



Community Engagement and Acacia Forest Industries Sdn Bhd

Acacia Forest Industries Sdn Bhd (AFI) has been operating in the Bengkoka Peninsula of Sabah, Malaysia since 2003. The company's vision is to be the recognised leader in responsible and sustainable tropical plantation forestry in South East Asia. Our commitment to corporate responsibility and to the communities of the area in which we operate is critical to our success.

AFI operates a plantation forestry business planting and harvesting acacia and eucalyptus for domestic and export wood markets. The company's plantation and operations are located within a 25,000 hectare area of land on the Bengkoka Peninsula gazetted by the Government of Sabah to SAFODA and are certified by the internationally respected Forest Stewardship Council.¹

AFI seeks to apply an inclusive and proactive approach to bring resolution to historic land tenure issues that pre-date the company's involvement in the area. The AFI project area includes 59 communities and more than 12,000 individuals. To encourage an inclusive and proactive approach, AFI's Community Engagement Program (CEP) seeks to work with these communities to resolve land claims and plan together for the sustainable development of the project area through the following steps:

- **Social Baseline Study**
- **Participatory Community Mapping**
- **Community-based Natural Resource Management**
- **Land Tenure Resolution**
- **Identifying Community Development Opportunities**
- **Long-term Partnerships for Sustainable Development**

AFI partnered with local non-profit PACOS TRUST for the participatory mapping, which was completed in mid-2016. As an independent organisation, PACOS TRUST helps ensure impartiality and fairness in the mapping program. Also in 2016, AFI began convening community-based natural resource management workshops for the Bengkoka Peninsula communities. The next phase in engagement will be to actively seek resolution to land tenure and to identify community development opportunities.

AFI's community relations approach is supported by leading principles for engagement of local communities as described in the IFC Performance Standards and the principles of the Forest Stewardship Council. AFI is supported in its CEP by international investment firm, New Forests, who specialise in sustainable forestry investment. Together, AFI, its partners, SAFODA, and the communities of Bengkoka can work together to establish models for proactive company-community partnerships.

AFI's Environmental and Social Policy enshrines the following commitments to the communities and area in which we operate:

- *Adding value to the local communities by providing employment and development in remote areas of Sabah.*
- *Actively engaging with and working collaboratively with local communities.*
- *Treating individuals, groups, and communities with dignity and respect.*
- *Monitoring of and striving for continual improvement in our environmental and social performance.*

¹ Acacia Forest Industries Sdn Bhd holds certificate SCS-FM/COC-00142P.