



## **Royal Golden Eagle (RGE) Forestry, Fibre, Pulp & Paper Sustainability Framework**

### **I. Scope:**

All provisions in this Sustainability Framework apply without exception to:

- All Royal Golden Eagle (RGE) companies in the forestry, fibre, pulp and paper sectors worldwide (henceforth: RGE Companies), including current and future companies which RGE Companies own, manage or invest regardless of stake;
- All third-party fibre, wood and pulp suppliers to RGE Companies.

### **II. Preamble:**

Royal Golden Eagle (RGE) comprises independently-run, world-class companies built upon resource-based industries.

At RGE, we are committed to sustainable development in all locations where we operate, by implementing best practices in social, environmental and economic spheres as guided by our business philosophy – that whatever we do must be “Good for the Community, Good for the Country, Good for the Climate, Good for the Customer, and Good for the Company”. RGE takes pride in the number of communities we support and the number of people we employ worldwide, as well as the environmental and social services we create and protect in our operations. RGE Companies commit to eliminating deforestation from our supply chains, protecting the forest and peatland landscapes in which we operate, and supporting forest management best practices in all countries where we source timber.

Effective immediately (2 June 2015), RGE Companies are committed to sustainability practices as spelled out in the following Sustainability Framework.

RGE Companies will develop their own Sustainability Policy within this overarching Sustainability Framework, while APRIL Group will update its existing Sustainable Forest Management Policy (SFMP) to incorporate this Framework.

RGE Companies will work with the full range of stakeholders (i.e. governments, NGOs, communities and experts) to constantly innovate and improve their Sustainability Policies and implementation.

RGE Companies will provide transparent progress reporting and updates on the implementation of their Sustainability Policy on a regular basis.

Our goal is to be a good and responsible neighbour in the local, national and global community, by protecting the environment and respecting human rights.

### **III. Framework:**

#### **1. Proactive Support of Local Communities**

In line with our business philosophy of doing what is “Good for the Country, Good for the Community, Good for the Climate, Good for the Customer, and Good for the Company”, RGE Companies will continually seek opportunities to align the interests of local communities and create shared values through:

- Strengthened efforts in alleviating poverty in rural communities around our areas of operations through creation of jobs, providing better access to quality education, community empowerment, and enhancement of rural livelihood
- Proactive Corporate Social Responsibility (CSR) activities especially village entrepreneurship incubations and integrated farming systems
- Further inclusion of smallholders and Small Medium Enterprises (SMEs) into our supply chains

#### **2. Respect the Rights of Indigenous Peoples and Communities**

RGE Companies respect the rights of indigenous peoples and rural communities and are committed to the following:

- Respect of the Universal Declaration of Human Rights
- Respect of the tenure rights of indigenous peoples and rural communities
- Respect of the rights of indigenous peoples and communities to give or withhold their Free, Prior and Informed Consent (FPIC) to operate on lands where they hold legal, communal or customary rights
- Resolution of all complaints and conflicts through an open, transparent and consultative process
- No tolerance for the use of violence

- Active engagement with all stakeholders including communities, governments, customers and civil society at the local, national and international levels

### **3. Responsible Practices in Our Work Places**

RGE Companies embrace their corporate responsibility to respect human rights. RGE Companies are committed to provide a safe, productive and conducive work environment throughout their supply chains where employees can contribute and advance, by ensuring specifically that:

- International Labour Organization's Declaration on Fundamental Principles and Rights at Work is respected
- Recruitment best practices are in place, meeting all legal requirements and cultural practices
- Freedom of association is respected
- Diversity within its workforce is respected
- Accommodation is safe and hygienic if provided as part of employment package
- The health and safety of workers is protected. RGE companies and their suppliers/sub-contractors shall equip workers to protect them from exposure to occupational health and safety hazards
- No tolerance is given for child labour, forced labour or bonded labour
- No tolerance is given for discrimination, harassment and abuse in any form

### **4. Conservation as Part of Our Sustainable Forestry Business Model**

RGE Companies believe that conservation is part of our sustainable forestry business model and are committed to the following:

- Continuously support the conservation and ecosystem restoration of important forests, deep forested peatlands, and other ecologically and culturally important lands within the landscapes in which we operate
- Support biodiversity and carbon conservation initiatives with a focus on landscape management
- Seek partnerships with relevant stakeholders (NGOs, governments, companies) in protecting and managing forests within the landscapes that RGE Companies operate

## **5. No Deforestation**

Effective immediately, RGE Companies will enforce a moratorium on any further natural forest clearance pending the outcome of High Carbon Stock (HCS) and High Conservation Value (HCV) assessments. This moratorium will also apply to all third-party Indonesian wood suppliers to RGE Companies.

RGE Companies and their third-party Indonesian wood suppliers are committed to protecting forests of HCS and HCV, by ensuring specifically that they:

- Only develop areas that are not forested, as identified through independent HCS and HCV assessments
- Will be guided by the HCS Approach as prescribed by the HCS Approach Steering Group
- Will identify and protect HCV areas in accordance with guidance provided by the HCV Resource Network (HCVRN)
- Will continue to work with the broader stakeholder community to identify and engage appropriate experts for HCS and HCV analysis
- Have strict “No Burn” policy

## **6. Continuous Reduction of Our Carbon Footprint**

RGE Companies recognise the impact of climate change and are committed to continuous reduction of our carbon footprint by undertaking the following:

- Continuous improvement in material and energy efficiency throughout the supply chain and increased utilisation of renewable energy
- Better carbon sequestration through conservation and ecosystem restoration and continuous improvements in sustainable plantation management practices
- Tracking of carbon emissions and reporting progress on overall carbon footprint
- Constant application of Reduce-Reuse-Recycle where possible

## **7. Responsible Management of Peatlands**

RGE Companies will adopt the following policy for peatlands:

- No new development on forested peatland
- International best management practice to reduce greenhouse gas (GHG) emissions within the peatland landscape

- An Independent Peat Expert Working Group (IPEWG) will be established to provide inputs to respective RGE Companies on best management practices to be implemented in existing plantations on peatland, actions required to ensure conservation of critical peat landscapes, and development options for degraded, non-forested peatland
- On peatlands where new plantation development is taking place, no further canal or other infrastructure activities will take place until input from IPEWG is received

## **8. Responsible Sourcing of Pulp and Wood Chips**

RGE Companies will strive to move the global supply chain of pulp and wood chips towards sustainability, by working with our suppliers and when necessary, choosing not to work with a supplier who cannot or will not meet the goals of our Sustainability Framework. We expect that all pulp and wood chips supplied to RGE Companies are:

- Legally harvested
- Not from HCV forests
- Not from ancient and endangered forests or habitats on which endangered species depend for survival
- Obtained in a way that respects the rights of indigenous peoples and communities to give or withhold their Free, Prior and Informed Consent (FPIC) to operate on lands where they hold legal, communal or customary rights
- Not obtained in violation of workers' rights of any of the International Labour Organization's Declaration on Fundamental Principles and Rights at Work

## **IV. Implementation:**

This Sustainability Framework is effective immediately.

RGE Companies will develop their own Sustainability Policy within this overarching Sustainability Framework, while APRIL Group will update its existing Sustainable Forest Management Policy (SFMP) to incorporate this Framework.

RGE Companies will work with the full range of stakeholders (i.e. governments, NGOs, communities, and experts) to constantly innovate and improve their Sustainability Policies and their implementation.

RGE Companies understand that suppliers will need time to implement the provisions, but we also recognise the need for urgent action. We expect each RGE Company to specify timelines for their suppliers to be fully compliant with all provisions of this Framework.

RGE Companies will cease to do business with any suppliers whom our independent advisors or other stakeholders find are in serious violation of this Framework, and do not take immediate remedial action to correct those violations. Regardless of remedial action, we will not do business with serious repeat violators of the Framework.

## **V. Monitoring, Progress Reporting and Transparency:**

RGE Companies will plan and implement regular monitoring and reporting of progress in a transparent manner. Where appropriate, RGE Companies will invite relevant stakeholders to participate in a verification process.

RGE Companies will establish a Grievance Procedure to allow stakeholders to register any issues or complaints, and for RGE Companies to transparently respond and report on progress.

Date of Issue: 2 June 2015

Last Update: 25 April 2022