



2023

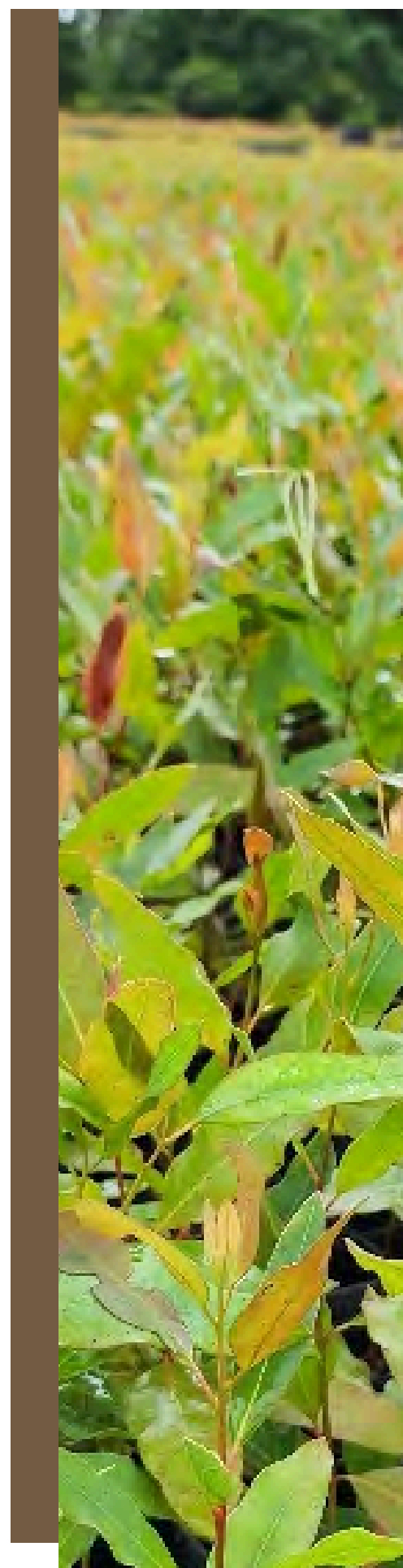
**SUSTAINABILITY
REPORT**





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A WORD FROM OUR GENERAL MANAGER

At Mekong Timber Plantations, sustainability isn't just something we talk about it's at the heart of everything we do. As we share our 2023 Sustainability Report with you, I'm pleased to reflect on the steps we've taken this past year to live out our values and make a positive impact on the world around us.

This report is a window into our journey, highlighting the ways we're working to improve governance, respect human rights, engage with our stakeholders, and protect the environment. We've committed ourselves to being financially transparent and ethically driven because we believe these principles are the foundation for long-term sustainability.

Our connection to the communities we serve is a big part of who we are. Initiatives like the Hinboun Youth Volunteer Group and the Mekong Smallholder Development Program are close to our hearts, as they reflect our dedication to helping people grow and thrive. We know our success is intertwined with the well-being of these communities, and we're proud of the progress we've made together.

In addition, programs like the Contractor Capacity Development Program and the Tree Improvement Program show our commitment to responsible supply chains and sustainable practices. These efforts are not just about doing what's right they're about ensuring that our impact is positive and lasting, both for our business and the planet.



Key Focus Areas

As we continue to advance our sustainability journey, there are a few key areas we're really honing in on.

We're focusing on internal monitoring to ensure that our practices are not just meeting but exceeding our sustainability goals. We're always looking for ways to improve and adapt to new challenges and opportunities.

A major part of our work revolves around maintaining a responsible supply chain. We know that the choices we make here have a ripple effect, which is why we've put so much effort into, and working closely with our partners, where we are helping them build their capabilities and align with our high standards for ethical and sustainable practices.

Our youth volunteer programs are another important focus for us. We're passionate about empowering the next generation to take the lead in sustainability. These programs are all about giving young people the tools and inspiration they need to make a real difference in their communities.

None of this would be possible without strong governance. We've built a governance structure that keeps us accountable, transparent, and always striving to do better. It's this commitment to continuous improvement that drives our success and ensures we stay true to our sustainability goals.

Looking Forward

As we look ahead, we're more committed than ever to keeping sustainability at the forefront of everything we do. We know the road ahead won't always be easy, but we're ready to dig in and continue making meaningful contributions to the United Nations Sustainable Development Goals (SDGs).

We're eager to keep innovating and working hand-in-hand with our stakeholders to find new ways to protect our environment, promote social equity, and drive economic growth. Our journey is ongoing, and we're excited to keep pushing forward, always with an eye on creating a better, more sustainable future for everyone.

Thank you for being a part of our journey. We're grateful for your support as we continue to work together toward a more sustainable world.

Nico Strydom
General Manager
Mekong Timber Plantations Co., Ltd

Celebrating Breakthroughs, Our Sustainability Impacts

22%

of Total Company
Budget dedicated to
Sustainability in 2023

100%

Support from participants
in the Collaborative
Restoration Project

3,051

Job opportunities
provided

31%

Reduction in Work-
Related Injuries

287

Capacity Development
Sessions conducted for
MTP employees and
contractors

67%

of Team Leaders at the
Processing Mill are
Women

70%

Reduction in the
Application Rate of
Glyphosate

1

New Youth Impact Project
launched, focusing on
local youth development
and community livelihood
improvement.

2.75x

Increase in the number
of intern students
participating in our Four
Area Development
initiative.



ABOUT US

Mekong Timber Plantations (MTP) stands at the forefront of sustainable forestry in Asia, managing a vast 24,000-hectare estate in the heart of Laos, primarily across the Bolikhamxay and Khammouane provinces. With over 18,000 hectares dedicated to planted eucalyptus and acacia trees, MTP is committed to advancing sustainable forestry practices, enhancing local ecosystems, and delivering high-value timber to regional markets. Our strategic locations include regional offices in Paksan and Songhong, and our main headquarters in Vientiane, ensuring robust oversight and effective operations across our plantations.

We aim to set a benchmark in sustainable plantation forestry by continuously developing and refining our silvicultural methods to align with international best practices for responsible forest management. Our goal is to produce not only high-quality timber but also to uphold the highest standards of environmental stewardship, community engagement, and sustainable development. At MTP, we are dedicated to fostering a brighter, greener future for the region and beyond through innovative practices and a steadfast commitment to sustainability.

Concession Land	23,948 ha
Planted and TUP Area	16,497 ha
No. of Employees	257 individuals
No. of Job Opportunities Provided to Contractor Workers	2,794 positions
No. of Communities Involved	134 villages
Factory Installed Capacity	150,000 cubic metre/year intake
No. of Smallholder and Area Planted	355 families/383 ha

PURPOSE AND VALUES

“MTP aims to be Laos leading integrated forestry manager, committed to environmental and social sustainability. A proud regional employer, actively engaged in community development.”

Core Values

Our commitment to enriching lives through sustainable forest management is driven by our core values and organizational culture. These values guide our mission to responsibly manage resources, protect biodiversity, and create lasting benefits for the climate, environment, and communities.

Ethical business conduct is the foundation of our ongoing success. We diligently adhere to international, national, and local regulations, ensuring that our practices not only meet but exceed global standards. Our dedication to these principles is integral to our mission and underpins our efforts to foster sustainable progress and positive impact.

Responsible Forest Management

Sustainability is a fundamental cornerstone of MTP’s operations. We are deeply committed to upholding international best practices for responsible forest management. Our estate proudly holds certification under the Forest Stewardship Council’s (FSC) principles and criteria for Forest Management, with license code FSC-C140421. This certification is a testament to our unwavering dedication to high standards of environmental stewardship, social responsibility, and economic viability. Additionally, our Processing Plant is certified under the FSC™ Chain of Custody standard (license code FSC-C176516). This certification ensures traceability and transparency throughout our production chain, confirming that our timber products are sourced responsibly and sustainably, from the forest to the final product.



Our Contribution Towards The United Nations Sustainable Development Goals (UN SDGs)



In 2023, MTP remains unwavering in our belief that businesses have a significant responsibility to drive sustainable development and build a more equitable and resilient world. Our deep-rooted commitment to the UN SDGs reflects our heartfelt dedication to fostering positive change and confronting urgent challenges such as poverty, inequality, climate change, environmental degradation, and social injustice.
















We focus on global objectives where our impact is both meaningful and transformative. By aligning our core sustainability efforts with the relevant SDG benchmarks, we are resolute in crafting and executing strategies that advance the most critical goals for our mission.



These objectives are at the heart of our operations, enabling us to make a significant difference in a broader global context. Through this purposeful approach, we ensure that our actions are not only aligned with our strategic goals but also resonate with our commitment to driving sustainable progress for a better future.



Our 2023 SDG Contribution Highlights

 <p>1 NO POVERTY</p>	<ul style="list-style-type: none"> In 2023, we conduct a thorough review of wage structures to ensure all employees, including those within our supply chain, receive compensation at or above living wage standards. This crucial step aligns with our overarching mission to alleviate poverty and boost economic stability in local communities. 	 <p>2 ZERO HUNGER</p>	<ul style="list-style-type: none"> We continue to uphold equitable wage practices, ensuring that all employees and supply chain workers have access to nutritious food. Our Smallholder Development Program makes significant strides in diversifying income sources for local farmers, enhancing food security within their communities.
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<ul style="list-style-type: none"> We remain unwavering in our commitment to safety and health awareness, fostering a workplace that supports both physical and mental well-being. Our careful use of herbicides and pesticides helps mitigate health risks for our workers, neighboring communities, and the environment. 	 <p>4 QUALITY EDUCATION</p>	<ul style="list-style-type: none"> Our internship initiative offers valuable practical experience and career guidance for young people, promoting both education and professional growth. In collaboration with local youth unions, we establish a volunteer group dedicated to youth development, focusing on educational and skills enhancement.
 <p>5 GENDER EQUALITY</p>	<ul style="list-style-type: none"> We make significant strides in gender equality by appointing female team leaders at the mill, showcasing our commitment to diverse leadership. Additionally, we establish a female focus group for our restoration project, ensuring that women's perspectives and needs are central to our environmental and community initiatives. 	 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<ul style="list-style-type: none"> Our commitment extends beyond job creation as we expand our investments in skills development, offering training programs that foster both personal and professional growth. By prioritizing local sourcing, we support regional businesses and stimulate economic growth. Our community initiatives contribute to broader social and economic progress.
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<ul style="list-style-type: none"> We continue to collaborate with research institutions, universities, and industry experts to drive technological advancements and tackle environmental and social challenges. These partnerships are crucial in enhancing infrastructure, promoting innovation, and supporting sustainable industrial growth. 	 <p>10 REDUCED INEQUALITIES</p>	<ul style="list-style-type: none"> We persist in reducing inequalities by advocating for fair employment practices and inclusivity. Engaging local communities, including marginalized groups, ensures their voices are heard in decision-making processes. Our enhanced grievance mechanism provides a transparent platform for addressing concerns. Our scholarships and partnerships with educational institutions promote equal access to education and training, paving the way for a more equitable future.
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<ul style="list-style-type: none"> Our dedication to responsible consumption and production is evident through strict adherence to FSC and IFC PS standards, ensuring sustainable practices. We emphasize supply chain awareness, involving contractors and partners in sustainable production and certification efforts, promoting responsible resource use. 	 <p>13 CLIMATE ACTION</p>	<ul style="list-style-type: none"> We strengthen our climate action initiatives through collaboration with the LocoForest program, focusing on reforestation and afforestation projects. Partnering with the National University of Laos (NUOL), we ensure optimal species selection for these critical environmental efforts.
 <p>15 LIFE ON LAND</p>	<ul style="list-style-type: none"> We advance our commitment to sustainable land management by implementing integrated pest management strategies, significantly reducing the use of hazardous chemicals. We achieve a 70% reduction in glyphosate use, minimizing environmental impacts and preserving biodiversity and ecosystem health. 	 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<ul style="list-style-type: none"> We enhance the accessibility and awareness of our grievance mechanism, ensuring that all stakeholders, including employees and local communities, can effectively raise concerns and seek resolutions. Our restoration projects are designed with a strong emphasis on human rights, ensuring fairness and equity are integral to our work.
 <p>17 PARTNERSHIPS FOR THE GOALS</p>	<ul style="list-style-type: none"> Our commitment to sustainable development is bolstered by key partnerships with governments, NGOs, and other businesses. These collaborations enable us to pool resources, share expertise, and advance joint initiatives in sustainable development and conservation, driving collective progress toward a better future. 		



The sustainability agenda continues

OUR SUSTAINABILITY APPROACH

Sustainability stands as a fundamental pillar of MTP's business strategy, underpinning our dedication to conscientious and influential operations. In our endeavor to shape a more promising future, the significance of embracing sustainable practices becomes increasingly paramount. Our continuous support for community growth, environmental preservation, and sustainable advancements is vital in actualizing our vision and fostering significant advancements.

In light of escalating global challenges such as climate change, biodiversity loss, and social inequality, businesses play a pivotal role in tackling these pressing issues. This entails not only minimizing adverse effects but also proactively participating in the development of viable solutions.

The escalating focus on sustainability has significantly influenced global markets, prompting consumers to advocate for responsible and transparent manufacturing practices from companies. This rising preference for sustainable goods underscores a notable transformation in consumer behavior.

MTP acknowledges the significance of providing just, inclusive, and varied offerings. We are dedicated to meeting societal expectations while confronting worldwide issues, ensuring that our activities adhere to sustainable and ethical standards.



Investing in Our Future: 22% of Total Company Budget Dedicated to Sustainability in 2023

In 2023, MTP has allocated 22% of our total company budget to sustainability initiatives, demonstrating our serious commitment to integrating responsible practices across every aspect of our operations. This substantial investment highlights our dedication to environmental stewardship, social responsibility, and long-term viability, reinforcing our role as a leader in sustainable development.

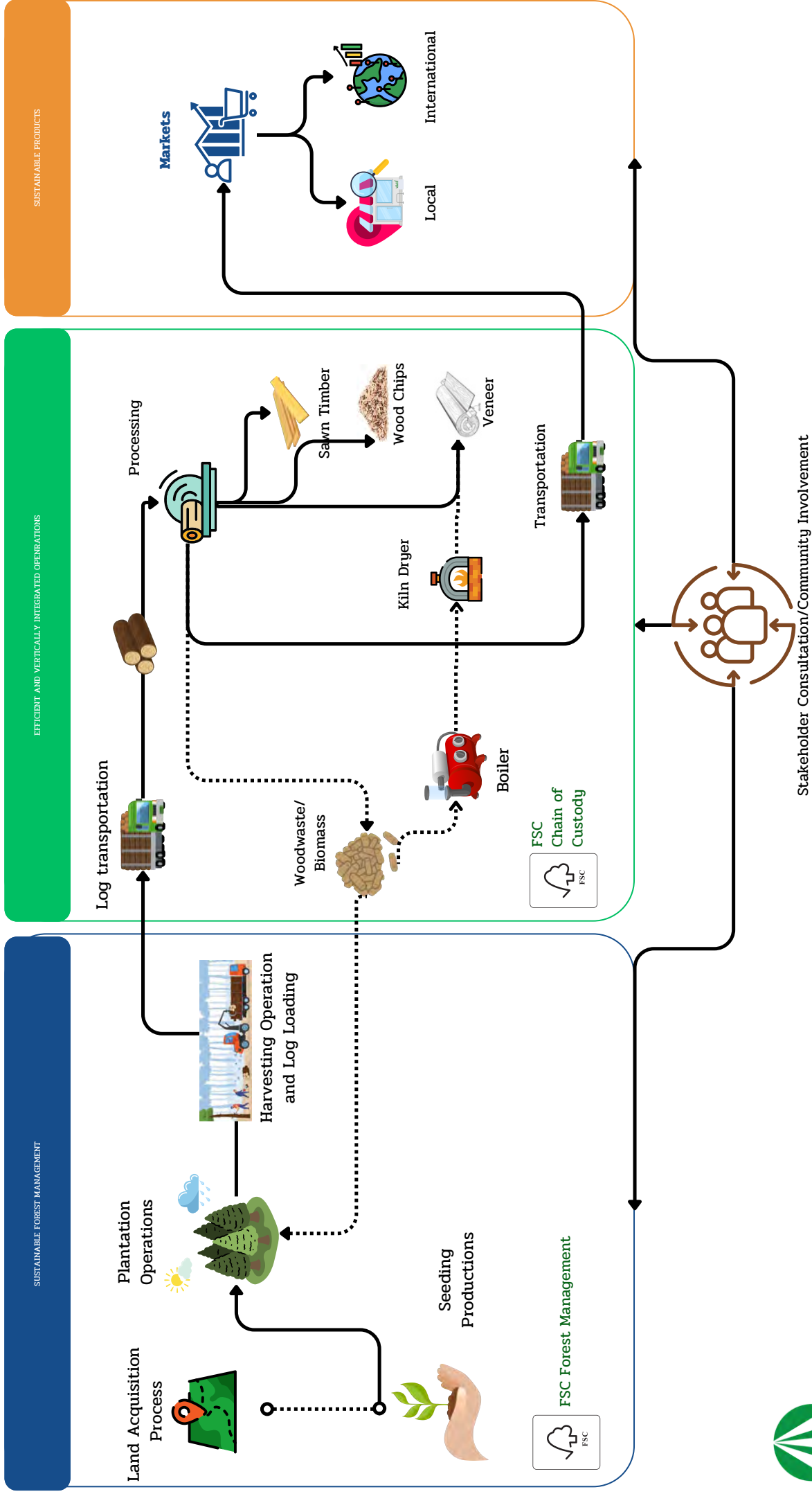


MTP FUNDAMENTAL SUSTAINABILITY PILLARS

Environmental Stewardship		
Sustainable Forest Management	Conservation and Biodiversity	Climate Change Mitigation
<ul style="list-style-type: none"> We are committed to sustainable forest management practices that ensure the health and productivity of our forests. This includes responsible harvesting techniques, reforestation efforts, and protecting biodiversity. Our operations comply with international standards and certifications, such as FSC, to ensure that our practices are environmentally sound. 	<ul style="list-style-type: none"> Protecting and enhancing biodiversity is a key focus of our environmental efforts. We identify and preserve high conservation value (HCV) areas within our plantations and implement measures to protect endangered species and their habitats. Our restoration projects aim to rehabilitate degraded areas and promote ecosystem resilience. 	<ul style="list-style-type: none"> We are dedicated to reducing our carbon footprint and contributing to global climate change mitigation efforts. This includes adopting energy-efficient technologies, reducing greenhouse gas emissions, and promoting carbon sequestration through sustainable forestry practices. We regularly monitor our environmental impact and set targets for continuous improvement.
Social Responsibility		
Community Engagement	Employee Well-being and Development	Child Rights and Youth Inclusion
<ul style="list-style-type: none"> We recognize the importance of building strong relationships with the communities in which we operate. Our community engagement programs focus on improving livelihoods, supporting education, and promoting health and well-being. We work closely with local stakeholders to understand their needs and develop initiatives that deliver tangible benefits. 	<ul style="list-style-type: none"> Our employees are our most valuable asset, and their well-being is a top priority. We provide a safe and inclusive working environment, offer competitive wages, and invest in professional development and training. Our policies promote diversity, equity, and inclusion, ensuring that all employees have the opportunity to thrive. 	<ul style="list-style-type: none"> We are committed to safeguarding children's rights and preventing child labor. Our Youth Inclusion Program provides job opportunities, internships, scholarships, and training to local young people, helping them build skills and secure a brighter future. We actively engage with local schools and communities to promote education and development.
Economic Viability		
Sustainable Business Practices	Innovation and Efficiency	Transparent Reporting and Accountability
<ul style="list-style-type: none"> Economic sustainability is essential for the long-term success of our company. We strive to balance profitability with environmental and social responsibility. Our business model is designed to create shared value for all stakeholders, from employees and local communities to investors and customers. 	<ul style="list-style-type: none"> We continuously seek innovative solutions to enhance our sustainability performance. This includes investing in research and development, adopting new technologies, and improving operational efficiency. By staying at the forefront of industry advancements, we ensure that our practices remain sustainable and competitive. 	<ul style="list-style-type: none"> Transparency and accountability are fundamental to our sustainability approach. We regularly report on our sustainability performance, sharing our progress, challenges, and achievements with stakeholders. Our sustainability reports are aligned with global standards and frameworks, providing a clear and honest account of our efforts.



Our Integrated Supply Chain is governed by rigorous sustainability standards





GOVERNANCE

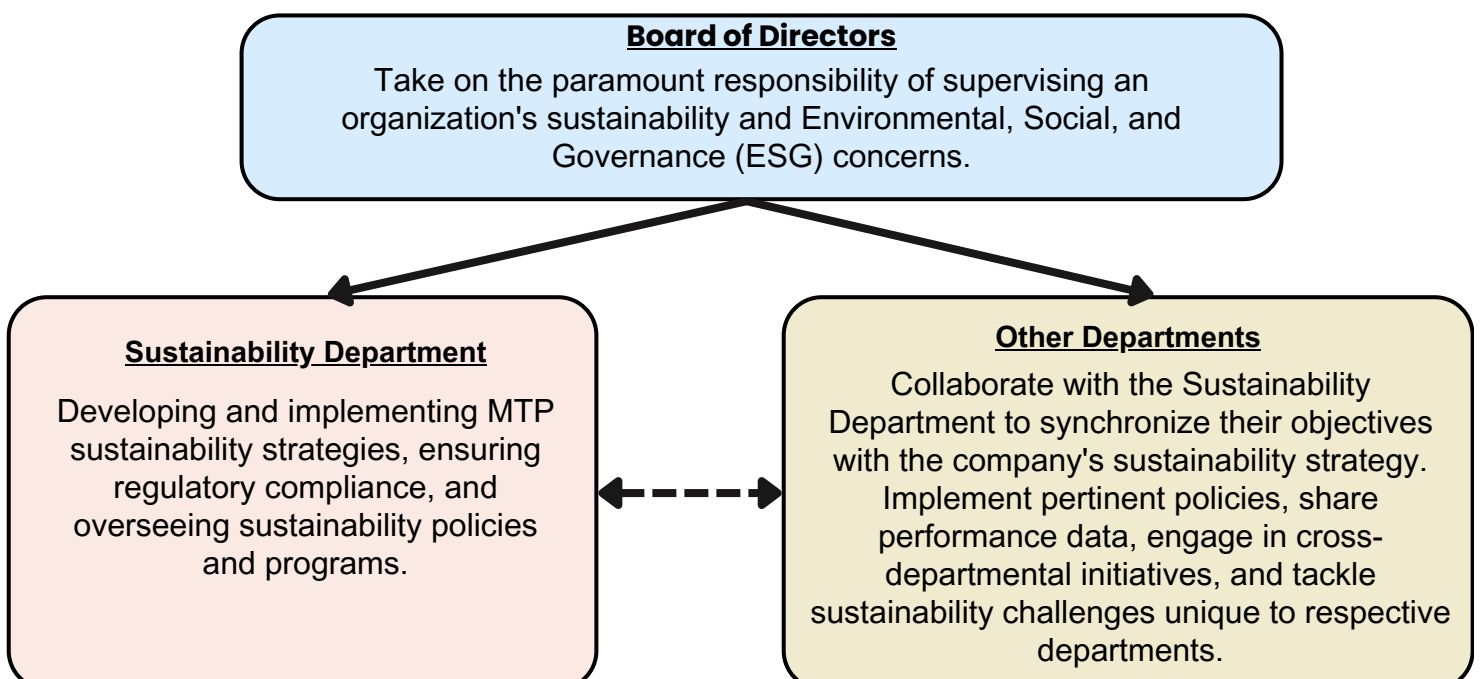
MTP has developed and implemented a governance system that intricately weaves sustainability into all facets of our business operations. This system undergoes oversight at various levels, spanning from our Executive Leadership down to operational teams.

Guided by our Code of Conduct, our governance framework establishes the fundamental values and ethical standards that govern our business practices. Collaboration between Business Units and the Sustainability Department ensures the seamless integration of sustainability principles into our day-to-day operations.

The Sustainability Department holds pivotal roles within our organization, including formulating and executing sustainability policies, steering the implementation of our sustainability strategy, and identifying key initiatives to embed sustainability into our business model. By fostering partnerships and fostering collaborative engagement, the Department enhances our company's sustainability endeavors. Additionally, it oversees audits, ensures supplier compliance, and secures certifications. Monitoring and validating progress serves to uphold accountability to both internal and external stakeholders. By coordinating with various business units, the Department facilitates the execution of strategies necessary to achieve our sustainability objectives, ensuring transparent and accurate sustainability reporting.

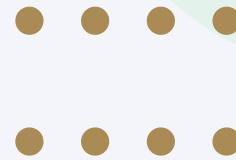
To fortify our commitment to integrity and transparency, internal control mechanisms have been established, complemented by external audits that reinforce accountability for our advancements and achievements.

The diagram below outlines our governance structure:





BUSINESS INTEGRITY



At MTP, upholding business integrity is paramount, not only for cultivating a favorable reputation but also for nurturing trust among our team members and external partners, ultimately ensuring enduring success. Our dedication to business integrity serves as the bedrock of our operations, informing our daily actions and choices.



1. Ethical Practices:

We uphold the highest standards of ethical conduct in all our business activities. This means being transparent, honest, and fair in our dealings with employees, customers, suppliers, and the communities we serve. We have established a Code of Conduct that outlines our commitment to ethical behavior and provides clear guidelines for all employees to follow.

2. Compliance and Governance:

MTP is dedicated to complying with all applicable laws, regulations, and industry standards. Our robust governance framework ensures that we operate with accountability and transparency. Regular audits and reviews are conducted to ensure adherence to legal and regulatory requirements, and we continually strive to improve our governance practices.

3. Anti-Corruption and Anti-Bribery:

We have a zero-tolerance policy towards corruption and bribery. Our Anti-Corruption and Anti-Bribery Policy is designed to prevent, detect, and address any corrupt practices within our organization. All employees and business partners are required to comply with this policy, and we provide training to ensure everyone understands their responsibilities in maintaining a corruption-free environment.

4. Responsible Sourcing:

Our commitment to integrity extends to our supply chain. We work closely with our suppliers to ensure they adhere to our ethical standards and comply with relevant laws and regulations. Our Supplier Code of Conduct sets out our expectations for responsible business practices, and we conduct regular assessments to monitor compliance.

5. Social Responsibility:

At MTP, we recognize our responsibility to contribute positively to society. We are committed to sustainable development and strive to minimize our environmental impact while maximizing social and economic benefits for the communities we operate in. Our social responsibility initiatives are guided by principles of fairness, respect, and ethical conduct.

6. Continuous Improvement:

We are committed to continuously improving our business integrity practices. This includes regularly reviewing and updating our policies, providing ongoing training for employees, and seeking feedback from stakeholders to identify areas for enhancement. By fostering a culture of integrity, we ensure that our actions align with our values and contribute to long-term success.

Maintaining business integrity at MTP is not just a commitment; it is a fundamental part of who we are. By upholding the highest standards of ethical conduct, we build trust, protect our reputation, and ensure the sustainable success of our company.

Commitment to Financial Transparency and Ethical Excellence for Long-Term Sustainability

At MTP, our commitment to financial transparency and business ethics is integral to our mission of achieving long-term sustainability and operational excellence. Recognizing the critical importance of these principles, MTP has made a strategic decision in 2023 to invest in an advanced accounting management system, marking a significant step towards reinforcing our dedication to these core values.

Driving Financial Transparency for Sustainable Success

Financial transparency is a cornerstone of our approach to responsible business management. By integrating a state-of-the-art accounting system, MTP is enhancing our financial practices through:

- **Real-Time Insights:** Enables monitoring financial health with clarity and precision through real-time reporting.
- **Accuracy and Reliability:** Automated processes ensure accurate and reliable financial reports to maintain trust and confidence in operations.

Championing Ethical Practices

Our investment in cutting-edge accounting technology underscores MTP's steadfast commitment to upholding the highest standards of business ethics. This investment bolsters our ethical framework through the following avenues:

- **Enhancing Accountability:** The new system's meticulous audit trails and transaction logs foster accountability, deterring unethical conduct.
- **Ensuring Compliance:** the system aids in adhering to accounting norms and regulatory mandates, reducing the likelihood of legal entanglements and reinforcing our dedication to ethical business practices.
- **Safeguarding Data Integrity:** The advanced security measures of our new system shield our financial data from unauthorized access, preserving its accuracy and confidentiality.
- **Fostering Fair and Transparent Procurement:** Our upgraded system facilitates transparent and equitable management of suppliers and vendors, aligning with our ethical procurement principles and underscoring our commitment to fairness in all business transactions.
- **Empowering Real-Time Business Decision-Making:** The data and analytics offered empower us to make well-informed decisions that mirror our fundamental values and long-term aspirations for sustainable growth.



Human Rights



We firmly uphold the fundamental principle that all individuals merit dignity and respect, irrespective of gender, socioeconomic background, or religious affiliations. It is our expectation that all stakeholders be it employees, partners, suppliers, or customers adhere to these essential human rights principles.

Our commitment lies in leading by example through the promotion of human rights, aligning with local, national, and international regulations. By continuously evaluating our advancements and incorporating insights gained into our processes, we aim to adhere to globally acknowledged standards and optimal methodologies, all while respecting the constitutional rights and legal frameworks within the regions in which we operate.

RESPECTING AND UPHOLDING EMPLOYEE RIGHTS

We prioritize protecting employee rights in our operations by ensuring safe and healthy working conditions, fair treatment, and the provision of a fair living wage.

- Right to a Safe and Healthy Workplace
- Right to Decent and Fair Living Wages and Benefits
- Right to Fair Working Hours
- Right to Effective Grievance Mechanisms
- Right to Freedom of Association and Collective Bargaining
- Non-Discrimination
- Prohibition of Forced Labor in any form
- Prohibition of Child Labor in any form





Human rights policies across our organization are overseen by the HR and Sustainability Departments within MTP, which boast extensive proficiency in human rights matters relevant to our operations. We take a proactive stance in identifying key areas of focus to address pertinent issues and deploy customized control and management strategies to suit our requirements. Our approach to community and labor rights is precision-targeted, involving input from stakeholders to mitigate risks and pinpoint avenues for enhancing human rights practices.

We foster open dialogue to gauge stakeholders' readiness and advancements in meeting human rights standards. This ensures a clear understanding of our expectations for compliance, particularly within our supply chain, and we offer support to facilitate the adoption of best practices.

Regular assessments of our human rights performance are conducted by our Fund Manager through appraisals of existing protocols, interactions with human rights advocates, and evaluations of social impacts across all facets of our operations. Subsequent to these assessments, our management team enacts corrective measures as deemed necessary.



MTP Board of Directors' Oversight and Commitment to Human Rights

The Board of Directors at MTP demonstrates a significant dedication to human rights issues, acknowledging their pivotal role in the company's enduring success. The Board meticulously attends to human rights considerations through the following key practices:

- **Regular Reporting and Updates:**

The management team consistently furnishes the Board of Directors with reports on human rights compliance, encompassing performance evaluations, social impact assessments, and engagements with human rights advocates. These reports ensure the Board maintains current insights into practices and identifies potential areas warranting attention.

- **Strategic Oversight:**

The Board scrutinizes and endorses strategic plans integrating human rights considerations to ensure alignment with international standards and best practices. They provide direction in setting priorities and addressing emerging human rights challenges.

- **Accountability and Transparency:**

The Board upholds the management team's responsibility for establishing and upholding effective human rights policies. Ensuring transparency, the Board mandates thorough documentation and evidence of compliance endeavors, corrective measures, and initiatives for continuous enhancement.

- **Stakeholder Engagement:**

Board members actively interact with essential stakeholders, such as community representatives, human rights entities, and industry groups, to collect feedback and insights on the company's human rights performance. This dialogue aids the Board in integrating external perspectives into decision-making processes.

- **Continuous Improvement:**

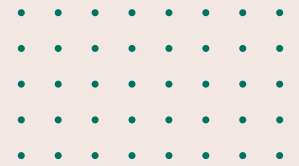
Embracing a culture of perpetual enhancement, the Board promotes innovation and best practices in human rights management. They endorse endeavors that augment capabilities and ensure proactive responses to evolving human rights complexities.

- **Commitment to Ethical Leadership:**

The Board exemplifies unwavering dedication to ethical leadership by integrating human rights considerations into the company's fundamental values and governance structure. This commitment, cascading from the top, underscores the significance of human rights across the organization.



Stakeholder Engagement



Stakeholder engagement is crucial for achieving our business objectives and advancing progress towards our targets. Our strategy focuses on several key objectives:

- **Listening and Understanding:** We prioritize attentively listening to stakeholder expectations and concerns, ensuring we address their needs and incorporate their feedback into our practices.
- **Balanced Communication:** We aim to communicate with stakeholders in a balanced, objective, and accurate manner, providing clear and truthful information to build trust and transparency.
- **Building Relationships:** We develop robust and effective relationships that evolve into collaborative partnerships, fostering mutual support and cooperation.
- **Enhancing Visibility:** We work to enhance our visibility among key stakeholders and strengthen our reputation in responsible and sustainable forest management practices.




Our engagement strategies are designed to meet the needs and interests of both internal and external stakeholders through various channels, including meetings, consultations, and virtual forums, to exchange knowledge and share best practices.



Our Stakeholder Engagement Strategies

Who?	Why?	How?
<p>Employees</p> 	<ul style="list-style-type: none"> • MTP employees are integral to our business, continuous engagement with them shapes our culture and values. • MTP invests in talent development through training programs, scholarships and welfare benefits. • We focus on building a locally skilled workforce with growing depth and expertise, enhancing our company's strength. 	<ul style="list-style-type: none"> • Fostering open communication, setting clear expectations, and providing regular feedback. • Investing in professional development, recognizing achievements and creating an inclusive culture. • Involving employees in decision-making and ensuring supportive leadership helps build a positive work environment that drives satisfaction and success.
<p>Communities</p> 	<ul style="list-style-type: none"> • Our success is closely tied to the health and prosperity of the communities we are part of. • Engaging in ongoing and transparent dialogue with local communities allows us to address challenges collaboratively, create job opportunities, empower residents, and build trust. • We recognize our responsibility to make a positive impact beyond our immediate operations. • We invest directly in these communities by supporting initiatives in skills development, education, environmental protection, and infrastructure development. 	<ul style="list-style-type: none"> • Address current and upcoming operational issues and performance while obtaining the Free, Prior, and Informed Consent from communities when necessary. • Our community development initiatives aim to boost local economies and target long-term social investments through educational enhancement and skill development. • Our grievance mechanisms involve actively engaging with communities to address and resolve complaints while implementing measures to prevent recurrence. • We utilize a confidential, and anonymous grievance system, and encourage the feedbacks from communities
<p>Government</p> 	<ul style="list-style-type: none"> • MTP is committed to adhering to relevant national standards and permit requirements, ensuring compliance with local, national, and international laws. • We actively engage with national and local governments and regulators to communicate our intentions, address their concerns, and support their priorities. 	<ul style="list-style-type: none"> • MTP actively engages in consultations for new laws and regulations, monitors and reports on legal compliance, and works with authorities to align on common goals. • We also foster public-private partnerships to strengthen collaboration and achieve shared objectives.

Our Stakeholder Engagement Strategies

Who?	Why?	How?
<p>Suppliers and Contractors</p> 	<ul style="list-style-type: none"> • We partner with our contractors to improve practices and ensure compliance with MTP policies on occupational health and safety, sustainable forest management, and business ethics. • We work with our suppliers to tackle common challenges throughout the value chain, fostering transparency and ensuring legal compliances. 	<ul style="list-style-type: none"> • We collaborate with our contractors to ensure they meet our due diligence requirements and support their efforts in meeting FSC standard. • We conduct regular compliance audits, engage constructively with our contractors in cases of non-compliance and evaluate contractor performance to enhance our E&S management system.
<p>NGOs</p> 	<p>MTP partners with local and international NGOs in multi-stakeholder collaborations to address shared challenges.</p> <p>These include:</p> <ul style="list-style-type: none"> • Focusing on responsible forestry business • Human rights, community and indigenous rights • Deforestation and ecosystem restoration • Community livelihoods and youth development. 	<ul style="list-style-type: none"> • Discussions and Dialogue: Facilitate open, ongoing conversations with NGOs to share insights, address concerns, and explore potential areas of collaboration. • This includes regular meetings, brainstorming sessions, and informal discussions to build mutual understanding and align on goals. • Invite NGO representatives to visit MTP operations to understand our practices. This allows for transparent discussions, fosters trust, and helps identify potential areas for collaboration and improvement. • Involvement in joint projects, and strategic planning.
<p>Research Institutes</p> 	<ul style="list-style-type: none"> • Engaging with research institutes to focus on improving operational efficiency, sustainability, and technology of MTP Processing Mill. 	<ul style="list-style-type: none"> • Collaborative Research Projects: Initiate joint research projects focusing on sustainable forestry practices, biodiversity conservation, and community development. • Site Visits and Field Studies: Arrange for research institute representatives to visit MTP sites and conduct field studies

Free, Prior and Informed Consent (FPIC): Upholding Community Rights and Sustainability

We honor the customary rights of indigenous and local communities, including their legal and traditional land tenure rights. Our commitment to the UN Declaration on the Rights of Indigenous Peoples and the ILO Convention on Indigenous and Tribal Peoples (No. 169) includes upholding the principle of Free, Prior, and Informed Consent (FPIC). We prioritize sustainability and the protection and promotion of human rights, especially concerning our oil palm plantation activities.



No development or expansion of our operations can proceed without obtaining Free, Prior, and Informed Consent (FPIC) from indigenous and local communities regarding land use. This crucial practice ensures the protection of their rights, traditions, and livelihoods.

In 2023, MTP conducted 146 pre-operational risk assessments and community engagement meetings.

This proactive approach not only identifies and addresses potential risks but also fosters trust and establishes positive relationships with affected communities, enhancing our operational resilience. We believe this strategy champions transparency, inclusivity, and sustainable development while minimizing adverse impacts and generating mutual benefits for both our organization and the communities involved.

MTP also continues to implemented a comprehensive monitoring and evaluation framework to ensure that the commitments made during the FPIC process are honored. This includes internal audits, transparent reporting mechanisms and follow-up meetings as required to continuously uphold the voices of community members throughout the lifecycle of our projects.



Human Resource Development

MTP continually invests in developing the skills of our current workforce while also recruiting new hires who possess the future-ready capabilities.

For MTP, our employees play a pivotal role in the company's success. Their expertise, skills, dedication, and ingenuity are instrumental in driving continuous development and achieving success. MTP support the professional and personal development of our employees. It is not only a testament to the company's commitment to our workforce but also a strategic investment in the company's future. When employees are empowered to grow and develop, they become more engaged, motivated, and productive. This, in turn, contributes to the company's overall performance and competitiveness.



At MTP, investing in employee development including: providing on going hard and soft skill training programs, sponsoring educational for our employees opportunities, having inter and intra-department knowledge sharing programs, career advancement pathways, and resources for personal growth and well-being. We believe that offering these opportunities do not only helps our employees to enhance their skills and knowledge but also fosters a culture of continuous learning and improvement within the organization.

FOSTERS A CULTURE OF CONTINUOUS LEARNING AND IMPROVEMENT



Training and Development Programs



External Learning Opportunities



Knowledge Sharing



career advancement pathways

PROCESSING MILL

OCCUPATIONAL HEALTH & SAFETY

“to ensure that our people return home safe and healthy to their loved ones, every day”

In a decisive display of our dedication to ensuring the well-being of our employees, we have appointed the pivotal position of Safety Officer within our processing mill. This initiative goes beyond a mere procedural adjustment; it represents our strong commitment to creating a safe and healthy workplace for all.

The Safety Officer plays a crucial role in elevating our safety standards, leading the charge in designing and implementing strong safety protocols that protect our workforce across all operations. This position is central to our strategy to not just meet but exceed safety regulations and industry benchmarks.

This role underscores our belief that safety is paramount and integral to our corporate values. The Safety Officer embodies our proactive approach to hazard identification and risk management. They are responsible for conducting safety training programs, monitoring and ensuring our team is equipped with the knowledge and tools to work safely.

This initiative is a testament to our steadfast commitment to fostering a culture of safety, prevention, and continuous improvement. Under the leadership of the Safety Officer, we are dedicated to not only protecting our employees but also setting a new standard of excellence within the industry.



Empowering Our People: Leadership Development

At MTP, we are committed to nurturing talent and supporting our employees' career growth. Therefore, the Leadership Development Initiative has been developed and implemented as a testament to our dedication to fostering a culture of continuous learning and leadership excellence. By investing in our people, we are not only enhancing their skills and capabilities but also ensuring that MTP remains a leading force in our industry, paving the way for a brighter future for our organization and the communities we serve.

A Strategic Investment in Leadership

Our Leadership Development Initiative is more than just a training program; it is a strategic investment in our future. The initiative aims to equip our employees with essential leadership skills that are crucial for navigating today's dynamic business environment. From strategic thinking and effective communication to decision-making and team management, the training provides participants with the tools they need to excel in leadership roles.

Effective leadership is critical to achieving organizational goals and driving success. By developing our employees' leadership skills, we aim to:

Foster Innovation: Empower leaders to inspire creativity and drive change within their teams and across the organization.

Enhance Performance: Equip leaders with the skills to set clear goals, manage performance, and motivate their teams to achieve excellence.

Build Stronger Teams: Develop leaders who can effectively communicate, collaborate, and resolve conflicts, creating a more cohesive and productive work environment.

Prepare for Future Challenges: Ensure that our leaders are ready to tackle emerging challenges and seize new opportunities in a rapidly evolving industry.



The program includes a variety of learning methods to cater to different learning styles and needs, such as:

- Interactive sessions led by experienced facilitators, focusing on core leadership competencies and real-world scenarios.
- Hands-on activities and simulations that help participants apply their learning in a controlled environment, enhancing their problem-solving and decision-making skills.

We encouraged all employees to take advantage of this valuable opportunity to grow their leadership skills and contribute to our collective success. Together, we can build a strong foundation for the future and continue to drive MTP's mission forward.

Leadership Training

In 2023, MTP conducted training sessions for 43 employees at managerial and supervisory levels, emphasizing the importance of fostering a culture centered on continuous learning, growth, and innovation. This approach benefits both individual employees and the organization as a whole.

Building on the success of the initial Leadership Training program, we are committed to enhancing our human resource management practices by launching the second phase of leadership training. We firmly believe that leadership development is essential for all employees, irrespective of their current positions within the organization. While not all employees currently hold formal leadership roles, many possess the potential to assume leadership roles in the future. Therefore, this training initiative aims to empower our junior staff to recognize and cultivate their capabilities, thereby establishing a strong pipeline of skilled leaders capable of propelling the organization towards its objectives.



Youth Development



Leadership training for youth workers is paramount in equipping them with the essential skills and mindset required to effectively engage with and empower young individuals.

We firmly believe that leadership training plays a pivotal role in empowering young people. It aids in identifying their strengths, fostering confidence, and realizing their potential to effect positive change within their communities and beyond.

The leadership training programs offered for youths encompass a wide array of competencies such as Effective Communication Skills, Team Building and Collaboration, Decision Making and Problem Solving, Strategic Thinking and Planning, Ethical Leadership, Diversity, Equity and Inclusion, Adaptability and Change Management, Time Management and Productivity, Conflict Resolution and Negotiation, as well as Leading with Vision and Purpose.

Beyond nurturing our young workforce, MTP's leadership training endeavors to ready our members for future leadership roles in their professions, communities, and society at large. It equips them with the requisite tools and experiences to navigate challenges, inspire others, and catalyze positive transformations.

Women in Leadership

At MTP, the importance of **"Women in Leadership"** is acknowledged as a critical factor affecting both social and organizational dynamics. Women within MTP play a pivotal role in elevating organizational efficacy through the utilization of their diverse skills and distinctive viewpoints. Embracing gender diversity in leadership fosters an environment of inclusivity and collaboration, thereby augmenting risk mitigation, troubleshooting, and decision-making procedures.

Within our processing mill, 67% of our team leaders are women. By advocating for women's empowerment and fostering a positive organizational culture centered on teamwork, cooperation, and effective communication, we establish a setting conducive to exploring new pathways for development and creativity. This endeavor enables us to harness the full potential of our workforce, driving sustainable progress and nurturing the Company's enduring prosperity.



Foster Innovation



Enhance Performance



Build Stronger Teams



Prepare for Future Challenges

Young Workers Capacity Development

MTP is dedicated to safeguarding and maintaining the rights of children in any capacity related to its business and activities. MTP is offering employment opportunities to individuals aged 15-17, ensuring that they work in safe, non-hazardous, and low-risk positions.

Young Worker training forms a crucial component of the youth inclusion program and is conducted on a quarterly basis. This training encompasses a broad spectrum of subjects, encompassing fundamental rights, safety protocols, and personal development skills.

Key Areas Addressed:

- **Child's Rights:** This segment enlightens young workers about their entitlements, ensuring they are well-informed about the protections and support systems accessible to them.
- **Child Labour Remediation and Prevention:** Equips participants with knowledge and strategies to recognize, combat, and avert child labor practices, fostering a secure and equitable work environment.
 - Occupational Health and Safety (OHS): Emphasizes workplace safety protocols to prevent mishaps and safeguard the welfare of young workers.



- **Soft Skills Training:**
 - Communication Skills
 - Leadership
 - Time Management
 - Future Planning: Enables individuals to establish goals and map out their career trajectories, fostering long-term vision and ambition.

The training sessions have equipped our young employees with academic knowledge and practical skills that can be applied in various aspects of their lives, proving beneficial at any given juncture.

By 2023, a total of 14 young workers, including three females, have been granted permission to work at the MTP nursery, plantation, and processing mill. These individuals have the potential to serve as primary breadwinners, supporting both themselves and their families effectively.



Hinboun Youth Volunteer Group



In 2023, MTP takes a significant stride in Youth Development with the introduction of the HinBoun Youth Volunteer Group. This initiative aims to engage and empower young individuals in the community, aligning closely with the company's overarching goals in community development and capacity enhancement. The initiative is structured around the following Objectives and Goals:



1. Capacity Building and Skill Development for Young Individuals:

- Training and Educational Programs: The initiative aims to provide training sessions, workshops, and hands-on experiences to equip young individuals with essential skills such as leadership, project management, technical competencies relevant to the company's operations, and essential life skills.
- Personal and Professional Growth: Participation in these programs fosters personal and professional development among young volunteers.

2. Fostering Unity between the Company and the Community:

- Collaborative Engagement: By involving young individuals in mutually beneficial activities, the initiative strengthens the bond between the company and the community, promoting trust and mutual respect.
- Community Engagement: Through volunteer efforts, young participants establish a deeper connection with the community, cultivating a sense of responsibility towards local issues and development initiatives.

3. Integration of Activities within Corporate Settings and Educational Institutions:

- School-Centric Initiatives: The initiative expands its focus to include activities within local schools, encompassing educational programs, extracurricular activities, and projects aimed at enhancing the school environment and benefiting students.



"I am thrilled and thankful to be part of the Hinboun Volunteer Group. This experience opened up new opportunities for me, including volunteer work, leadership roles, improving communication skills, and learning about forest conservation, environmental issues, and the youth's role in development efforts in Laos.

Being part of this initiative has boosted my confidence and equipped me to educate others, especially school children, about the importance of environmental and forest conservation," stated by Ms Aly, Vice President of the Hinboun Volunteer Group.



MTP Tertiary Education Scholarship

Our scholarship program is committed to enriching the academic progression of second-year local community students by offering holistic support that surpasses mere financial assistance. Our aim is to equip these talented individuals with the tools to realize their capabilities fully, fostering them to emerge as the forthcoming leaders and trailblazers within their communities.



The MTP program enhances students' educational journey beyond conventional classroom environments by fostering holistic personal development through participation in workshops, seminars, and a variety of experiential activities. This approach goes beyond merely imparting knowledge, promoting interactive growth across various human capacities and enhancing career readiness.

Our students actively contribute to community service initiatives within their educational institution in harmony with their academic endeavors. Of particular note are two students who have been chosen to engage with external organizations:

Tiew Xaibounmy, a student from the Faculty of Environmental Science at the National University of Laos, has been selected as a member of the Social Environmental Education and Development (SEED) volunteer group, contributing to environmental and social development efforts. Tiew's commitment to environmental and social causes through SEED demonstrates a significant understanding of the interconnectedness of ecological sustainability and community well-being. His work not only aids in preserving the environment but also educates the community on the importance of sustainable practices.



Pany Khounmany, a student from the Faculty of Social Science at the National University of Laos, has been appointed to the Student Union. This underscores the importance of leadership and active participation in governance. Her role facilitates a bridge between the student body and the administration, ensuring that student voices are heard and their needs addressed. Her efforts in organizing events, advocating for student rights, and fostering a sense of community within the university exemplify the leadership qualities the MTP program seeks to nurture



Our scholarship program's emphasis on real-world applications of academic knowledge through community engagement and leadership roles prepares students to become well-rounded individuals ready to face global challenges. By integrating academic learning with practical experiences, the program cultivates a generation of leaders who are not only knowledgeable but also empathetic, socially responsible, and proactive in their efforts to create positive change.

As we look towards the future, the continued success of the MTP program promises to yield even more remarkable stories of student achievements and contributions. The program's holistic approach ensures that students are not only academically proficient but also equipped with the essential life skills needed to thrive in an ever-evolving world. Through initiatives like these, the MTP program stands as a beacon of excellence in fostering the next generation of leaders, innovators, and change-makers.



MTP Internship Program



At MTP, our Internship Program transcends mere internship placements; we view it as a platform dedicated to nurturing future leaders. This initiative serves as a dynamic springboard for students, offering them hands-on experience and direct mentorship from MTP professionals, thereby laying a foundation for their future success and development.

In line with this commitment, MTP actively collaborates with educational institutions to broaden access to these enriching opportunities, ensuring a continuous provision of internships that catalyze students' personal and professional growth.



In the 2023 internship cycle, MTP hosted 11 students from the National University of Laos, focusing on the following key areas:

- Six students from the Faculty of Social Science are actively engaged in community and sustainability development, collaborating closely with our Sustainability Department.
- Two students from the Faculty of Social Science are dedicated to Pre-Harvest Inventory and Mapping, overseen by the Forest Resources Department.
- Two students from the Faculty of Forestry Science are concentrating on Veneer Grading, under the guidance of the Processing Department.
- One student from the Faculty of Laws and Political Science is specializing in legal and business matters, working with the Administration-HR Department.

These interns represent a vital pool of future talent for our nation. MTP is proud to contribute to their development.



"Empowering Professional Growth, Environmental Conservation and Community Development: MTP's Commitment to Forestry and Environmental Sustainability through the LoCoFoRest Training Program"



LoCoFoRest
Locally Controlled Forest Restoration

MTP is resolutely committed to the professional growth and development of its employees, investing significantly in targeted training programs that center on forestry, environmental sustainability, and community development.

At the heart of this commitment is the LoCoFoRest training program, a pivotal initiative designed to spearhead large-scale forest landscape restoration. This program not only aims to preserve and enhance vital ecosystem services but also to promote the prosperity of surrounding communities.

In 2023, MTP's Head of Sustainability was honored to be selected for this prestigious program. Through an intensive blend of online coursework, immersive hands-on experience in Sweden, and engagement with international experts in sustainable development and forest restoration, she gained essential knowledge and skills. This advanced training has equipped her to drive impactful forest and landscape restoration projects, support local communities and businesses, and adeptly navigate emerging value chains within a bio-based economy.

MTP's Head of Sustainability collaborated in teams to develop a Change Project. This included a noteworthy partnership with a representative from the World Wide Fund for Nature (WWF) and delegates from the Department of Forestry at the Ministry of Agriculture and Forestry Lao PDR, focusing on a forest restoration initiative. Guided by the Water for Resilient Landscapes Team Lead from the Swedish Water House, the project is centered on formulating a plan for MTP 320-hectare pilot restoration project.



As MTP advances this pilot project, we are undertaking critical steps such as land-use assessments, precise land boundary delineation, thorough site surveying, the creation of equitable benefit-sharing frameworks, and the formalization of cooperation agreements. This concerted effort highlights our steadfast commitment to pioneering sustainable land management practices and nurturing resilient ecosystems, setting a new standard for environmental stewardship and community engagement.

Moreover, the LoCoFoRest Training Program not only tackles immediate restoration objectives but also fosters enduring relationships among participants and their organizations. By engaging closely with stakeholders like WWF, the Ministry of Agriculture and Forestry, and international experts, MTP is cultivating a robust network of professionals and institutions dedicated to sustainable development.

These lasting connections provide invaluable opportunities for ongoing knowledge exchange, collaborative projects, and sustained support for sustainability practices. This network ensures that MTP and its partners remain at the cutting edge of emerging trends in environmental sustainability and community development, laying a solid foundation for future initiatives and reinforcing a shared commitment to advancing sustainable land management and resilient ecosystems.



Mekong Smallholder Development Program (MSDP)

Since its establishment in 2020, MTP has been actively implementing the Mekong Smallholder Development Program (MSDP) to provide crucial support to local farmers and communities involved in the initiative.

Key Training Components: A core aspect of the MSDP is delivering training to smallholder farmers, which includes:

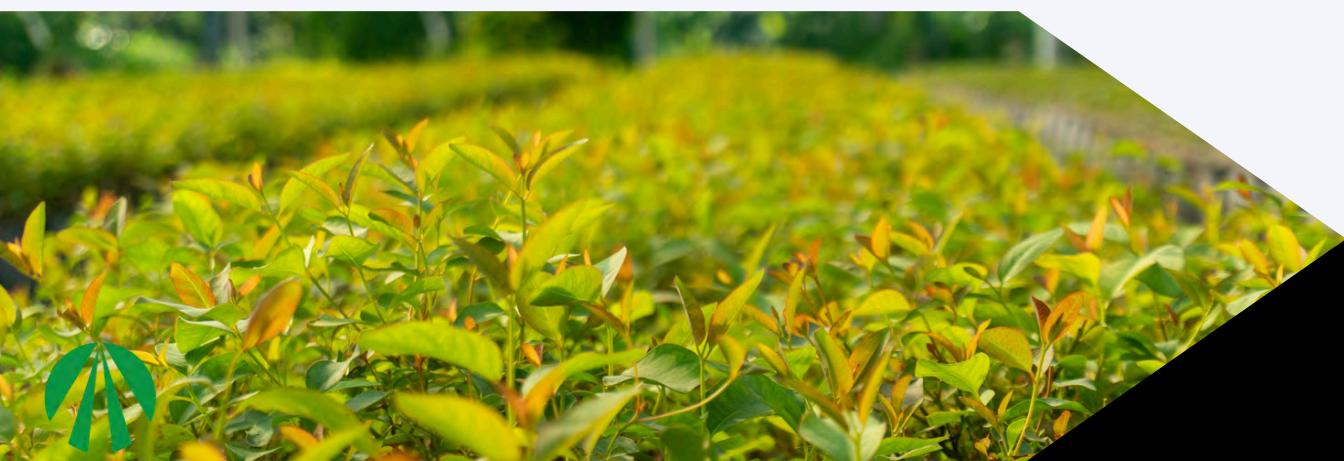
- **Technical Training:** Equipping farmers with practical skills and techniques to boost productivity and efficiency in their farming practices.
- **Environmental Management:** Educating participants about the impacts of deforestation, advocating for responsible chemical use, and stressing the importance of preserving protected areas.
- **Social Management:** Offering guidance on upholding child rights and addressing issues related to child labor.
- **Health and Safety:** Providing essential instructions on safe and effective farming methods.

These training modules are meticulously designed to cultivate a deep understanding of sustainable forest management practices, ensuring the long-term sustainability and resilience of small agricultural enterprises.

The Impact of MSDP: The positive effects of the MSDP have been significant and far-reaching. By empowering smallholder farmers with the knowledge and tools necessary for sustainable farming, the program has led to increased crop yields and tree quality. Farmers who have participated in the training sessions report a better understanding of how to maximize their resources while minimizing negative environmental impacts.

Community Engagement: Beyond individual farmers, the MSDP emphasizes the importance of community involvement. Local communities are encouraged to take part in decision-making processes, fostering a sense of ownership and collective responsibility. This approach not only strengthens community bonds but also ensures that the benefits of the program are widely distributed and long-lasting.

Expansion Plans: MTP remains dedicated to scaling the MSDP, with plans to expand up to 150 hectares per family annually. This strategy is intended to encourage meticulous management practices and ensure the continued support and extension services and the success of the program.



2023 Expansion Efforts:

In 2023, MTP made a concerted push to achieve its expansion objectives in the Bolikhamxay and Khammouane provinces. Despite these efforts, challenging economic conditions have led to a noticeable shift in land use, particularly in Bolikhamxay, where many farmers are turning to crops with quicker returns, such as rice and cassava. Nevertheless, MTP successfully integrated 62 farmers and 56.48 hectares of land into the program, demonstrating a resilient commitment to sustainable development amidst changing agricultural landscapes.

Year	No. of village	No. of farmers	No. of plots	Area (Ha)
2023	14	62	64	56.48
2020-2023	19	355	363	383.39

Ongoing Support: To support the ongoing development and effectiveness of the MSDP, MTP will continue to provide extension services to participating farmers. This includes regular site visits, technical advice, problem-solving assistance, and the dissemination of best practices to improve both the quantity and quality of agricultural output.

Future Prospects: Looking ahead, MTP aims to expand the MSDP to reach even more farmers and communities. Plans are in place to introduce new clonal technologies and practices that will further enhance productivity and sustainability. Additionally, efforts are being made to build stronger partnerships with local and international organizations to support the program's growth and development.



Environmental Management

The escalating awareness of the environmental impact resulting from human activities has emerged as a critical concern amid the challenges posed by global warming. MTP has been steadfast in its commitment to monitoring and documenting global and national climate initiatives.

Though the decisions reached during COP28 offer hope, they also highlight the formidable obstacles and vested interests that impede governments and industries in shifting away from reliance on fossil fuels. To effectively combat climate change, it is imperative for nations, corporations, and individuals to uphold these agreements and collaborate to translate them into concrete actions.

In line with MTP's unwavering dedication to environmental management, our central focus remains on reducing greenhouse gas (GHG) emissions and curbing our carbon footprint. We are actively engaged in ongoing efforts and innovative initiatives to advance these environmental objectives.



INTEGRATED PEST MANAGEMENT

Since 2020, MTP has concentrated on fortifying our Integrated Pest Management (IPM) practices. IPM represents a significant approach to pest control that prioritizes pest impact reduction while advocating for sustainable and eco-friendly methodologies.

Chemical Use Limitation: Within MTP, chemical interventions such as pesticides and herbicides are viewed as a final recourse within IPM, utilized judiciously and only when essential, in conjunction with other control measures. The selection and application of pesticides and herbicides are meticulously executed, considering factors such as target pest species, environmental implications, risks to non-target organisms, and community welfare. Emphasizing the integration of diverse control methods tailored to specific pest challenges and environmental contexts.

Trials and Alternative Methods: MTP remains steadfast in conducting trials to identify optimal alternative methods, with the goal of diminishing reliance on hazardous chemicals, lessening environmental footprints, conserving natural resources, and promoting sustainable silvicultural and landscaping practices while efficiently managing pest populations. We are proud to announce that we have reduced the use of glyphosate by 70% in 2023 and aim to phase it out entirely by 2026.

Chemical-Free Nursery Operations: Through meticulous planning, management, and adherence to sustainable principles, our nursery currently operates without chemical pesticides or herbicides, fostering robust plant growth, biodiversity, and environmental preservation.

By integrating these practices, MTP ensures that our IPM approach not only addresses pest management effectively but also aligns with our commitment to sustainability and environmental stewardship.



Participatory planning processes are central to MTP's Restoration Project

 **236**
Participants

 **52%**
Women Participation

 **100%**
Support from participants in the collaborative project's development.



In 2023, MTP maintains its commitment to thorough planning for the restoration project. We believe that participatory planning processes foster a sense of ownership and responsibility among community members. By involving them in every stage of the project, from initial consultations to ongoing monitoring, we create a collaborative environment where local knowledge and expertise are valued. This approach leads to more resilient and sustainable restoration outcomes, as the community is more likely to support and sustain efforts that they have helped to shape.

Community Consultations

We begin by conducting community consultations to understand the needs, priorities, and concerns of local residents. These consultations are held in accessible locations and at convenient times to encourage maximum participation. Community members, including leaders, elders, women, and youth, are invited to share their perspectives on restoration goals and methods.

Participatory Mapping

Participatory mapping exercises involve community members in identifying and mapping out areas for restoration. This hands-on activity helps to incorporate local knowledge of the landscape, including critical habitats, water sources, and areas of cultural significance. The resulting maps guide the planning and implementation of restoration activities.

Workshops and Focus Groups

Workshops and focus group discussions are organized to delve deeper into specific aspects of the restoration project. These sessions provide a platform for detailed discussions on topics such as land use, site selection and project area demarcation. Participants collaborate to identify challenges and propose solutions, ensuring that the project benefits from diverse viewpoints and expertise.

Joint Decision-Making

We establish joint decision-making committees that include representatives from MTP, local communities, and local authorities. These committees are responsible for making key decisions regarding the restoration project, from setting priorities to allocating resources. This collaborative approach ensures that decisions reflect the collective interests and values of the community.

Strategic Species Selection for Sustainable Restoration

The process of species selection is a pivotal aspect of MTP's Restoration Project, guaranteeing that reforestation endeavors align with ecological principles, sustainability, and positive impacts on local environments and communities.

Engagement with Experts

Engaging with experts holds a central role in species selection methodology, anchoring our restoration initiatives in scientific understanding and ecological suitability. The following outlines our collaboration with experts:

Partnership with the National University of Laos:

In 2023, we collaborate closely with a botanist from the National University of Laos, leveraging their significant knowledge and proficiency in the region's plant life. This partnership furnishes us with invaluable insights into indigenous species best adapted to the specific conditions of our restoration locations.

The botanist's expertise aids in pinpointing native plant species well-suited to the local climate, especially in flood-prone areas, soil composition, and ecological milieu. Their guidance ensures that the selected species will flourish in the environment, fostering vigorous growth and long-term sustainability.

Critical Factors in Evaluation:

- **Enhanced Viability and Development:** Species that are adapted to wet conditions, such as those with high water tolerance or those that can survive prolonged periods of inundation, are essential. Diligent species selection enhances survival rates and robust growth, underpinning the overall success of the restoration endeavor.
- **Biodiversity and Ecosystem Well-being:** A varied array of species boosts biodiversity, supports wildlife, and bolsters ecosystem resilience and equilibrium, creating a more robust and dynamic environment.
- **Community Advantages:** Engaging the community in species selection ensures that the restoration initiative aligns with local requirements and cultural preferences, fostering increased community backing and involvement. This collaboration helps build a stronger connection between the project and the people it impacts.
- **Enduring Sustainability:** By prioritizing native and climate-resilient species, we ensure that the rehabilitated areas can self-sustain over time, delivering enduring environmental and societal benefits. This approach not only supports immediate restoration goals but also secures long-term ecological health and community prosperity.



Internal Monitoring

MTP has implemented a thorough internal monitoring process designed to uphold compliance, enhance performance, and support well-informed decision-making. This process entails regular assessments to determine adherence to policies, procedures, and regulatory requirements. It serves as a crucial tool for identifying areas for improvement, tracking progress towards objectives, and maximizing the efficient use of resources.

Internal monitoring encompasses various components, including:

- Occupational Health and Safety (OHS) and Environmental and Social Compliance Monitoring for Nursery Operations
- Occupational Health and Safety (OHS) and Environmental and Social Compliance Monitoring for Plantation Operations
- Evaluation of Contractor Workcamp conditions
- Inspection of MTP office and staff accommodations
- Occupational Health and Safety (OHS) and Environmental and Social Compliance Monitoring for Processing Mill Operations
- Oversight of Incident and Accident Monitoring and Management
- Management of Grievances, Complaints, and Communication for both internal and external stakeholders

The internal monitoring process upholds accountability and transparency, offering crucial insights for strategic refinement and operational improvements. Through fostering organizational learning and bolstering morale via constructive feedback and acknowledgment, this process significantly contributes to the success and credibility of MTP's operations and reporting.

Additionally, the integration of advanced analytics and real-time data tracking within the monitoring framework allows for more nuanced and proactive decision-making. By leveraging these technologies, MTP can swiftly identify emerging trends, address potential issues before they escalate, and continuously align their efforts with overarching organizational goals. This dynamic approach not only enhances efficiency but also cultivates a culture of continuous improvement and innovation.



Monitoring Results

Internal E&S Monitoring

In 2023, MTP conducted 432 operational monitoring checks within plantations, accompanied by site-specific monitoring. The identified non-compliances were grouped into three categories, outlined as follows:

- Environmental non-compliance concerns were predominantly linked to challenges in waste management at contractor work camps, notably issues like Improper disposal of solid waste and lack of proper waste disposal systems, such as insufficient trash bins or waste segregation facilities.
- Social non-compliances were generally minor and encompassed matters such as delays in the submission of worker IDs and overcrowding worker accommodations
- Occupational Health and Safety (OHS) non-compliances primarily stemmed from deviations in adhering to standard operating procedures (SOPs) regarding the inadequate Safety Signage and Communication at workcamps and utilization of personal protective equipment (PPE) by plantation contractors.





MTP has taken proactive steps to address non-compliances by implementing corrective actions and proposing recommendations to ensure compliance and elevate overall standards in various areas:

Environmental Compliance:

- **Conducting Waste Management Training:** Regular training sessions for contractors focusing on effective waste management practices, emphasizing proper waste segregation and disposal in alignment with local regulations.
- **Enhancing Infrastructure:** Installing additional trash bins and waste segregation facilities in all work camps to facilitate proper waste disposal. Implementing monitoring and maintenance schedules to ensure these facilities are utilized correctly.

Social Compliance:

- **Implementing a Streamlined ID Submission Process:** Encouraging the use of a digital platform for prompt submission and verification of worker IDs to prevent delays, ensuring up-to-date and easily accessible records.
- **Improving Accommodations:** Introducing guidelines to regulate the occupancy per accommodation unit to alleviate overcrowding. Investing in constructing additional accommodation facilities to meet the increasing demand.

Occupational Health and Safety (OHS) Compliance:

- **Ensuring Enhanced Safety Signage:** Installing clear, visible, and comprehensive safety signage across all work camps.
- **Enforcing PPE Compliance:** Strictly enforcing the usage of PPE through regular checks and penalties for non-compliance. Providing training sessions to emphasize the importance of PPE for worker safety.
- **Monitoring SOP Adherence:** Regularly reviewing and updating SOP to align with best practices, ensuring workers are informed and compliant. Establishing a reporting system for deviations and taking prompt corrective actions.

These initiatives aim to cultivate a safer, more compliant, and environmentally conscious operation within MTP's plantations. Continuous commitment to improvement and adherence to these protocols will not only enhance operational efficiency but also positively impact the well-being of workers and the environment surrounding the plantations.



Management and Monitoring of Incidents and Accidents

MTP believes that effective Occupational Health and Safety (OHS) management requires a culture dedicated to the safety and well-being of all individuals associated with our operations. This commitment extends beyond our direct employees to include contractor workers, guests, community members, and other stakeholders. We prioritize creating a safe work environment and preventing accidents and injuries, aiming to ensure that everyone, including contractor workers, returns home safely every day.

In 2023, MTP reported 22 work-related injuries, categorized into 18 First Aid Injuries and 4 Lost Time Injuries (LTI), with no work-related fatalities. The majority of these injuries were associated with the complex and often hazardous nature of the plantations and processing mill environment, where heavy machinery use and the handling of sharp tools and materials are common.

Following each incident, a thorough investigation was conducted to identify the root causes. This process included examining the specific circumstances of the accidents, reviewing safety procedures, and assessing whether the appropriate safety measures were in place and followed. Based on the findings, MTP developed and implemented corrective action plans. These plans included enhancing safety protocols, providing additional training for workers, upgrading equipment, and improving supervision and communication on the mill floor. These steps were taken to address the identified risks, prevent similar incidents from occurring in the future, and reinforce our commitment to maintaining a safe workplace for all our employees and contractors.



Reduction in
work-related
injuries by

31%

compared to
2022

MTP is committed to continuously advancing our safety-centric ethos within the organization. We regularly conduct safety drills and workshops to ensure that all staff members are well-versed in emergency protocols and best practices. Our training sessions are designed to be interactive and immersive, incorporating real-life scenarios and practical exercises to effectively prepare our workforce for potential risks.

Recognizing that workplace safety is a shared responsibility, MTP fosters transparent communication and feedback from both employees and contractors. Our Safety Committee, which includes representatives from various departments, meets regularly to address safety concerns, exchange insights, and propose improvements. This committee is instrumental in our ongoing efforts to enhance occupational health and safety practices, ensuring that all perspectives are taken into account.

Our dedication to occupational health and safety extends beyond our organization to the broader community and stakeholders. Through outreach initiatives, we educate the local population on the importance of safety and health and collaborate with industry peers to share expertise and best practices. These efforts aim to cultivate a culture of safety and well-being that reaches beyond our immediate operations.

We believe that our critical approach to occupational health and safety management highlights our unwavering commitment to creating a secure and healthy work environment. Our ongoing improvements to safety protocols, technological investments, and encouragement of open dialogue reflect our steadfast dedication to protecting the welfare of everyone involved in our operations. By prioritizing safety, we not only ensure the well-being of our workforce but also enhance the overall resilience and success of our organization.



Grievances, Complaints and Communications Mechanism

At MTP, we recognize that a robust internal Grievances, Complaints, and Communications Mechanism is vital for fostering a positive work environment, ensuring fair treatment of employees, and maintaining open lines of communication. Equally important is our commitment to external stakeholders, including community members, relevant authorities, customers, and suppliers.

Since 2018, we have established a Grievance, Complaint, and Communication Mechanism that serves both internal and external stakeholders. This mechanism provides multiple channels for communication, such as dedicated online forms, hotlines, suggestion boxes, and in-person meetings. These avenues ensure that grievances and communications are accessible and straightforward.

We have appointed a dedicated committee responsible for impartially handling all grievances and communications. This committee conducts thorough investigations and facilitates resolutions while ensuring that all matters are treated with strict confidentiality. We are committed to safeguarding personal information and protecting the privacy rights of those involved, with disclosures limited to individuals directly involved in the resolution process.

Through this mechanism, MTP demonstrates its unwavering commitment to transparency, accountability, and the well-being of all its stakeholders

In 2023, the Grievances, Complaints, and Communications Mechanism was utilized 10 times, as outlined in the table below:

Issues	Number Raised	Number Closed
Staff grievances	9	9
Staff Suggestion	2	2
Requests for Community Development Support	2	2
Community reports on land encroachment	0	0
Community grievances on MTP Plantation Operations	0	0
Total	13	13



MTP remain committed to the ongoing enhancement of our Grievances, Complaints, and Communications Mechanism to ensure it effectively meets our evolving needs. Our dedication is evident through our continuous investment in regular training for our committee members, equipping them with the latest skills and knowledge to handle various situations with empathy and professionalism. This approach ensures that our mechanism remains responsive and effective in addressing concerns as they arise.

Fostering a culture of open communication and trust is crucial to our organization's success. By actively listening to and addressing concerns, we not only resolve issues but also strengthen our relationships with employees, partners, and the broader community. Our goal is to create an environment where every voice is heard, valued, and respected, thereby enhancing a sense of belonging and mutual respect among all stakeholders.

We take pride in the progress we have made and remain unwavering in our commitment to upholding the highest standards of integrity and fairness. As we move forward, we will continue to nurture a positive and inclusive atmosphere, empowering everyone to contribute to our collective success. We recognize that excellence is a continuous journey, and we are exploring innovative technologies to streamline our grievance processes, making it easier for individuals, especially community members, to voice their concerns and for us to address them promptly and effectively. Our mission is to build a workplace where transparency, respect, and cooperation are lived experiences, and we pledge to uphold these values in every aspect of our operations. Together, we can create a stronger, more harmonious organization that stands as a beacon of excellence and integrity.



INTERNAL IFC AUDIT

The IFC Environmental and Social Performance Standards (IFC PS) encompass various crucial areas such as biodiversity conservation, community engagement, labor rights, pollution prevention, and resource efficiency. MTP is excited to share a major achievement in our dedication to responsible and sustainable practices.

As of December 2023, our plantation and Processing Mill management have achieved an impressive 99% compliance rate with the IFC Environmental and Social Performance Standards (IFC PS), as determined by an internal assessment conducted by TAFF.

<i>IFC Performance Standards</i>	Score (%)		
	2021	2022	2023
PS1 Risk Management and ESMS	98	99	99
PS2 Labour and Working Conditions	100	100	100
PS3 Resource Efficiency and Pollution Prevention	100	100	100
PS4 Community, Health, Safety and Security	100	100	100
PS5 Land Acquisition and Involuntary Resettlement	98	99	99
PS6 Biodiversity Conservation and Sustainable Management	99	100	100
PS7 Indigenous Peoples	92	96	96
PS8 Cultural Heritage	100	100	100
Total / Combined Average	98	99	99

Our 99% compliance rate is a testament to MTP's dedication to these critical areas. Achieving such a high level of adherence to the IFC PS reflects our ongoing efforts to integrate sustainable and ethical practices into every aspect of our operations.



External Monitoring

Forest Stewardship Council Forest Management Audit

The Forest Stewardship Council (FSC) is a globally recognized organization dedicated to promoting responsible forest management, encompassing social, environmental, and economic dimensions. Achieving FSC certification underscores MTP's commitment to sustainable and responsible forest management practices. This certification assures stakeholders that our plantation operations adhere to the rigorous standards established by the FSC. MTP proudly secured FSC Forest Management Certification for our plantation activities in 2019, and successfully completed the fourth surveillance audit in October 2023.

FSC FM Corrective Action Requests	2019	2020	2021	2022	2023
Protection/conservation areas	-	-	Minor	-	Minor
Buffer zones map delimitation	-	-	Minor	-	-
Accommodation Management	Minor	-	Minor	-	Minor
PPE non-compliance	Minor	-	-	-	Minor
Chainsaw condition	Minor	-	-	-	Minor
Chemical/hazmat management	Minor	-	Minor	-	-
Fire Management	-	-	-	-	Minor
Monitoring record/results	-	-	Minor	-	-
Slash and burning	-	-	Minor	-	-
Skidding trails for harvesting operations	-	-	-	Minor	-
Log cutting techniques	-	-	-	Minor	-
Waste Management	-	-	-	-	Minor

Forest Stewardship Council Chain of Custody audit

MTP has affirmed our dedication to responsible sourcing and provided our customers with confidence in the origin of their products by securing FSC Chain of Custody (CoC) certification for our Processing Mill operations in 2023. The audit process identified only two (2) minor Corrective Action Requests (CARs) related to occupational health and safety and chemical material management, highlighting our commitment to maintaining high standards in all aspects of our operations.

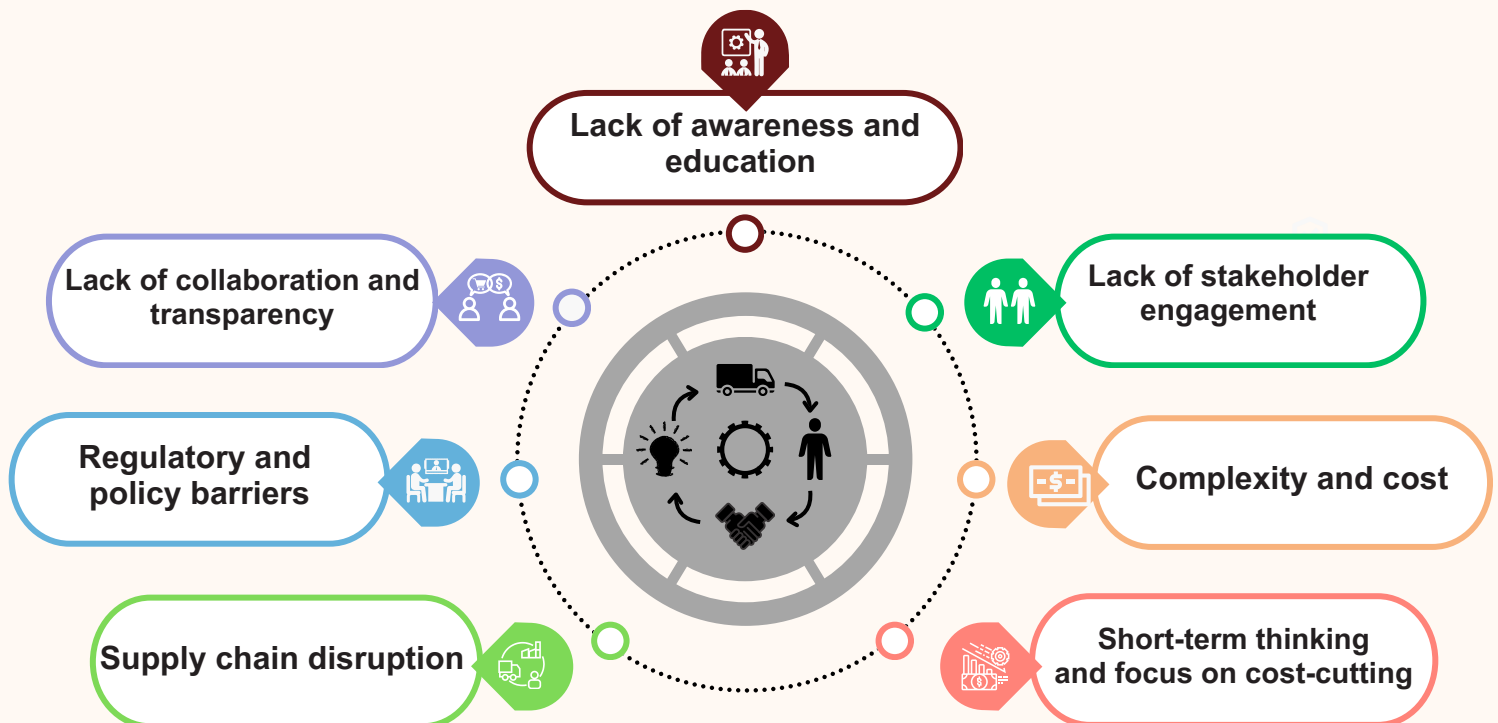


Responsible Supply Chain

At MTP, we are driven by a deep commitment to integrating sustainability into every facet of our operations, recognizing its vital role in shaping a better future. We uphold rigorous standards for our suppliers, ensuring adherence to all relevant laws, directives, and contract stipulations. However, we believe that true progress extends beyond mere compliance.

By forging strong partnerships with our contractors, we advance our sourcing strategy and promote sustainable wood production. Our Supplier Engagement Program, which involves thorough supplier evaluations, is central to our pursuit of excellence in sustainability. Through these evaluations, we have identified key barriers to achieving a truly sustainable supply chain, as outlined below:

BARRIERS TO SUSTAINABLE SUPPLY CHAIN MANAGEMENT



By systematically identifying and addressing these barriers, our Supplier Engagement Program not only helps suppliers meet our rigorous standards but also empowers them to be active participants in our sustainability journey.

Contractor Capacity Development Program (CCDP)

In 2023, MTP took a bold step to supercharge our CCDP by pushing for greater action from our Tier I contractors. Apart from FSC FM Certification, embracing **SEDEX 4-Pillar SMETA standards** is key to meeting ethical, legal, and environmental benchmarks. This commitment not only boosts our contractors' reputations and mitigates risks but also builds strong trust with our clients and theirs and unlocking new business opportunities. We therefore have set the bar higher by implementing these standards with our largest harvesting contractor, paving the way for even greater success.



01. Education and Training Strategies

MTP provided our contractors with a series of training sessions to ensure a thorough understanding of SMETA requirements. The training covered the following topics:

- **Labour Standards:** Educate on fair wages, working hours, no forced or child labor, freedom of association, and non-discrimination.
- **Health & Safety:** Teach compliance with occupational health and safety standards, emergency procedures, and proper use of personal protective equipment (PPE).
- **Environment:** Train on minimizing environmental impact, managing waste, and adhering to environmental regulations.
- **Business Ethics:** Promote ethical business practices, anti-corruption measures, and transparency.

02. Policy and SOPs Development

MTP assisted in developing policies and Standard Operating Procedures (SOPs) for contractors to meet SMETA SEDEX 4-Pillar audit requirements. This effort involved creating clear and practical documents that provide detailed guidance for maintaining high standards in ethics, environmental management, safety, and labor practices.

03. Communication and Implementation

Clear communication and rollout plans have been established to ensure our contractors understand and adhere to the new requirements and expectations. The steps include:

- Conducting educational sessions to familiarize contractors with the policies and SOPs.
- Clearly communicate the new requirements and expectations to all contractors.
- Implement the policy and SOPs across all contractor operations.
- Providing continuous assistance to contractors during the initial implementation phase to address any challenges and ensure compliance.

04. Compliance and Continuous Improvement

We provided templates and tools for contractors to document their compliance with each SMETA pillar and assisted in developing a compliance checklist aligned with SMETA requirements. Regular audits have been conducted to ensure adherence to the new policy and SOPs. Continuous evaluation will further refine procedures and address any issues promptly.

Building on the success of this program, we aim to extend these standards to additional contractors, further strengthening our network and amplifying the positive impact across our operations.



Amplifying MTP's Tree Improvement Program: Strategic Establishment of Permanent Sample Plots and Thinning Response Trials

Our innovative Tree Improvement Program (TIP) is a testament to our long-term development commitment. As an integral extension of TIP, the Forest Resources Department annually establishes Permanent Sample Plots (PSPs) and Thinning Response Trials (TRTs). These efforts are pivotal in driving our mission to enhance forest productivity and sustainability, equipping us with the insights needed to optimize growth and yield models and accurately project the future value of our biological assets.

Methodology

Permanent Sample Plots (PSPs)

PSPs are the cornerstone of our research, meticulously designed to scrutinize growth trends across various site classes for all commercially deployed species and hybrids. By measuring individual tree height, Diameter at Breast Height (DBH), and other critical characteristics biannually—before and after the rainy season—we generate a robust time series that captures tree performance across the rotation period. This granular data unveils the growth dynamics and resilience of different species, empowering us to make data-driven decisions that enhance forest management strategies.

Thinning Response Trials (TRTs)

TRTs complement our PSP efforts, focusing on the impact of diverse thinning treatments on tree growth and stand productivity. Our trials incorporate four distinct thinning regimes:

Hygiene Thinning: Selective removal of diseased, damaged, or poorly formed trees to bolster stand health.

550 SPHA (Stems Per Hectare): Thinning to a density of 550 stems per hectare.

650 SPHA (Stems Per Hectare): Thinning to a density of 650 stems per hectare.

Control: Maintaining natural stand conditions without thinning.

These tailored treatments allow us to dissect intra-specific competition and model the residual trees' response post-thinning. The resulting data is invaluable, guiding us to refine thinning strategies that maximize growth potential and stand vitality.

OUTCOMES

The insights gleaned from our PSP and TRT trials are transformative and fueling the development of advanced growth and yield models. These models serve as powerful tools, enabling MTP to:

- **Accurately Predict Future Standing Volumes:** By leveraging comprehensive growth data and thinning responses, we can forecast timber yields with precision, ensuring optimal resource utilization.
- **Precisely Estimate the Value of Biological Assets:** Our refined models provide a clear economic valuation of our timber resources, underpinning strategic financial planning and sustainable resource management.

MTP's strategic establishment of PSPs and TRTs underscores our dedication to pioneering sustainable forestry practices. Through rigorous scientific research and continuous data collection, we are not only enhancing our operational efficiency but also contributing significantly to environmental conservation. This proactive approach ensures that MTP remains a leader in sustainable forestry, fostering long-term ecological balance and economic viability. Our commitment to innovation and excellence positions us to meet the challenges of the future, creating lasting value for our stakeholders and the environment.



MTP Drone Project for Herbicide Applications

In 2023, MTP embarked on an innovative pilot project utilizing the DJI T40 Agras spray drone to explore the potential of drone technology in enhancing the efficiency and productivity of our herbicide application processes. Over the course of the year, we successfully sprayed a total of 80 hectares, experimenting with different flight heights and speeds to optimize the operation.

Focus on enhancing our silvicultural regime

The primary application of drones in our Silviculture practices will be during pre-plant chemical operations, where they will be instrumental in managing invasive weeds before the planting season begins. To ensure sustainability and build local capacity, we are committed to training our local staff under the guidance of a certified drone operator, equipping them to become skilled drone pilots.



Advantages and Benefits of Drone Technology:

- **Water Efficiency:** Drone operations use 75% less water per hectare compared to traditional methods, contributing to significant water conservation.
- **Enhanced Safety:** Drones eliminate the need for direct contact between laborers and herbicides, significantly reducing health risks.
- **Precision and Accuracy:** Human error is minimized as drones deliver herbicides with high precision, ensuring even coverage and reducing wastage.
- **Reduced Chemical Usage:** The precision of drone applications leads to less herbicide usage, promoting more sustainable chemical management.
- **Time Efficiency:** Drones allow us to complete time-sensitive chemical weeding operations more efficiently, independent of labor availability.
- **Minimal Soil Impact:** Drone operations do not cause soil compaction or disturbance, preserving soil health and structure.
- **Cost Savings:** The operational costs of drone applications are 54% lower than those of current manual methods.
- **Increased Productivity:** Drones improve productivity by 65% when compared to traditional tractor-based sprayers.

This project has demonstrated that drone technology can revolutionize our herbicide application process, making it safer, more efficient, and more environmentally friendly. As we continue to refine this approach, MTP remains committed to integrating innovative solutions that align with our sustainability goals and operational excellence.



Thank You



As we look ahead, we remain focused on expanding our positive impact across our operations, supporting local communities, and contributing to global sustainability goals.

We extend our gratitude to our employees, partners, and communities for their dedication and collaboration. Together, we are working towards a more sustainable and resilient future.



Address

Saphanthong-Neua Village; House no. 197,
Unit 9/27; Vientiane; Lao PDR



Telephone

+856 21 353 511



Website

<https://www.mekongtimberplantations.com/>



Facebook Page

[Mekong Timber Plantations Co., Ltd](#)