

Annex 1 FSC Template for submitting Policy for Association complaints

Information of the individual(s) or organisation(s) that file the complaint:

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| Name of individual or organisation | Mighty |
| Contact person (for organisations) | Etelle Higonnet, Campaign and Legal Director |
| Postal address: <input type="checkbox"/> Street + number <input type="checkbox"/> City <input type="checkbox"/> Area code <input type="checkbox"/> Country | Mighty, c/o Center for International Policy 2000 M Street NW, Suite 720 Washington, DC 20036 USA |
| Phone number | +1 202 848 7792 or +33673821019 |
| Fax number | |
| Email address | etelle@mightyearth.org |
| Website | http://www.mightyearth.org/ |
| FSC member (if yes: international/ national, chamber, North/South) | No |
| Date of submission | December 16, 2016 |
| Signature of legal representative of the Complainant |  |

Information about the Organisation(s) against whom the complaint is submitted:

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| Name | Olam International Ltd. |
| Contact person | Christopher Stewart: christopher.stewart@olamnet.com , Audrey Lee: audrey.lee@olamnet.com |

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| Postal address | |
| <ul style="list-style-type: none"> ■ Street + number ■ City ■ Area code ■ Country | <p>9 Temasek Boulevard #11-02 Suntec Tower 2 038989 SINGAPORE</p> |
| Phone number | (+65) 6339 4100 |
| Fax number | (+65) 6339 9755 |
| Email address | singapore@olamnet.com |
| Website | http://olamgroup.com |
| Certificate number (s) | SGS-FM/COC-010641; SGS-FM/COC-004705; SGS-FM/COC-008483; SGS-COC-002926; CTIB-COC-001112 |

Information to be submitted for a Policy for Association complaint:

| Issue | Information to support the complaint |
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| Objective of the complaint | <p>To bring Olam International Ltd (Olam Group) and its relevant subsidiaries into compliance with the FSC Policy for Association, including requiring the group to agree to implementation of adequate compensation for any non-compliance.</p> <p>As an immediate step, we expect that the FSC would instruct Olam to immediately halt all land development in its plantations (i.e. palm, rubber, coffee, etc.) that could be in violation of the Policy for Association – including, but not limited to deforestation by Olam Palm Gabon SA. and Olam Rubber Gabon SA.</p> |

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| <p>Specification of the issues and events that lead to the complaint.</p> | <p>Mighty is a new global campaign organization that works to protect the environment. Mighty is a program of the Center for International Policy, a 501(c)3 non-profit organization, in collaboration with Waxman Strategies, and aims to break the link between deforestation and agriculture.</p> <p>Over the past 6 months staff from Mighty and Waxman have engaged with Olam multiple times on the telephone, by email, and even in person in Olam’s office in Kuala Lumpur. Staff from Mighty and Waxman requested numerous times to be allowed to visit Olam’s operations in Gabon. Even before coming to work at Mighty/Waxman, while at the Forest Heroes campaign and the Center for International Policy, some of the staff had already begun interfacing with Olam over the past 2 years, including meeting the CEO of Olam as well as members of the sustainability team. In their current and previous roles, Mighty staff repeatedly raised the issue of deforestation in the supply chain, third party suppliers’ non-adherence to Olam sustainability policies, lack of transparency regarding who those third party suppliers were, Olam’s non-adherence to “No Peat, No Deforestation, No Exploitation,” shortcomings in Olam’s deforestation policies, and concerns about deforestation in Gabon linked to Olam’s plantations as well as its smallholder project named GRAINE.</p> <p>After considerable and repeated discussions, Olam did change one important policy, which the staff at Mighty recognize as vital: Olam instituted a “No Burning” policy effective immediately across its own concessions and all those of its third party suppliers. This was a major positive step, particularly for Indonesian forests and peatlands.</p> <p>Moreover, Olam made another key policy change which was doubtless meant to be positive, although this one may have unintended negative consequences: the company said it would apply its sustainability policy to its third party suppliers, and not just its own plantations. This seemed like an important step forward, but the company delayed the application of the policy to its suppliers – who represent more than 99% of its palm oil volume – until 2020. Putting off the implementation date was akin to waving a green flag at rogue palm oil companies telling them to get as much deforestation as possible done before the sustainability policy kicks in.</p> <p>After publication of Mighty’s report on 12 December 2016 about Olam’s deforestation, Olam changed course and finally listed its suppliers. Olam also stated that its sustainability policies applied immediately to its suppliers. However, Olam has not explained why some of its (now-listed) suppliers are on record as being responsible for large-scale deforestation (like IOI). It has not pledged to adopt the High Carbon Stock Approach (HCSA) supported by progressive companies in its sector, and it refuses to sign on to zero deforestation commitments as nearly all its palm oil trader peers have done. To date, Olam has not agreed to halt all deforestation in its concession in Gabon and elsewhere until its possible violation of FSC policies are investigated and resolved.</p> <p>Because of the inadequate response by Olam to dialogue with Mighty/Waxman; as well as to pressure by other NGOs such as Brainforest Gabon, which had conducted investigations and published reports regarding problems surrounding Olam’s deforestation in Gabon (please contact us for a collection of such reports if needed), Mighty is filing this complaint with the FSC.</p> |
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| <p>The complaint is referring to one or more of the PfA unacceptable activities (please mark the activities):</p> | <ol style="list-style-type: none">1 . Significant conversion of forests to plantations or non-forest use2 . Destruction of high conservation values in forestry operations3 . Illegal logging or the trade in illegal wood or forest products |
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| <p>Evidence to support each element or aspect of the complaint. Please provide an overview, a description and attach supporting documents.</p> | <p><u>Unacceptable activities of Olam Palm Gabon SA:</u></p> <p>1. Significant conversion of forests to plantations or non-forest use:</p> <p>a) Conversion of more than 10,000 ha of forests under the organization's responsibility in the past 5 years:</p> <p>This conversion concerns Olam concessions Lot 1, 2, & 8 - our attached Mighty report concludes that from March 2012 to 25 July 2016, Olam Palm Gabon SA converted around 19,000 hectares of forests within three of its four oil palm concessions in Gabon. This figure excludes any deforestation outside of the period from March 2012 to 25 July 2016 (within the Policy for Association five-year threshold). This figure also excludes deforestation in Olam’s other subsidiaries (more below).</p> <p>Olam’s statement published on 12 December 2016 actually admits to a higher level of deforestation--25,735 ha—which is not surprising since our report used very conservative estimates.¹</p> <p>In the statement Olam asserts that <i>‘58% (25,735 ha) of the planted area was originally highly logged and degraded secondary forest (detailed analysis using LiDAR mapping)’</i>. The claim that the 25,735 ha was <i>‘originally highly logged and degraded secondary forest’</i> is highly misleading. The HCS Plus report on Olam’s operations summarizes a <i>‘detailed analysis using LiDAR mapping’</i>; and refers to two things: (1) <i>‘originally heavily logged forest’</i>, and (2) <i>‘relatively undisturbed or lightly logged forest’</i> as well as lightly degraded forest. Now, Olam appears to be conflating the concepts of originally highly logged and lightly degraded, to end up with <i>‘highly logged and degraded.’</i> Olam should furnish all original research and clear evidence about prior classification of forest areas that were cleared, as part of its response to this complaint.²</p> |
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¹ <http://olamgroup.com/news/olam-internationals-response-to-mighty-earth-and-brainforest-report/>

² https://www.hcvnetwork.org/resources/folder.2006-09-29.6584228415/2013_commonguidancev5

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| <p>Evidence to support each element or aspect of the complaint. Please provide an overview, a description and attach supporting documents. (cont.)</p> | <p>Since writing our report and receiving Olam’s response, we undertook additional research, to understand the difference between Olam’s total figure of 25,735 ha for Olam Palm Gabon SA. deforestation and our estimate of 19,000 ha. The difference between 25,735 ha and 19,000ha is 6,735 ha.</p> <p>We assume that the most of this additional 6,735 ha of forest clearance can be attributed to ongoing forest clearance in Lot 2. This conclusion is based on the following:</p> <ul style="list-style-type: none">a) Limited deforestation in Lot 3 with 5 year threshold: We do not expect that deforestation, which may have been conducted in Lot 3 (largely savannah areas and limited to small areas of forests in riparian zones and gallery forest, prior to development), would be significant.b) Limited deforestation in Lot 8 after July 2016: In 2016, Olam started additional clearing of forest in its Awala (formally Lot 8) concession, even though the majority of the plantation development was completed in 2014. These new areas of clearing are limited.c) Planned deforestation not completed in Lot 2 as of July 2016: Based on Olam’s own maps, we estimate that as of 25 July 2016, the company had an additional ~7,900ha of forest it needed to clear in order to meet its original target for plantation development in Lot 2. Recently available Landsat images for the period 25 July 2016 to 27 September 2016, show additional areas of forest that have been cleared in Olam’s Lot 2 concession (see Appendix 1). <p>Given ongoing deforestation in Lot 2, on 12 December 2016, Mighty wrote to Olam asking the company to confirm that the <i>‘Olam Group will put an immediate group-wide hold on further land development leading to deforestation, pending a resolution of your policy commitments including the requirements of the FSC policy of association?’</i> At the time of filing this complaint, we have not received a response to this question.</p> |
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| <p>Evidence to support each element or aspect of the complaint. Please provide an overview, a description and attach supporting documents. (cont.)</p> | <p>As the 10,000 ha FSC threshold applies to all other legal entities that are subsidiaries of Olam International Ltd which could have been engaged in forest conversion during the past 5 years, this would potentially include any forest conversion conducted in Gabon by Olam Rubber Gabon SA in its rubber plantations in Bitam, northern Gabon. Mighty was unable to conduct deforestation analysis for these areas, as there are no publicly available suitable maps with geographical coordinates for these plantations areas. Further investigations are needed to determine this. In addition, any forest conversion conducted worldwide would have to be investigated, including deforestation by Outspan Bolovens Limited in Laos for coffee, and beyond.</p> <p>Mighty has received videos of deforestation in the Bitam area: The Gabonese NGO Brainforest submitted video evidence to Mighty, regarding what appears to be ongoing deforestation in the area of Batouri, Gabon. Brainforest staff who collected the videos in an undercover investigation, reported that the deforestation it filmed was taking place in Olam’s rubber concessions, as well as palm oil areas. These videos are available via a dropbox link.³</p> <p>b) Apparent ‘Conversion of High Conservation Value Forests’: Concessions Lot 1 and Lot 2 - the attached report concludes that since March 2012, Olam Palm Gabon SA. has converted forests in two of its concessions (Lot1 and Lot 2) that the <i>company’s own maps</i> classified as ‘Plantable HCV’. Maps produced by the High Carbon Stock+ Study (HCS+) indicate that forests labeled ‘Plantable HCV’ were converted by Olam. In addition, some of these forests were ‘retrospectively’ identified by the Study as HCS+ (which has a threshold of above 75tC/ha), based on historical data. Based on this evidence, we believe that Olam may have converted areas of High Conservation Value Forests. This warrants thorough investigation by the Complaints Panel.</p> <p>c) Apparent ‘Destruction of high conservation values in forestry operations’ (Olam Palm Gabon SA) in Concession Lot 8: The attached report (particularly pp. 35-39) shows the total of 6,500 hectares of forest converted in Lot 8. An estimated 760 of those hectares were in areas identified as ‘<i>unexploitable areas</i>’ (i.e. areas identified as potentially having slopes above a 20-degree gradient and therefore subject to extreme erosion). As HCV 4 includes taking management actions for the ‘control of erosion of vulnerable soils and slopes,’ this matter warrants thorough investigation by the Complaints Panel.</p> |
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³ https://www.dropbox.com/sh/1j3ksmppzjwg2yj/AAA3vuh2alPTSORfXk_I9KzAa?dl=0

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| <p>Evidence to support each element or aspect of the complaint. Please provide an overview, a description and attach supporting documents. (cont.)</p> | <p><u>Other Olam Group companies and subsidiaries:</u></p> <p>1. Significant conversion of forests to plantations or non-forest use:</p> <p>As stated in the attached report, Olam International Ltd. has other subsidiaries involved in plantation development around the world for other commodities such as rubber, coffee, cocoa, rice, cashews, cotton, etc. We therefore request that the FSC Investigation Panel reviews the activities of Olam at least in – but not limited to – the following:</p> <p>a) Olam Rubber Gabon SA which has been developing rubber plantations in Bitam, northern Gabon. As mentioned above, Brianforest has documented deforestation in these plantations.</p> <p>b) Outspan Bolovens Limited (Laos), a wholly owned subsidiary on Olam International Ltd. The company has been reported to be involved in deforestation (suspected to be illegal) for coffee.</p> |
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| <p>Evidence to support each element or aspect of the complaint. Please provide an overview, a description and attach supporting documents. (cont.)</p> | <p>1. Illegal logging or the trade in illegal wood or forest products:</p> <p>Whilst this complaint primarily focuses on Olam’s unacceptable activities in its plantations business (oil palm, rubber, coffee), Olam has been involved in the timber sector for some years. For example:</p> <ul style="list-style-type: none">a) According to a 2003 statement on the World Bank’s IFC website, Olam’s timber business regularly provides ‘operating financing’ and equipment to its partners in its operational countries.⁴b) An initial report by Greenpeace (April 2007)⁵ alleged that Olam International Ltd. received logging concessions in the Democratic Republic of the Congo (DRC) in breach of the World Bank 2002 moratorium on the allocation of new concessions (i.e. a potential case of illegal allocation of permits).c) A follow up investigation by Greenpeace (November 2007)⁶ alleged that Olam was also pre-financing logging operations in the DRC, providing equipment and supervising the forestry activities. This included the alleged illegal logging of CITES Appendix II listed species <i>Afrormosia (Pericopsis elata)</i>.d) Olam is involved in the international trade in teak, including in, but not limited to, Myanmar. <p>Before Olam entered into an association with the FSC in 2011, the Secretariat would have conducted a <u>due diligence</u> evaluation to assess whether the company was directly or indirectly involved in any unacceptable activities (this being a requirement of the FSC Policy for Association). We therefore request that as part of this complaint, the Independent Complaint Panel clarify that this due diligence:</p> <ul style="list-style-type: none">a) Reviewed all available evidence on Olam’s timber business in the DRC (as referred to above).b) Identified whether Olam was directly or indirectly involved in the violation of any laws in the DRC, as defined in the Policy for Association. This would include, but would not be limited to, laws related to the acquisition of logging concessions/harvesting rights from the rightful owner, CITES regulations, the harvesting methods used, and the payment of all relevant fees and royalties. <p>As part of filing of a complaint under the Policy for Association, Mighty is requesting that the FSC undertake a thorough review of Olam’s current role in the tropical timber sector with heightened scrutiny, given its role as a pre-financer of logging operations. This would include Olam’s significant role in the teak trade, including in Myanmar.</p> |
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⁴ <http://ifcext.ifc.org/ifcext/spiwebsite1.nsf/ProjectDisplay/ERS20040>

⁵ [http://www.greenpeace.org/international/en/campaigns/forests/africa/congo-report/;](http://www.greenpeace.org/international/en/campaigns/forests/africa/congo-report/)

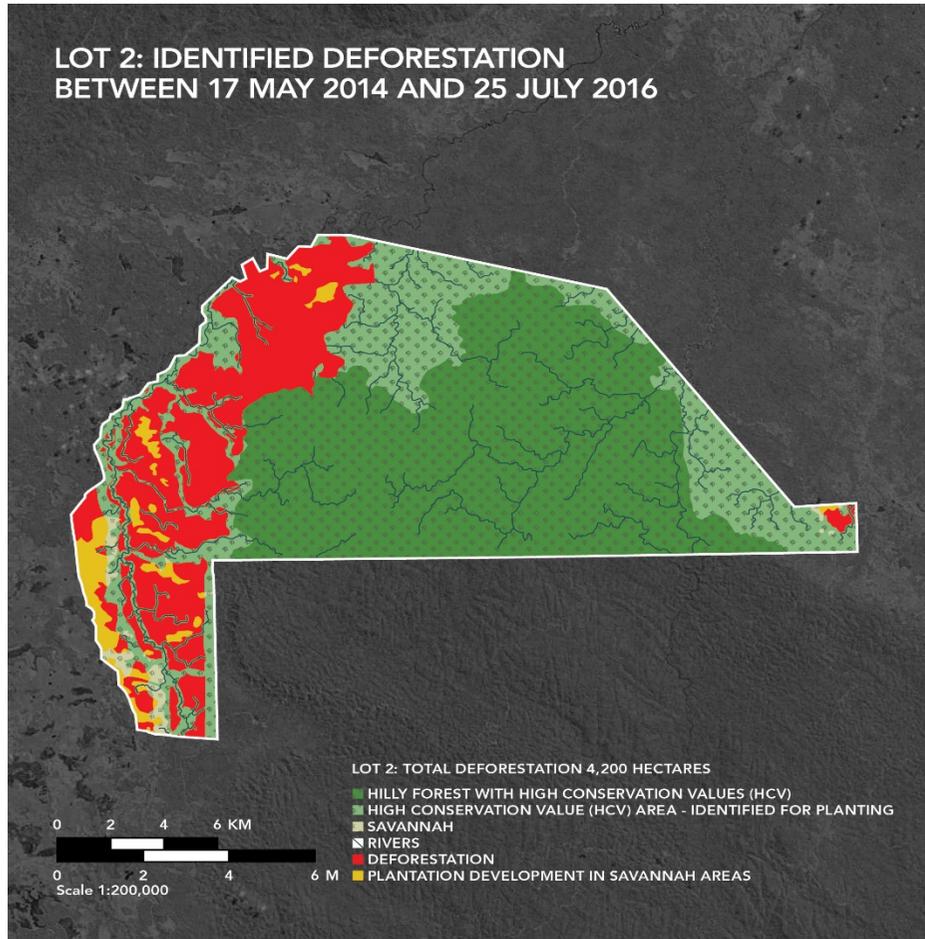
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| <p>Overview of the steps that were taken to resolve the issues prior to lodging this complaint and the response that was provided.</p> | <p>A SHORT CHRONOLOGY OF INTERACTIONS WITH OLAM</p> <ol style="list-style-type: none">1. Glenn Hurowitz (currently the CEO of Mighty, but then in a previous role) discussed weaknesses in Olam’s policies on deforestation with Olam CEO Sunny Verghese, twice, since 2015.2. In 2014, 2015 and 2016 Glenn Hurowitz and Deborah Lapidus (currently Mighty Campaign Director) interfaced with Olam staff via emails, telephone calls, and letters, regarding shortcomings in its palm oil policies and requested numerous reforms.<ul style="list-style-type: none">- Olam adopted one reform: deciding to apply its sustainability policy to its third-party suppliers engaging in potential deforestation, and not just its own plantations. This seemed like an important step forward, but the company appeared to delay its the application of the policy to its suppliers – who represent more than 99% of its palm oil volume – until 2020.- Glenn and Deborah registered a critique about the company’s apparent decision not to make its third parties suppliers comply with its policies until 2020.- However, Olam did not change its policy to explicitly make the reform effective immediately.- Glenn and Deborah continued to challenge Olam’s refusal and registered additional requests for other reforms to prevent deforestation in Gabon and elsewhere, which are raised in the attached report.3. In June 2016, Mighty and Olam exchanged a number of emails culminating in a telephone call in June 2016 with a member of Olam’s sustainability team. These emails and the telephone conversations provided a new chance to raise concerns about deforestation, the lack of transparency and disclosure of third party suppliers for palm oil, and deforestation in Olam’s supply chain in Gabon specifically, and requested an opportunity to visit Olam’s concessions in Gabon.<ul style="list-style-type: none">- Olam did not change its policies at that time.4. Mighty and Olam exchanged a number of emails culminating in a meeting 23 September 2016 in Kuala Lumpur with Audrey Lee from Olam’s sustainability team and Etelle Higonnet from Mighty. During this multi hour meeting a number of concerns were discussed including the lack of third party supplier commitments around deforestation; questions about deforestation in Gabon; and why Olam’s percentage of RSPO palm oil is 0.4% when the global average is 17%; as well as the structural weaknesses of Olam’s sustainability policies – which are not zero deforestation policies, and how to remedy this. Also, we discussed Olam’s lack of a ‘no burning’ policy.<ul style="list-style-type: none">- Subsequently, in October 2016, Olam adopted a ‘no burning’ policy for its supply chain.5. Subsequent to that, Mighty exchanged emails with Olam on deforestation, its sustainability policy, the issues of transparency in third party suppliers to better monitor deforestation, the need for a ‘No Peat, No Deforestation, No Exploitation’ policy, queries as to whether Olam would endorse HCSA, deforestation in Gabon, and more. |
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⁶ https://1drv.ms/b/s!AI_1SYB1Nd5lzxG2aZq8I8D6eVfG

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| <p>Overview of the steps that were taken to resolve the issues prior to lodging this complaint and the response that was provided. (cont.)</p> | <p>6. On 12 December 2016, Mighty published a report on deforestation by Olam, the lack of transparency in its supply chain, and a variety of other concerns, all connected to the risk of Olam driving deforestation worldwide. - Olam responded the same day by publishing its suppliers and instituting a number of reforms.</p> <p>7. Following Olam’s statement in response to our report, Mighty wrote to Olam asking the company to confirm that the <i>‘Olam Group will put an immediate group-wide hold on further land development leading to deforestation, pending a resolution of your policy commitments including the requirements of the FSC policy of association?’</i> At the time of filing this complaint, we have not received any response to this question.</p> <p>Other NGOs, including Greenpeace and Rainforest Foundation UK, have taken steps to resolve issues with Olam regarding deforestation, with limited success. For example, Brainforest Gabon engaged in several rounds of written communications and telephone communications with Olam in Gabon. In addition to this, Brainforest also held 3 large meetings with Olam Gabon staff, regarding deforestation, concerns around land-grabbing, human rights and FPIC, and corporate social responsibility. Brainforest and the communities that the NGO worked with felt that Olam’s responses were inadequate. Brainforest also sent key requests for information which received no response, including forms regarding Olam’s joint venture GRAINE program.</p> |
| <p>Agreement to share the complaint with the Defendant and other Parties to the Complaint.</p> | <p>YES</p> |
| <p>Agreement to adhere to the terms and provisions of the PfA complaints procedure (FSC-PRO-01-009).</p> | <p>YES</p> |

Miscellaneous

Appendix 1: Olam Palm Gabon Lot 2 concession



The screenshot shows the USGS LandsatLook Viewer interface. At the top left is the USGS logo and "LandsatLook Viewer". A search bar at the top right contains "Gabonese Republic". Below the search bar is a navigation menu with "Welcome!", "About", "Quick Guide", "Contact Us", and "Help". The main content area is divided into a left sidebar and a main image display. The sidebar contains a "Search the Landsat Archive" section, an "Image Display - Displaying 2 of 43 images" section with dates "2016-Jul-25 OLI" and "2016-Jul-16 OLI", an "Active Image" section with a date range from "06 Jan 2016" to "07 Dec 2016" and a time slider, "Image Enhancements" options like "None", "Percent Clip", and "Stretch 3 Std Dev", and an "Image Transparency" slider. A green "Export Display" button is also present. The main image display shows a satellite image of the Gabonese Republic with a white box overlaid on the right side containing the text "Loss as of 25 Jul 2016". The image shows a mix of green, purple, and pink areas. At the bottom of the interface, there is a scale of "1 : 144 K", coordinates "Lat: -1.57°S Lon: 10.39°E", and format "Format: jpg". The bottom right corner features the "POWERED BY esri" logo.

"The pink areas on these Landsat images would normally indicate areas of deforestation, when compared to previous Landsat images showing forest cover"

The screenshot shows the USGS LandsatLook Viewer interface. At the top, the USGS logo and 'LandsatLook Viewer' are visible. A search bar contains 'Gabonese Republic'. Below the search bar is a navigation menu with 'Welcome!', 'About', 'Quick Guide', 'Contact Us', and 'Help'. The main content area displays a satellite image of a forested region in Gabon. Two red arrows point to pinkish areas in the forest, each labeled 'New clearing'. On the left side, there is a control panel with sections for 'Search the Landsat Archive', 'Image Display - Displaying 2 of 43 images', 'Active Image' (showing 'Tue, 27 Sep 2016 (GMT)' and a time slider), 'Image Enhancements' (with 'Stretch 3 Std Dev' selected), and 'Image Transparency'. At the bottom of the control panel is an 'Export Display' button. The bottom of the image shows metadata: 'Scale: 1 : 144 K | Lat: -1.62°S Lon: 10.39°E | Format: jpg' and 'Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, ...'. The Esri logo is in the bottom right corner.

"The pink areas on these Landsat images would normally indicate areas of deforestation, when compared to previous Landsat images showing forest cover"

The screenshot displays the USGS LandsatLook Viewer interface. At the top left, the USGS logo and 'LandsatLook Viewer' are visible. A navigation bar includes links for 'Welcome!', 'About', 'Quick Guide', 'Contact Us', and 'Help'. The search bar contains 'Gabonese Republic'. The main image area shows a satellite view of a forested area with a red double-headed arrow pointing to a pinkish area labeled 'New clearing'. The left sidebar contains controls for image display, including a search filter for '2016-Oct-13 OLI' and '2016-Oct-4 OLI', an 'Active Image' section for 'Thu, 13 Oct 2016 (GMT)', a time slider from '06 Jan 2016' to '07 Dec 2016', and options for 'Image Enhancements' (None, Percent Clip, Stretch 3 Std Dev) and 'Image Transparency' (off to visible). An 'Export Display' button is also present. The bottom of the interface shows metadata: 'Scale: 1 : 144 K | Lat: -1.59°S Lon: 10.48°E | Format: jpg' and 'Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, ...' with the Esri logo.

"The pink areas on these Landsat images would normally indicate areas of deforestation, when compared to previous Landsat images showing forest cover"