



Sabah Forest Industries Sdn. Bhd. (SFI)

SFI is one of Malaysia's largest timber growers and wood processors. It manages a forest estate totalling 288,000 hectares, pulp and paper manufacturing facilities, and an integrated timber complex consisting of a saw mill and a veneer and plywood factory.

SFI is Malaysia's only integrated pulp and paper manufacturer. Recent modifications to its pulp mill have doubled its capacity to 240,000 bone dry tonnes of pulp per year; half of which is manufactured into writing and printing paper for domestic and international markets and the other half is exported as market pulp.

The majority owner of SFI is Ballarpur Industries Limited (BILT) which in turn is part of the Avantha Group of companies.

About BILT:



Ballarpur Industries Limited (BILT) is India's largest manufacturer of writing and printing paper. BILT's subsidiaries include BILT Graphic Paper Products Limited (BGPPL), Sabah Forest Industries (SFI), Malaysia's largest pulp and paper company, and BILT Tree Tech Limited (BTTL), which runs BILT's farm forestry programme in several states in India. BILT and BGPPL have six manufacturing units across India, which give the company geographic coverage over most of the domestic market. BILT has a dominant share of the high-end coated paper segment in India. It accounts for over 53% of the coated wood-free paper market, an impressive 80% of the bond paper market and nearly 35% of the hi-bright Maplitho market, besides being India's largest exporter of coated and uncoated paper.

BILT's acquisition of SFI in 2007 was a watershed event – it was the first overseas acquisition by an Indian paper company, and transformed BILT into a major regional player, and elevated BILT's ranking among the global top 100.

About Avantha

The US\$ 4 billion Avantha Group is one of India's leading business conglomerates. Its successful entities include BILT, Crompton Greaves, The Global Green Company, Avantha Power & Infrastructure, Solaris ChemTech Industries, Biltech Building Elements, Salient Business Solutions, and Avantha Technologies. With an impressive global footprint, Avantha operates in 20 countries, employing 20,000 people worldwide.



AVANTHA

The Group has business interests in diverse sectors including power transmission and distribution equipment and services, paper and pulp, energy and infrastructure, food processing, forestry, chemicals, IT and ITeS.

Led by Gautam Thapar, Avantha demonstrates strong leadership globally and emerges as a focused corporate, leveraging its knowledge, leadership and operations, adding lasting value for its stakeholders and investors. For more information on Avantha Group, please visit www.avanthagroup.com.

Forest Management at SFI



New eucalyptus plantations in the ITP Licence area with riparian reserve in foreground and steep areas in background reserved for their conservation values



Mature *Eucalyptus grandis* plantations being harvested for pulpwood

Wood for SFI's manufacturing processes comes mainly from wood harvested from the forests which it manages. These consist of two areas of Government owned Forest Reserve for which SFI holds licences valid until 2095 and two parcels of land which it owns. Details of these four areas are shown below:

| | Tenure | Management Objective | Area (ha) |
|---|----------------|----------------------------|----------------|
| 1 | Forest Reserve | Natural Forest Management | 104,822 |
| 2 | Forest Reserve | Industrial Tree Plantation | 171,471 |
| 3 | Titled Land | Industrial Tree Plantation | 5,985 |
| 4 | Titled Land | Industrial Tree Plantation | 5,860 |
| | | | 288,138 |

The timber licence agreements and the special conditions associated with the land titles require SFI to have current 10 year management plans which have been approved by the Director of Forestry. This is summarised in the following table

| Management Plan | Area (ha) | Reference from table above |
|---|-----------|----------------------------|
| Forest Management Plan 2011-20 Timber Licence Agreement (JP (KSG) 108/96 (CO) for parts of the Sipitang and Ulu Sungai Padas Forest Reserves | 104,822 | 1 |
| Plantation Development Plan 2011-20 Timber (Tree Plantation) Licence Agreement (JP (KSG) 107/96 (CO) for parts of the Sipitang Forest Reserve | 171,471 | 2 |
| Plantation Development Plan 2011-20 Land Titles Number CL 195317803 (Ganui) & CL 195317821 | 11,825 | 3&4 |
| | | 288,138 |

SFI has a policy to make every effort to obtain forest certification, in accordance with an internationally recognised scheme, before the end of 2014. Currently SFI has FSC-CW certification for its Natural Forest Management Licence Area (Certification Registration Code: SW-CW/FM-004018 valid until 22 Feb 2015) and has met the Rainforest Alliance Verified Legal Compliance (VLC) standard and holds Verification Statement RA-VLC-005726, valid until 9 September 2015 for its NFM Area and established plantations.

Forest Management Plans and HCVF Assessment Report

Forest Management Plan 2011-2020

Timber Licence Agreement JP (KSG) 108/96 (CO), for
parts of the Sipitang and Ulu Sungai Padas Forest
Reserves

Rev 1





SABAH FOREST INDUSTRIES SDN BHD (84330K)
(FORESTRY & TIMBER DIVISION)
Kompleks SFI, No. 33, Jalan SFI,
WOT No. 21, 88000 Sipitang, Sabah

Plantation Development Plan 2011-2020

Timber (Tree Plantation) Licence Agreement
JP (KSG) 107/96 (CO), for parts of the Sipitang Forest Reserve



Eucalyptus grandis in nursery Eucalyptus grandis plus tree, SFI Plantation

Photographs by Winston Ng, Survey Section, SFI



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Plantation Development Plan for SFI Titled Land 2011-2020

Land Titles Number CL 195317803 (Ganul)
& CL 195317821 (Mendolong)



2 year old Acacia mangium plantations in SFI's Ganul Titled Land Photo Edmund Gan



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USAID
U.S. Agency for International Development



RAFT
Responsible Area Forestry and Trade

**High Conservation Value Forest
(HCVF) Assessment of
Sabah Forest Industries (SFI)
Sipitang, Sabah**



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March 2011

SFI has pledged to protect areas with high conservation values (HCV). An assessment of HCV Forests was conducted in 2011 in cooperation with WWF Malaysia and funding from USAid under their Responsible Asian Forest Trade Programme (RAFT). This report "High Conservation Value Forest (HCVF) Assessment of Sabah Forest Industries, Sipitang, Sabah", together with a Peer Review and SFI's response can be found at www.hcvnetwork.org

Corporate Social Responsibility (CSR)

SFI is committed to honouring its responsibility to all its stakeholders by conducting its business in a responsible way to create positive and lasting impacts on society.

SFI's CSR Department actively engages with communities to understand their needs and to help them to meet those needs. Activities include youth development programmes, micro-financing for women, school for differently abled children, community resource management programmes including tagal fish farming and wild game management, traditional craft workshops and marketing initiatives.

SFI's CSR efforts were recognised by the Junior Chamber International (JCI) when they presented SFI with the Industry Class Sector Award in Environmental Conservation at the Malaysian Socially Responsible Company Awards, 2012. This recognised SFI CSR project in Ulu Tomani to encourage the community to preserve their culture by making and selling eco-friendly products using bamboo and rattan with a project entitled "Reviving handicrafts to preserve indigenous traditions and to create an avenue of sustainable livelihood for communities living in the Heart of Borneo, East Malaysia".

Avantha Rainforest Research and Education Centre (ARREC)

Situated on the margins of 2,000 hectares of virgin forest, ARREC has been established to provide a place for the SFI staff, communities, school children, and university students and staff to learn about and appreciate the natural environment. The aim is to promote environmental awareness and to accumulate knowledge to assist with managing SFI's large conservation estate.



Murut women preparing their handicrafts for sale. This an SFI CSR initiative



Virgin forest at ARREC



Youth development programme at ARREC. This is another CSR initiative.



University Malaysia Sabah (UMS) student conducting research at ARREC.



1. Forest Management Plan 2011 – 2020

Forest Management Plan (FMP) 2011- 2020 applies to 104,822 hectares in the Sipitang and Ulu Sungai Padas Forest Reserves which is covered by Timber Licence Agreement KSG 108/96 (CO) issued to Sabah Forest Industries Sdn Bhd (SFI). This area is referred to as the Natural Forest Management (NFM) Licence Area or the “NFM Area”.

The FMP describes the history which gives rise to the current state of the NFM Area and how it will be managed over the period 2011 -2020 to meet the following objectives.

To;

- Provide raw material for SFI’s plywood and sawn timber mills over the period 2011 to 2014
- Treat harvested areas to increase their future commercial value
- Support the health and safety of those working in the NFM and in neighbouring communities
- Protect the environment
- Support the development of local communities
- Maximise return to shareholders consistent with the other objectives.

By doing this SFI will achieve its mission of establishing market dominance by the excellence of its products and realise its vision of being the region’s preferred supplier of timber products and an employer of first choice.

The FMP details how the current NFM Area has been managed for different purposes over the last 20 years and the effect that this has had on its growth.

About 1200 hectares (1% of the total area) has been planted with exotic species which will be harvested between 2011 and 2013 and restocked with dipterocarps native to the area.

SFI was given permission to remove timber from the first cycle over a 10 year period rather than the usual 35 year cycle which would allow for continuous production. Therefore there will be a halt to harvesting towards the end of the planning period to allow time for the forest to recover. It is estimated that the 2nd cycle could commence in about 2038 with an annual allowable cut (AAC) of around 46,000m³.

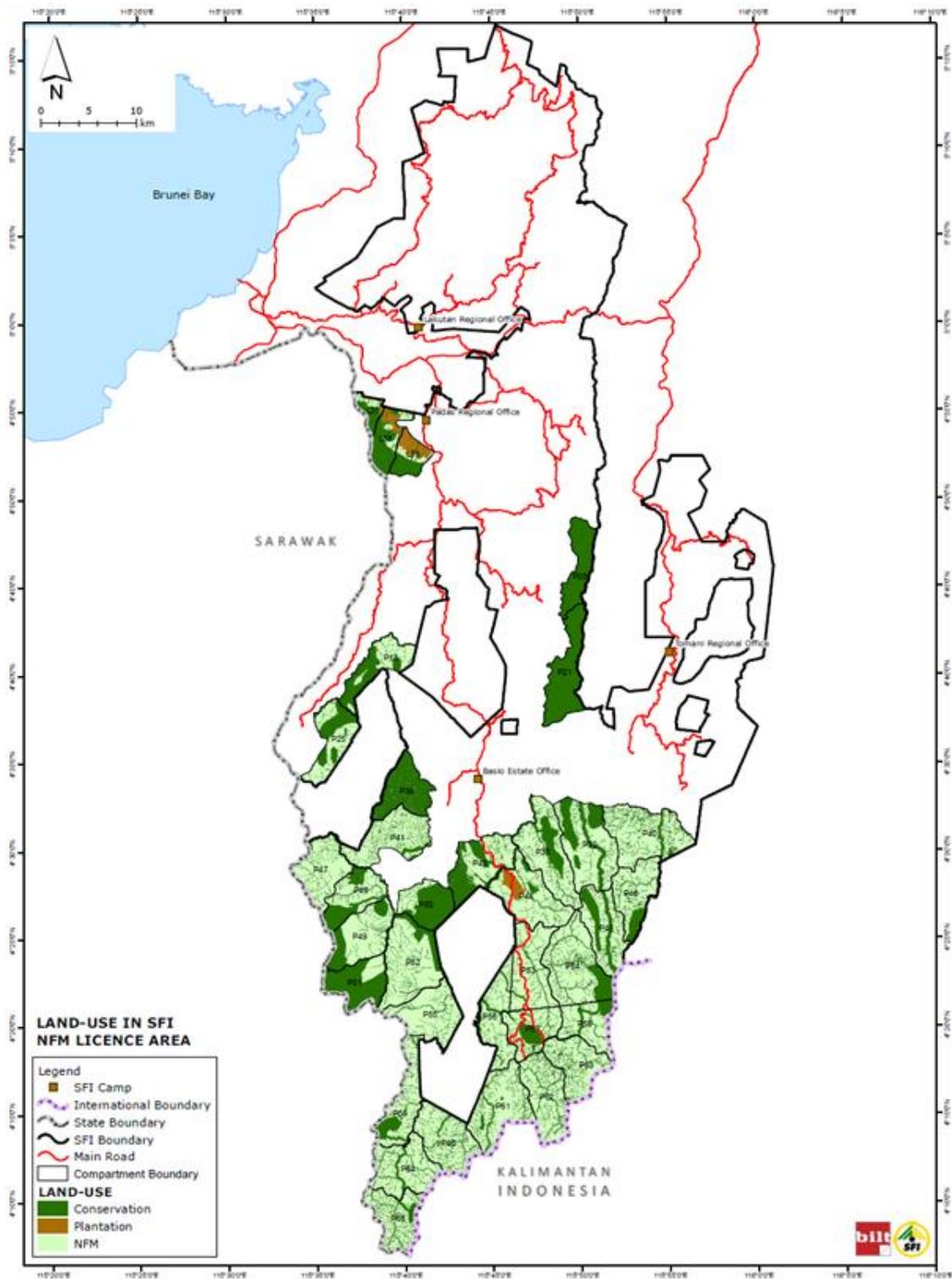
The FMP provides for the harvesting of 330,000 m³ of logs from virgin forests using Reduced Impact Logging (RIL) techniques from 2012 to 2015 and the 120,000m³ of plantation logs from areas which will be restocked with dipterocarps.

A financial analysis is presented and shows that the harvesting of natural timbers from the NFM Area is of marginal profitability because of the steepness of the area, its high rainfall and remoteness from the mills. If timber prices fall then harvesting will become uneconomic and may need to be deferred until such time as they recover. This notwithstanding, programmes of 100 ha/year of enrichment planting in heavily logged areas and 1000 ha/year of liberation thinning in the areas to be logged using RIL are provided for.

Community development programmes are outlined and quarterly meetings will continue with residents of the 6 villages living close to the borders of the NFM Area. SFI's Corporate Social Responsibility (CSR) Department will work with these communities, NGO's and government departments to develop Community Based Natural Resource Development (CBNRD) projects in the NFM Area and the adjacent State Land. Potential projects include recreation, tourism, game management and the gathering and marketing of Non-timber Forest Products (NTFP).

The protection of the NFM Area will be supported by restricting access using manned gates. Encroachment will be monitored by foot patrols and the examination of satellite images obtained on an annual or biannual basis. The dangers of fire and the threat to wildlife from hunting will be raised at regular meetings with villagers and contractors.

(Map follows)



Map showing land-use in the NFM Licence Area covered Forest Management Plan 2011-2020

The NFM areas are managed for the sustainable production of natural timbers using reduced impact logging (RIL) techniques. Areas of plantation will be harvested and restocked with species native to the area.

2. Plantation Development Plan 2011 – 2020

Plantation Development Plan (PDP) 2011 - 2020 applies to 171,471 hectares in the Sipitang Forest Reserve which is covered by Timber (Tree Plantation) Licence Agreement KSG 107/96 (CO) issued to Sabah Forest Industries Sdn Bhd (SFI). This area is referred to as the Industrial Tree Plantation Licence Area or the "ITP Licence Area"¹. This ITP Licence Area is a Commercial Forest Class II as defined by The Forests (Constitution of Forest Reserves and Amendment) Enactment, 1984. Such forests are established for the "supply of timber and other produce to meet the general requirements of trade". (See Sabah State Forest Policy, as given in the Sabah Forestry Department Website <http://www.forest.sabah.gov.my/policies/policy.asp>)

The PDP describes the history which gives rise to the current state of the ITP Licence Area and how it will be managed over the period 2011 -2020 to meet the following objectives.

To;

- Provide a sustainable supply of raw material for SFI's pulp and paper, plywood and sawn timber mills
- Establish and re-establish plantations so as to maximise the value of the wood for its industrial uses
- Support the health and safety of those working in the ITP Licence Area and in neighbouring communities
- Protect the environment
- Support the development of local of communities
- Maximise return to shareholders consistent with the other objectives.

By doing this SFI will achieve its mission of establishing market dominance by the excellence of its products and realise its vision of being the region's preferred supplier of timber products and an employer of first choice.

The decision to convert the ITP Licence Area to plantations was made in the early 1980's when the Sabah Government decided to develop a pulp and paper industry. Once this decision had been taken, then the volume of wood required to sustain an internationally competitive industry could only come from plantations.

By January 2011 about 38,000 hectares of plantation had been established in the ITP Licence Area.

The PDP describes how and where new plantation development will take place including measures that will be taken to identify and protect high conservation values and to take into account the needs of neighbouring communities including the protection of sites important to their cultural identity and ensuring that they have continued access to clean water and other products derived from forests. Of the total ITP Licence Area of 171,471 ha, between 100,000 to 130,000 hectares (58% to 70%) of the area will ultimately be plantations, leaving between 40,000 to 70,000 ha reserved to protect conservation and social values.

¹ Note that SFI manages other areas under Timber Licence Agreement JP (KSG) 108/96 (CO). These are referred to as the "NFM Area" and its management is described in the Forest Management Plan (FMP) 2011-2020. SFI also manages 11,845 ha of titled land with the same objectives as detailed in this PDP. The management of this area is detailed in "Plantation Development Plan for Titled Land 2011 – 2020".

In the first half of the planning period, plantation harvesting and establishment in the ITP Licence Area will increase to more than 10,000 hectares per year and will require a permanent workforce of more than 4,000 people. About half of this workforce will be directly employed by SFI and the other half by its contractors.

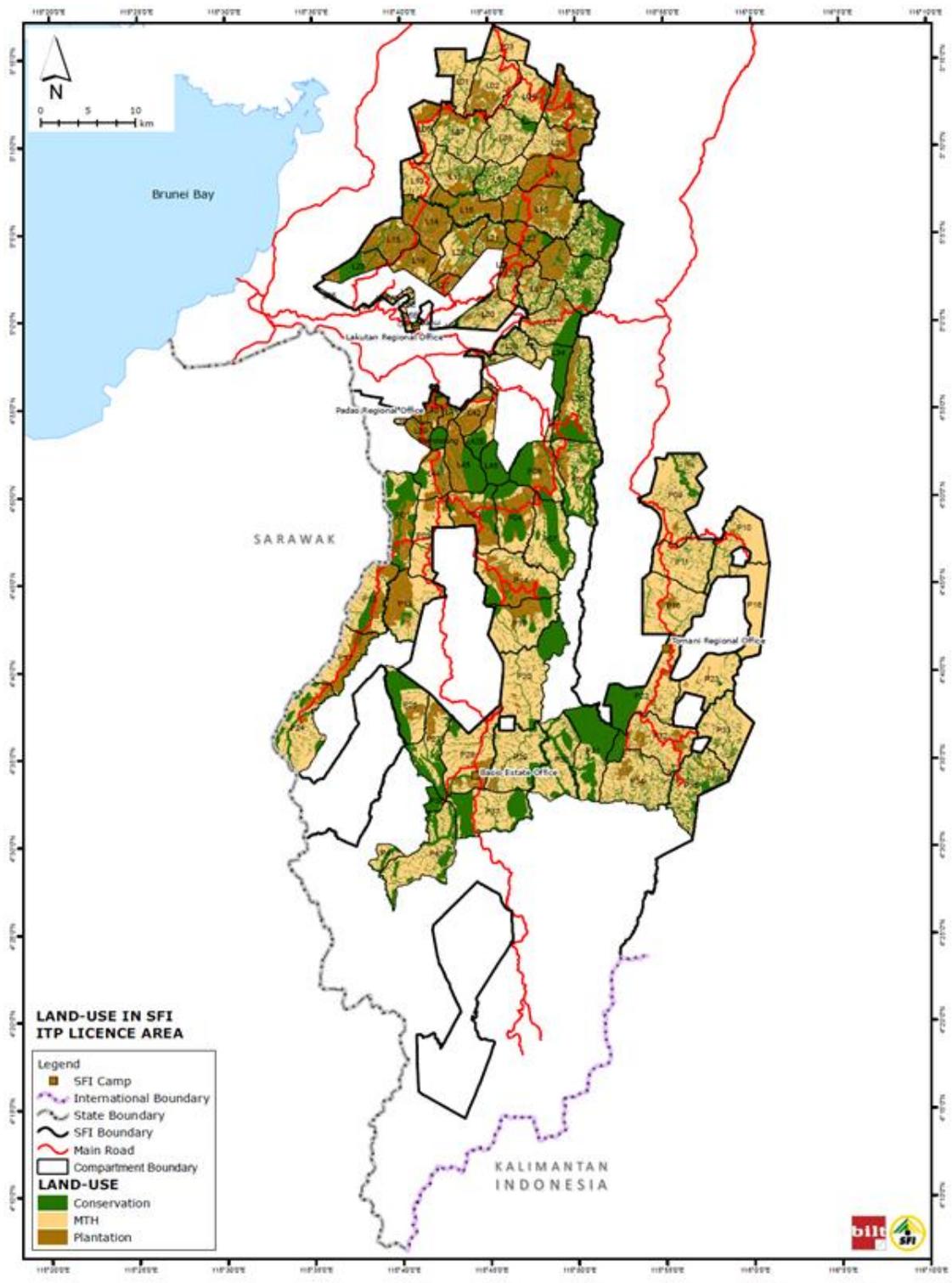
The PDP also describes the nursery and silvicultural methods that will optimise production and the research and development programme which is focused on identifying the most productive planting materials and on keeping the plantations safe from pests and diseases. It also details the measures that will be taken to prevent losses from fire and procedures to deal with wildfires.

Community development programmes are outlined and quarterly meetings will continue with residents of the villages close to the borders of the ITP Area. SFI's Corporate Social Responsibility (CSR) Department will work with these communities, NGO's and government departments to develop Community Based Natural Resource Management (CBNRM) projects in the ITP Area and the adjacent State Land. Components of these projects may include recreation, tourism, game management and the gathering and marketing of Non-timber Forest Products (NTFP).

The protection of the ITP Licence Area will be supported by restricting access using manned gates. Encroachment will be monitored by foot patrols and the examination of satellite images obtained on an annual or biannual basis. The dangers of fire and the threat to wildlife from hunting will be raised at regular meetings with villagers and contractors.

Wood produced from the SFI Licence Area is processed entirely in SFI's own factories. Profits, therefore, are made from the sale of processed products, particularly pulp and paper, but also sawn timber and plywood. Wood from the ITP Licence Area is not "sold" as such, but transferred at its cost of production to the processing plants. Therefore from the plantation's point-of-view, costs and prices are equal and therefore there is no profit (or loss).

The final chapter looks at the cost of producing pulpwood from the ITP Licence Area and concludes that it is significantly cheaper than wood of the same quality from alternative sources.



Map showing current land-use in the ITP Licence Area covered by the Plantation Development Plan (as at 1 January 2011).

Note that the MTH areas shown on this map will be surveyed and operable areas will be converted to plantations provided that they have no high conservation values.

3. Plantation Development Plan for Titled Land 2011 – 2020

Plantation Development Plan for SFI's Titled Land (PDP-TL) 2011- 2020 applies to 11,845 hectares of land in the administrative districts of Sipitang and Beaufort covered by Land Titles Number CL 195317803 (5,985 hectares, more or less) and CL 195317821 (5,860 hectares, more or less) issued to Sabah Forest Industries Sdn Bhd (SFI) by the Director of Lands and Surveys on 8 June 2007. This area is referred to as the SFI Titled Land or the "Titled Land".

While the Titled Land is managed in conjunction with contiguous land which is part of SFI's ITP Licence Area, it is treated as a separate forest management unit (in the general sense of the term) because of its different statutory framework and also because its plantation silviculture is aimed at producing a sawlog from the butt whereas the ITP Licence Area is managed to maximise pulpwood production.

This PDP-TL describes the current state of the Titled Land and how it will be managed over the period 2011 -2020 to meet the following objectives.

To;

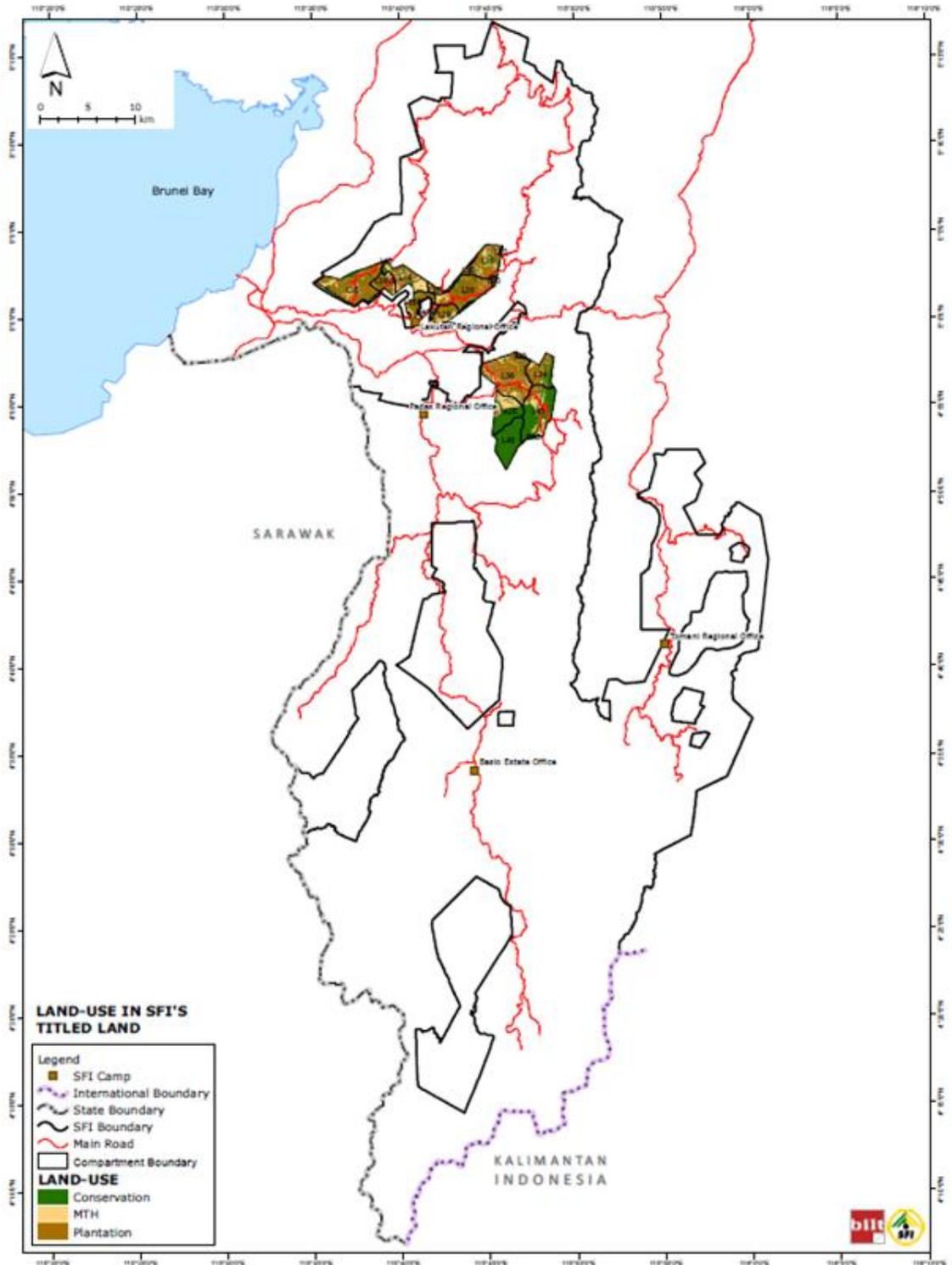
- Contribute to the sustainable supply of raw material for SFI's pulp and paper, plywood and sawn timber mills
- Establish and re-establish plantations so as to maximise the value of the wood for its industrial uses
- Support the health and safety of those working in the Titled Land and in neighbouring communities
- Protect the environment
- Support the development of local of communities
- Maximise return to shareholders consistent with the other objectives.

By doing this SFI will achieve its mission of establishing market dominance by the excellence of its products and realise its vision of being the region's preferred supplier of timber products and an employer of first choice.

Under the Special Terms of the titles, the Titled Land is to be "only used for the purpose of tree plantation for commercial timber production". Furthermore it is required that at least 75% of the total area (less any lands reserved for conservation purposes) is to be planted before the end of 2013.

Preliminary estimates, subject to confirmation after final surveys have been completed, suggest that about 8,400 ha of the Titled Land can be converted without compromising conservation values. By January 2011 about 6,460 hectares of this area (77%) had been established.

This PDP-TL describes how and where new plantation development will take place including measures that will be taken to identify and protect high conservation values and to take into account the needs of neighbouring communities including the protection of sites important to their cultural identity and ensuring that they have continued access to clean water and other products derived from forests.



Map showing current land-use in the SFI Titled land covered by the Plantation Development Plan for Titled Land (as at 1 January 2011).

Note that the MTH areas shown on this map will be surveyed and operable areas will be converted to plantations provided that they have no high conservation values.

Selected Policies



Policy on Forest Certification

Introduction

Sabah Forest Industries (SFI) is committed to the highest standards of fiscal, social and environmental responsibility. These ideals are expressed in the following Vision and Mission Statements which have been endorsed by SFI's own senior management team, its corporate managers and by its shareholders;

Vision

To be the region's preferred supplier of pulp, paper and timber products and an employer of first choice

Mission

Our mission is to establish market dominance by the excellence of our products.

We will do this by motivating and rewarding our workforce, honouring our responsibility to our stakeholders and respecting the environment.

In this way, we will maximise the benefits from available resources for the benefit of current and future generations.

To demonstrate our commitment to these ideals to a wide range of stakeholders including customers, employees, financiers and communities, it is SFI's policy to pursue forest certification against internationally accepted standards using independent auditors. The Sabah Forestry Department has also decreed that all Forest Reserves covered by licenses issued by the State must be certified, using a scheme acceptable to them, by the end of 2014 or licenses may be withdrawn. For all these reasons certification is a business necessity and is to be accorded the highest priority and is to be achieved in the shortest possible timeframe. In May 2009 the Board of SFI resolved that a committee of senior staff members chaired by the Plantation General Manager be formed to pursue forest certification. The following policy was agreed:

Policy:

SFI will obtain forest certification for its Natural Forest Management (NFM) areas and its plantations in accordance with the principles and criteria of an internationally recognised scheme in the shortest practicable timeframe.

What is Forest Certification?

Forest Certification is independent verification that an organisation is managing its forests and related businesses in accordance with published standards and therefore consumers can be assured that by purchasing products from such forests they are not contributing to the exploitation of people or resources. These standards include criteria related to sustainability, legality, health and safety, community relations, and the environment. There are a number of internationally recognised schemes. The most well known is the one administered by the Forest Stewardship Council (FSC). Most countries also have their own national schemes and Malaysia has two schemes administered by the Malaysian Timber Certification Council (MTCC); a Malaysian Timber Certification Scheme (MTSC) for natural forests and another for plantations. The MTCS for natural forests has been endorsed by the Programme for the Endorsement of Forest Certification Schemes Council (PEFC), previously known as the “Pan European” Scheme. MTCC has submitted its plantation certification scheme to PEFC and is confident that it too will be endorsed. PEFC endorsement gives MTCS certification wide international acceptance.

The various certification councils, or bodies, establish their own certification criteria by consulting with their membership, stakeholders and the general public. These criteria are published. The certification bodies then accredit other agencies to audit operations against the published standards and to award certificates where there is the required level of compliance. The auditors may issue certificates subject to “corrective action requests” (CARs) being undertaken according to a prescribed timetable. The operation will be subject to spot checks, periodic formal reviews and a comprehensive annual inspection. The certificate will be withdrawn if CARs are not carried out, or not carried out in time, or if standards fall below the required levels at any time.

Full forest certification, whether it is under FSC, MTCS or some other scheme, has exacting criteria. There are other certification schemes where the requirements are less. The lowest level of certification is the Verification of Legal Origin (VLO). For this an entity must prove to auditors that it has obtained the legal right to harvest; acquired planning approvals and permits; paid the required taxes, royalties and/or harvesting fees; and maintained a chain of custody.

The next level is the Verification of Legal Compliance (VLC) which verifies that an entity is in compliance with all laws relating to environmental protection, wildlife, water and soil conservation, harvesting rules and practices, worker health and safety and fairness to communities.

Another standard which falls between VLO and full certification is FSC Controlled Wood (CW) and is similar in some respects to VLC. To meet the CW standard an entity must demonstrate that the wood they supply or use does not come from 5 controversial categories which are 1) wood that is illegally harvested, 2) harvested in violation of traditional and civil rights, 3) harvested in forests management units in which high conservation values are threatened by management activities, 4) harvested in areas in which forests are being converted into plantations or non-forest uses or 5) harvested from forests which are genetically modified. “Controlled wood” may be mixed with a certain proportion of fully certified wood to produce variants of certified wood.

For full certification all the VLC/FSC-CW criteria must be met and in addition an entity must be able to establish that it is economically, socially and environmentally sustainable. Wood from certified forests can be labelled as such. An increasing number of customers will only buy certified products.

Key Requirements for FSC Certification

In order to meet FSC certification standards, an organisation must declare that it is not directly or indirectly involved in any of the following activities;

- illegal logging or the trade in illegal wood or forest products;

- Violation of traditional and human rights in forestry operations;
- Destruction of high conservation values in forest operations;
- Significant conversion of forests to plantations or non-forest use;
- Introduction of genetically modified organisms in forestry operations;
- Violation of any of the ILO Core Conventions, as defined in the ILO Declaration on Fundamental Principles and Rights at Work, 1998.

Management must also be committed to complying with all laws and regulations including those related to the health and safety of employees, to providing fair employment opportunities with priority given to local people and to ensuring the rights of the workers to organize and voluntarily negotiate.

A key requirement for all levels of certification is a set of procedures to track logs from the forest stand to the point at which the ownership of the log changes to an outside party. In the SFI case, logs are being supplied to its own mills therefore logs must be tracked from the forest stand, through the processing plant to the roll or pack of paper, or packet of timber or plywood which leaves the mill to the point at which the ownership is transferred to the buyer. This ability to track the material is referred to as the chain-of-custody (COC). For a consumer of forest products to be confident that the wood that is contained in a product comes from a legal source then it must be possible to follow the chain-of-custody back to the stump or forest stand from which it was cut.

Steps taken and Plan for achieving forest certification

As has been discussed, certification is a management priority. The Board of Directors of SFI has formed a Certification Working Group (CWG) chaired by the General Manager Plantations consisting of representatives from Forests and Timber, Pulp and Paper, Integrated Timber Complex, and Support Services. The CWG works closely with WWF and the Sabah Forestry Department to ensure that management is such that certification criteria are met.

Actions taken and progress achieved so far:

1. In May 2009 auditors from SmartWood, an auditing body with its headquarters in the USA and accredited by FSC, undertook a VLO audit. They assessed the NFM and established plantation areas together with the saw and plywood mills against the VLO standard and issued Verification Statement SW-VLO-004018 on 28 July 2009 valid until 27 July 2012. They also issued a Generic COC Certificate (SW-G/CoC004450) on 5 November 2009 and valid for 5 years.
2. Upon the expiry of the VLO Verification Statement in July 2012, SmartWood carried out an audit against the higher Verified Legal Compliance (VLC) standard and issued Verification Statement RA-VLC-005726 valid 10 September 2012 to 9 September 2013 covering the NFM Area and existing plantations.
3. In February 2010 SmartWood issued a FSC-CW Certificate (SW-CW/FM-004704), valid for 5 years, for the NFM Area. They also issued CoC Certificate (SW CoC-005142 and SW-CW-005142). Which allows SFI to sell logs from the forest as CW certified logs or products from ITC as certified sawn timber or plywood.
3. In order to meet the December 2014 deadline for full certification, SFI is making concerted efforts to meet the FSC and MTCC standards.

Revised by WG Wooff,
General Manager, Plantations
1 September, 2012



SABAH FOREST INDUSTRIES SDN BHD

(Company No. 84330-K)

OCCUPATIONAL SAFETY AND HEALTH POLICY

Sabah Forest Industries (SFI) is the largest Integrated Pulp and Paper Company in Malaysia, producing wood-free uncoated printing and writing papers. SFI operations also includes Integrated Timber Complex which consist of a sawmill and plywood mill. SFI is managing its tree plantation and forest resources in a sound Environmental and Sustainable manner.

SFI is committed to excelling in all its business activities in ways that protects the Safety and Health of all the people who may get affected by its operations. It shall comply with the OSH Act 1994 and all other legislation that applies to its operations. SFI will assess the risks to health and safety of all its operations and take appropriate measures to ensure a safe workplace for all staff and contractors and ensure that surrounding communities and the public in general are protected. We shall strive to prevent all incidents, and hazards to health at all workplaces by ensuring safe working practices are followed.

SFI shall continuously improve its OSH standards in all aspects of business activities by promoting safety and health awareness, providing training to employees to improve their performance and create a culture of safety and health living in the organisation. This Occupational Safety and Health Policy shall be reviewed annually to ensure continual improvement of the OSH management system.


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AJAY GUPTA
Associate Vice President (Operations)

Date: 1st NOV' 2011
(Revision # 5)