

BAF VIETNAM AGRICULTURE JOINT STOCK COMPANY



**ENVIRONMENTAL, HEALTH, SAFETY
AND SOCIAL RESPONSIBILITY POLICY**

Ref: CST/NS_ATSH/2022_001



**ENVIRONMENTAL POLICIES
& SOCIAL RESPONSIBILITY**

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TABLE OF CONTENTS

I. Scope of Application..... 3

II. Purpose 3

III. Policies 3

1. Environmental and Resource Efficiency Policy3

2. Human Rights and Labour Policy5

3. Food and Feed Safety Policy6

4. Occupational Health and Safety Policy7

5. Responsible Land Acquisition and Leasing Policy8

6. Stakeholder Engagement Policy9

7. Supplier Code of Conduct.....10

8. Animal welfare.....10

IV. Effectiveness 11



ENVIRONMENTAL POLICIES & SOCIAL RESPONSIBILITY

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I. Scope of Application

- All employees work at BaF Vietnam Agricultural Joint Stock Company and its subsidiary companies (referred to as BaF Vietnam).
- BaF's main contractors, subcontractors, agents, suppliers, partners, and affiliate chains.

II. Purpose

Environmental, Health and Safety (EHS) policy is the Company's commitment to conduct environmental, health and safety activities continuously and proactively to prevent all harmful effects, negative impacts, disasters as well as environmental impacts that may arise as a result of business management operations, in compliance with the current E&S regulations of Vietnam as well as international standards, which are International Finance Corporation (IFC) Performance Standards (PSs) and World Bank Group (WBG) General and sector specific EHS Guidelines¹. BaF Vietnam is committed to implementing the provisions of the applicable laws, international standards, and the requirements of partners and stakeholders with continuous improvement.

III. Policies

1. Environmental and Resource Efficiency Policy

At BaF Vietnam, we recognize that sustainable management of natural resources is imperative to our activities' performance. Therefore, we are aware of the need to conserve them and develop proactive environmental management, resource efficiency, and biodiversity strategies to manage potential risks and reduce our impacts.

¹ General EHS Guidelines (2007) and Industry Sector Guidelines including Mammalian Livestock Production (2007); Meat Processing (2007); Food and Beverage Processing (2007), etc.

We are committed to conducting our operations in an ecologically responsible manner, not only in accordance with applicable national and local laws and regulations but also with the company's standards and the IFC PSs and WBG EHS Guidelines. In our decision-making process, we endeavor to regularly assess risks and opportunities, including enhancing our environmental management performance and increasing resource efficiency. As a result, we promote using the best available technologies and manufacturing methods that promote energy and water efficiency, waste management, chemical usage, pollution avoidance and Greenhouse Gas (GHG) emission reduction.

In accordance with the foregoing, we pledge to do the followings:

- Constantly enhance our performance by implementing management systems following ISO 14001 and systematically identifying, analyzing, and managing environmental risks and impacts.
- Measure, monitor, and report our environmental effects, including our GHG emissions, by establishing Key Performance Indicators (KPIs).
- Use renewable and non-fossil fuel energy wherever practical.
- Make efficient use of all-natural resources, such as water, energy and fuel.
- Utilize appropriate management and disposal methods and procedures that involve reusing or recycling materials and/or waste wherever possible.
- Reduce any potential negative impacts of the company's activities on air emissions, GHG emissions, effluents, waste and discharges, as well as local biodiversity.
- Protect biodiversity of areas surrounding the company's facilities and include biodiversity assessment in the scope of environmental impact assessments for new industrial and farming activities. We will avoid any development in an area identified as Natural Habitat or Critical Habitat, and areas identified as World Heritage Sites and Alliance for Zero Extinction sites as defined by IFC PS6 on Biodiversity Conservation and Sustainable Management of Living Natural Resources and develop only in areas

identified as modified/adjusted habitat. “No net loss” and “net gain” principles in biodiversity conservation will be admitted and applied.

- Use appropriate agricultural techniques to improve soil fertility, limit erosion, reduce water loss and make optimal use of inputs, including the exclusion of items classified as 1a and 1b by the World Health Organization.

- Conduct active communication, engagement, and training to raise environmental awareness among the company’s workers, contractors, and business partners.

- Encourage environmentally sound practices throughout the company’s supply chains that adhere to all relevant environmental laws and safeguard natural resources and biodiversity.

2. Human Rights and Labor Policy

BaF Vietnam is aware of respecting human rights, including labor rights and fully respects and complies with applicable laws and regulations. The company respects the internationally recognized human rights stated in the International Bill of Human Rights, comprising the Universal Declaration on Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights, as well as the Guiding Principles on Business and Human Rights. BaF Vietnam also values the principles and rights ordered in the eight International Labor Organization Core Conventions. In addition, BaF Vietnam also complies with the IFC PS2 on Labor and Working Conditions.

We are committed to complying with the following principles through our business activities:

- **Freedom of association:** Respect employees’ rights to freely associate, organize and bargain collectively in accordance with applicable laws and regulations.

- **Forced labor and child labor** are strictly prohibited.



ENVIRONMENTAL POLICIES & SOCIAL RESPONSIBILITY

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▪ **Diversity and equal opportunities:** Ensuring no discrimination in the recruitment process and employment practices concerning race, religion, sex, age, physical ability, political opinion, social or ethnic origin or sexual orientation.

▪ **No harassment:** Ensure a safe workplace without any form of harassment, including verbal, physical, mental and visual harassment.

▪ **Fair employment practices:** Employees' pay, work hours and conditions are complied with applicable laws and industry norms. BaF Vietnam provides fair and competitive compensation commensurate with the employee's position.

▪ **A safe and healthy workplace:** BaF Vietnam provides and maintains a safe and healthy working environment for all employees, including on-site contractors and service providers.

▪ **Human rights and labor due diligence:** Warrant full deference for human and labor rights in the entire company actions by executing due diligence assessments when required and defining corrective actions based upon the findings.

▪ **Human Resources practices:** Adopt Human Resources policies and procedures, including labor standards policies and procedures and clear communication throughout the company.

▪ **Personal and professional development:** Foster personal and professional development and encourage employees to have a work-life balance.

3. Food and Feed Safety Policy

The success of BaF Vietnam's performance is dependent on food and feed safety. Consequently, we acknowledge the importance of lowering food-feed safety risks and guaranteeing that our clients obtain contamination- and adulteration-free products. We are committed to providing safe food for people and feeding animals in accordance with applicable local laws and regulations and the organization's standards. Within our supply chain, we support the adoption of technology and production techniques that promote food and feed safety.



ENVIRONMENTAL POLICIES & SOCIAL RESPONSIBILITY

Ref: CST/NS_ATSH/2021_001

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At BaF Viet Nam, we maintain the highest quality and safety standards for our goods, according to all applicable consumer health and safety regulations. In line with the above, we commit ourselves to do the followings:

- Continually enhance our performance, maximize production and efficiency, and contribute to global food security by implementing management systems and certification schemes that systematically identify, assess, and manage our food and feed safety hazards and risks.
- Only use facilities for manufacturing, storage, and transportation that assure the safety of our products.
- Select suppliers based on their ability to satisfy our safety standards for raw materials and ingredients.
- Assist our external clients in establishing food and feed safety solutions.
- Provide proper training on applicable food and feed safety laws, regulations, and procedures to our workers, service providers, and on-site contractors, and equip them with the resources they need to fulfil their obligations of supplying food and feed items that satisfy all quality and safety criteria.
- Encourage the adoption of ecologically sound technology to produce safer, cleaner, and more long-lasting products.
- Establish quantifiable goals and conduct audits on a regular basis to track, measure, and improve our performance.

4. Occupational Health and Safety Policy

We are committed to providing a safe and healthy working environment for our employees, on-site contractors, and service providers at BaF Vietnam. The company ensures by stimulating a safety-aware culture, workplace risk management, and applying safety principles to all our operations and premises. We commit ourselves to the followings:

- Occupational health and safety (OHS) hazards and risks are systematically identified, managed, and evaluated consistent with OHSAS 18001 to improve the company's performance. Apply risk-based approach to the identification of workplace risks, focusing on the hierarchy of control.
- Identify, assess, and control hazards and risks for all workplace stations, enabling us to prevent injuries, fatalities, and occupational diseases proactively.
- Offer training to the company's staff and on-site contractors on applicable health and safety laws, regulations and procedures and provide essential personal protective equipment.
- Ensure emergency response plans for all company facilities, including life and fire safety procedures.
- Cultivate a culture of safety awareness by actively promoting and communicating the company's policy.

5. Responsible Land Acquisition and Leasing Policy

BaF Vietnam pledges to comply with the applicable national laws and regulations on land and the IFC PS5 on Land Acquisition and Involuntary Resettlement and PS7 on Indigenous Peoples. Land acquisition will follow all national applicable procedures, including gaining the correspondent authorizations and licenses. In line with the above, we commit ourselves to the followings:

- Avoid land acquisition leading to economic and physical displacement. If avoidance is impossible, carefully consider minimizing displacement and other adverse social impacts by providing appropriate mitigation measures.
- Avoid land that is subject to ancestral/community attachment of an indigenous peoples/ethnic minority group, and where avoidance is not possible, we will identify and comprehensively consult with ethnic minority groups according to Free, Prior and Informed Consent principles and develop an appropriate Indigenous Peoples Plan in compliance with IFC PS7.

- Establish and implement appropriate plans to compensate for, mitigate, and manage project impacts following the national regulations and IFC PS requirements.
- Ensure continuous engagement and dialogues with affected communities through adequate and culturally appropriate information disclosure, public consultation, and grievance redress mechanism implementation.

6. Stakeholder Engagement Policy

BaF Vietnam always encourages open dialogue with the stakeholders based on mutual trust and respect to maintain the highest standards of business conduct and bring positive values to society. Bringing mutual benefits and long-term values to the stakeholders and society and creating values for the communities where we work and live is always a goal for BaF Vietnam to aim for. We endeavor to create a durable community by empowering the vulnerable to improve their hope and futures within the international agribusiness context.

Stakeholders comprise individuals, groups of people or organizations related to BaF Vietnam that might influence or be affected by BaF Vietnam's business. In compliance with the IFC PSs and to achieve sound stakeholder engagement, we commit ourselves to the followings:

- Work collaboratively with the stakeholders to empower ideas, thoughts, expertise, and practices to be shared; to communicate targets and expectations clearly, which are consistently based on mutual respect and benefit.
- Committed to the stakeholders' interests to comprehend their perspective and expectation, especially with the participation of vulnerable groups.
- Operate in an open, fair, transparent way and value honest communication by establishing information disclosure channels to inform the business news accurately and clearly to the stakeholders.

- Ensure continuity in two-way communication with the stakeholders to identify and consult on environmental and social impacts during the company's operations to minimize adverse effects.

- The use of the security forces at the company's facilities is by the provisions of the applicable law to avoid unlawful or abusive acts against employees and communities.

- Provide stakeholders with a grievance mechanism such as Integrity Hotline to report concerns confidentially, anonymously and without fear of reprisal as governed by the applicable company procedures and to meet the core criteria of legitimacy, accessibility, predictability, equitability, compatibility and transparency.

7. Supplier Code of Conduct

BaF Vietnam has always actively built long-term cooperative relationships with its suppliers on the basis of responsible and sustainable business. This policy outlines the principles and requirements that we expect our suppliers to adhere to, which will assist both parties in ensuring a high level of integrity and social responsibility, environmentally sustainable while bringing economic benefits. We expect our suppliers to uphold and respect these principles and to disseminate and train their internal personnel regarding (i) Compliance with general principles business ethics; (ii) Human and labor rights; (iii) Occupational Health and Safety; (iv) Local Communities; (v) Supply Chain Management; (vi) Sustainable agricultural practices; (vii) Land rights; and (viii) Supply chain transparency.

8. Animal welfare

BaF Vietnam is aware that the interests of farm animals in the production system should be considered. Animal welfare ensures good health and physical condition, mental health, and respect for species-specific behaviors. BaF Vietnam is committed to the following animal welfare principles:

- Ensure adequate diet to maintain health and vitality.



ENVIRONMENTAL POLICIES & SOCIAL RESPONSIBILITY

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- Provide a comfortable living environment.
- Prevention or rapid diagnosis and treatment of injuries and illnesses.
- Ensure a living environment free of fear and suffering.

IV. Effectiveness

From 20/12/2022 until there is a new policy to replace.