



ENVIRONMENTAL & BIODIVERSITY POLICY

2026

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1 Introduction

SIPEF believes that protecting biodiversity and safeguarding the environment are essential to sustainable agricultural development. The Group's business operations are guided by a responsibility to reduce environmental impact, preserve ecosystem services, and promote practices that enhance the long-term health of nature and communities.

SIPEF integrates biodiversity conservation, climate resilience, and sustainable land management into our operations. Working with experts, SIPEF identifies and manages environmental risks, applying science-driven solutions, and continuously improving performance to ensure long-term sustainability. To ensure effective land management, SIPEF engages Indigenous Peoples and Local Communities (IPLCs), and other key stakeholders through inclusive processes, respecting rights and supporting equitable benefit sharing.

2 Purpose

This Policy sets out SIPEF's commitment to environmental protection and biodiversity conservation. It ensures that environmental and biodiversity values are considered in decision-making at all levels of the Group.

3 Scope

This policy applies to all SIPEF operations. While SIPEF directly oversees its own activities, we require all smallholder suppliers and encourage business partners to align their operations with the principles outlined in this policy.

4 Commitments

Under this Policy, SIPEF commits to:

- **Comply with all applicable environmental, biodiversity, and land-use regulations** in the countries where it operates.
- **Uphold the No Deforestation, No Peat, No Exploitation (NDPE) principles:**
 - No new developments in all natural ecosystems, including High Conservation Value (HCV) areas, High Carbon Stock (HCS) forests, and peat areas, regardless of depth, since 31st December 2015;
 - Adhere to the requirements of relevant certification standards (e.g., RSPO, Fairtrade, Rainforest Alliance, GLOBALG.A.P., etc.) for any new developments in the Group's own operations;
 - Respect and uphold the principle of Free, Prior, and Informed Consent (FPIC) in all land-use planning and development activities;
 - No use of fire to clear or cultivate land;
 - Recovery of the natural ecosystems impacted by non-compliant conversion or deforestation in SIPEF's own operations and smallholder operations.

- **Implement best management practices (BMPs)** consistent with leading industry and sustainability certification¹. Implementation of approaches such as sustainable intensification by applying advanced, biodiversity-focused, and environmentally friendly agricultural practices:
 - Precision and regenerative agriculture practices that promote soil health across both organic and mineral soils, including the use of leguminous cover crops and terracing, integrated pest management (IPM), and responsible water stewardship.
- **Prevent pollution and environmental impacts:**
 - Minimise emissions, discharges, and other pollutants by applying circular economy principles, including converting organic waste such as palm oil mill effluent and empty fruit bunches into renewable energy or organic fertilisers;
 - Protection of natural waterways to avoid nutrient runoff and sedimentation;
 - Responsible agrochemical use, including prohibition of the use of paraquat in all operations since 2016, and no use of agrochemical formulations classified as WHO Class 1A and 1B, as well as those banned under international conventions such as the Rotterdam and Stockholm Conventions, in accordance with relevant sustainability standards;
 - Strengthen its environmental due diligence process.
- **Climate change mitigation and adaptation:**
 - Manage climate-related risks and impacts across operations and supply chains;
 - Reduce greenhouse gas (GHG) emissions in line with climate science across our operations through improved land management, resource efficiency, low-emission technologies, and nature-based carbon sequestration approaches;
 - Strengthen resilience across operations by promoting innovation in adaptive agricultural practices and enhancing management systems to reduce vulnerability to climate-related risks;
 - Improve energy efficiency and reduce reliance on fossil fuels by lowering fuel intensity across agricultural operations and processing activities.
- **Biodiversity and ecosystem protection²:**
 - Plan and manage all operational areas in order to reduce biodiversity loss and negative impacts to the environment and the ecosystem services it provides, applying the Mitigation Hierarchy and informed by Environmental Impact Assessments (EIA) and integrated [High Conservation Value \(HCV\)–High Carbon Stock \(HCS\)](#) Assessments where applicable³;
 - No conversions of natural ecosystems;
 - Ensure sustainable management and use of wild species;
 - Work together with local stakeholders to reduce human-wildlife conflicts in our areas of operation;
 - Restore and conserve ecosystems that are identified through standard industry processes, including the Mitigation Hierarchy coupled with Environmental Impact Assessments and High Conservation Value (HCV)–High Carbon Stock (HCS) Assessments where applicable;
 - Eliminate, minimise, reduce, and or mitigate the effects of any invasive species on biodiversity and natural ecosystem services within our areas of operation.

¹ Standards such as Indonesian Sustainable Palm Oil (ISPO), Roundtable on Sustainable Palm Oil (RSPO), Fairtrade, Global Good Agricultural Practices (GLOBALG.A.P.), Rainforest Alliance.

² Time-bound target on biodiversity protection is reported in SIPEF Integrated Annual Report.

³ Led by Assessor Licensing Scheme (ALS) assessors and HCSA registered practitioners.

- **Partnership and capacity building:**
 - Safeguard equitable and inclusive participation of relevant stakeholders, including Indigenous Peoples and Local Communities (IPLCs) and other marginalised stakeholders⁴ in biodiversity and environmental-related activities and decision-making;
 - To seek collaboration opportunities beyond our direct operational areas to support Integrated Landscape Initiatives (ILIs) and Other Effective Area-based Conservation Measures (OECMs) that include applying agroecological principles to enhance ecosystem resilience, strengthen community livelihoods, and deliver biodiversity and climate benefits at broader landscape scales;
 - Strengthen capacity-building and development for employees and surrounding communities by advancing access to technology, knowledge transfer, and innovation, supported by science-based partnerships to ensure effective implementation.

5 Responsibilities

SIPEF's Board of Directors hold ultimate responsibility for the design and oversight of the Company's sustainability strategy. The implementation of the strategy, including this Environmental and Biodiversity Policy, is spearheaded by SIPEF Group's Executive Committee, which guides our global operations. This Policy is managed by the Global Sustainability Team (GST), who coordinate policy delivery at the Group-level, including monitoring and progress reporting.

At the regional level, SIPEF's Regional Executive Committees in Côte d'Ivoire, Indonesia, and Papua New Guinea oversee local teams, ensuring that the Policy is effectively integrated into operational activities. These Regional Executive Committees report directly to SIPEF's Global Executive Committee, helping to maintain accountability and strategic alignment.

6 References

SIPEF maintains several Group-level policies that are relevant to the implementation of this Policy. These include SIPEF Code of Conduct and SIPEF Grievance Policy.

7 Definitions

For the purpose of facilitating a consistent understanding of this Policy, reference may be made to the guidance definitions provided in the Annex.

⁴ Including but not limited to elderly or young community members, migrant communities, women.

8 Revision & Review

This Policy shall be reviewed periodically and may be amended to ensure continued relevance, legal compliance, and alignment with the Group's operational and governance needs. Any material revisions must be approved by the Board of Directors.

The most recent version of this Policy shall always be deemed the applicable version and supersedes all prior versions.

All amendments will be recorded in the revision history below:

Revision History

Version	Revision Date	Approval Date	Sections affected	Author	Reviewed by	Approved by
1	10 Feb 2026	10 Feb 2026	Original version	Sustainability	Executive Committee, Board of Directors	Board of Directors

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