

## **Modern Slavery and Human Trafficking Statement 2018/2019**

**Dated: 20 June 2019**

This statement is made by Olam International UK Limited on behalf of itself and its wholly owned subsidiaries including Olam Europe Limited, pursuant to section 54(1) of the Modern Slavery Act 2015 (the “**Statement**”).

Together with our global affiliated companies, (“**Olam**”, “**us**” or “**we**”), we are a leading food and agri-business supplying food, ingredients, feed and fibre to 19,800 customers worldwide. Our 74,500-strong team around world spans over 60 countries and our value chain includes farming, processing and distribution operations, as well as an estimated sourcing network of 4.8 million farmers.

Globally, we are present in five segments: Edible Nuts and Spices; Confectionery and Beverage Ingredients; Food Staples and Packaged Foods; and Industrial Raw Materials, Infrastructure and Logistics. The UK serves as our global headquarters for Olam Cocoa as well as our dedicated Corporate Responsibility and Sustainability (CR&S) function.

Doing business in an ethical, socially responsible and environmentally sustainable manner is embedded in every aspect of Olam’s business. We are committed to providing a workplace where all employees are treated with dignity and fairness, and to respecting the rights of people and communities where we operate. We have zero tolerance for slavery, forced labour or human trafficking in our organisation and our supply chains.

In our role as a leader in global food and agriculture, we are engaging with suppliers, customers, civil society, governments, and communities to eliminate and prevent abuses across our value chains, and in the markets, where we operate and have influence.

### **Putting sustainability at the heart of our business**

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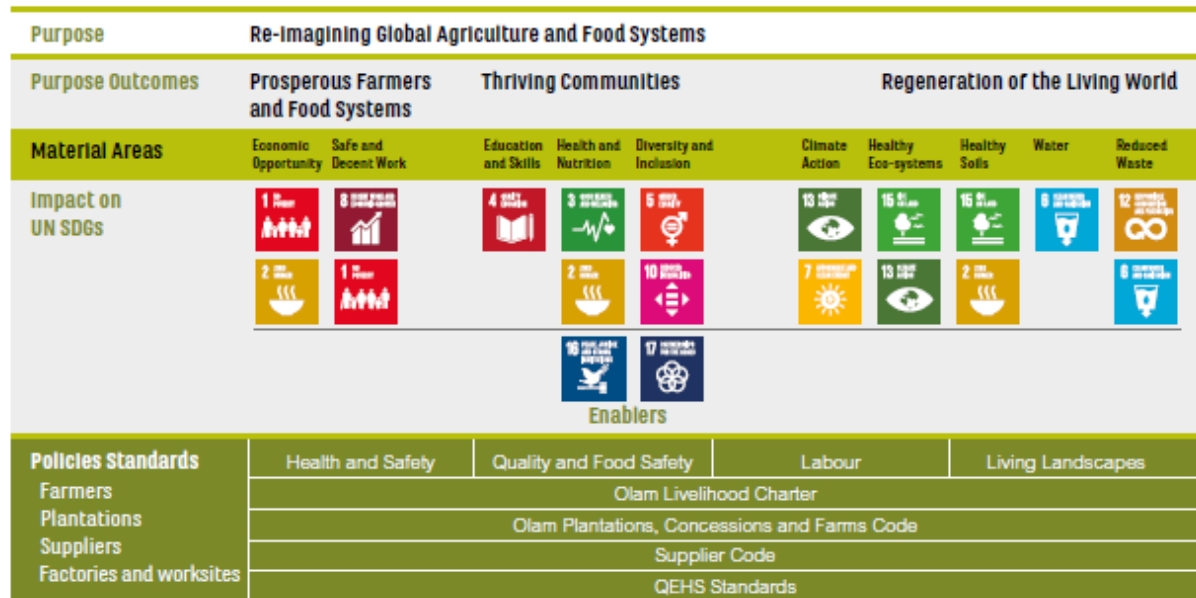
Our commitment to conducting business in an ethical, socially responsible and environmentally sustainable manner is intrinsic to Olam’s Purpose of Re-imagining Global Agriculture and Food Systems. Our Purpose is focused on creating and sustaining living landscapes and delivering positive outcomes in three areas:

- Prosperous farmers and food systems
- Thriving communities
- Regeneration of the living world

Respecting human rights is an essential part of our Purpose in which we aim to address the many challenges involved in meeting the needs of a growing global population where prosperous farmers, thriving rural communities and healthy ecosystems can coexist.

Our global CR&S framework integrates our Purpose and identifies 10 material areas aligned with the UN Sustainable Development Goals (SDGs) to focus our actions to deliver tangible impacts.

## Our Sustainability Framework



Our commitment to human rights is outlined in our Fair Employment Policy which is in full compliance with the Conventions of the International Labour Organization (ILO) and the United Nations (UN) Global Compact's (UNGC) guiding principles on human rights and labour.

We address salient human rights issues through delivering positive impacts in our own operations and supply chains areas including: Economic Opportunity; Safe and Decent Work; Education & Skills, and Diversity & Inclusion. We report on progress towards our goals in our [Annual Report](#) and [Global Reporting Initiative Report](#).

## Our Policies

We are committed to respecting people and human rights, and to promoting responsible practices in our operations and our supply chains. To advance our commitments, we have embedded human rights within our Policies to enable us to promote and protect fundamental rights of people, and to mitigate and address slavery, forced labour and human trafficking in our operations and our supply chains.

In 2018, we published and revised policies which support our ongoing commitment:

- **Fair Employment Policy** – in September 2018, we published our Policy to ensure compliance with all applicable national employment laws and international standards. It sets out our commitment to provide a workplace where the rights of all employees are respected; proactively protect the rights of workers, including vulnerable categories such as migrant workers and those engaged through third parties; and prohibit the use of child labour and forced labour. The Policy is in full compliance with the conventions of the International Labor Organization (ILO) and United Nations Global Compact's (UNGC) guiding principles on human rights and labour. A focus for 2019 is self-audit of prioritised countries which will cover 80% of workforce.
- **Olam Supplier Code** – this was revised in April and suppliers signing the Code may be subject to announced inspections to ensure compliance; Olam has the right to terminate an agreement with a supplier who contravenes the Code and does not commit to and take remediation measures. At the end of 2018, the Code covered 82% of priority product volumes (cocoa, coffee, cashew, cotton, hazelnut, palm and rubber), up from 70% in 2017. Further training for suppliers on implementation of the Code will be rolled out in 2019.

- **Living Landscapes Policy** – our cross-commodity Policy applies both to Olam plantations and third-party supply chains and seeks to create ‘living landscapes’ where prosperous farmers, thriving rural communities, and healthy ecosystems can coexist. It sets out our commitment to eliminating unacceptable practices in land management including labour and human rights.

In addition, we have integrated labour and human rights into our Policies to embed this as part of our ongoing and day-to-day business operations. These include:

Name of Policy	Date published/revised
<a href="#">Code of Conduct</a>	February 2016
<a href="#">Olam Supplier Code</a>	April 2018
<a href="#">Fair Employment Policy</a>	September 2018
<a href="#">Living Landscapes Policy</a>	April 2018
<a href="#">Olam Livelihood Charter</a>	April 2016
<a href="#">Sustainable Palm Policy</a>	January 2019
<a href="#">Plantations, Concessions and Farms Code</a>	July 2015

### Grievance Procedure

Feedback and input from stakeholders is valuable to drive improvements and best practices, as well as increasing transparency in our supply chains. In 2018, we established a cross-commodity [grievance procedure](#) which applies to our own operations and third-party suppliers to enable concerns about breaches of our policies to be raised confidentially. All grievances are logged and investigated with status updates, and actions, reported. A specific [grievance log](#) for palm oil has also been established.

## Commitment to responsible supply chains

In line with our commitment to develop supply chains that respect people and human rights, we are undertaking significant initiatives to help prevent and reduce illegal and abusive labour practices. In addition to our own actions in our supply chains, we are working with other stakeholders in the supply chain – industry, government and non-governmental organisations (NGOs) – to address the complex issues and to support measures to protect and uphold the rights of people and communities.

### Olam Livelihood Charter

The [Olam Livelihood Charter \(OLC\)](#) works with smallholder farmers across our multiple supply chains to deliver improved economic, environmental and social outcomes, based on eight principles including promoting responsible labour and eliminating unacceptable practices, such as child labour. During 2018, 445,900 smallholders in cocoa, rice, coffee, cashew, cotton, sugar were embraced in OLC programmes across 24 countries with 214,700 farmers benefitting from training specifically on responsible labour practices.

### AtSource

In 2018, we launched [AtSource](#), which is one of the most comprehensive business-to-business sustainable sourcing solutions for food and fibre manufacturing customers. It offers the ability to track the environmental and social impact of a product at each stage of its journey – from the farm through logistics and processing, and up to the customer’s factory door. There are three tiers for AtSource with an increasing level of granularity and opportunity for customers.

Aligned to the three outcomes of our company Purpose, AtSource Plus has more than 90 indicators which have been identified and prioritised through a multi-stakeholder process, including customers, NGOs and technical partners. These are aligned with reporting frameworks such as the Global

Reporting Initiative and the UN Sustainable Development Goals. For example, labour related metrics cover safe and decent work, as well as diversity and inclusion. AtSource is currently being implemented across our multiple supply chains and we are aiming for all physically sourced volumes to be 'AtSource ready' by 2025.

## **Palm Oil**

We are fully supportive of the Roundtable on Sustainable Palm Oil (RSPO) and we are working towards a traceable and transparent palm oil supply chain, which upholds responsible labour practices and respects the rights of communities. Our [Sustainable Palm Oil Policy](#) has been updated to cover no exploitation labour practice requirements for both our own operations and third-party suppliers. Our [2018 Sustainable Palm Progress Update](#) summarises our actions and progress during the past 12 months. We have established a robust [grievance process](#) to enable all concerns raised to be investigated and to engage with our direct suppliers on any actions, as appropriate. We hope to partner with the Fair Labor Association in the year ahead to work with suppliers to assess labour risks in the palm supply chain and to support actions to improve practices in the sector.

## **Cocoa**

Child labour in the cocoa supply chain remains a serious issue and we are [taking action](#) to prevent unacceptable labour practices and to tackle the root causes by improving the livelihoods of cocoa farmers and their families.

Olam is the first agri-business to become an affiliated member of the Fair Labor Association (FLA) and since 2013 we have been working with the FLA to strengthen processes and monitoring systems in our cocoa supply chain in Côte d'Ivoire. The latest [FLA report was published in 2018](#). We continue to work with communities to strengthen Child Labour Monitoring and Remediation Systems (CLMRS) and 176 cooperatives participating in our sustainability programme in Côte d'Ivoire have established CLMRS initiatives. We are helping farmers increase productivity, paying sustainability premiums to farmers, and improving access to education in cocoa farming communities.

In addition to our own actions, we support joint efforts to tackle labour issues and improve cocoa farmer livelihoods by the cocoa and chocolate industry, governments and civil society through our membership and participation in multi-stakeholder groups including [World Cocoa Foundation](#) (WCF), [CocoaAction](#), and the [International Cocoa Initiative](#).

## **Hazelnuts**

In our hazelnuts supply chain, we are taking action to support farmers and seasonal workers, and to improve conditions in the supply chain in Turkey, where over 70% of the world's hazelnuts are grown. We are working towards achieving a 100% traceable supply chain for hazelnuts by 2020. Partnering with government, industry, customers and NGOs we are focused on progress in the [following key areas](#):

- improving worker's livelihoods and incomes
- improving working conditions and eliminating unacceptable labour practices
- supporting seasonal workers and families
- empowering women agricultural workers

In partnership with the [Fair Labor Association \(FLA\)](#), Olam Progida piloted the USDA's [Guidelines for Eliminating Child Labor and Forced Labor in Agricultural Supply Chains](#) in collaboration with the Turkish government, Nestlé and Balsu. Completed in June 2018, the pilot assessed over 1,000 hazelnut farms and the [report](#) identified the systemic barriers and solutions to improving working and social conditions.

In 2018, Olam worked with farmers and labour contractors in our supply chain to introduce labour contracts for hazelnut harvest workers – a first for the hazelnut sector, and also for Turkey's agriculture sector. The contractual agreement includes a minimum wage guarantee, legal working hours (8 hours), health and safety, safe transportation, proper meals and decent housing conditions. Alongside training for farmers and seasonal workers to improve agricultural and labour practices, we are distributing handbooks and information to increase awareness of labour rights.

## Cotton

We are committed to the traceable and sustainable supply of cotton and through our membership of [Cotton Made in Africa](#) and the [Better Cotton Initiative \(BCI\)](#), we are supporting activities to improve agricultural and labour practices, as well as improving farmers' livelihoods. In Côte d'Ivoire, our subsidiary Société d'Exploitation Cotonnière Olam (SECO) provided targeted support to more than 16,800 smallholder cotton farmers in 2018 under the Olam Livelihood Charter, from pre-financing and technical training, to healthcare and education. Additionally, the SECO literacy programme engages a group of volunteers to teach the local youth and women who are unable to go to school, reaching over 3,000 people since 2011.

The volumes of raw cotton available for export from Uzbekistan have steadily declined over recent years, in line with the fall in the country's cotton production, and in 2018 Olam ceased purchasing and trading raw cotton from Uzbekistan. We welcome the progress the government has made to implement measures to stop the use of forced labour as recognised by the International Labour Organisation (ILO), and we are supportive of the ongoing cooperation between the ILO, the government of Uzbekistan and other stakeholders to continue progress and actions to tackle this issue.

## Our continuing commitment

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We recognise the continuing challenges within the food and agricultural sector and that more needs to be done to address human rights and labour issues. We acknowledge our role and we are committed to working with industry, governments, communities and civil society to develop and implement solutions to protect children and adults from illegal, forced and abusive labour practices, respect people and human rights, as well as continue to improve the livelihoods of farmers and their families.

To access the previous versions of our Slavery and Human Trafficking Statements, please click [here](#).

This Statement was approved by the Board of Olam International UK Limited on behalf of all of its wholly owned subsidiaries, including Olam Europe Limited on 20 June 2019.



Gerard Manley  
Director, and CEO (Olam Cocoa)  
**Olam International UK Limited**