup> from IPLC that may be affected by our plantations and farms, before developing any land that may be encumbered by such rights.
- We will follow evolving guidance on best practice in FPIC procedures and on Participatory Mapping<sup>13</sup>, including planning for the future land and livelihood needs of communities.
- Our FPIC Process is the first step in an ongoing relationship based on Informed Consultation and Participation (ICP) with indigenous peoples and local communities. We view these local people as co-owners and partners of our Living Landscape conservation efforts.
- We will 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 will offer and develop with IPLC appropriate opportunities to work with us or supply us where appropriate with goods and services, and contribute to community development, consistent with building social and human capital.

<sup>11</sup> 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.

<sup>12</sup> 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.

<sup>13</sup> For example the [FPIC Guidelines of the UN-REDD](#) programme and the Free, Prior And Informed Consent Guide For RSPO Members.