

Rolle, 06 January 2020

## OLENEX NDPE POLICY UPDATE 2019

Olenex remains steadfast to its commitment to responsible sourcing of palm oil. As a leading European refiner of vegetable oils and fats, we play an essential role in the industry's progress towards sustainable development.

Olenex does not own plantations nor produces palm oil. However, being a joint venture between Archer Daniels Midland (ADM) and Wilmar International (Wilmar), we link palm oil suppliers with customers through embracing close partnerships. By developing a traceable and transparent supply chain, our palm oil production is free from deforestation and exploitation.

Our founding partner, Wilmar, updated their policy of 'No Deforestation, No Peat, No Exploitation' (NDPE) in November 2019. It enables us to strengthen our commitment to our sustainability goals as well. The renewed policy reflects the progress and reinforces even stricter rules to our suppliers within our supply chain.

The NDPE policy applies to all Wilmar operations worldwide, including their subsidiaries, refineries, mills, as well as all Wilmar third-party suppliers at group-level<sup>[1]</sup>. The updated policy stipulates 31 December 2015 as the cut-off date for suppliers to be compliant with all provisions of the Wilmar NDPE policy.

Olenex will continue to work closely with Wilmar and collaboratively support their engagement and reports about sustainability activities. It will fuel our shared commitment and the success of both our policies today and in the future.

Kind regards,



**REMOND VAN DORLAND** | General Manager

Olenex Sàrl

[1] In 2019, Wilmar initiated a consultation with external stakeholders to develop clear internal guidelines for the interpretation of rules and legislation related to "group-level" definition. Until the finalization of the internal guidelines, "group-level" is based on RSPO's definition of "group". In addition, national interpretations will apply in the respective regions.



## No Deforestation, No Peat, No Exploitation Policy

Updated November 2019

### Purpose:

Wilmar International Limited ('Wilmar') first announced our 'No Deforestation, No Peat, No Exploitation' ([NDPE](#)) policy on 5 December 2013, which has been in effect ever since. Wilmar has since invested substantial resources to undertake numerous initiatives to drive the implementation of this policy's requirement across our supply chain and especially in the wider palm oil sector. As the first company to launch an NDPE policy applicable across the entire supply chain, Wilmar has played a leadership role in advancing sustainability since 2013. Our many successes and challenges have been detailed in our public reporting.

We continue to work closely with the widest possible range of industry stakeholders to implement our sustainability commitments related to the protection of forests, peatlands, human and community rights. This updated policy reflects our continuous commitment as we strive towards a supply chain free of deforestation and conflict. Consistent with our original NDPE policy statement, and as clarified in December 2018<sup>1</sup>, Wilmar recognises 31 December 2015 as the cut - off date for supplier compliance with all provisions of the NDPE policy.

### Scope:

All provisions in this policy, with no exception, apply to:

- All Wilmar operations worldwide, including those of our subsidiaries, any refinery, mill or plantation that we own, manage, or invest in, regardless of stake.
- All third-party suppliers (at a group-level<sup>2</sup>).

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<sup>1</sup> Joint Statement Creating A Deforestation-Free Palm Oil Supply Chain. <https://www.wilmar-international.com/sustainability/wp-content/uploads/2018/12/JOINT-STATEMENT-FINAL-07122018-with-Signatures-v3.pdf>

<sup>2</sup> In 2019, Wilmar initiated consultation with external stakeholders to develop clear internal guidelines for the interpretation of rules and legislation related to "group-level" definition. Until the finalization of the internal guidelines, "group-level" is based on RSPO's definition of "group". Further to that, national interpretations will be applicable in the respective regions.

## Principles:

The following principles remain the core of our policy:

No Deforestation	No New Development on Peat	No Exploitation of People and Local Communities
<ul style="list-style-type: none"> <li>• No development on High Carbon Stock (HCS) Forests or High Conservation Value (HCV) Areas</li> <li>• No burning</li> <li>• Progressively reduce greenhouse gas (GHG) emissions on existing operations</li> </ul>	<ul style="list-style-type: none"> <li>• No new development on peatland regardless of depth</li> <li>• Best Management Practices for existing plantation on peat</li> <li>• Where feasible, explore options for peat restoration by working with expert stakeholders and communities</li> </ul>	<ul style="list-style-type: none"> <li>• Respect and support internationally recognised human rights</li> <li>• Respect and recognise the rights of all workers</li> <li>• Respect and protect the rights of children and their welfare</li> <li>• Support the inclusion of smallholders into the supply chain</li> <li>• Respect land tenure rights</li> <li>• Respect the rights of indigenous and local communities to give or withhold their Free, Prior and Informed Consent (FPIC) to operations on lands to which they hold legal, communal or customary rights</li> <li>• Identify measures to provide remediation where the company has caused or contributed to negative human rights impacts</li> </ul>

Within the core principles of the policy, any identified and verified deforestation and peat development non-compliances after the cut-off date requires remediation actions or Recovery Plans as described in *Wilmar's Joint Statement (7 December 2018)*<sup>3</sup>.

### 1. No Deforestation

#### • *No Development on High Carbon Stock (HCS) Forests or High Conservation Value (HCV) Areas*

Wilmar requires the protection of HCS forests and HCV areas in all estates within our global supply chain under the full scope of this policy. Any plantation development activity must identify HCV areas and HCS forests for protection utilising international best practice guidance from the Roundtable on Sustainable Palm Oil (RSPO) Principles and Criteria, High Conservation Value Resource Network (HCVRN) and the High Carbon Stock (HCS) Approach. As of 2018, the RSPO P&C requires the use of the HCV-HCS Integrated Manual for assessments.<sup>4</sup>

The HCS Approach is a methodology that distinguishes forest areas for protection from degraded lands with low carbon and biodiversity values that may be developed. The HCS Approach methodology also includes consideration of indigenous and local peoples' lands and Free Prior Informed Consent (FPIC) of

<sup>3</sup> Joint Statement Creating A Deforestation-Free Palm Oil Supply Chain. <https://www.wilmar-international.com/sustainability/wp-content/uploads/2018/12/JOINT-STATEMENT-FINAL-07122018-with-Signatures-v3.pdf>

<sup>4</sup> HCV or HCSA standalone assessments may be acceptable in some circumstances, if following the HCSA toolkit (v2) and in line with HCSA or RSPO guidance on when such assessments are allowed. See [here](#) for more info.

land rights holders. All new assessments must be integrated HCV-HCSA assessments led by [Assessor Licensing Scheme \(ALS\) assessors](#) and [HCSA registered practitioners](#), and undergo necessary HCVRN or HCSA quality review.

In Wilmar-owned operations, we have more specific commitments that include best management practices for environment and sustainable management of natural resources:

- We will support the conservation and restoration of HCS forests, HCV areas, peatlands, and other ecologically and culturally important lands within the landscapes in which we operate, through Integrated Conservation and Land Use Plans (ICLUPs).<sup>5</sup> This is done in cooperation with a wide range of stakeholders, including governments and civil society organisations (CSOs).
- Areas identified as containing community and culturally significant HCVs will be managed to maintain these values.
- We will work with relevant authorities and take strong measures to protect native animals and plants, especially rare, threatened and endangered species. Poaching of wildlife in plantations or forests is prohibited. Hunting, capturing, extracting, and trafficking of wild animals on plantations is strictly prohibited.
- We respect the traditional rights of indigenous groups and communities to hunt. We will work together with these groups to ensure that hunting occurs in a controlled manner and in areas designated for those purposes provided that their hunting activities are legal, non-commercial, do not involve rare, threatened, or endangered species, do not threaten the long-term viability of the species, and do not have negative impacts on ecological processes important for agriculture and local ecosystem sustainability.
- We will undertake enrichment planting of HCV areas, riparian areas, areas along major roads within plantation complexes, and available vacant space not suitable for crops based on a landscape approach.

• *No Burning*

We do not allow the use of fire in the preparation of new planting, or re-planting or any other development, in accordance with the full scope of this policy. Any deliberate burning activities for land clearing by our suppliers will not be tolerated.

• *Progressively Reduce Greenhouse Gas (GHG) Emissions on Existing Operations*

For Wilmar-owned operations, we will adopt and implement significant GHG emissions reduction targets, which will be achieved by treating mill effluent to reduce methane emissions, halting deforestation, as well as best management practices of cultivated peatland. We expect suppliers to also adopt these practices.

We will regularly report progress in monitoring and reducing significant pollutants<sup>6</sup> and emissions from plantation and mill operations using appropriate tools, such as the RSPO PalmGHG calculator and the GHG Protocol accounting standard, or equivalent.

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<sup>5</sup> ICLUPs are the expected outputs of an HCV-HCSA assessment process. HCSA will publish guidance on what constitutes an ICLUP in 2020. Until then Wilmar's management and monitoring plans follow existing international best practice.

<sup>6</sup> RSPO definition of "significant pollutants": Chemical or biological substances which have a substantial adverse impact on water, air or land quality including POME, sewage, and other wastewater, sediment, fertiliser, pesticides, fuels and oil, air pollutants, as guided by national regulations and international standards.

## 2. No New Development on Peat<sup>7</sup>

- *No New Development on Peatland Regardless of Depth*

Wilmar will not accept new development on peatland, regardless of the depth of peat, in accordance with the full scope of this policy.

- *Best Management Practices for Existing Plantations on Peat*

Where plantations have been established on peat in the past, Wilmar will work with expert stakeholders to ensure that Best Management Practices for peat, as defined by the RSPO and peat experts, are adopted.

- *Where Feasible, Explore Options for Peat Restoration by Working with Expert Stakeholders and Communities*

As crops planted on peat come to the end of their current rotation and as per outcomes of peat drainability assessments required under the 2018 RSPO Principles and Criteria, Wilmar will explore options for the long-term restoration of peatland and peat forest.

## 3. No Exploitation of People and Local Communities

Wilmar is committed to ensuring that the following principles apply to the rights of all people directly impacted by any operation covered under the full scope of this policy. This includes people living locally in nearby or adjacent communities, and people working as employees and contractors, including temporary and migrant workers.

- *Respect and Support Internationally Recognised Human Rights*

We commit to upholding and promoting internationally-recognized human rights as described in the International Bill of Human Rights (consisting of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights) and the International Labour Organization (ILO) eight fundamental Conventions and Declaration on Fundamental Principles and Rights at Work.

Our position on No Exploitation and our policies, action plans and mechanisms are guided by the United Nations Guiding Principles on Business and Human Rights, which encompasses the three pillars of 'Protect Respect and Remedy', plus promotion of human rights. We are also guided and informed by the United Nations Global Compact and the FAO's Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the context of national food security (VGGTs). These provisions apply for all workers, contractors, indigenous people, local communities and anyone affected by our operations under the full scope of this policy, as outlined in our [Human Rights Policy and Human Rights Framework](#)

- *Respect and Recognise the Rights of All Workers*

We commit to ensuring that the rights of all people working in any operation covered under the full scope of this policy are respected according to local, national and ratified international laws. We also commit to ensuring international best practices where legal frameworks are not yet in place, and use as reference:

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<sup>7</sup> Wilmar follows RSPO's peat definitions, with country specific definitions for Indonesia and Malaysia and the FAO Histosol definition for regions that do not have their own definition of peat. <https://rspo.org/news-and-events/announcements/rspo-organic-and-peat-soil-classification>

- the United Kingdom (UK) Modern Slavery Act
- Free and Fair Labor in Palm Oil Production: Principles and Implementation Guidance
- other Wilmar policies that support our human rights values and commitments (i.e. Human Rights Framework, Child Protection Policy, Occupational Health and Safety Policy, Equal Opportunity Policy, and Sexual Harassment, Violence and Abuse, and Reproductive Rights Policy, Whistleblowing Policy, and Women’s Charter).

The following requirements are central to successful implementation of this policy:

- i. Elimination of forced, bonded (including debt bondage) or indentured labour, slavery and trafficking of persons, and restrictions on workers’ freedom of movement. Wilmar is committed to upholding the rights to freedom of movement and the right to resign from employment.
- ii. Upholding the rights of workers to freedom of association, collective bargaining, and to form and join trade unions of their choice.
- iii. Ensuring ethical recruitment such that workers do not incur any recruitment fees at any stage of the recruitment process, and no retention of passports/identity documents. Workers may voluntarily want to have their passports or identity documents held by the management for safekeeping purposes. In such cases, the documents should be returned to the workers upon request. There should be evidence of due diligence in applying this to all contract workers and suppliers.
- iv. Providing a safe and healthy workplace, as outlined in our [Health and Safety Policy](#). Wilmar will work to protect workers, local communities, and the environment from exposure to hazardous chemicals. Pesticides that are categorised as World Health Organization Class 1A or 1B and listed by the Stockholm or Rotterdam Conventions are not used, except in specific and urgent situations. The use of Paraquat is strictly prohibited. We will work with stakeholders to determine and implement alternative pest control strategies to totally avoid these pesticides.
- v. Respect for diversity, and provision of a working environment free from discrimination, harassment and abuse, as outlined in our [Women’s Charter](#), [Equal Opportunity Policy](#) and [Sexual Harassment, Violence and Abuse, Reproductive Rights Policy](#).
- vi. Commitment to best practices in terms of fair working conditions, including the payment of wages that meet or exceed legal requirements, taking into account reasonable production targets<sup>8</sup> and working hours. Other focus areas include workplace accident insurance, documented employment contracts, confidentiality, accommodation and access to remedy, referenced in the Annex to this policy.

• *Respect and Protect the Rights of Children and Their Welfare*

Wilmar does not tolerate child labour, any forms of child exploitation and child abuse; committing to its elimination throughout our supply chain. Ensuring welfare and special care for children in our own operations as well as our third-party suppliers’ operations is under the full scope of this policy, as outlined in our [Child Protection Policy](#).

• *Support the Inclusion of Smallholders into the Supply Chain*

Wilmar is committed to support the inclusion of smallholders into the supply chain. Smallholders are a critical part of the industry and they face unique challenges in meeting sustainability compliance which could sideline them from the palm oil supply chain. Challenges include possibly having lower levels of agronomic know-how, and usually having poorer access to resources. Many smallholders may also have

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<sup>8</sup> Identified and mutually agreed through a calibration process that involves workers, their representatives such as unions, and company management.

rights to indigenous or local lands (sometimes known as “Native Titles” in Malaysia, or “Lahan Ulayat” in Indonesia) with the explicit right to develop their own land. Wilmar will conduct ongoing consultations with smallholders and provide technical assistance and support to help them achieve compliance with this policy. As a priority, we are focusing on independent smallholder suppliers to Wilmar’s stand-alone mills, and we are encouraging our third-party suppliers to develop their own programmes. Wilmar welcomes support from governments, CSOs and customers to assist smallholders in achieving compliance.

- *Respect Land Tenure Rights*

Making reference to the UN Food and Agriculture Organization’s Voluntary Guidelines on the Responsible Governance of Tenure, Wilmar will respect indigenous peoples’ and local communities’ formal and customary rights to lands, territories and resources where proven in the context of our operational activities. This includes where the rights to own, occupy, use and administer these lands, territories and resources are proven. This is done in cognizance of the national obligations, constitutions, national and local laws and regulations of the country in which we are operating.

- *Respect the Rights of Indigenous and Local Communities to Give or Withhold their Free, Prior and Informed Consent (FPIC) to Operations on Lands to Which They Hold Proven Legal, Communal or Customary Rights*

Wilmar pledges to respect and recognise the long-term formal and customary rights and individual rights of indigenous and local communities in accordance with the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and the HCSA Social Requirements. Wilmar commits to ensuring legal compliance as well as international best practices in FPIC are implemented, in accordance with the full scope of this policy, prior to commencing any new operations or activities. Wilmar will engage with local and international stakeholder communities to ensure FPIC processes are correctly implemented and continuously improved.

- *Identify Measures to Provide Remediation Where the Company has Caused or Contributed to Negative Human Rights Impacts*

Wilmar own operations will also cooperate to identify and provide remediation where Wilmar has caused or contributed to negative human rights impacts. This includes in relation to indigenous and local communities’ rights and labour rights.

#### 4. Complaints and Grievances

- *Resolve All Complaints and Conflicts through an Open, Transparent and Consultative Process*

Wilmar operates a [Grievance Procedure](#) to enable any stakeholder to raise a grievance against any party. All grievances logged under the Grievance Procedure shall be dealt with in a timely manner, and all investigations and findings will be reported transparently with full public disclosure. Suspension of a supplier will be imposed at the group basis; only after the group has met the minimum requirements for re-entry will Wilmar consider resuming business.

Results of grievance cases investigated through external mechanisms (e.g. RSPO Complaints Procedure, Office of the Compliance Advisor/Ombudsman (CAO), etc.), where outcomes do not ensure compliance with Wilmar’s NDPE policy, they will be subjected to an internal review, and where relevant, a separate recommendation on suspension for the supplier will be made by the Grievance Unit.

Wilmar also operates a [Whistleblowing Policy](#), under the full scope of this policy, where internal and external personnel may, in confidence, raise concerns about possible corporate improprieties, and establishes a framework for independent investigations.

Wilmar supports protection for environmental and human rights defenders and prohibits threats, harassment, intimidation, the use of violence, or retaliation against anyone who raises a concern, lodges a complaint or participates in an investigation or whistleblowing.

Finally, Wilmar maintains a clear and strong commitment to non-violence and will do whatever possible, in all contexts, to prevent the use of force or the threat or real application of violence.

## 5. Public Reporting and Stakeholder Engagement

Wilmar values stakeholder input and commits to proactive and constructive engagement with all stakeholders, including communities, governments, customers and CSOs at the local, national and international level. This includes a commitment to make information regarding the impacts of Wilmar's operations publicly available in formats and languages relevant to the affected stakeholders. We will publish implementation plans, provide regular public updates on implementation of these policies and invite stakeholders to provide input where possible. Wilmar's aim is to constantly improve implementation. As new information and knowledge comes to light, either through our experience or through external research or experience, Wilmar will adjust and improve our policy implementation in ways that are consistent with our goals of protecting forests, peatlands, local communities and human rights.

A handwritten signature in black ink, appearing to read 'Kuok Khoon Hong'.

**Kuok Khoon Hong**  
Chairman and Chief Executive Officer  
Wilmar International Limited  
15 November 2019



## Annex on Working Conditions

Wilmar is committed to best practice in terms of fair working conditions, consistent with the Principles defined in the guide *Free and Fair Labor in Palm Oil Production: Principles and Implementation Guidance*, developed by a multi-stakeholder forum of experts. Specifically, we commit to the following for our own operations, and expects similar standards from our suppliers:

- i. Employment contracts – the company and its suppliers/contractors shall ensure that workers are given in writing, in a language that they understand, the details of their working conditions, including but not limited to the nature of the work to be undertaken, rate of pay and pay arrangements, working hours, vacation and other leave, and all other benefits of employment.
- ii. Collective bargaining and freedom of association - in keeping with RSPO Principle 6.6, we will respect the rights of personnel to form and join trade unions of their choice, and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, parallel means of independent and free association and bargaining should be made available to all such personnel.
- iii. Wages - the company and its suppliers/contractors shall ensure all workers are paid a wage equal to or exceeding the legal minimum wage.
- iv. Working hours - the company and its suppliers/contractors shall ensure that workers are not working more than sixty (60) hours per week as part of their standard or contracted working hours; that any overtime hours are worked on a voluntary basis and compensated at a rate consistent with national law; and that workers are not required to work on public holidays or are compensated in accordance with the national law if they choose to work that day, and have at least one day off in seven and at least one day off after six consecutive workdays.
- v. Record keeping - the company and its suppliers/sub-contractors shall maintain a transparent and reliable record of working hours and wages for all workers.
- vi. Respect for diversity - the company and its suppliers/contractors shall ensure that workers are protected from any discrimination that would constitute a violation of their human rights; shall establish working practices that safeguard against any unlawful or unethical discrimination; and shall endeavour to ensure that migrant workers are treated no less favourably than other workers performing similar task.
- vii. Harassment and abuse - the company and its suppliers/contractors shall ensure the implementation of policies to prevent and remediate harassment and abuse, including sexual harassment and abuse, including undue disciplinary measures.
- viii. Access to remedy - the company and its suppliers/contractors shall ensure workers have access to judicial remedy and to credible grievance mechanisms, without fear of recrimination or dismissal. Wilmar and our suppliers have a role to play in protecting the right to defend human rights.
- ix. Data protection principles - the company and its suppliers/contractors shall ensure confidentiality in all their dealings and ensure that permission has been given and documented before disclosing, displaying, submitting or seeking confidential or personal information or data obtained in connection with the recruitment or employment of workers.
- x. Accommodations – When housing accommodations are provided, the company and its suppliers/contractors with whom they are engaged in long-term contracts shall ensure that
  - a. they are adequate and safe based on national regulations;
  - b. separate and segregated accommodations are provided for single men and women;
  - c. there are no restrictions imposed which interfere with workers’ rights to leave the housing facility during their free time;

- d. the average living space in the absence of national regulations will be not less than 3.8m<sup>2</sup> per individual;
- e. sleeping quarters are possible to lock from both outside and inside; and
- f. each worker has safety measures to ensure the security of their belongings.