



**SIPEF**  
**RESPONSIBLE PLANTATIONS**  
**POLICY 2025**

## REVISION HISTORY

| Revision Number | Revision Date | Description      | Sections Affected                                                                                                                                                                                                                                                                                                                                     | Reviewed By         | Approved by         |
|-----------------|---------------|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| 0               | Nov 2014      | Date of approval | Original version                                                                                                                                                                                                                                                                                                                                      | Executive committee | Board of directors  |
| 1               | Jun 2015      | Version No. 01   | Inclusion of the phase-out of paraquat                                                                                                                                                                                                                                                                                                                | Executive committee | Board of directors  |
| 2               | Nov 2016      | Version No.02    | The scope of the policy is made more detailed, explicit no-deforestation and no new planting on peat (NDP) commitment introduced                                                                                                                                                                                                                      | Executive committee | Board of directors  |
| 3               | 2017          | Version No. 03   | Addition of commitment that all new projects are developed after integrated HCV-HCSA assessments                                                                                                                                                                                                                                                      | Executive committee | Board of directors  |
| 4               | 2018          | Version No. 04   | Adjusted to reflect key changes from the RSPO Principles & Criteria 2018                                                                                                                                                                                                                                                                              | Executive committee | Board of directors  |
| 5               | 22 Nov 2019   | Version No. 05   | Minor changes on the wording to align with the latest developments on carbon measurements, and with the most recent changes in the RSPO Principles & Criteria 2018                                                                                                                                                                                    | Executive committee | Board of directors  |
| 6               | 16 Nov 2022   | Version No. 06   | <p>Inclusion of purpose and scope, Pillars of Responsible Plantations Policy (RPP) aligned with updated sustainability strategy and mission.</p> <p>New sections added:</p> <ul style="list-style-type: none"> <li>i. Innovation and continuous improvement.</li> <li>ii. Stakeholder engagement and reporting.</li> </ul>                            | Executive committee | Board of directors  |
| 7               | 13 Aug 2024   | Version No. 07   | <p>Alignment of RPP pillars with SIPEF Balanced Growth Strategy, Revision of NDP commitment date,* Addition of commitment to recovery of natural ecosystems impacted by deforestation, Inclusion of reference to UN Declaration on the Rights of Indigenous Peoples</p> <p><i>*Cut-off date for no deforestation updated to 31 December 2015.</i></p> | Executive committee | Board of directors  |
| 8               | 29 Jul 2025   | Version No. 08   | Minor revisions made to update the text from 'natural ecosystem' to 'all natural ecosystems', and to change such definition reference from Rainforest Alliance (RA) to the Accountability Framework Initiative (AFI).                                                                                                                                 | Executive committee | Executive committee |

## Introduction

SIPEF is a Belgian company operating in agro-industrial activities, mainly in the production of sustainable palm products and bananas. First established in 1919, the adoption and continuous improvement of practices have been a central part of its identity for over one hundred years. SIPEF believes that producing commodities, which are fully traceable to source and certified by third parties, is fundamental to sustainable land use. Its mission is to produce high-quality, sustainable and traceable agricultural products, with the aim to diversify into targeted markets and foster a harmonious balance among nature, people and growth.

SIPEF's Balanced Growth Strategy is built on balancing commercial success while creating a positive impact on the environment, society, local economies in the places where it operates, and for the various other stakeholders the Group engages with. This includes managing plantations and operations in an environmentally and socially responsible manner, as well as creating employment and development opportunities.

SIPEF's sustainability strategy is implemented through its two main policies: the SIPEF Responsible Plantations Policy (RPP or 'Policy') and the SIPEF [Responsible Purchasing Policy](#) (RPuP).

## Purpose and scope

The RPP is the highest-level Group sustainability policy, and defines the guidelines for SIPEF's management of new developments, as well as continuous improvement in the management of existing plantations. The Policy covers SIPEF's key environmental and social commitments and principles for sustainable production and processing. These include SIPEF's overarching commitment to producing fully traceable and certified products, as well as its no Deforestation, no new developments on peat, and no exploitation (NDPE) commitments.

The pillars of the SIPEF RPP are:

- High-quality, sustainable, traceable, certified products
- Environmental stewardship
- Sustainable land use
- Respecting employees and communities
- Responsible supply chain management
- Innovation and early adoption
- Stakeholder engagement and reporting

The RPP applies to all plantations and operations managed by SIPEF, regardless of ownership share. The commitments and responsible practices set out in the document have been incorporated into the Company's and its subsidiaries' sub-policies, standard operating procedures (SOPs), as well as due diligence and verification procedures.

The Policy also applies to all smallholders delivering fresh fruit bunches (FFB) to SIPEF, and is supported by SIPEF's RPuP, which guides the Group's responsible sourcing requirements for engaging with third-party

suppliers. In addition to the RPP and RPuP, the Group upholds several other [corporate policies](#) aimed at specific issues such as occupational health and safety, child labour and grievances.

The RPP underscores SIPEF's commitment to complying with local laws and regulations. Accordingly, smallholders supplying to SIPEF must ensure that all commodities are produced in accordance with the relevant legislation of the producing country.

The RPP was first developed in 2014, and has since been reviewed on a need to, but at least biennial, basis. SIPEF will continue to regularly review the RPP, and revise its content as necessary. The Policy is included as a point of discussion for the SIPEF board when changes are proposed, usually during the last board meeting of the year.

### High-quality, sustainable, traceable, certified products

For SIPEF, sustainability starts with responsible production, first and foremost within SIPEF's own plantations and operations, but also in the production areas of its suppliers, all of whom are smallholders. SIPEF is committed to:

→ **Achieving a 100% Roundtable on Sustainable Palm Oil (RSPO) certified and fully traceable supply base for its own palm oil production, and for the smallholders delivering to its mills.** All smallholders delivering to SIPEF's mills need to be traceable and compliant with the RPuP, which requires suppliers to become certified in accordance with the Group's RSPO time-bound plan.<sup>1</sup> All estates and mills in Indonesia are also committed to full compliance with the Indonesian Sustainable Palm Oil Standard (ISPO). For specific sites, SIPEF is further committed to maintaining other sustainability certifications already achieved.<sup>2</sup>

→ **Full certification of its banana operations to the Rainforest Alliance Sustainable Agriculture Standard.** SIPEF is also committed to upholding the certification of its banana operations to the GLOBALG.A.P. and Fairtrade standards.

### Environmental stewardship

SIPEF's approach to environmental stewardship focuses on minimising and managing both direct and indirect impacts of its business activities on the natural environment, and on the climate. SIPEF is committed to:

→ **Adopting and implementing Best Management Practices (BMPs) aimed at achieving higher yields per hectare, minimising inputs and impacts on the surrounding environment, and preserving soil health.** These practices include sustainable land preparation and management; minimising the use of agrichemicals; improving

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<sup>1</sup> SIPEF's time-bound commitment to achieve 100% RSPO certification can be found in the Company's RSPO Annual Communications of Progress (ACOP) submission, accessible at: [www.rspo.org/members/156/SIPEF%20Group](http://www.rspo.org/members/156/SIPEF%20Group)

<sup>2</sup> This includes certification to the International Sustainability & Carbon Certification (ISCC) standard. An overview of SIPEF's sustainability certifications can be accessed at: [www.sipef.com/hq/sustainability/certifications-records](http://www.sipef.com/hq/sustainability/certifications-records)

water management and reducing water usage intensity; minimising waste and pollution; and maintaining riparian buffer zones to protect waterways.

→ **No use of fire to clear or cultivate land.** SIPEF also places significant focus on fire prevention and management. In Indonesia and Papua New Guinea, the Group has a fire risk alert monitoring system, as well as firefighting procedures in place in case of any incidents involving fire. All cases of fire are responded to as soon as possible, and are reported to the relevant local authorities and the RSPO. SIPEF strictly prohibits the use of fire for any land clearing.

→ **Minimising the use of pesticides, while maintaining or increasing productivity per hectare.** Integrated Pest Management (IPM) plans are developed for all operations and reviewed annually. The active ingredient, paraquat, was phased out of all SIPEF operations in 2016. Chemicals listed under the Stockholm Convention, Rotterdam Convention, and the World Health Organization (WHO) Class 1A and 1B pesticides are only used when no effective alternatives are available. Their use must be authorised in writing by local senior management on a case-by-case basis. All active ingredients in use are reviewed each year to align with the lists of pesticide management, as per relevant certification standards' requirements. All workers involved in handling pesticides (permanent or otherwise) are trained and equipped adequately, and their health is regularly monitored.

→ **Identifying High Conservation Value (HCV) areas and High Carbon Stock (HCS) forests with the help of recognised professionals,<sup>3</sup> and ensuring the areas are clearly delineated, actively protected and monitored.** The presence of HCV areas and HCS forests in the operations of the Group is also made known to neighbouring communities. Social HCV areas remain accessible to communities. Other conservation areas identified by third-party assessments or by the Company will be protected, taking into consideration landscape-level impacts.

→ **No hunting, with the exception of sustainable hunting<sup>4</sup> by local communities.** SIPEF's no hunting policy is implemented on its own estates and in the areas of its third-party suppliers.

→ **Monitoring, reporting and reducing the Group's greenhouse gas (GHG) emissions.** SIPEF is committed to continuing and building on its existing initiatives to reduce its GHG emissions. This includes engaging in best management practices on cultivated peatland and upgrading palm oil mills to include methane capture facilities, as and when it is technically and financially possible. Following the calculation and verification of SIPEF's carbon footprint in 2019, progress will be monitored and reported using appropriate available tools.<sup>5</sup>

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<sup>3</sup> Led by Assessor Licensing Scheme (ALS) assessors and HCSA registered practitioners

<sup>4</sup> Sustainable hunting by local communities for subsistence purposes that does not cause a decline of local species populations, as defined by the Zoological Society of London's (ZSL) Sustainability Policy Transparency Toolkit (SPOTT)

<sup>5</sup> SIPEF is using the ISO 14064 methodology to calculate its carbon footprint at Group-level as of 2019.

→ **Identifying solutions for adapting to climate change.** SIPEF will continue to regularly assess the risks and impacts linked with climate change, and to identify concrete solutions that will enable the Company to manage and adapt to these risks and impacts.

## Sustainable land use

Respect for the limited availability of agricultural land is crucial for SIPEF's success as a business, now and especially in the future. SIPEF is committed to:

→ **No deforestation since 31 December 2015.** New developments do not take place in all natural ecosystems, including in HCV areas, HCS forests, peatlands, fragile or marginal soils. All new oil palm projects are developed only after integrated HCV-HCSA assessments have been conducted.<sup>6</sup> HCV-HCSA assessments are also conducted for ongoing projects and acquired going concerns, and the results are integrated into the HCV management plans.

→ **Recovery of the natural ecosystems impacted by non-compliant conversion or deforestation in its own operations and smallholder operations, as of 31 December 2015.** Additionally, SIPEF follows the RSPO Remediation and Compensation Procedure (RaCP) for its own oil palm operations, and for all existing estates and smallholders entering SIPEF's supply chain. This procedure focuses on assessing historical plantation development undertaken since November 2005 that has not undergone HCV assessments, and plantations development undertaken since November 2018 that has not undergone integrated HCV-HCSA assessments.

→ **SIPEF believes that a Free, Prior and Informed Consent (FPIC) process is critical to the long-term success of any new operation, both for the communities and for the Company.** The first step for any new development projects is a robust FPIC process.

→ **Adhering to the requirements of the RSPO New Planting Procedure (NPP) for any new developments in its own oil palm operations.** The NPP requires all new development plans to undergo an integrated HCV-HCSA assessment, an FPIC process, social and environmental impact assessments, GHG assessments, soil suitability studies and a land use change analysis, in line with current relevant standards and prior to any land development.

→ **No new development in peat areas, regardless of depth, since 31 December 2015.** In addition, all cultivated peat areas are managed to meet or exceed the RSPO Best Management Practices for Existing Oil Palm Cultivation on Peat, particularly with regards to water management, fire prevention and firefighting.

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<sup>6</sup> All HCSA assessments are implemented using the High Carbon Stock Approach (HCSA): <http://highcarbonstock.org/>. The HCSA and RSPO are working on how to address 'High Forest Cover Landscape' areas in countries like Papua New Guinea (PNG). While this is in progress, development projects with communities in PNG are on hold. SIPEF will review this position once the HCSA and RSPO have confirmed their position on High Forest Cover Loss (HFCL).

→ **Monitoring its concessions in Indonesia and Papua New Guinea for any land use change and potential non-compliant conversion or illegal deforestation activities.** Monitoring also covers areas managed under third-party suppliers.

→ **Designing all new SIPEF operations (plantations and processing facilities) to minimise their net GHG emissions.** This includes, installing methane capture facilities in all new palm oil mills as part of its GHG reduction plan.

→ **For non-oil palm operations, SIPEF follows the relevant certification standards requirements,** which are similar to the procedures for new oil palm developments.

### Respecting employees and communities

SIPEF believes in being a responsible employer and a good neighbour. The Group acknowledges that sustainable agriculture cannot be achieved without respect for human rights. SIPEF is committed to:

→ **Implementing the International Bill of Human Rights, including the Universal Declaration of Human Rights, and of the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work,** as they are transcribed into the laws and regulations of the countries where it operates.

→ **Respecting the rights of indigenous and tribal people to exercise control over their own institutions, ways of life and economic development.** In addition, respecting their rights to maintain and develop their identities, languages and religions, and to enjoy their fundamental human rights to the same degree as the rest of the population of the states within which they live, as expressed in the ILO Indigenous and Tribal Peoples Convention, 1989 (No. 169) and the UN Declaration on the Rights of Indigenous Peoples.

→ **Fair labour practices as per the Free and Fair Labour in Palm Oil Production: Principles and Implementation Guidance,<sup>7</sup> and as verified through compliance with the RSPO standard.** These are the standards in all of SIPEF's operations for all employees, which are implemented through specific Company policies and procedures on human rights; minimum working age; prohibition of forced, trafficked and child labour; non-discrimination; eliminating gender discrimination; and on occupational health and safety.

→ **Compliance with the requirements of the RSPO, Rainforest Alliance and Fairtrade standards on living wage.** Each of these standards uses the Global Living Wage Coalition's (GLWC) definition and sets its own requirements on how and when the living wage must be paid.

→ **Conducting social impact assessments and periodic consultations with communities neighbouring the SIPEF operations, or affected by them.** As much as possible, local communities will also be provided with opportunities to benefit from SIPEF's activities.

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<sup>7</sup> [https://humanityunited.org/wp-content/uploads/2016/05/PalmOilPrinciples\\_031215.pdf](https://humanityunited.org/wp-content/uploads/2016/05/PalmOilPrinciples_031215.pdf)

→ **Handling both internal and external grievances through transparent and unbiased mechanisms.** The grievance mechanisms allow for appeals to higher management and protect whistle-blowers. Details and progress on the status of grievances considered to be significant are transparently reported on SIPEF's grievance dashboard on the Company's website.<sup>8</sup> For the detailed grievance procedure, please refer to SIPEF's Grievance Policy.<sup>9</sup>

## Responsible supply chain management

Traceability and supplier engagement are fundamental to responsible sourcing in agricultural commodity supply chains. Engaging with and supporting smallholder farmers in supply chains can also help to address poverty and have a positive impact on livelihoods through increased yields, improved production quality, higher incomes and access to international markets. SIPEF is committed to:

→ **Full traceability of all commodities sold by SIPEF to their place of production, either an estate managed by the Company or a smallholder plot.** SIPEF can also disclose the origin of any shipment to its customers and to concerned stakeholders upon request.

→ **Sourcing exclusively from traceable independent and scheme smallholders.** SIPEF's third-party suppliers are smallholders with whom SIPEF has an agreement, whose production locations are known and mapped, and who are either already RSPO certified or have the potential to become certified within the Group's RSPO Time Bound Plan.

→ **Sourcing exclusively from independent and scheme smallholders who comply with local laws and regulations.** SIPEF also commits to continuously support and work with smallholders in its supply base to meet the standards set in the regulations of the countries where SIPEF operates.

→ **Providing support to oil palm smallholders delivering to SIPEF mills in their journey towards certification.** The Company supports smallholders in its supply base with achieving compliance and becoming certified, by providing technical assistance, extension services and training, as part of its oil palm smallholder programmes.

SIPEF's full set of requirements for sourcing from smallholders is detailed in the SIPEF RPuP.

## Innovation and early adoption

SIPEF recognises the significant potential and importance of innovation in enhancing productivity, quality and circularity. The Group has made significant investments in research and solutions linked with maximising yields,

<sup>8</sup> SIPEF's grievance dashboard is accessible at: [www.sipef.com/hq/sustainability/grievances-dashboard-active-and-or-progressing/](http://www.sipef.com/hq/sustainability/grievances-dashboard-active-and-or-progressing/)

<sup>9</sup> SIPEF's Grievance Policy is accessible at: [www.sipef.com/hq/sustainability/policies/grievance-policy/](http://www.sipef.com/hq/sustainability/policies/grievance-policy/)

new regenerative and nature-positive agricultural techniques and methods, and technological advancements focused on reducing GHG emissions and creating value out of by-products.

SIPEF is committed to investing in research, development and innovation that will enable progress towards:

- **Sustainable and optimal use of land:** Increasing yield per hectare, minimising environmental impacts, and improving soil health.
- **Efficient production and processing:** Increasing the efficiency and optimisation of the use of inputs, and re-purposing by-products.
- **Improving quality:** Significantly improving the quality of planting materials.
- **Enhancing resilience:** Boosting the resilience of future crops, as a key step in strengthening the capacity for adaptation to climate change.

## Stakeholder engagement and reporting

SIPEF places great importance on stakeholder engagement in order to implement its sustainability strategy. The Group is committed to:

- **Regular engagement and cooperation with key stakeholders.** SIPEF's key stakeholders include customers, shareholders, banks, social and environmental NGOs, researchers and experts, technical consultancies, local communities, and smallholders.
- **Transparent reporting on the implementation progress of its sustainability strategy, the RPP and other supporting policies.** This includes annual reporting in alignment with leading sustainability reporting frameworks and expectations of its most important stakeholders, and in compliance with regulatory requirements on non-financial reporting.
- **Active participation in voluntary multi-stakeholder platforms relevant to SIPEF's sector.** SIPEF is committed to remaining actively involved in a wide range of sustainability and multi-stakeholder initiatives, including the RSPO, the Belgian Alliance for Sustainable Palm Oil (BASP), the Tropical Forest Alliance (TFA), and *Gabungan Pengusaha Kelapa Sawit Indonesia* (GAPKI) or the Indonesian Palm Oil Association (IPOA).