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AGROCHEMICALS USE POLICY

1 INTRODUCTION

1.1 Scope

This Agrochemicals Use 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

The purpose of this Policy is to ensure that the use of pesticides and fertilizers in activities related to forestry plantations of Project Midgard is conducted responsibly, with minimal impact on human health and the environment and in compliance with applicable laws, regulations, and certification standards.

2 DEFINITIONS

Table 1: Definitions

(1)	Agrochemicals	Chemical products used in agricultural, forestry or livestock activities, including but not limited to pesticides and fertilizers.
(2)	Company	FLS Group AG.
(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 Agrochemicals Use Policy.

3 REFERENCES

Table 2: References

A Internal

- A.1 FLS-POL-CEC – Code of Business Ethics and Conduct
- A.2 FLS-POL-ESG – Environmental, Social, and Governance (ESG) Policy
- A.3 FLS-POL-OHS – Occupational Health and Safety Policy

B External

- B.1 FSC-STD-01-001 – FSC Principles and Criteria for Forest Stewardship Standard
- B.2 FSC-POL-30-001 – FSC Pesticides Policy
- B.3 Gold Standard – Principles and Requirements
- B.4 Gold Standard – Stakeholder Consultation and Engagement Requirements
- B.5 Gold Standard – Safeguarding Principles and Requirements
- B.6 ISO/FDIS 14001 – Environmental management systems
- B.7 ISO 45001 – Occupational health and safety management systems
- B.8 International Finance Corporation (IFC) Performance Standards on Environmental and Social Sustainability
- B.9 WHO/FAO International Code of Conduct on Pesticide Management
- B.10 World Health Organization Recommended Classification of Pesticides by Hazard
- B.11 FAO International Code of Conduct on Sustainable Use and Management of Fertilisers

4 GENERAL PRINCIPLES

4.1 Compliance with Laws, Regulations, Standards and Guidelines

Project Midgard complies with local and international laws and regulations regarding the safe use of agrochemicals, as well as relevant requirements and guidelines issued by FSC and Gold Standard.

4.2 Minimization of Agrochemicals Use

Project Midgard strives to minimize or avoid the use of the agrochemicals in all silvicultural operations whenever possible.

4.3 Health and Safety

Project Midgard prioritises the health and safety of individuals engaged in its operations, therefore any handling and management of agrochemicals, if any, is only performed by trained and qualified personnel and under safe conditions.

4.4 Continuous Evaluation

Project Midgard carries out periodic monitoring of the use of agrochemicals to ensure compliance with international standards, prevent adverse impacts on the ecosystem or nearby communities, and measure the objective of simplifying and reducing agrochemicals use.

5 HANDLING AND MANAGEMENT

5.1 Training and Safe Handling

All direct staff and contractors handling agrochemicals in the process of all forestry operations of Project Midgard, including within any temporary nursery where plants are stored before being moved to their final planting area, will receive specific training on safe use, handling, and storage. This training will also include emergency procedures in case of accidental exposure or spillage into the environment.

5.2 Waste and Container Management

Procedures for the safe disposal of agrochemicals residues and their containers will be implemented in accordance with environmental regulations as well as with internationally recognized standards and guidelines.

5.3 Record Keeping and Monitoring

A detailed historical record of all pesticides and fertilizers applied within Project Midgard will be maintained, including product type, quantity, application dates, and treated areas. These records will be available for internal and external audits.

6 COMPLIANCE WITH APPLICABLE LAW

Project Midgard does not use agrochemicals that are not permitted under applicable law or that are subject to international bans or phase-outs.

Any agrochemicals used within Project Midgard are used strictly for the purpose in which such agrochemicals have been registered, approved and allowed by the relevant national authorities and in accordance with the provisions of applicable national law and ratified international conventions.

7 PESTICIDE USE GUIDELINES

7.1 Alternatives to Pesticides

Pesticide use will be limited to the minimum necessary quantities, applied under controlled conditions to minimize environmental dispersion.



The use of alternatives to pesticides, such as integrated pest management (IPM), biological control, and crop rotation in agriculture, will be promoted when viable.

Continuous evaluation of available alternatives will be conducted, and practices that promote ecosystem health and biodiversity will be implemented.

7.2 Responsible Use of Pesticides

Any chemical pesticides shall only be accessible to personnel with proper training, equipment, and facilities to safely handle such products.

7.3 Prioritization Criteria

If pesticides are used, Project Midgard follows prioritization criteria based on the classification of products under the FSC Pesticides Policy and the World Health Organization Recommended Classification of Pesticides by Hazard:

- (1) **Non-Hazardous Pesticides** – Pesticides which:
 - I. are considered unlikely to present acute hazard (Class U) under the World Health Organization Recommended Classification of Pesticides by Hazard, and
 - II. are not considered to be highly hazardous pesticides (HHPs) under the FSC Lists of Highly Hazardous Pesticides.
- (2) **Minimally Hazardous Pesticides** – Pesticides which:
 - I. are considered slightly hazardous (Class III) under the World Health Organization Recommended Classification of Pesticides by Hazard, and
 - II. are not considered to be highly hazardous pesticides (HHPs) under the FSC Lists of Highly Hazardous Pesticides.
- (3) **Moderately Hazardous Pesticides** – Pesticides which:
 - I. are considered moderately hazardous (Class II) under the World Health Organization Recommended Classification of Pesticides by Hazard, and
 - II. are not considered to be highly hazardous pesticides (HHPs) under the FSC Lists of Highly Hazardous Pesticides.
- (4) **FSC Restricted Highly Hazardous Pesticides (HHPs)** – Pesticides which:
 - I. are categorized as FSC restricted HHPs under the FSC Lists of Highly Hazardous Pesticides, and
 - II. are not considered to be Class IA (extremely hazardous) and IB (highly hazardous) under the World Health Organization Recommended Classification of Pesticides by Hazard
- (5) **FSC Highly Restricted Highly Hazardous Pesticides (HHPs)** – Pesticides which:

- I. are categorized as FSC highly restricted HHPs under the FSC Lists of Highly Hazardous Pesticides, and
- II. are not considered to be Class IA (extremely hazardous) and IB (highly hazardous) under the World Health Organization Recommended Classification of Pesticides by Hazard.

7.4 Prohibited Pesticides

Project Midgard will **not** purchase, store, manufacture, trade or use products that:

- I. fall in Classes IA (extremely hazardous) and IB (highly hazardous) of the World Health Organization Recommended Classification of Pesticides by Hazard, or
- II. are classified as FSC prohibited HHPs under the FSC Lists of Highly Hazardous Pesticides.

8 FERTILIZER USE GUIDELINES

8.1 Responsible Use of Fertilizers

Project Midgard will apply the minimum possible amount of chemical fertilizers as advised by specialist third-party consultants, based on specific soil measurements, with a view to preserve ecosystem and minimize impacts to wildlife, flora, and the environment in general. Where fertilizer is used, particular measures will be taken to avoid spillage or over-application.

8.2 Applicable Law and Regulations

Fertilizers used must be approved by the relevant national authorities and assessed to ensure they do not have persistent or long-term toxic effects. Project Midgard does not use fertilizers that are not approved under applicable law.

9 COMPLIANCE WITH THIS POLICY

9.1 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.

9.2 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