

Policy

Responsible Land Acquisition & Leasing Policy



COFCO International Ltd. recognizes that secure and equitable rights to land and natural resources are essential to rural development and improving the livelihood of rural communities. In contrast, unclear and insecure land rights could affect the self-reliance and natural resource base of such rural communities and its smallholders, impacting food security and productivity.

COFCO International Ltd. adheres to the responsible governance of land tenure. We respect legal and customary land rights of local communities and Indigenous Peoples throughout our business activities. We are committed to international human rights standards on the rights to land and natural resources, as well as the IFC Performance Standards on Land Acquisition and Involuntary Resettlement and Indigenous Peoples. Acquisition of land will follow all local applicable procedures, including obtaining the correspondent authorizations and licenses.

In line with the above, we commit ourselves to the following:

- Avoid physical or economic displacement where possible, or if avoidance is not possible, explore an alternative project design to minimize displacement.
- Follow the principle of Free, Prior and Informed Consent (FPIC) for undertaking land-related transactions affecting local communities and Indigenous Peoples with customary land rights;
- Make land acquisition/leasing decisions with strong consideration of the socio-economic impact on affected communities and the environment, in accordance with local legislation;
- Establish and implement mitigation/compensation action plans within the confines of national legislation and IFC Performance Standards, and take steps to implement mitigation measures, if any negative impact does exist;
- Ensure continued engagement and dialogue with affected communities by following voluntary standards to which the organization subscribes whenever there is a lack of clarity on land rights within national laws and weak governance;
- Provide stakeholders with a mechanism to report concerns or address cases of possible
 infringement on individual, local community or Indigenous Peoples' land rights confidentially,
 anonymously and without fear of reprisal as governed by the applicable company procedures and
 meeting the core criteria of legitimacy, accessibility, predictability, equitability, compatibility and
 transparency as defined in the OECD Guidelines for Multinational Enterprises.



This policy applies to: Employees, Stakeholders

Scope:

This Policy shall be enforced in all land and leasing acquisition processes.

Such processes may include without limitation the following:

- A government purchase or expropriation of land for use by the company;
- A compulsory purchase, settlement or expropriation occurs due to failure of a negotiated settlement with property owners;
- A community or group loss of access to resources where they have traditional or recognizable user rights or to the use of natural resources such as non-timber forest products (NTFP), freshwater, marine and aquatic resources, medicinal plants, hunting, gathering, grazing or cropping areas, due to involuntary restrictions on land use;
- A land acquisition transaction takes place, but holders of legal rights are located on the property.

Original Date of Publication: April 2017

Version:

April 2017

Repository:

This Policy is available at www.cofcointernational.com

This Policy will be updated regularly, where possible, by engagement with internal and external stakeholders. It will be actively promoted and communicated ensuring its compliance. We expect our contractors and any other third party working on our behalf to uphold the standards within this Policy.