TOLARAM GROUP COMMUNICATION ON PROGRESS UNITED NATIONAL GLOBAL COMPACT- THE TEN PRINCIPLES

Report for the period of May 2014 to May 2015

Tolaram Group became a signatory to the UN Global Company in July 2008 and has submitted five annual reports on our Communication on Progress (COP) to date since 2010.

This is the Annual Report for the period of May 2014 to May 2015 and the statement from Mr. Sajen Aswani, Chief Executive of the Group is enclosed.

The Group, headquartered in Singapore, has its main operations in Africa, Asia and Europe. We are focused on growing in these four business spheres, Consumer Goods, Digital Services, Energy and Infrastructure.

The COP for the Group is enclosed in Annexure 1.

<u>Annexure 1</u>

Ten Principles of United Nations Global Compact

<u>Human Rights</u>

<u>Principle 1:</u> Businesses should support and respect the protection of internationally proclaimed human rights; and

<u>Principle 2:</u> make sure that they are not complicit in human rights abuses.

<u>Labour</u>

<u>*Principle 3:*</u> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

<u>Principle 9:</u> encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

<u>Principle 10:</u> Businesses should work against corruption in all its forms, including extortion and bribery.

STATEMENT FROM OUR GROUP CHIEF EXECUTIVE, MR. SAJEN ASWANI

Tolaram Group has been a member of the UN Global Compact since 2008 and subscribes to the Ten Principles in our business activities. We have taken proactive actions and have established policies to work towards achieving these principles on a sustainable basis. In 2015, we will continue to support the Ten Principles, in the area of Human Rights, Labour, Environment and Anti-Corruption.

This year, we redefined the guiding values of the Group as we seek to constantly innovate and entrench our guiding values in our actions. We are also articulating what we have always tried to do instinctively. Our guiding values are Trust, Respect, Commitment, Courage and Humility, and they continue to be at the forefront of all that we do, including supporting the Ten Principles in our business activities.

Additionally our endeavours in Corporate Social Responsibility for this year include,

a) being one of the five founding companies for the **Centre of African Studies** in Singapore, the first in South-East Asia;

b) collaboration with the **World Toilet Organisation** to improve hygiene and sanitation situation in Nigeria;

c) providing artificial limbs for the unfortunate, through **ISHK Limb Centre in Nigeria**, with over 5,500 limbs fitted over the years free of charge;

d) supporting special needs children's learning and development through **Tolaram** Foundation in Estonia.

e) building orphan shelters and providing basic necessities to needy children through **Tolaram** Foundation in India and Indonesia.

We have also recently concluded our Organisation Climate Survey which aims to collate feedback from our employees to help the Group become an even better organisation to work with. The survey will be conducted on a regular basis to constantly evaluate and improve the organisation.

The Group will continue its on-going efforts to build a sustainable organisation and contribute back to the community, whilst ensuring the implementation of the ten principles in our business operations. As a part of this effort, we also regularly participate in and contribute to "Polaris Circles" which are focussed on co-creating businesses that have an added social and environmental impact.

IMPLEMENTATION OF THE 10 PRINCIPLES OF UNGC IN TOLARAM GROUP SINGAPORE

Tolaram Group is headquartered in Singapore, with corporate functions such as finance, internal audit, HR & communications and business development teams sitting in the corporate headquarters.

In Singapore, we support and respect our employees as free and equal individuals and ensure that there are no human rights issues or abuses.

We follow and comply upon the various provisions of the Employment Act in Singapore and our employees' benefits are compliant to the provisions of the Act.

Labour standards are also held with the highest regard as strict protocols and checks are ensued to ensure that there is no child labour, forced or compulsory labour. The Group currently employs over 9,500 people from India, Singapore, Indonesia, Estonia, Nigeria, Ghana, Pakistan, Ethiopia, Philippines, Germany and Russia, as well as a mixed proportion of genders, all above the legal working age required. We do not discriminate based on age, gender, race, caste, religion etc. in matters of employment or occupation.

In the area of environment, our corporate headquarters building in the 1A International Business Park was awarded the prestigious BCA Green Mark Gold Award for its green features, which includes double-glazed glass for curtain walls and windows, use of T5 light fittings and the use of environmental friendly materials with recycled content. We are also making a conscious effort to take care of the plants and greenery in the interior and exterior of our office. Regular checks are also carried out to ensure the proper maintenance of the building and its surroundings.

Regards to anti-corruption, we work against all forms of corruption, extortion and bribery. With a competent and ever improving Internal Audit team in place, there are constant checks and controls to prevent and keep check on any possible corruption cases in the company and its various subsidiaries. Employees have internalised the Group's core values, Trust, Respect, Commitment, Courage and Humility, and put them into practice in their day-to-day activities.

Emphasis is placed on the enactment of the ten principles across the Group, as periodic reviews from the senior management and external audits are constantly carried out to ensure that we are maintaining and making progress in our implementation of the 10 principles.

WEST AFRICA

Our West African operations are the largest within the Group. All the companies of Tolaram Group embrace, support and enact UNGC's ten principles in the areas of human rights, labour, environment and anti-corruption.

The main operations in West Africa are:

	Company Name	Activity
a.	DUFIL Prima Foods Plc.	Food manufacturing (instant noodles, pasta, oil and snack)
b.	Multipro Enterprises Limited	Sales and distribution of FMCG products
c.	Multipro Enterprises Limited-	Bleach
	Hypo Division	
d.	Multipro Enterprises Limited-	Retail
	First Choice Retailing Limited	
e.	Lucky Fibres Plc.	Manufacture of carpets and rugs
f.	VConnect Global Services Limited	Information Services
g.	MBH Power Limited	Transmission & Distribution of Power
h.	Lagos Free Trade Zone Company	Free Trade Zone
i.	Lekki Port LFTZ Enterprise	Deep Sea Port

Human Rights

a. DUFIL Prima Foods Plc. and its subsidiaries

• Dufil and its subsidiaries support and respect the protection of human rights and make sure that they are not involved in human rights abuses.

b. Multipro Enterprises Limited

- The company supports and respects the protection of internationally proclaimed human rights and makes sure that they are not complicit in human rights abuses.
- Individual rights are not conceded and basis of treatment is fair to all.

c. Multipro Enterprises Limited – Hypo Division

• All forms of discrimination are discouraged. Dignity of labour is protected and the climate is people-centred.

d. Multipro Enterprises Limited- First Choice Retailing Limited

• The company supports and respects the protection of the internationally proclaimed human rights within their sphere of influence; and makes sure that they are not complicit in human rights abuses.

e. Lucky Fibres Plc.

• There are no forms of discrimination and the company respects every employee equally.

f. VConnect Global Services Limited

- We have maintained, as a matter of principle to give rights to all employees (always referred to as "Associates") to express themselves freely on political rights, the right to life and liberty, freedom of thought and speech/ expression, equality before the law, social, cultural and economic rights, the right to food, the right to work, which is in line with the International human right law.
- We also operate in a very conductive working cultural environment and promote a cordial relationship between locals and expatriates.
- Human right abuses are not acceptable in any form as working hours are according to the labour law and Associates' health and general wellbeing is a very important concern to the company.

g. MBH Power Limited

- MBH understands the importance of supporting and respecting the human rights of all its employees. MBH adheres to all group company rules and guidelines with respect to human rights.
- MBH management has formed a grievance redressal cell and appointed a local staff as its head. Any complaint or information with regards to any misconduct or policy violation is looked into by this cell.

h. Lagos Free Trade Zone Company and Lekki Port LFTZ Enterprise

- We have explicit policies that protect the human rights of workers in our direct employment and we have established a monitoring system to ensure that the human rights policies are being implemented.
- We provide various lectures to raise awareness within the company of known human rights issues within the company's sphere of influence; and help them to identify those functions that are most at risk of becoming linked to human rights abuses, possibly at the pre-investment/ project exploration and planning stage.

Labour Standards

a. DUFIL Prima Foods Plc. and its subsidiaries

- We respect the unions in our companies and believe that the Security of Representation is the foundation for building trust on both sides.
- Dufil Prima Foods has a union for both senior and junior employees known as FOBTOB-(Food, Beverages & Tobacco senior staff association) and NUFBTE (National Union for Food, Beverages and Tobacco Employees).
- By right, the employees can freely leave in accordance with the established rules.
- Child labour doesn't exist in any of the companies.
- We bar all discrimination against employees because of age, race, gender, religion etc. and give every employee the encouragement needed to develop their potentials and pay special regard to the individual employee's performance and progress.
- Our workers are tested on Food Handler's Test Proficiency, and only those who clear the standards are employed.
- All our factory workers are provided with clothing from head to toe at the factory and are supposed to leave them behind when they close, in order to have high standards of production quality.

b. Multipro Enterprises Limited

- Our organisation is unionised. The Unions operate by their own rules and negotiations are carried out every other year.
- All man-hours rendered are adequately remunerated in line with acceptable standards in the industry.
- The age of our youngest employee is above the approved minimum age for industries.
- In Multipro Ghana Private Limited, the JCCs (Joint Consultation Committee) has been formed. Previously, staff associations were non-existent in these companies and hence we took the initiative and formed these JCCs for them. This way, we have ensured that there is collective bargaining from the employees' side, which is one of the principles of labour standards.

c. Multipro Enterprises Limited – Hypo Division

- Hypo Division has very cordial relationship with its employees and ensures safety and highest work standards.
- We have formed Joint Consultative Committee (JCC) where representatives of departments meet with Top Management as a means of communication line between Management and Staff and make the Human Resources Policies with the mutual consent with the Management. This is still in progress and has yielded a good result and continuous performance improvement. The staff Handbook and other guidelines have been put together in line with the best practices of Labour Standard and subject to review as and when the need arises.

- Adequate Training is given to workers (both in-house and external) to enhance their performances and operational excellence, (Lean/Six Sigma) is the priority for Hypo Division.
- The Company gives priority to able applicants within the communities to fill existing vacancies for the benefit of the indigenous youths when the company is in need of manpower.

d. Multipro Enterprises Limited- First Choice Retailing Limited

- First Choice Retailing Limited has a JCC (Joint Consultation Committee) formed, wherein the staff association was non-existent. We took the initiative and formed these JCCs for them and ensured there is some sort of collective bargaining from the employees' side which is one of the principles on labour standards.
- We practise non-discrimination in employment and occupation and employees are selected on the basis of their ability to do the job and there are no distinction, exclusion or preference made on other grounds like caste, religion, gender, etc.

e. Lucky Fibres Plc.

- Lucky Fibres shares a very cordial relationship with both the National Unions for Junior (NUTGTWN) and Senior staff (TGTSSAN). We strive to ensure the highest safety and work standard measures are followed.
- In lieu of adding value to our neighbouring communities, we always prefer hiring indigenous youths; training them to ensure a win-win culture is insinuated amid our environment. The company also provides basic amenities such as clean water supply and electric transformers to its neighbouring communities.
- The company continues to engage three retainer hospitals to cater for the health of its staff and some of their family members in and around the Lagos region. This ensures that our employees are in good health both physically and mentally.

f. VConnect Global Services

- We are always open to our Associates' views and opinions. Our emoluments are open to bargaining by each employed Associates in their departments and chosen careers. Special talents and experiences are also given special consideration in recruitment. We also engage a lot of fresh Graduates to help reduce the menace of unemployment. We train fresh Graduates and students on Industrial Training to improve their skillsets.
- There is no force in labour and all Nigerian labour law are in full compliance. There are no discrimination in gender, tribe etc.
- Associates are given the chance to grow and be promoted into managerial positions and be part to the Management meetings and decision making that will help in the growth of the company.
- We also maintain a Key Performance Indicator for all Associates to help in monitoring their growth under the watchful eye of a mentor who is to ensure frequent mentoring and advice for each appointed Associates.

g. MBH Power Limited

- MBH gives equal opportunity to all and makes no discrimination with respect to race, caste, religion, gender etc. in matters of employment or while engaging any manpower.
- MBH has no bound or forced labour
- MBH has a strict no-tolerance policy with respect to child labour.

h. Lagos Free Trade Zone Company and Lekki Port LFTZ Enterprise

- The company provides a safe and healthy workplace, ensuring non-discrimination in personnel practices. We make sure that we do not directly or indirectly use any forced labour or child labour. We provide access to basic health facility for the workers and their families, to our best ability.
- We have a clear policy not to use or benefit from forced labour, and we ensure that all company officials have a full understanding of what forced labour is. We make sure that neither the company nor its subcontractors hire any forced labour.
- We make available employment contracts to all employees stating the terms and conditions of services, the voluntary nature of employment, the freedom to leave (including the appropriate procedures) and any penalties that may be associated with a departure or cessation of work, the contracts are in languages easily understood by workers, indicating the scope of and procedures for leaving the job.
- There are adequate and verifiable mechanisms for age verifications in recruitment procedures. If there are children below the legal working age found in the workplace, appropriate measures will be taken. Influence is exercised on subcontractors, suppliers and other business affiliates to combat child labour. We also encourage and assist in launching supplementary health and nutrition programmes for children living in nearby communities.
- We have proper company policies and procedures which make qualifications, skills and experiences the basis for the recruitment, placement, training and advancement for staff for all levels. We also keep records on recruitment, training and promotion that provide a transparent view of opportunities for employees and their progression within the organisation.
- We establish the various programmes to promote access to skill development training and to particular occupations and arranging various lectures for development of the employees. Also, we encourage and support the employees to build a climate of tolerance and allow for equal access to opportunities for occupational development such as adult education programmes and health and childcare services. In addition, we also accommodate for cultural traditions and work with representatives of workers and governmental authorities to ensure equal access to employment by women and minorities.

Environment and Quality

a. DUFIL Prima Foods Plc. and its subsidiaries

We support a precautionary approach to environmental challenges and undertake initiatives to promote greater environmental responsibility.

- We are shifting from usage of AGO to compressed natural gas.
- We do Environmental Impact Assessment study done by external agencies deputed by Federal Ministry before setting up a new factory, thereafter Environment Audit is carried out by the same agencies every alternate year.
- We have an effective Waste Recycle System wherein we recycle our waste, if required.
- We also maintain the use of carrier bags which are entirely recyclable in nature.
- We have effluent treatment plant to treat all water generated from our operation to meet environmental specified regulation limit.
- Dufil manufacturing standards and product complies to all regulatory, national standards for local and exporting country requirement.
- Manufacturing facilities are certified with Quality Management System ISO 9001:2008 and Food Safety Management System ISO 22000: 2005 and ISO 9001:2008 certifying that it is maintaining the highest safety in food.
- We have detailed internal guidelines on HACCP (Hazard Analysis Critical Control Point), GMP (Good Manufacturing Practices), GLP (Good Laboratory Practices) to inculcate self-discipline and best standards developed with reference to International standard.

b. Multipro Enterprises Limited

- It is our intention to give our support to relevant governmental bodies in a bid to improve our activities for a sustained hitch-free operational environment.
- We have taken initiatives to use cleaner fuel for generation of power. In Lagos, the Multipro head office and one of the warehouses are now connect to the gas generator, prior to that, we were using diesel generator. In future, we plan to bring all our offices and warehouses in Lagos under the same scheme.
- We ensure that all our drains are well channelled to avoid erosion while we are presently working towards total elimination of spillage of waste oils.
- Our core technology-driven activities are outsourced to business process solution providers to handle for optimum results.
- In Multipro Ghana Private Limited, we undertake initiatives through our Training department to train our employees on the ways of doing various activities in environment friendly manner.

c. Multipro Enterprises Limited – Hypo Division

• In our quest to enhance effective performance and maintaining good manufacturing practice, we have received the following certification – Manufacturers Association of Nigeria (MAN), National Agency for Food and Drug and Administration and Control (NAFDAC), NIS/ISO 9001:2008, Exports and Registration Certificate.

- The NIS/ISO 9001:2008 (SON certification) was obtained and the same has been incorporated on our packaging and finished Goods.
- The company has through the support of Government Agencies both Local and State been able to maintain a clean and green environment and preventing the environmental degradation, continuous focus on the training of the staff on technical aspects, HSE (Health, Safety and Environment) in consonance with National and International best practice, and Housekeeping. The company boasts of good drainage system to all units within the facility. In keeping with sustainable environment, flowers and ornament plants are planted within the premises and environs. More on aesthetics is the artificial water fall within the facility. The manufacturing process employed to make bleach is the most environment friendly one with the available technologies.

d. Multipro Enterprises Limited- First Choice Retailing Limited

• We participate regularly with LAWMA (Lagos State Waste Management Agency) and other Lagos Local Government Environmental Agencies to make sure the environment we operate in is clean and good for in-habitants.

e. Lucky Fibres Plc.

Lucky Fibres maintains a clean and healthy working environment both within its premises and surrounding areas.

- In our endeavours to enhance our performance, we maintain a clean green environment, thus preventing environmental degradation. Continuous focus on training our staff on technical aspects, Health, Safety and Environment (HSE) subjects, housekeeping and operational excellence through Six Sigma, is our priority. To this effect, we have conducted over 65 training sessions covering 500+ employees on the above topics.
- Lucky Fibres is the sixth company in the country to be certified with NIS ISO 9001:2008 standards for Quality Management Systems. This demonstrates our commitment to exceeding customer's requirements/expectations and conforming to International standards.
- Oekotex Standard 100 has certified that our products are free from harmful substances at all the stages of production.
- Recently, the road surrounding our industrial layout underwent a beautification upgrade; providing fencing and plantations.

f. VConnect Global Services

• We are always very open to changes that will benefit the Associates, which is our priority. We are quick to comply with any environment changes that might be as a result of natural disasters, human interference, or animal interaction. We have good and capable resources available in case of any environmental changes.

- We are always thinking ahead of issues thereby creating a prompt response when the need arises. We are also very quick in providing a befitting staff cafeteria to further give Associates a more relaxed and better environment to take lunch etc.
- At Vconnect we encourage and put in place technologies that will further help our Associates in day to day activities and keep them up to date with modern technologies by providing them with the latest working gadgets and tools to meet with international standards.

g. MBH Power Limited

- MBH has a Health Safety and Environment (HSE) policy in place and provides all necessary Personnel Protection Equipment (PPE) so as to keep its employees safe and enable them to do their work with ease. MBH also undertakes HSE training for its employees working at its sites at regular intervals and a HSE officer has been appointed to overlook these.
- MBH is now ISO 9001:2008 certified with Bureau Veritas and takes pride in the fact that all its employees are taking extra efforts to make sure that MBH is completely compliant with all requirements of ISO standards.
- MBH ensures that Environment Impact Assessment (EIA) studies are completed and all environmental approvals and clearances from necessary governmental agencies are obtained before the commencement of any major projects.

h. Lagos Free Trade Zone

- We have developed a proper Health, Safety and Environment (HSE) Policy and which shows our commitment to care for health and the environment.
- We support scientific research, including independent and public research, on the issues involved. Joint industry-wide collaborative efforts have been initiated to share knowledge and deal with issues, in particular, production processes and products with high levels of uncertainty, potential harm and sensitivity.
- Plant cultivation is maximised to minimise the pollution level. Environmental Impact Assessment (EIA) and mitigation measures are the pre-requisites for any factory establishment within the Lagos Free Trade Zone. This should comply with local as well as international environment regulations.
- The vision of all the free trade zone companies is "triple bottom line" of sustainable development- economic prosperity, environmental quality and social equity.
- We are having a quality environmental condition and passing these benefits to the nearby communities to our best ability.
- We have established a corporate company policy on the use of environmentally sound technologies. We are encouraging and getting our know-how on environmental-friendliness.

i. Lekki Port LFTZ Enterprise

• Many steps have been taken as precautionary approach to environmental challenges in relation to the construction and operation phases of Lekki Port. Environmental

and Social Impact Assessment (ESIA) study was conducted for the proposed port project in compliance to IFC Performance Standards and World Bank EHS Guidelines; which was approved by African Development Bank following due diligence of the ESIA report.

- A detailed wave study was conducted for the proposed port site; based on which the port layout was designed to minimise the impact of construction on soil erosion as well as a secondary beach to be developed towards the eastern side of the port to nullify the impact of soil erosion on the natural beach.
- Physiochemical analysis of the proposed dredging area was conducted to ensure that it is not contaminated by any hazardous material.
- A team of environmental experts are engaged for this project on regular basis to address environmental issues in a professional manner.
- Stake holder communities' engagement is ensured from the planning stage of this project. Detail study of socio-economic profile for the stakeholder communities were conducted. Different focus groups interactions are an ongoing activity.
- Ecosystem services related to the stakeholder communities were evaluated and provisions are being made for more livelihood opportunities.

Anti-Corruption

- We work against all forms of corruption including extortion and bribery in all the companies. No conscious effort is made to encourage it.
- We are up to date with all Government levies and also ensure that Employee/ Company taxes and all other levies are duly remitted to Government.
- We strictly follow ethical business practices and do not encourage covertly or overtly any form of corruption. It is part of the Group culture to however provide hospitality and seasonal gifts to our various stakeholders.

ESTONIA

We currently have two manufacturing operations in Estonia:

Company Name

Activity

a.	Horizon Pulp & Paper	Manufacturing of sack kraft paper
b.	Horizon Tissue	Tissue conversion operation

Estonia, being part of the European Union, adheres to strict laws governing human rights, labour, environment and anti-corruption. All our business entities have a good track record in these areas.

Human Rights

The companies follow the Estonian Human Rights Laws which are also recognised by the European Union.

Since their inception in the nineties, our companies in Estonia do not have any human rights abuses issue in their operations. Individuals from different nationalities and with different religious and ethnic backgrounds are employed in our operating units. Common rules and practices are applied to all employees of the Company.

Labour Standards

Horizon Pulp & Paper and Horizon Tissue provide employment opportunities in Kehra, a town in Tallinn, the capital of Estonia. Social and income taxes contributed by companies are distributed to local municipality and infrastructure and social environment are improved not only for employees and their families, but also for all their neighbours.

Our companies in Estonia do not practice forced or compulsory labour, and we do not employ child labour in any of the companies. Women form a large part of employee force in our companies, which do not discriminate between male or female employees. Common rules and practices are applied to all employees of the company.

Environment

a. Horizon Pulp & Paper

Horizon Pulp & Paper (HPP) is a Forest Stewardship Council (FSC) certified Company. With its 10 principles and 56 associated Criteria, this voluntary mechanism can be regarded as one of the most interesting initiatives of the last decade to promote better forest management. We are also complying with Quality Management System ISO 9001 and Environmental Management System ISO 14001.

HPP has been proactively investing in machinery and equipment for over 10 years now for the purpose of environment compliance. Till date, the aggregate investment in environmental projects has been over €40M, aimed at the following:

• reduction and eventual elimination of physical waste from its mill

- elimination of emission of harmful gases from its mill
- reuse of waste water in process
- burning of unpleasant smell gases

b. Horizon Tissue

- The company ensures that employees that procure, store, handle and use fuels and chemicals have the right competence and are adequately trained.
- The company ensures and demonstrates continuous environmental improvements relative to increases in operations in various areas e.g. reduction of emissions to air, discharges to ground, water, hazardous and non-hazardous waste

Anti-Corruption

All the companies' policies are strongly against all forms of corruption/ bribery/ extortion. The companies have transparent and open systems for this purpose. They work proactively to prevent corruption and illegal activities and dissociate themselves from corruption in any form, whether direct or indirect. Furthermore being in European Union, we are strictly following the laws and regulations that are against money laundering. HPP has included the Anti-Corruption clause to all the agreements and contracts.

INDONESIA

Lotus Indah Textile Industries Limited

This company based in Surabaya, Indonesia, is engaged in the manufacture of polyester and rayon spun yarns. The company employs about 1,600 people.

Human Rights

In 2014 Lotus Indah Textile Industries closed its operations in Rungkut and relocated to Nganjuk. The company continues to be committed to supporting and protecting the basic human rights. The Management and senior staff team of the organization made special efforts during the recruitment process of workers at the new plant site to ensure that the process was without distinction of any kind, such as race, colour, gender, language, religion, political or other opinion, national or social origin, property, birth or other status. Furthermore, no distinction was made on the basis of the political or jurisdictional status of the territory to which the person belonged.

All manufacturing operations in the new plant are conducted in an ethical manner that support and protect the rights and interests of all persons associated with Lotus Indah. We ensure the provision of a fair, safe and healthy workplace for all employees, free from discrimination, harassment or abuse.

Labour Standards

Our employment policy commits us to respect the right of all employees to form and join trade unions of their choice and to bargain collectively, and promotes the relevant structures and relationships where this is both appropriate and local practice.

The working conditions of all employees are regulated through negotiations and the interests of the employees are commonly presented by their representatives.

We prohibit forced, compulsory and underage labour, and any form of discrimination based on race, religion, age, disability or political affiliation.

Lotus Indah prohibits the use of child labour in any form. Laws of Land of Indonesia are respected absolutely.

Lotus Indah promotes workplace equality and seeks to eliminate all forms of unfair discrimination. Equitable processes for recruitment, promotion and remuneration are in place, which ensure employment and promotion on the basis of job requirements and merit, and which support the establishment of a diverse workforce and ensure that all employees and employment applicants are treated equally irrespective of race, colour, gender, sexual orientation, religion or belief, family circumstances, political opinion, trade union membership, age, nationality or disability.

Environment

Lotus Indah actively strives for recognised best environmental performance in our operations. In order to achieve this, we apply a precautionary approach in our decision-making and integrate environmental principles into our business strategy. We are ISO 14000 compliant.

As a business, we are committed to minimising our impacts on the natural environment, on living and non-living natural systems, including ecosystems, land, air and water. We are determined to be resource-efficient, increase our use of raw materials from renewable resources, develop cleaner production methods and play our part in combating climate change by improving energy efficiency and reducing our GHG emissions.

Anti-Corruption

Lotus Indah is opposed to corruption and illegal practices in all their forms. We do not become involved in any improper political activities and we do not make political donations or incur political expenditure.

We abide by Tolaram Group's Guiding Principles and set clear principles for the conduct of our business activities.