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ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) POLICY

1 INTRODUCTION

1.1 Scope

This Environmental, Social and Governance (ESG) Policy has been prepared and adopted by FLS Group AG and, as amended from time to time, applies to each of its directors, officers, employees and agents.

1.2 Purpose

This Policy provides environmental, social, and governance principles to be applied by the company and its personnel. It explains the applicable regulatory framework and standards.

2 DEFINITIONS

Table 1: Definitions

(1)	Company	FLS Group AG.
(2)	ESG	Acronym of Environmental, Social, and Governance.
(3)	FSC®	Forest Stewardship Council®, an international non-profit organization and certification program promoting responsible management of the world's forests.
(4)	Gold Standard	Gold Standard, an international non-profit organization and certification program for non-governmental carbon emission reductions projects and the promotion of climate and development goals.
(5)	IFC	International Finance Corporation, an international non-profit organization and member of the World Bank Group, supporting private sector development in emerging markets through investment, advisory, and risk mitigation services.
(6)	Personnel	With respect to the Company, its directors, officers, employees, and agents.
(7)	Policy	This Environmental, Social and Governance (ESG) Policy.

3 REFERENCES

Table 2: References

A Internal

- A.1 FLS-POL-CEC – Code of Business Ethics and Conduct

A.2 FLS-POL-OHS – Occupational Health and Safety Policy

A.3 FLS-POL-AGR – Agrochemicals Use Policy

B External

B.1 FSC-STD-01-001 – FSC Principles and Criteria for Forest Stewardship Standard

B.2 Gold Standard – Principles and Requirements

B.3 Gold Standard – Stakeholder Consultation and Engagement Requirements

B.4 Gold Standard – Safeguarding Principles and Requirements

B.5 ISO/FDIS 14001 – Environmental management systems

B.6 ISO 45001 – Occupational health and safety management systems

B.7 International Finance Corporation (IFC) Performance Standards on Environmental and Social Sustainability

4 REGULATORY FRAMEWORK AND STANDARDS

The Company conducts its activities in compliance with national legislation and the international treaties ratified by the national government applicable to the scope of the Company's activities.

The activities of the Company are carried out in accordance with the relevant requirements and guidelines issued by FSC and Gold Standard as well as, where applicable, the environmental and social performance standards of the International Finance Corporation (IFC).

5 PRINCIPLES

The Company is committed to upholding high environmental, social and governance (ESG) principles and standards in the conduct of its business, and all Personnel are expected to carry out their tasks and responsibilities in accordance with such commitment.

In particular, the Company seeks to integrate the following core principles across its operations:

- (i) Engaging in responsible forest management, including but not limited to refraining from converting natural forests to other uses, or from engaging in commercial activities that promote or contribute to deforestation;
- (ii) Applying the principle of the mitigation hierarchy, seeking to avoid, and where this is not possible, to minimize adverse impacts, and to enhance positive effects on the environment and affected stakeholders;



- (iii) Generating positive impact on the economic and social development of the region;
- (iv) Respecting human rights;
- (v) Applying the principles of non-discrimination, equal treatment, and equal pay for equal work;
- (vi) Implementing occupational health and safety practices to protect workers and stakeholders from the inherent risks of forestry operations;
- (vii) Promoting and monitoring compliance with labor rights among collaborators within the value chain; and
- (viii) Seeking the fair treatment of all relevant stakeholders.

6 OPERATIONALIZATION

To operationalize these principles, the Company:

- (i) Undertakes appropriate assessments and continuous monitoring of environmental and social key performance indicators;
- (ii) Establishes appropriate and accessible grievance mechanisms for relevant stakeholders;
- (iii) Develops and implements an Environmental, Social and Governance Management System (ESMS) subject to continual improvement, which determines the necessary structures and capabilities, and describes the processes, plans, procedures, and operational documents necessary to put into practice the principles set out in this Policy;
- (iv) Supports the ESMS through resources earmarked for the purpose of enabling its implementation, monitoring and evaluation in the Company's business plan, as applicable; and
- (v) Ensures the dissemination of this Policy and the plans and procedures associated with its implementation to relevant stakeholders.

7 COMPLIANCE WITH THIS POLICY

7.1 Acknowledgement

Personnel will be provided with a copy of this Policy and they will be required to formally acknowledge it as part of their contracting and on-boarding process and with every new version with material changes by signing a statement of commitment.



7.2 Disciplinary measures

Subject to applicable law and agreements, Personnel who violate this Policy and related Company's policies may be subject to disciplinary action, up to and including termination of employment.



VERSION CONTROL

VERSION	DESCRIPTION	DATE
v002	Editorial revision. Corrections and/or adjustments to spelling, formatting, and terminology aligned with the Company's management system(s). No substantive changes.	13 April 2026
v001	Initial version approved by the Board of Directors	13 June 2025