

Southland Rubber Environmental Policy 20220101

1) Purposes

- a) The Environmental Policy of Southland Rubber outlines our direction in sustainable environmental practices by managing environmental impacts associated with our business activities, products, and services.
- b) In addition to compliance with applicable environmental laws and regulations, we continuously improve our Environmental Management System (ISO 14001) to protect the environment and prevent pollution.
- c) We communicate this Policy to all levels within our Group, alongside capacity building activities and training through our supply chain.
- d) Directors of each Group company are responsible for implementation of this Policy.

2) Commitments

- a) We are committed to create a Group culture where we engage and empower all in the Group to improve on our environmental performance.
- b) We shall comply with applicable local, national and international laws on land use and the environment.
- c) We shall periodically review these objectives and targets of our environmental aspects:
- d) **Energy and Emissions**
 - i) We shall ensure responsible use of energy while supporting the Group's plans for business expansion by managing operations to minimize rate of energy usage, to maximize natural resource efficiency and minimizing and mitigating carbon emissions.
- e) **Materials and Waste Management:**
 - i) We shall ensure sustainable material consumption and reducing waste where possible, by reusing and recycling.
 - ii) Our waste management procedure is in place to monitor and regulate waste separation and disposal to increase recycling & reuse ratio.
- g) **Water Usage:**
 - i) We shall ensure preserving the quality and quantity of water used; prevent water contamination from agricultural and industrial chemicals; prevent erosion and sedimentation; and that all wastewater from our production are efficiently and systematically treated and subsequently reused in our

production process.

h) **Bio-diversity:**

- i) We shall support long-term ecosystem preservation programs to identify and manage forests and other natural ecosystems aimed at no-deforestation and no degradation of forestlands with approaches based on observations of high conservation values (HCVs) and high carbon stock (HCS).
- ii) We will support long-term protection of natural forests and the restoration of deforested and degraded rubber landscapes that were caused by our opening of land for operations.
- iii) We will source rubber in a way that does not contribute to deforestation or degrade High Conservation Values within our ability to identify such sources recognizing the current complex supply chain involving multiple dealers and vast numbers of small farmers.
- iv) We support the development of GPSNR identification and confirmation of such sources.
- v) We support the education of our suppliers/dealers and will require them, within their ability, to identify and manage areas for development and conservation following the methodology and guidance consistent with the HCV Approach and with the High Carbon Stock Approach.
- vi) We will not source from plantations or smallholders that have been identified and confirmed by GPSNR to have contributed to deforestation or HCV degradation after GPSNR's cutoff date of 1 April 2019.
- vii) We shall not use open burning or open fire in new or ongoing operations for land preparation, land management, waste management, or any other reason other than in justified and documented cases of firebreak establishment, waste management for sanitary reasons where public garbage collection is not available, phytosanitary and other emergencies.
- viii) We shall protect wildlife, including rare, threatened, endangered and critically endangered species from poaching, over-hunting and habitat loss in areas under our company's management and supporting wildlife protection activities in areas of influence.
- ix) We shall protect soil quality, preventing erosion, nutrient degradation, subsidence and contamination.
- x) We shall prevent the development of or sourcing from natural rubber plantations on peat lands, regardless of depth, extent, or status (wet, drained or dry).

i) **Local Pollution**

- i) We shall provide a healthy and safe working environment by eliminating or controlling hazards, by implementing measures to monitor and improve

internal air quality, reduce noise levels and by applying work procedures on handling hazardous chemicals.

j) **Consumer Focus:**

- i) We shall enhance customer/consumer satisfaction, health and safety through supplying consistent quality of natural rubber without health and safety related defects.

**Updated by the Management of Southland Rubber
1 January 2022**