



ACACIA FOREST INDUSTRIES SDN BHD (Company No: 611076-A)

Environmental & Social Policy

9th March 2022

Our corporate vision is to be recognized as a leader in responsible and sustainable tropical plantation forestry in South East Asia. We expect to be judged on our **Social** and **Environmental** performance by our customers, our employees, our owners and the communities in which we operate.

AFI has developed an Environmental and Social Management System (ESMS) to implement the following policy commitments:

Environmental

- Meet applicable Malaysian environmental and social legislation, relevant international laws and the requirements of the International Finance Corporation Performance Standards on Environmental and Social Sustainability.
- Adopt responsible forestry practices certified under the Forest Stewardship Council principles and criteria.
- Identify, assess and manage our environmental impacts and risks.
- Prevent pollution and be efficient in our use of resources.
- Safeguard biodiversity and protect soil and water resources.
- Avoid adverse impacts on high conservation value forests.
- Protect any natural habitat components identified within the project as well as restore degraded natural forest areas where those opportunities exist.
- Ensure that the AFI tree breeding program is free of any form of Genetic Modification of AFI germplasm, either in the research & development programs or in the commercial forest deployment programs.
- Strive to minimize the use of herbicides, pesticides, and chemical fertilizers in our forestry activities.
- Provide adequate training to ensure that all employees and contractors are competent to carry out their assigned tasks in a manner that avoids adverse environmental impacts and risks.
- Monitor and strive for continual improvement in our environmental performance.
- Ensure that identified habitats for rare, threatened and endangered (RTE) species are protected from human disturbance.

Social

- Meet applicable Malaysian environmental and social legislation, relevant international laws, and the requirements of the International Finance Corporation Performance Standards on Social Sustainability.
- Adopt responsible forestry practices certified under the Forest Stewardship Council principles and criteria.
- Identify, assess and manage our social impacts and risks.
- Add value to the local communities by providing employment and training directly with AFI or through the AFI Contractor program, and social development programs in the communities in Bengkoka peninsular.
- Actively engage with and work collaboratively with local communities.
- Treat individuals, groups, and communities with dignity and respect, ensure that there is no sexual harassment of any kind in the workplace, and provide mechanisms for any suspected occurrence to be reported directly or anonymously through the AFI Whistle-blower system.
- Educate AFI customers, suppliers, and staff in AFI's strict adherence to its policy on Anti-bribery and Anti-corruption and provide mechanisms to report such prohibited activities if they occur.
- Recognize and uphold the rights, customs, and culture of Indigenous Peoples as defined in the United Nations Declaration on the Rights of Indigenous Peoples (2007) and ILO Convention 169 (1989).
- Recognize and uphold the right of Indigenous People and community to protect & utilize their traditional knowledge.
- Provide adequate training to ensure that all employees and contractors are competent to carry out their assigned tasks in a manner that avoids adverse social impacts and risks.
- Monitor and strive for continual improvement in our social performance.

The ESMS defines roles and responsibilities for the implementation of and ensuring conformance with the environmental policy.

The Environmental and Social Policy Statement and the ESMS will be reviewed on an annual basis in one of the Monthly Management Meetings and will be revised as necessary. Any changes to the policy will be brought to the attention of all AFI employees and contractors.



Michael Lindsay Janssen
General Manager