PACIFIC OLEO
Member of Lam Soon Group

Pacific Oleochemicals Sdn. Bhd.
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PACIFIC OLEOCHEMICALS SUSTAINABLE PALM OIL POLICY

INTRODUCTION

Pacific Oleochemicals Sdn Bhd (POC) is a wholly-owned subsidiary of Lam Soon Plantation Sdn Bhd (LSP) whom certified RSPO IP module.

POC is one of the leading producers of Oleochemicals since the early eighties. Our proud heritage is the use of natural and renewable raw materials which are derived from palm-based oils and produced in a modern facility with state-of-the-art technology. POC does not sourced directly from plantations and is not involved in the primary production of palm oil. Our first-tier suppliers are refineries and mills.

SCOPE OF POLICY

The policy applies to Pacific Oleochemicals Sdn Bhd owned facilities, operations, and palm oil suppliers in our supply chain. This policy also serves as RSPO and MSPO Policy.

COMMITMENT STATEMENT

Pacific Oleochemicals Sdn Bhd is committed to conduct its sustainability policy within all operating units, suppliers, and contracted parties to contribute to the sustainable agenda. We will continue to support efforts, adhere to relevant laws, and meet all Principles and Criteria set out by RSPO, MSPO and other certification requirements, to ensure sustainability in our operations. We pursue continual improvement based on social and environmental impacts, safety & health considerations, as well as incorporating new information and technology into our operation.

Our company is dedicated to responsible sourcing practices in accordance with our No Deforestation, No Planting on Peat, and No Exploitation (NDPE) policy, with a cut-off date of 31 December 2015. In alignment with this commitment, we also actively support the United Nations (UN) Sustainable Development Goals (SDGs) in pursuit of the collective realization of the 2030 Agenda for a sustainable future.

We are committed to eradicate all form of Forced Labour, Child labour and upheld the core, Malaysian Employment Act 1955, convention of ILO Labour Standards. Measures to prevent sexual harassment and violence are rigorously implemented across all our operating units.

We are committed to good governance and conduct our business ethically in-line with Environmental Social Governance (ESG) approach. We strived for continuous improvement through benchmarking our performance and setting up targets-in-line with SDG.

With the engagement of our supplier involved in the production of palm oil, we commit to principles set forth below:-

1.0 Protect, conserve and enhance ecosystems and the environment

Ensuring no new primary forest or other high conservation value areas are sacrificed for palm oil plantations following these principles:

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1.1 No new planting on peat regardless of depth in existing and newly developments areas

1.2 No High Conservation Values (HCVs) or High Carbon Stock (HCS) forest are deforested or damaged due to lands clearing

1.3 Fire is not used in the preparation for new planting or replanting, and is prevented in the managed area.

1.4 Reduce pollution and emission, including greenhouse gases (GHG).

1.5 Protect biodiversity by preserving critical habitats, supporting conservation areas, and collaborating on landscape initiatives.

1.6 Support restoration and compensation efforts to address deforestation or land conversion within our operations and supply chains.

2.0 Respect community, human rights, worker's rights, and support smallholder inclusion.

We uphold fundamental human rights in our operations, as outlined in the UN Universal Declaration of Human Rights and Malaysian Labour Law. We are committed to supporting the inclusion of smallholders in the RSPO and MSPO supply chain through fair and transparent partnerships. The following principles are essential not only to POC but also to our entire palm oil supply chain..

2.1 A. No Forced Labor/ trafficked Labour

- No abuse of vulnerable individuals; voluntary recruitment.
- Termination allowed with reasonable notice as per contract.
- No deception or contract substitution during recruitment.
- No restriction of workers' movement.
- No isolation, violence, harassment, intimidation, or threats.
- Workers keep their identity documents.
- No withholding of wages.
- No debt bondage; zero recruitment fee.
- No abusive working or living conditions; compliant housing standards.
- No excessive overtime; work hours comply with local laws.
- Commit to minimum wage and providing fair benefits to all employees.

B. Prohibition of child labor

C. Equality and Non-Discrimination Commitment

- Equal promotion opportunities based on merit.
- No workplace discrimination regarding to ethnic origin, caste, national origin, religion, disability, gender, sexual orientation, gender identity, union membership, political affiliation, or age
- Support employees' right to join associations and negotiate collectively on work or social issues.

D. Prevention of sexual harassment in accordance with Sexual Harassment Policy and the reproductive right are protected.

E. Occupational Safety and Health Commitment

- Comply with OSHA 1994 and related guidelines.
- Implement Hazard Identification, Risk Assessment, and Risk Control (HIRARC).

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- Maintain an occupational safety and health plan.
- Provide training and necessary personal protective equipment.

F. Provide training and Awareness on sustainability policy for workers, contractors, stakeholders

G. Commit to protect Human Rights Defender (HRD) and prohibit retaliations against them.

2.2 Mutual agreed and documented system for dealing with complaints or grievances is implemented and accepted by all affected parties. Our transparency policy includes:

a. All workers and stakeholder's grievances, complaints, and requests will be managed fairly and as per procedures
b. Grievances, complaints, and request are to be communicated in a timely manner
c. Respect of the self-determination and rights of indigenous people and local communities, including a comprehensive and formal Free, Prior and Informed Consent (FPIC) to all operations on lands to which they hold legal, community or customary right
d. Results and conclusion to be reverted to the relevant parties.

2.3 We are committed to support the inclusion of smallholders into palm oil supply chains.

3.0 Compliance with all applicable local, national and ratified international law and regulations

3.1 We are committed to the transparency of the governing documentation of RSPO Principles and Criteria 2018 and MSPO requirements and guidance and to bring more traceability to the palm oil supply chain.

3.2 We are committed to ethical business conduct and respect fair conduct of business and prohibit all forms of corruption, bribery and fraudulent use of funds and resources with all our associates, suppliers and contracted third parties.

3.3 We ensure committed to conduct our business efficiently to deliver consistent high-quality products within stipulated local & international laws and regulations.

3.4 We ensure that the company establishes a proper management action plan with good practices and continuous improvement. The implementation is to be monitored on a regular basis.

SUPPLIER REQUIREMENT

When procuring palm-based products, we expect our direct/indirect suppliers to meet these requirements:

a. Comply with all applicable local and international regulations and committed to No Forced Labour, No Child labour and upheld the Malaysia Labour Law
b. Have a sustainable palm oil policy with commitment to the NDPE principle and implement actions according.

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c. Have a mechanism that allows suppliers to monitor and address safety & health, social and environmental risks in their supply chain.
d. Have a grievance mechanism in place
e. Share with POC traceability information specific to its supply chains. That includes processing facilities supplying directly and indirectly as well as the agricultural supply area by sharing location of mills and plantations linked to POC supply chains
f. Support a culture of trust by addressing requests for collaborations, information sharing and actions including sharing information on NDPE commitment and proactive communication on potential supply chain issues to find the best approach forward.

"The Responsive Partner In Oleochemicals"

Low Yin Peng
Managing Director