



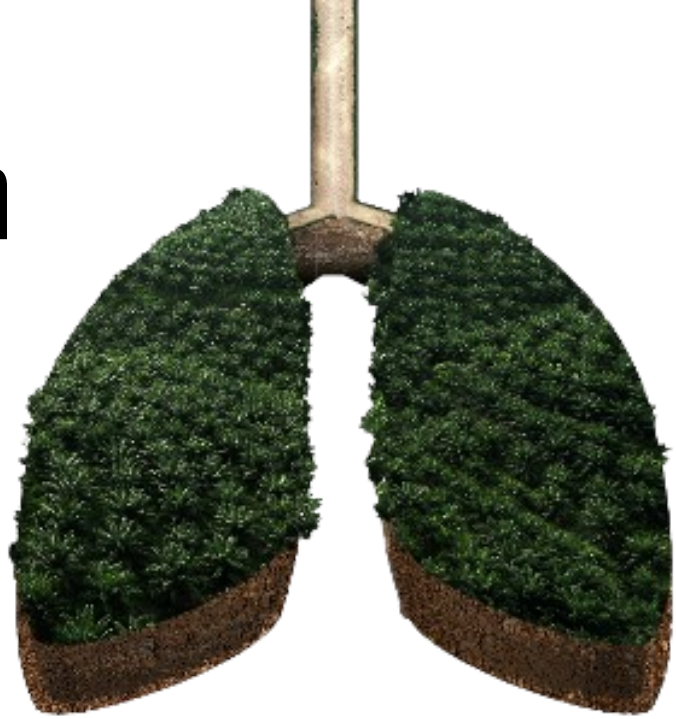
Responsible Palm Oil Sourcing Policy



Introduction

All our suppliers must comply with this Policy to continue working Warsata Indonesia.

In addition, our suppliers must adhere either to our Supplier Code, or to a Code equivalent to our Supplier Code which we've previously approved, or to the Roundtable on Sustainable Palm Oil (RSPO) requirements. This Policy outlines requirements in-line with our 'No Deforestation, No Peat, No Fire and No Exploitation' (NDPE) commitments, as well as the rigorous due diligence and NDPE sourcing requirements of our third-party suppliers.



Conservation & GHG Emissions Reduction

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

New HCV-HCSA assessments by our suppliers must be led by an Assessor accredited by the Assessor Licensing Scheme. HCV-HCSA assessment should include consideration for community needs and cultural values.

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

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

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

Respecting Workers, Communities & Livelihoods

At Warsata Indonesia, we:

- Promote responsible labour practices and respect legal, communal, or customary rights of local communities and indigenous peoples, according to the principles outlined in the RSPO and Free and Fair Labor Guidance.
- Enforce strict rules to prevent and protect against child labour/forced labour.
- Enforce a transparent and easily accessible grievance procedure.
- Provide a healthy and safe workplace for employees, contractors, and visitors, ensuring ethical recruitment so that workers don't incur any fees at any stage of the recruitment process or face retention of their passports or identity documents.
- Provide equal opportunities of employment regardless of race, colour, religion, sex, age, national origin, sexual orientation, disability, citizenship status, or marital status.



Communities

At Warsata Indonesia, we:

- Respect legal and customary land tenure rights, with reference to the UN Declaration on the Rights of Indigenous Peoples.
- Support the inclusion of smallholders into the supply chain.
- Support outgrowers and smallholders to build capacity, improve yields, apply good practices, and avoid deforestation.
- Ensure communities have access to a transparent grievance procedure.

Traceable Third-Party Supply Chains

To facilitate the monitoring of our supply chains we ensure:

- **Traceability to plantation**

Including the name of plantation, map area and plantation size.

- **Traceability to mill**

Including the name of mill, parent company name and address/GPS coordinates. Additional information such as certification status and universal mill code may also be included and published on our website.

- **RSPO SG Certified Sourcing**

We require this to be fully traceable to each plantation and/or farm.

In addition we have the following requirements:

- **For Direct Sourcing (specific to our mills)**

All our suppliers are required to disclose traceability to plantation/farm as part of our due diligence, risk assessment and action plan development for 100% plantation/farm traceability.

- **For Indirect Sourcing (relates to trading companies/refineries)**

All our suppliers need to disclose mill traceability and have a system to monitor their supply chain, ensuring it meets the requirements of our Policy.

Transparency Grievance Procedures

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

- We'll deal promptly with all grievances logged under our Palm Grievance Procedure, and we report all details on our Grievance Log.

- If we find any supplier to be non-compliant, we investigate and seek corrective actions at parent company level.

- If we find evidence that a supplier is found to be non-compliant with our policy, we'll adopt a 'suspend and engage approach' to the individual case. We expect our suppliers to immediately apply a stop-work order while investigations are ongoing. Suspension will apply at the parent company/group level.

- There may be cases where grievance cases are investigated through external mechanisms, such as the RSPO Complaints Procedure. We'll review these cases and be guided by them.

- For indirect purchases, we will ask our direct suppliers to suspend the manufacturer and/or factory. Engagement may continue for remedial actions. Such actions to include compensation, conservation and/or peatland/forest restoration in collaboration with expert stakeholders and communities. This applies to their own plantations and third-party suppliers.

- Our grievance log, including suspended suppliers, will continue to be updated on our website. You can access our grievance mechanism on admissibility of a grievance and re-engagement protocol with a suspended supplier on our website (warsata.com).



Warsata Indonesia



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www.warsata.com