



GROUP SUSTAINABILITY POLICY

Anglo Eastern Plantation Group (AEP) is aware of our position, roles and obligations in conducting our oil palm plantation and mill business, which is in accordance with the requirements for sustainability and product traceability, as well as other relevant standards such as the Indonesian Sustainable Palm Oil (ISPO).

Our Sustainability Policy aims to drive change needed in reducing environmental impact, delivering more efficient land use, ensuring social justice and practicing responsible businesses in all our operations.

SCOPE

This policy applies to all current and future AEP Group operating units, including mills, or estates which we own, manage or invest in. Related third parties are expected to comply with this policy while being in any trading relationship with us.

OUR COMMITMENT

AEP is committed to ensure that our products are produced in a sustainable way. This will be realised by not clearing forests (zero deforestation), not planting on peat (zero peat), respecting and protecting human rights, and committing towards the traceability of our products. The Group collaborates with farmers, traders, non-government organisations and other stakeholders to strive for positive changes in the communities and societies where we operate.

The core of our commitments are as follows:



1. No Deforestation

- ✚ No development within areas classified as High Carbon Stock (HCS) forests will be carried out.
- ✚ No development within areas classified as having High Conservation Values (HCV) will be carried out.
- ✚ Significant sources of greenhouse gas (GHG) emissions within our plantations are continuously identified, with a view to progressively minimise them.

2. No Development on Peat

- ✚ No development on any peat land, regardless of depth will be carried out, as of the date of this policy.
- ✚ Existing development on peat lands will be managed according to Best Management Practices (BMP) and regulations issued by the Indonesian government.

3. No Open Burning

- ✚ A strict no-burning policy towards the use of fire in land preparation or development is enforced at all times in all of the Group's operation.

4. Best Management Practices

- ✚ Every unit and work function within the Group is governed by an individual Standard Operating Procedure (SOP) that seeks to inculcate Best Management Practices for optimal production, judicious use of resources and environmental preservation.
- ✚ The Group avoids land-clearing in very steep areas and marginal soils. Appropriate soil conservation measures are in place to conserve soil where the Group operates.
- ✚ The combined use of ecological, physical, biological, cultural and chemical methods are employed to control pests and diseases in our estates under an Integrated Pest Management (IPM) system.

5. No Exploitation

- ✚ The Group respects, supports and upholds human rights in accordance with the Universal Declaration of Human Rights and the United Kingdom Modern Slavery Act 2015.
- ✚ The Group is committed to being an equal opportunity employer, and we respect our employees' rights to the freedom of association, freedom of movement, rights for a safe and healthy working environment as well as reproductive rights.
- ✚ Strong policies against violence and sexual harassment are in place across the Group's operations.



- ✚ The Group is mindful about the importance of individual culture, customs and language in the countries / regions where we operate, and protects them.
- ✚ We respect and recognise the rights of all employees including contract workers, temporary employees and foreign workers (migrant workers) in accordance with ratified regional, national and international laws and regulations.

6. No Forced or Bound Labour.

- ✚ The Group and its suppliers / contractors will not intentionally employ or support the use of forced or bound labour and will take appropriate steps to prevent the use of such labour in any of our operation.
- ✚ There is to be no limit on the freedom of movement of workers during their free time.
- ✚ We do not deduct portions of employee wages unless specified by law, or withhold property, identity cards, passports or other travel documents without the employee's prior consent.

7. No Child Labour

- ✚ The Group and its suppliers / contractors will not intentionally employ or support the use of child labour.
- ✚ Corrective actions with the appropriate follow-ups will be taken to protect the welfare of the child should such cases be found.

8. Employee Health and Safety

- ✚ The Group and its suppliers / contractors strive to provide a safe and healthy workplace environment and take effective steps to protect employees from possible occupational safety and health hazards that might pose a direct risk of permanent injury, illness or death.
- ✚ Pesticides categorised as class 1A or 1B World Health Organisation (WHO), or those under the Stockholm or Rotterdam Convention are not routinely used, except in specific and controlled situations.

9. Fair Employment Terms

- ✚ All employees are given written notification, in the language they understand, of their job descriptions, wage rates, working hours, leave, and other employment benefits.
- ✚ All employees are paid a wage that equals or exceeds the legal minimum wage in accordance with applicable laws and regulations.
- ✚ Working hours comply with national laws including overtime hours (which are voluntary), and all employees have at least one day of rest every week.
- ✚ Details on the working hour and wage for every employee are recorded and kept at all times.

10. Whistle-blowing

- ✚ Confidential channels are provided for all personnel to report fraud or any unethical or illegal practices within the Group's operations.
- ✚ No employee providing information about fraud or any unethical, illegal or questionable practices is to be disciplined, dismissed, or discriminated against.
- ✚ The Group believes in responsible handling of all complaints or breaches using generally accepted conflict resolution or grievance procedures.

11. Rights of Indigenous People and Local Communities

- ✚ The Group respects and recognises long-term customary and personal rights of local communities and are committed to ensuring compliance with applicable laws and regulations.
- ✚ Tenure rights, such as the long-term protection and sustainable use of land, forests, and fisheries are respected and upheld at all times.
- ✚ The Group believes that the long-term success of any new operation, both for the company and communities can be achieved thorough a dedicated Free, Prior and Informed Consent (FPIC) process.

12. Product Traceability

- ✚ The Group seeks to put in place a traceable palm oil supply chain. All palm oil produced by AEP plantations are traceable to the palm oil mills.



- ✚ We ensure that fruits delivered to our mills are purchased from legal and responsible sources.
- ✚ The Group is actively involved with all third party suppliers to further enhance our traceability mechanism in order to achieve a fully transparent sourcing network.

CONTINUOUS IMPROVEMENT

This policy will be implemented with Standard Operating Procedures developed to reflect our commitments. The Group shares best practices and sustainability knowledge through regular training and education, and by creating a workplace with a culture supportive of our sustainability efforts, where opportunities for improvement are sought out and discussed. Continuous consultations with third-party suppliers are performed to ensure fair cooperation, and to provide supporting technical assistance to help them adhere to our commitments. We are also continuously open to undertaking new initiatives in promoting sustainable palm oil production in collaboration with stakeholders, industry experts, communities and other relevant bodies. This policy is to be reviewed as necessary as new information and knowledge becomes available, to ensure continuous improvement in its implementation.

Budi Purwanto

Chief Executive Officer

A handwritten signature in black ink, appearing to read 'Budi Purwanto', with a stylized flourish at the end.

✚ 15 Jun 2019