

## **POLICY ON ENVIRONMENTAL SUSTAINABILITY**

The Group's objective is to deliver acceptable returns to its shareholders whilst improving the sustainability of its practices and the welfare of its employees. The Group seeks to become a supplier of only certified sustainable palm oil.

This policy applies to all the Group's Indonesian operations. The Group's employees, contractors, consultants, smallholders, vendors, suppliers, and guests are required to adhere to the policy. This policy is freely available on the Group's website and is updated periodically to adapt to changes in applicable regulation and standards. It relates to:

- Conservation
- Biodiversity
- Energy, pollution and greenhouse gases
- Fire
- Water
- Waste

### **Conservation**

The Group aims to apply best environmental practices in order to maintain its certifications for the supply of certified sustainable palm oil.

- i) The Group will protect high conservation-value areas within its concessions;
- ii) The Group will not develop high carbon stock forests assessed using the High Carbon Stock Approach (HCSA), and will protect any high carbon stock areas within its concessions;
- iii) The Group will monitor conservation areas using technology that is not damaging to the environment;
- iv) The group will conduct a historic Land Use Change Analysis (LUCA) prior to any new land development,
- v) The Group will not develop peatlands, regardless of peat depth;
- vi) The Group will monitor soil subsidence and implement best management practices for previous plantings made on peatlands, as well as on other marginal and fragile soils including steep terrain;
- vii) The Group prohibits the prophylactic use of pesticides, other than in exceptional circumstances which must be approved by the President Director of its Indonesian operations.

### **Biodiversity**

The Group seeks to protect biodiversity in the areas where it operates.

- i) The Group prohibits all forms of hunting and will deter poaching within our concession areas;
- ii) The Group will impose strict disciplinary measures on anyone found to capture, harm, collect, trade, possess or kill rare, threatened and endangered (RTE) species within its concessions;
- iii) The Group will manage pests, diseases, weeds and invasive non-native species using appropriate integrated pest management (IPM) techniques, so that any use of pesticide is minimised or eliminated where possible;

- iv) The Group may support external or independent programmes that preserve the environment or enhance biological diversity, or contribute to human knowledge in these fields.

### **Energy, pollution and greenhouse gases**

The Group is committed to improving energy efficiency and reducing pollution.

- i) The Group promotes the prudent usage of electricity and fossil fuels in its concession areas;
- ii) Wherever it builds new palm-oil mills, the Group will collect and treat mill effluent in a biodigester in order to reduce greenhouse gas emissions;
- iii) Wherever practical, the Group will adopt green building designs for its construction programme.

### **Fire**

The Group recognizes that fire is a major threat to the environment. Even an outbreak of a small fire can heighten risk of damage to wildlife and property. As such:

- i) The Group prohibits open burnings and the use of fire for the clearing of land;
- ii) The Group prohibits the use of fire as a method for domestic waste disposal;
- iii) Group companies will deploy frequent patrols in order to extinguish any fires that occur as a result of natural causes or the unauthorised action of individuals in its concession areas;
- iv) The Group will continue to invest in and maintain adequate firefighting equipment in locations that are at risk of fires;
- v) The Group will monitor and investigate hotspots that are reported within and around Group companies' concessions.

### **Water**

The Group recognizes that water is a critical natural resource for its business, workers, stakeholders and local communities.

- i) The Group will at least maintain the water quality of water courses and natural water bodies in its concession areas;
- ii) The Group will ensure the existence of riparian reserves to preserve natural vegetation alongside all water courses and water bodies in its concession areas, according to the Group's guidelines;
- iii) The Group will promote rainwater harvesting in housing provided to its employees.

### **Waste**

The Group is committed to sustainable waste management and safe collection of waste according to best practices and waste types.

- i) The Group will minimise waste by regularly evaluating operational activities to look for opportunities to reduce inputs and recycle material when practical;
- ii) The Groups will ensure waste is properly sorted and disposed of according to its toxicity or other hazardous characteristics;
- iii) The Group will promote the reduction of single use plastic in its operations.

October 2021