FOREST CONSERVATION POLICY

Natural Habitats is a group of companies dedicated to the production, collection and processing of organic and fair-trade palm oil. The group has production operations in Ecuador. The group works with a social and participative production model that has been providing economic and social benefits to hundreds of farmers and communities.

Natural Habitats and our subsidiaries commit to the responsible production of palm oil and its associated products. Both new and existing production units are committing to no deforestation under any circumstances, this is a core principle of our business. This policy applies to both our existing and future production areas and the independent farmers we work with.

Purpose

We commit to no deforestation, through farmers' evaluation mechanisms and action plans.

We define deforestation as "the conversion of primary or secondary natural forest as a result of conversion to agriculture to other non-forest land use, conversion to a plantation forest or severe and sustained degradation"[1]. The methodologies that will be used to map and identify primary and secondary forests are the High Conservation Value (HCV) and High Carbon Stock (HCS) approaches. A High Conservation Value (HCV) area has biological, ecological, social or cultural value of outstanding significance or critical importance. The High Carbon Stock (HCS) approach distinguishes dense forested areas requiring protection and conservation from degraded lands with low carbon density and low biodiversity values that may be developed into agricultural land.

Natural Habitats will not develop on forested land or on any land that has been identified as peat soil. Neither will the independent farmers we work with. Tropical peat soils are defined as: "Soils with cumulative organic layer(s) comprising more than half of the upper 80cm or 100cm of the soil surface containing 35% or more of organic matter (35% or more Loss on Ignition) or 18% or more organic carbon" (FAO 1998, 2006/7; USDA 2014).

We meet the highest international standard for protecting rainforest. Our production practices encourage regional biodiversity from organic growing methods. By identifying high value forested areas through the HCV and HSC assessments, we can put in place programs to preserve the habitats of native species and maintain and enhance environmental and social values in our production landscapes.

[1] http://www.rainforest-alliance.org/sites/default/files/2016-08/Deforestation-and-Sustainability-RA-position-paper-2015-04-13_1_0.pdf

Natural Habitats

The Implementation of our policy

Our existing and future supply base of farmers working with us will undergo a geospatial risk assessment in the form of a Land Use Change Analysis (LUCA), to assess if the areas have gone through a non-compliant land change use. Using this information, we can adapt our selection of production areas to be integrated into our supply base and create forest management plans to fulfil our no-deforestation commitment.

Any new developments will follow the RSPO New Planting Procedures which ensure no deforestation. Additionally, an Environmental and Social Impact Assessment (ESIA) is conducted to identify further environmental and social impacts. A geospatial risk assessment is done to identify areas that need to comply with the Free, Prior, and Informed Consent (FPIC) procedure.

Assessments

A number of assessments will be conducted to establish a baseline of HCV-HCSA areas and to identify the impacts the operations cause or could cause in the future.

Environmental and Social Impact Assessment (ESIA)

An ESIA is a detailed environmental, socio-economic and health assessment to identify and assess the impacts (both adverse and beneficial) of future and current developments and proposes mitigation measures to reduce and/or mitigate the identified impacts.

High Conservation Value (HCV) Assessment

An HCV area is a biological, ecological, social or cultural value of outstanding significance or critical importance. An HCV assessment must be conducted to identify these values in the scope of our current and future production areas. The study will be conducted by an HCV assessor accredited by the HCV Resource Network's Assessor Licensing Scheme (ALS). The resulting identified areas are protected and maintained/enhanced within new developments. Independent smallholders' farmers will be assessed using the HCV for Smallholders Guidance.

Definition of High Conservation Value (HCV) areas:

HCV 1 - Species diversity; Concentrations of biological diversity including endemic species, and rare, threatened or endangered (RTE) species, that are significant at global, regional or national levels.

HCV 2 – Landscape-level ecosystems, ecosystem mosaics and Intact Forest Landscapes (IFL); Large landscape-level ecosystems, ecosystem mosaics and IFL that are significant at a global, regional or national level, and that contain viable populations of the great majority of the naturally occurring species in natural patterns of distribution and abundance.

HCV 3 – Ecosystems and habitats; rare, threatened or endangered (RTE) ecosystems, habitats or refugia.

HCV 4 – Ecosystem services; Basic ecosystem services in critical situations, including protection of water catchments and control of erosion of vulnerable soils and slopes.

HCV 5 – Community needs; Sites and resources fundamental for satisfying the basic necessities of local communities or indigenous people (for livelihoods, health, nutrition, water, etc.), identified through engagement with these communities or indigenous people.

HCV 6 – Cultural values; Sites, resources, habitats and landscapes of global or national cultural, archaeological or historical significance, and/or of critical cultural, ecological, economic or religious/sacred importance for the traditional cultures of local communities or indigenous people, identified through engagement with these local communities or indigenous people.

High Carbon Stock (HCS) Assessment

The High Carbon Stock (HCS) approach is a methodology that distinguishes forest areas for protection from degraded lands with low carbon and biodiversity values that may be developed. The assessment stratifies the vegetation in an area of land into six different classes using analyses of satellite data and ground survey measurements. These six classes are: High Density Forest, Medium Density Forest, Low Density Forest, Young Regenerating Forest, Scrub, and Cleared/ Open Land. The first four classes are considered potential High Carbon Stock forests and will be protected and maintained within existing or new developments.

Geospatial Imagery Assessment - Land Use Change Analysis (LUCA)

A geospatial risk assessment is a study that collects satellite imagery to determine how the land use has changed in a certain timeframe. This assessment will be used to identify the changes in the forest coverage of the designated areas. This study is the main tool to identify if and when non-compliant land clearances have occurred.

More specifically, a LUCA study will identify the following critical events:

1. Deforestation. The amount of deforestation over the last two years is used as a predictor of future deforestation.
2. Deforestation on peat. Peat is very high in carbon. When this land is converted to oil palm plantations it releases many tons of greenhouse gases, which contributes to global warming.
3. Deforestation in protected areas. Land clearance is generally prohibited in protected areas, and forest loss indicates the occurrence of illegal activities.
4. Fire. Often used to clear land of forest or scrub to make way for planting.

Management Plans

Management plans are created following the recommendations given in the assessments to preserve and enhance HCV and HCS areas, alongside recommendations from consultations with the communities. If new plantations are developed, the recommendations from communities that may have arisen during the Free, Prior and Informed Consent (FPIC) process will also be integrated, likewise, the results of community mapping and participatory land use planning.

Monitoring and Evaluation

Yearly field and desk audits of documentation and the implementation of the management plans and Land Change Use Analysis recommendations will be conducted. This will allow us to identify any mismanagement of the HCV areas that may have occurred and what may have been the cause (be it social or environmental, intentional or accidental). This will allow us to greatly inform and adapt our management plans to minimize any future deforestation risk. The Land Change Use Analysis does not include social indicators, such as land rights, labor issues or child labor, these indicators are covered by the ESIA management plan.

Additional Projects for Forest Conservation

With our independent farmers we support reforestation of buffer zones and water course edges. We also recognize that the cause of deforestation might occur due to the lack of economic opportunity. By working with the company, our independent farmers can increase their livelihood potential and avoid common causes of deforestation, such as slash and burn.

Related policies

Land Change Use Policy.