SUSTAINABLE PALM OIL POLICY - BLD PLANTATION BHD. (562199-A)

BLD Plantation Bhd. Group of Companies ("BLDP") is committed to ensure that its palm oil is produced in a sustainable manner, through continuous review and improvement of its operations. BLDP is also committed to the conservation and protection of the natural environment, and of High Carbon Stock ("HCS") forests and High Conservation Value ("HCV") areas. BLDP undertakes to respect the rights of its employees and local communities and strives to foster an open and approachable culture with the emphasis of improving the socio-economic conditions of the people of Sarawak.

This Policy is effective immediately, applies to our own operations and extends to all our third-party suppliers and their associated parent companies and subsidiaries.

Beyond the scope of this Policy, BLDP also adopts the Principles & Criteria ("P&C") set out by the Malaysian Sustainable Palm Oil ("MSPO") Standard and respect all applicable local, national and ratified international laws.

ENVIRONMENT & BIODIVERSITY

➤ No Deforestation

- No new development on HCS forests with priority to protect HCS forest.
- No open burning in all plantation development activities including replanting operations except in situation allowed under the legal framework.
- To monitor and minimize Greenhouse Gas emissions throughout its operations, and to review and implement suitable new technology for progressive reduction.

No Development on Peat

- No new development of peatlands regardless of depth.
- Adoption of best management practices on existing peatland cultivated with oil palm.
- Explore options for peat restoration where feasible [with appropriate expert support].

> Protection of HCV Areas

No new development of HCV areas and protection of biodiversity through identification and conservation of HCVs.

HUMAN RIGHTS & EMPLOYEES' MANAGEMENT

> Prevention of all forms of Forced and Bonded Labour

- Prohibit abusive or forced labour of any employees including temporary and sub-contracted employees.
- Ensure employees are employed of their free will (including overtime work), paid a wage equal to or exceeding the legal minimum wage, enjoy freedom of movement and freedom of association.
- > Ethical Recruitment Ensure ethical recruitment processes where all employees understand their terms on engagement, what is required of them and have written documentation in an appropriate language.
- ➤ <u>Child Protection</u> Prohibit the employment of children and facilitate access to education.
- Respect of Diversity Provide equal opportunity on employment without any discrimination to employees regardless of age, sexual orientation, disabilities, nationality, race, gender or religion.
- ➤ <u>Prevention of Harassment and Violence</u> Provide a working environment where all employees are treated with respect and free from any form of harassment, discrimination, intimidation, threat or violence including sexual harassment.
- Occupational Safety & Health Management —Provide a safe, secure and healthy working environment to all employees by enforcing adequate occupational safety and health practices.
- ➤ <u>Human Resource Management Best Practices</u> Continue to attract, motivate and retain talented employees at all levels by providing training, job security and opportunities to grow within the organization.

INDIGENOUS AND LOCAL COMMUNITIES' RIGHTS

- > Respect of Indigenous and Local Communities' legal rights including land tenure rights.
- > Application of Free, Prior and Informed Consent ("FPIC") principles whenever relevant.
- > Cooperation with local government and/or civil societies to enhance the livelihood of smallholders and provide opportunities to improve the socio-economic conditions of local communities.

COMPLAINTS AND GRIEVANCES

BLDP recognizes that feedback and input from external stakeholders are valuable for BLDP to monitor and review the implementation of this Policy. Therefore, BLDP had established a procedure to enable stakeholders to raise a grievance which will be addressed in a systematic manner.

BLDP acknowledges that the implementation of this Policy and its effectiveness requires the support and cooperation of its business associates. BLDP implements this Policy throughout the supply chain and continuously monitor, review and improve its Policy towards a traceable, transparent and sustainable palm oil supply chain. BLDP is committed to report publicly on the implementation of this Policy.

TUAN HAJI WAN ABDILLAH HAMID Executive Director

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