

FSC-PEFC COC POLICY

[FSC Policy of Association has been integrated]

The Company is committed to implement and maintain the chain of custody requirements of the FSC Chain of Custody standards. We are committed to ensure that all our relevant Supplier and/or Outsourcing Contractors who manufacture products which have been certified on FOREST STEWARDSHIP COUNCIL (FSC) and PROGRAMME FOR THE ENDORSEMENT OF FOREST CERTIFICATION (PEFC) have been produced in accordance with recognized sustainable forestry practices. Company will only add and support members who intend share in our commitment into this initiative.

It is the principle of Company to monitor diligently that its Supplier and/or Outsourcing Contractors to avoid procuring timber and non-timber forest products accordance with recognized sustainable forestry practices and it is our commitment to not be directly or indirectly involved in the following activities:

- Illegal logging or the trade in illegal wood or forest products;
- Violation of traditional and human rights in forestry operations;
- Destruction of high conservation values in forestry operations;
- Significant conversion of forests to plantations or non-forest use;
- Introduction of genetically modified organisms in forestry operations;
- **Violation of any of the ILO Core Conventions as defined in the ILO Declaration on Fundamental Principles and Rights at Work; this shall be further elaborated as below:**

A) NO FORCED, BONDED, INDENTURED AND PRISON LABOR

- Under no circumstances forced labour is used, whether in the form of compulsory or trafficked labour, indentured labour, bonded labour, or other forms;
- Mental and physical coercion, slavery and human trafficking are prohibited;
- Workers are not required to work more than the regular and overtime hours allowed by law and all overtime work by workers is on a voluntary basis;

B) NO CHILD LABOR

- Do not employ individuals under the age of 15 (all workers shall be above 18 years old only), or under the local legal minimum age for work or mandatory schooling, whichever is higher;
- When an internship worker is employed, they do not perform work that is mentally, physically, socially, or morally dangerous, or that interferes with their schooling by depriving them of the opportunity to attend school;

C) FREEDOM OF ASSOCIATION AND EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING

- The rights of workers to freedom of association and collective bargaining are recognized and respected and workers are not intimidated or harassed in the exercise of their right to join or refrain from joining any organization;
- Workers or worker representatives (e.g., Occupational Safety Health [OSH] Committee) are involved in identifying safety and security risks and setting priorities for action;

D) NO DISCRIMINATION, HARASSMENT AND ABUSE

- Workers are not subject to any physical, sexual, psychological, or verbal harassment, abuse, or other form of intimidation;
- All workers are provided with employment documents that are freely agreed and which respect their legal rights;
- Shall not engage in, support or tolerate discrimination in employment including recruitment, hiring, training, working conditions, job assignments, pay, benefits, promotions, discipline, termination or retirement on the basis of gender, age, religion, marital status, race, caste, social background, diseases, disability, pregnancy, ethnic and national origin, nationality, membership in worker organizations including unions, political affiliation, sexual orientation, or any other personal characteristics.

E) HEALTH AND SAFETY IN PLACE (wherever is applicable)

- Old workers (above 50 years old), pregnant and nursing mothers NEVER handle or apply hazardous chemicals as part of their job;
- Old workers (above 50 years old), pregnant and nursing mothers are NEVER exposed to hazardous chemically contaminated Personal Protective Equipment (PPE);
- All operators are provided with appropriate PPE, free of charge;
- Procedures are in place to minimize the likelihood of spillage of chemicals;
- Procedures are in place to confine spills and contaminated wash-water to areas where they will be confined or dispersed safely;
- Procedures are in place to clean up spills if they occur;
- All hazardous materials are stored safely;
- All hazardous materials are handled safely;
- All hazardous materials are disposed of safely;
- Systems are in place to minimize the risk of workers sustaining injuries from machinery;
- Risks of shocks and fire, caused by poor electrical installations, are minimized;
- Welding & grinding never takes place in poorly ventilated area;
- Workers are provided with (and use) free PPE when necessary for reducing risks to an acceptable level;

F) CONSISTENT WAGES, BENEFITS AND TERMS OF EMPLOYMENT

- All workers are provided with a total compensation package that includes wages, overtime pay, benefits and paid leave, which meets or exceeds the legal minimum standards.

G) COMPLAINTS & GRIEVANCES

- Employees have a channel through which they can raise concerns regarding business integrity (e.g., dishonest, or unfair business dealings) without fear of retaliation;
- Regular meetings (before start of work) for workers to promote more socially sustainable practices and understand how any problems the workers are facing might be overcome;

H) HEALTHY MENTAL HEALTH

- All workers have access to First Aid and medical services during working hours sufficient to respond to emergencies;
- Workers who are involved in chemical handling are offered risk-based health checks;
- Workers are granted time off work, for medical appointments for themselves;

I) WELFARE TAKEN CARE

- All workers are provided with fair and confidential procedures that result in swift, unbiased and fair resolution of difficulties, which may arise as part of their working relationship
- All workers have free access to potable water;
- All workers have free access to hand-washing facilities;
- All workers have free access to shelter for breaks and mealtimes;
- Equipment is kept in a secure location separated from living quarters, food;
- Buildings (workshops, worker accommodation, stores, and other buildings) and structures are structurally sound, reasonably ventilated and fit for the purpose are NOW being used for;
- All provisions of services and facilities for workers are at, or above, the legally required minimum standard (if applicable);

J) TRAINING & COMPETENCY

- Recognize that a balance must be struck between organizational/business needs and helping employees to develop their full potential;
- Emphasize that training and development opportunities are open equally to all employees,

The Company requires Supplier and/or Outsourcing Contractors to make every effort to determine sources of wood used in all FSC-PEFC Certified labeled products. If a Supplier and/or Outsourcing Contractors ever determines that it has procured lumber that originated from one of these sources for its FSC-PEFC products, the Supplier and/or Outsourcing Contractors is required to immediately stop procuring lumber/timber from these sources and replace with material procured from acceptable sources.

When origin of harvest cannot be determined the lumber from these sources the Supplier and/or Outsourcing Contractors is required to not use the lumber in its production of FSC-PEFC products. All sources are required to be verified and monitored. The Company has developed a complaint mechanism to deal with complaints supported by evidence relative to supplies of its products outputs.

It is also the commitment and aspiration of the Company that all of its Supplier and/or Outsourcing Contractors comply with all the applicable national and international laws and regulations that includes social laws, such as those covering civil rights, equal employment opportunities, anti-discrimination and anti-harassment, measures, worker's compensation, indigenous peoples' rights, and workers' and communities' right to know, prevailing wages, and workers' right to organize.

The Company is committed to promote sustainability in process, activities, products & services. The promoting is based on the three aspects, namely -Prosperity, Planet and People, also known as 3Ps. This **Statement of Commitment** is in line with the requirement of **FOREST STEWARDSHIP COUNCIL (FSC) and PROGRAMME FOR THE ENDORSEMENT OF FOREST CERTIFICATION (PEFC) - CHAIN OF CUSTODY (FSC-PEFC COC)**'s requirements. With the embracing of sustainability for the 3Ps, we are aiming to produce sustainable outcomes whilst fine tune our current practicing and processing methods, which is towards the goals. Also, all our practices are in align with industry, national and international **Best Management Practices (BMP)**.

Lastly, we shall ensure that external and internal stakeholders are well treated and in a good relationship with the Company. This Statement of Commitment comprises the following principles that have been integrated into our management system(s):

PRINCIPLE 1 : TIMBER & NON-TIMBER FOREST PRODUCTS SOURCES SHOULD BE SOURCED FROM SUSTAINABLE SUPPLIER.

PRINCIPLE 2 : TIMBER & NON-TIMBER FOREST PRODUCTS SOURCES SHOULD NOT BE OBTAINED FROM HIGH-RISK FEEDSTOCKS.

PRINCIPLE 3 : TIMBER & NON-TIMBER FOREST PRODUCTS SOURCES USE SHOULD BE LIMITED TO WHAT CAN BE SUSTAINABLY SUPPLIED.


Sai-Han Siong

Chief Executive Director
ORNAPAPER INDUSTRY (M) SDN BHD
15-01-2022

