



BURAPHA
AGRO-FORESTRY

Annual Sustainability Report

2022

www.buraphawood.com

About this Report

This 2022 Sustainability Report reflects Burapha Agro-Forestry's ongoing commitment to our company values, achieving international sustainability standards that support our social licence to operate in Lao PDR and fulfil the expectations of our financing partners.

This document incorporates reporting against International Finance Corporation (IFC) Performance Standards, Forestry Stewardship Council (FSC) Principles, United Nations Sustainable Development Goals (SDGs) and periodic monitoring requirements by financing partners. It also provides general commentary regarding Burapha's business activities and sustainability performance for the year.

The report focuses on activities for the 2022 calendar year.

Report published: August 2023



The mark of
responsible forestry



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Message from the CEO

The year 2022 was a period of considerable growth for the company. Of note, Burapha was able to secure a concession agreement with the Lao Government to plant 60,000 hectares within three Production Forest Areas of Central Laos. This achievement provides significant long-term security for our company and will bring job security and infrastructure to our partner villages. We are especially grateful to our customers for their continued support during a year highlighted by challenging global market conditions and inflationary pressures.

Back in 2017 Burapha policy was to achieve 30% female participation in our workforce. I am please to report that in 2022 we have reached 44% across our business generally, and have reached over 44% across our business. 66% female participation at our new plywood mill. This achievement has provided our local communities with job opportunities and helps to keep family units together.

Finally, I would like to extend my sincere gratitude to Burapha staff, service providers, Lao Government counterparts and investors for their considerable efforts throughout the year.

I present to you the Annual Sustainability Report for 2022, which communicates the Company's activities and programs relating to our sustainability performance.



Mr Przemek Pruszynski,
CEO Burapha Agro-Forestry

Company Profile

Burapha Agro-Forestry Co. Ltd. is a vertically integrated agro-forestry company, established in Lao PDR in 1993 by a Lao-Swedish joint venture.

Burapha has 9,622.5 hectares under active management with 5,800 ha planted in Vientiane Province, Xayaboury Province, and Vientiane Prefecture. We also have unplanted holdings in Xaysomboun Province. The Company holds a 60,000 hectare concession within three Production Forest Areas (PFA) in the provinces of Vientiane and Xayaboury in Lao PDR.

Burapha operates a veneer and plywood manufacturing mill in Hinheup District, Vientiane Province, approximately 100 km northwest of Vientiane Capital

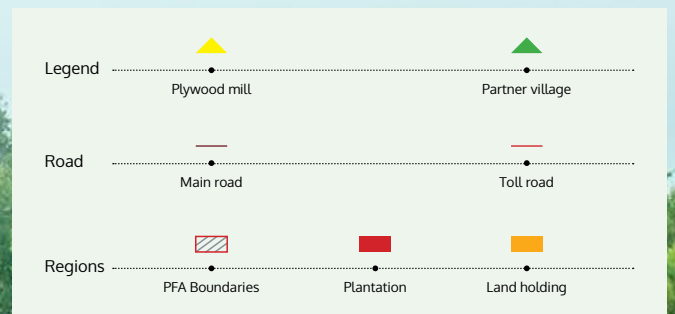
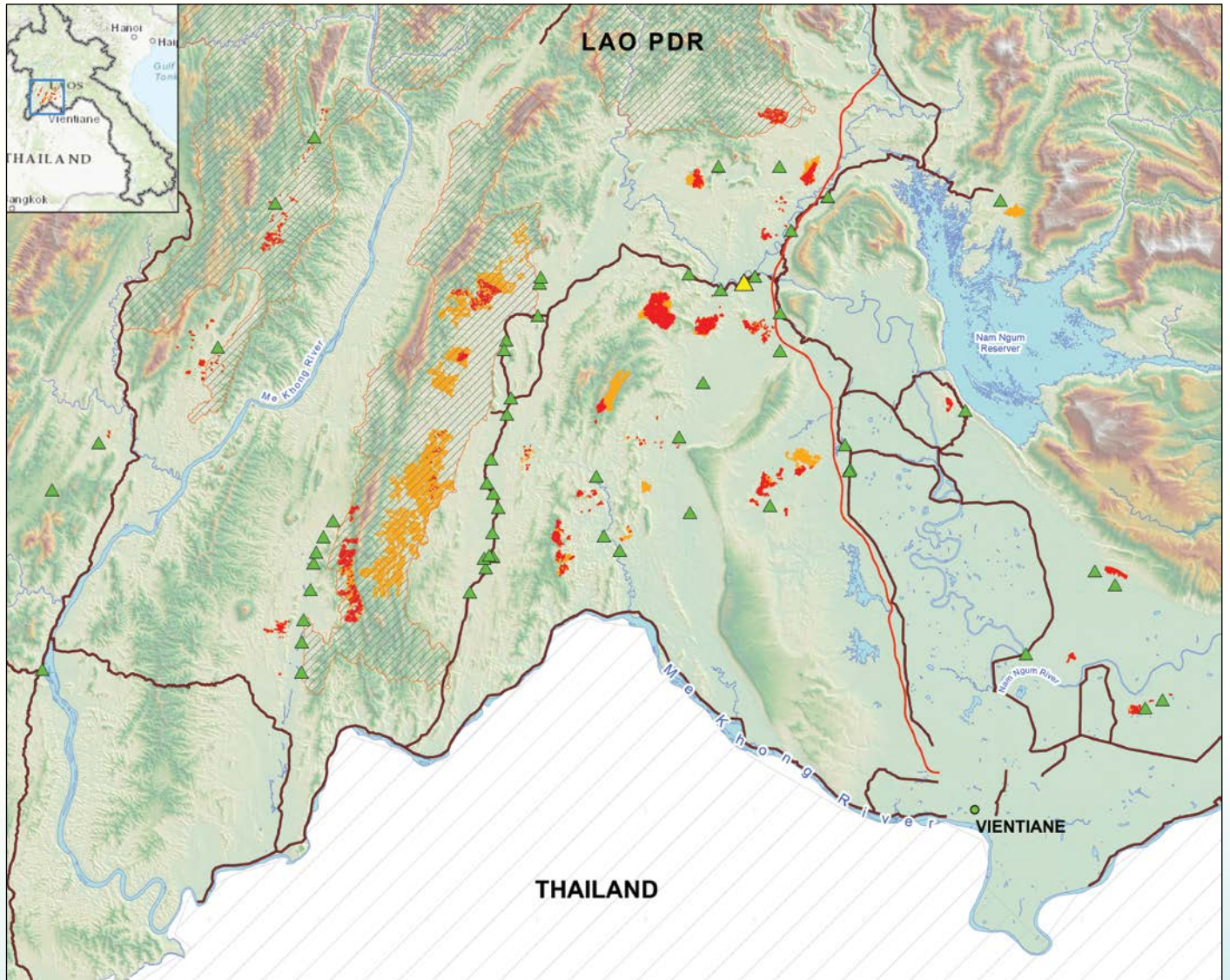
and a sawmill and furniture factory at Nabong, Xaythany District, Vientiane Capital, operating since 2000.

Burapha also has its own research and development (R&D) program to support our plantation operations, with a tree nursery and R&D facility situated adjacent to the Nabong sawmill.

Burapha's Head Office is located in Vientiane, and provides support services to the Company's forestry and timber processing operations.



Overview of Land Holdings and Plantation Areas

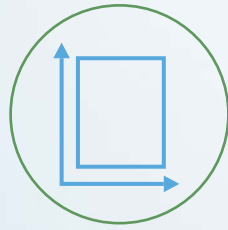


2022 Highlights



60,000 ha

New concession granted



9,622.5 ha

Under active management



1,381 ha

Special (Conservation) Management Area



5,826 ha

Total planted area



8,444 m³

Plywood produced



97%

Lao national workforce



44.6%

Female participation



US\$ 1.3 m

Wages income generated

Corporate Sustainability

Burapha's commitment to our communities, investors and other key stakeholders is reflected through our adherence to the International Finance Corporation (IFC) Performance Standards, Forestry Stewardship Council (FSC) Principles and United Nations' Sustainable Development Goals (SDGs). The Company is committed to providing a safe and inclusive workplace and operations in accordance with International Labour Organisation (ILO) Standards in respect to employment conditions and the health and safety of our people.

Sustainable Development Goals

As a diligent corporate citizen, we aspire to achieve as many of the SDGs as possible to positively impact the climate, communities and development of Lao PDR.

Through our activities, we directly contribute to seven SDGs as demonstrated in the case studies throughout this report.



End poverty in all its forms everywhere



Achieve gender equality and empower all women and girls



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation



Make cities and human settlements inclusive, safe, resilient and sustainable



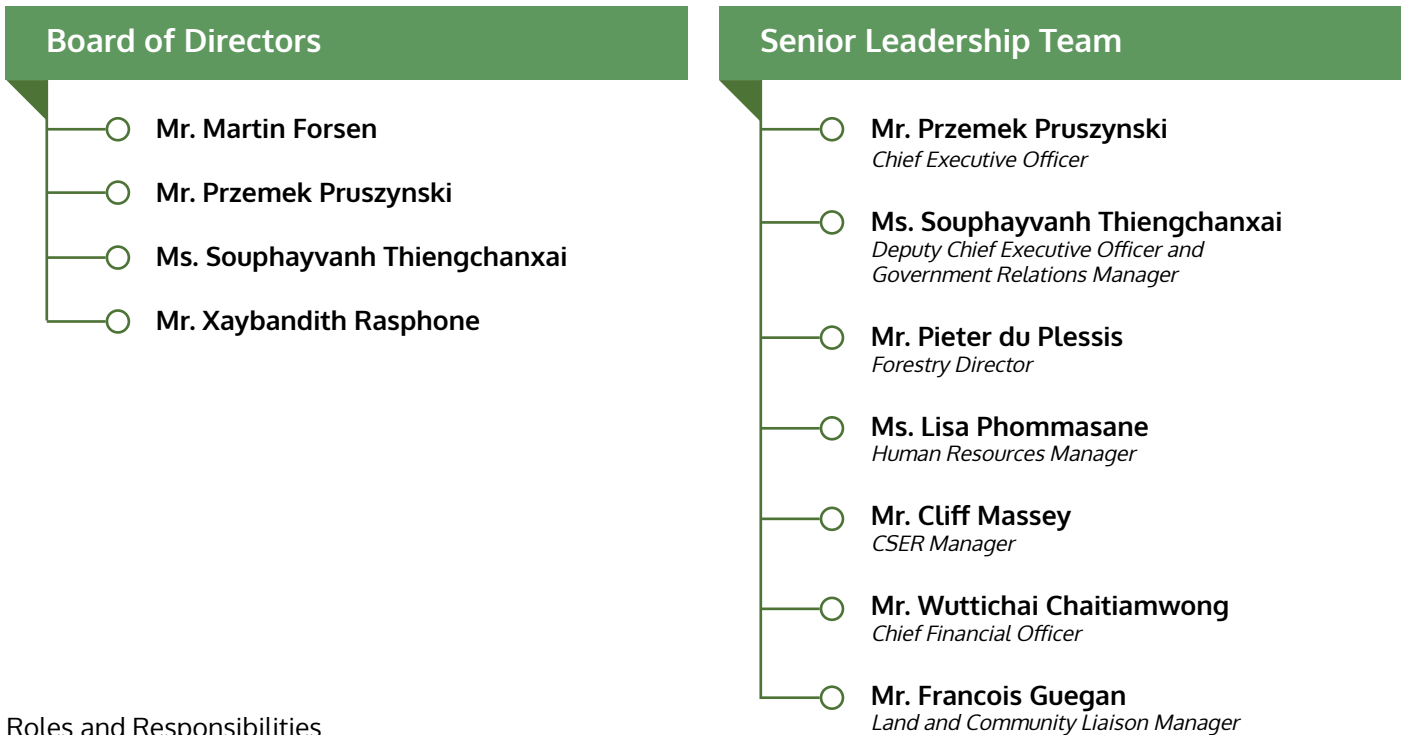
Take urgent action to combat climate change and its impacts



Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

Governance and Compliance

Burapha’s compliance with these standards is managed by the CSER Manager, working closely with the Burapha Board of Directors and senior leadership team based in Laos, listed below.



Roles and Responsibilities

 Board	Responsible governance and investor relations
 Investors	Confirm and support Burapha’s commitment to international sustainability standards
 Senior Management Team	Sustainable operational management and leading corporate culture
 CSER Team	Oversee sustainability programs, reporting and audits
 Partner Businesses	Implement Burapha’s international sustainability standards

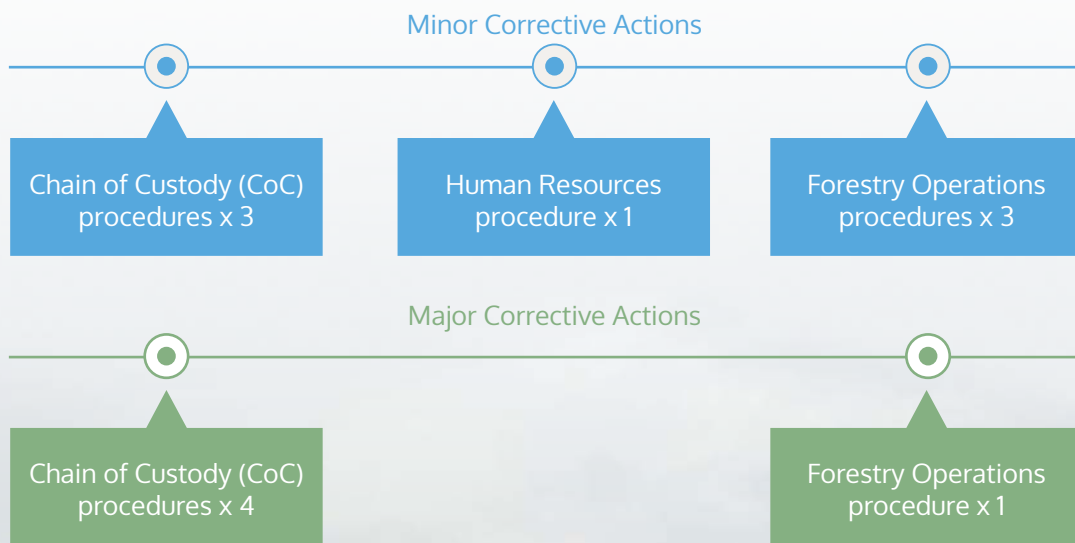
The Company's Environmental, Social and Safety Management System (ESSMS) framework underpins a suite of operational processes that apply to all our operations to ensure adherence with international standards. This includes an overarching Environment and Social Policy, environmental and social risk identification, roles and responsibilities and site-specific management plans.

Regular external audits are conducted by Burapha's investors, relevant Lao Government departments and certification bodies to verify that the Company meets our commitments.

Specifically, audits were conducted by GFA for FSC certification for Forest Management and Chain of Custody in July and October 2022.

The investors' annual Environmental and Social Advisor Audit report was received by Earth Systems Consultants in July 2022. This audit assessed Burapha's operations against the IFC Performance Standards and progress of the investor requirements within the Environmental Social Action Plan as mentioned in the next page.

The FSC audits of Burapha's Chain of Custody and Forest Management practices identified 12 corrective actions



The investor's annual E&S audit report identified 33 compliance gaps listed below, which are progressively being addressed by the company.

IFC Performance Standard	Number of compliance gaps
# 1 Assessment of Management of Environmental and Social Risk and Impacts	7
# 2 Labor and Working Conditions	9
# 3 Resources Use and Efficiency	6
# 4 Community Health, Safety and Security	0
# 5 Land Acquisition and Involuntary Resettlement	5
# 6 Biodiversity Conservation and Sustainable Management of Living Resources	4
# 7 Indigenous Peoples	0
# 8 Cultural Heritage	2

Table 1: IFC Performance Standard

In June 2022, the Multilateral Investment Guarantee Agency (MIGA) conducted an environmental and social due diligence of operations and procedures against IFC Performance Standards as part of an investor's loan guarantee application. This work remains ongoing with reports expected in 2023.

Investors Prohibited Activity Declaration

As part of its Facility Agreement for the plywood mill project, our investors require that Burapha does not practice in a range of activities. The table below provides the list of these activities and their status for the reporting period, representing full compliance.

Prohibited Activities	2022 Status
# 1 Forced labor or child labor	Nil
# 2 Activities or materials deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international phase-outs or bans, such as: <ul style="list-style-type: none"> • Ozone depleting substances, PCBs and other specific hazardous pharmaceuticals, pesticides/herbicides or chemicals • Wildlife or products regulated under the Convention on International Trade in Endangered Species Fauna and Flora (CITES) • Unsustainable fishing methods 	Nil
# 3 Cross border trade in waste and waste products, unless compliant with Basel Convention and underlying regulations	Nil
# 4 Destruction of High Conservation Value areas	Nil
# 5 Radioactive materials and unbounded asbestos fibers	Nil
# 6 Pornography and / or prostitution	Nil
# 7 Racists, antidemocratic and or neo-Nazi media	Nil
# 8 In the event of the following products form a substantial part of the projects primary financed business activities: <ul style="list-style-type: none"> • Alcoholic beverages • Tobacco • Weapons and munitions • Gambling, casinos and equivalent enterprises 	Nil

Table 2: Investor list of prohibited activities



The mark of responsible forestry

Certification

In March 2022 the company's FSC FM/CoC certified area covered 9,622.5 hectares with over 5,800 hectares planted. Additionally, a total of 1,381 hectares within or adjacent to the plantations were set aside for conservation under the company's Special Management Area Program.

The sawmill/furniture factory and plywood mill both retained FSC Chain of Custody certification following an audit in October 2022 (FSC C106097).



Contractors

Harvesting and haulage services were provided by Linfox Logistics, and road construction services were provided by two local contractors, Kham Co. Ltd. and PSCP Services. These services providers are obligated under contract to abide by the same environmental and social standards as Burapha.

Contractors were also subject to internal and external audits against FSC principles and IFC Performance Standards.



Linfox logistics operators with Burapha's harvesting team



Operator inside the cockpit of a Ponsse harvester

Burapha's upgrade of existing public roads and construction of new access roads provides a significant social benefit.

18.5 km of new or upgrade roads were completed in 2022.



Health and Safety Performance

Burapha has established a comprehensive Occupational Health and Safety (OHS) management system with the following key elements.



Health and safety risk assessment



Identification and management of hazards



Provision of preventive and protective measures



OHS Training



Document and incident reporting



Emergency preparedness and response

Occupational health and safety is the responsibility of all Burapha employees, daily workers and contractors.

Each of our operational facilities has a site-specific safety plan (including a fire management plan), firefighting equipment and Material Safety Data Sheets (MSDS) available in both Lao / Thai and English for chemicals and other hazardous materials handled and stored at site.

A strong occupational health and safety (OHS) culture is maintained across Burapha's operations

through the required use of personal protection equipment, routine toolbox meetings and operations monitoring, as well as the implementation of appropriate corrective actions when incidents occur. All new Burapha staff receive training on safety procedures at induction and ongoing refresher training.

The culture of reporting incidents continues to strengthen whereby actual accidents/incidents causing injury or property damage are promptly reported and corrective actions addressed.

In 2022, there were 11 incidents that resulted in injury and three resulting in property damage. None of the accidents caused permanent disability or death.





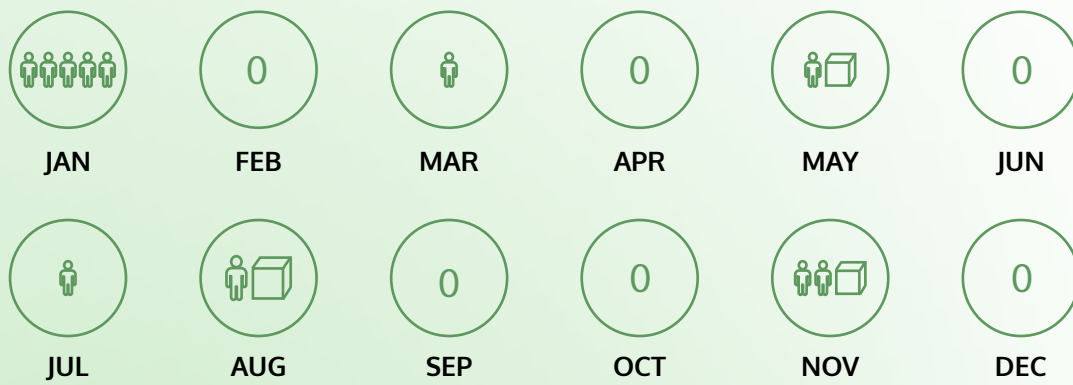
Veneer grading at the plywood mill



Nurse treating plywood mill staff

2022 Incident Statistics

-  Injury Related Incident
-  Property Damage



Comment on high injury occurrences in January: It was during this time Burapha recruited a significant number of new staff for work at the plywood mill and these were unfamiliar with its operations. A greater emphasis was given to improving safety measures and monitoring staff activities.

Fire Management

Fire in our plantations and/or mills is a key risk and multiple management tools are in place to mitigate this. All of our operational facilities and plantations have fire management plans and are equipped with firefighting equipment.

Our procedure for plantation fire management includes appointment of fire guards from local villages, plantation patrols, fire risk information signs, the establishment of fire breaks, specific controlled burns during preparation for plantation establishment and training for local villages.

Burapha also employs a 'Call Before You Burn' program which provides an incentive payment to local villagers to provide Burapha with advanced warning of their intent to

backburn for agriculture. At these activities, Burapha mobilise its own firefighting crew and equipment to control out breaks and also give locals fire management advice. The high fire risk period is between February and June.

Burapha's forestry team carry out firefighting activities themselves and have all the necessary equipment and training. Each forestry team district has their own designated fire crew who train locals in fire management and safety. Fire

campaign signs are posted at locations around the Company's plantations.

Fire and emergency evacuation drills are conducted on a regular basis at the plywood mill and sawmill. Workers are provided with safety training and contacts in case of incidents.

Year	2018	2019	2020	2021	2022
Total Area Burnt	25.4	23.4	74*	14.7	10.8
Main Cause					
Suspected Arson		23%	20%	88%	31%
Adjacent Swidden Burn Escape	100%	67%	80%	12%	69%

*44.6 hectares burnt from one single escape event.

Unexploded Ordnance (UXO)



Lives safe from Unexploded Ordnance (UXO)

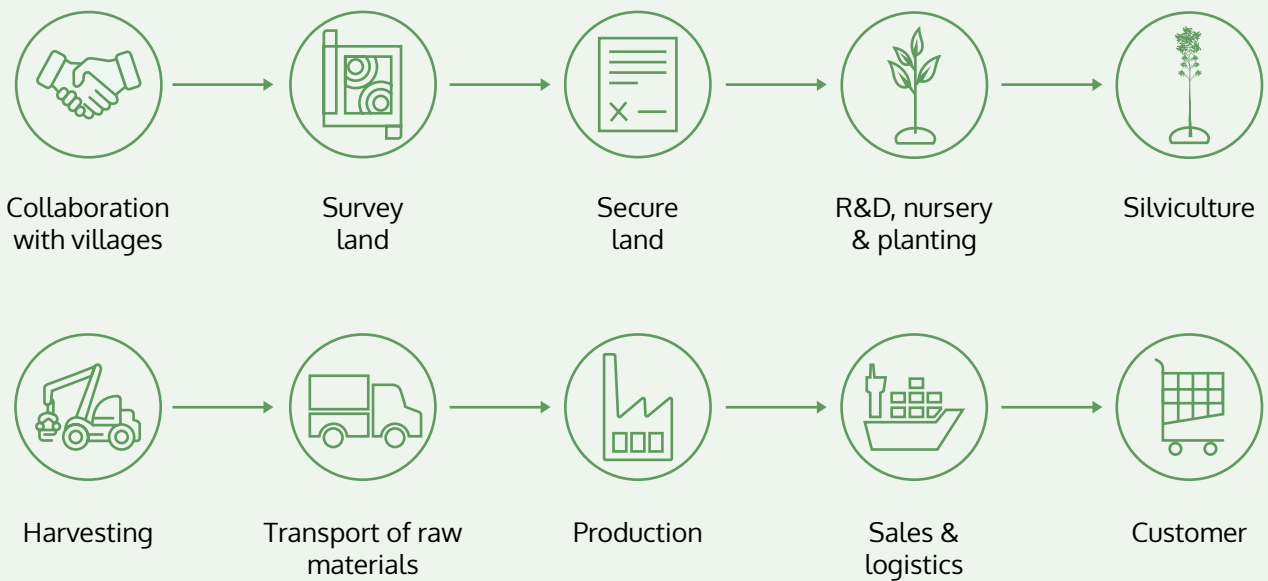
Burapha's plantations are located within areas of low risk of UXO contamination. Community health and safety risks related to UXOs are managed through the conduct of a UXO preliminary risk assessment for each newly acquired land parcel, and implementation of a UXO chance find procedure for when suspected UXOs are found during project works.

In Sangthong District one of our plantations had historically been used as an army camp. A survey of the area by Oumma UXO Clearance identified one possible UXO that was not live.

Operational Performance and Growth

Burapha’s business stream from land acquisition to the customer.

The Burapha process for transforming degraded land to high-quality wood products



Land Acquisition

2022 saw the closure of a 14-month survey in Production Forest Area land. Burapha’s land acquisition team, together with Government and local counterparts, scouted 6,600 hectares of PFA land in five villages in Feuang District, Vientiane Province.

6,800
Hectares
scouted



5
Villages
consulted



982
Household
interviews



15
Community
Meetings



Burapha respects and adheres to the United Nation's international human rights standard, and Free, Prior and Informed Consent (FPIC). All of our 43 partner villages have the right to self-determination and Burapha negotiates with communities on the premise of goodwill and transparency.



Burapha fully subscribes to FPIC. Newly revised consultation procedures and increased staff capacity in the land acquisition team has recently enabled Burapha to identify 100% of households who use PFA land. Burapha meets with these households at least three times to ensure they fully understand our plantation program, their participation and our support. The community meeting structures have also been reorganized to ensure community members have a much more improved forum that facilitates enhanced two-way communications.

Forestry

A key focus in 2022 was on improvements to the forestry technical program as the Company transitioned from being a forest grower to a vertically integrated wood producer. A number of long-term projects commenced to establish an ongoing focus on the identification and implementation of improvements related to the quality and quantity of wood supply to the plywood mill. These included improving veneer log recovery and improving enumeration and accuracy of volume predictions.

In 2022, we extended the way we use drone technology to introduce drone assessment of forests to count survival of new plantations, enabling us to assess the success of new plantings and adapt management

strategies accordingly. A plantation review was conducted with external consultant, Paperbark Forestry Consulting, to review the suitability of forestry operations to meet the wood supply demands of the business, and to assess Burapha's Research and Development (R&D) program. Our R&D program was found to be more than suitable as a critical factor in improving and future proofing our plantations' longer term. Many of the recommendations made by the consultants have been actioned.

"Burapha has made significant progress following a Tree Improvement Program (TIP) strategy developing the company's genetic resources and other research assets." *Paperbark Forestry Consulting report.*

Several advances were made in R&D including a suite of new clones that have been assessed as suitable for commercial development. Five new clones were identified for deployment in 2023, which will increase plantation productivity, quality of wood quality for our industrial processing and improve resilience to pests, disease and climate change.

On the recommendation of *Paperbark Forestry Consulting*, Burapha commenced a procedure to classify sites in terms of soil properties, climate and other conditions most ideal for different clone types, allowing us to optimize future clones.

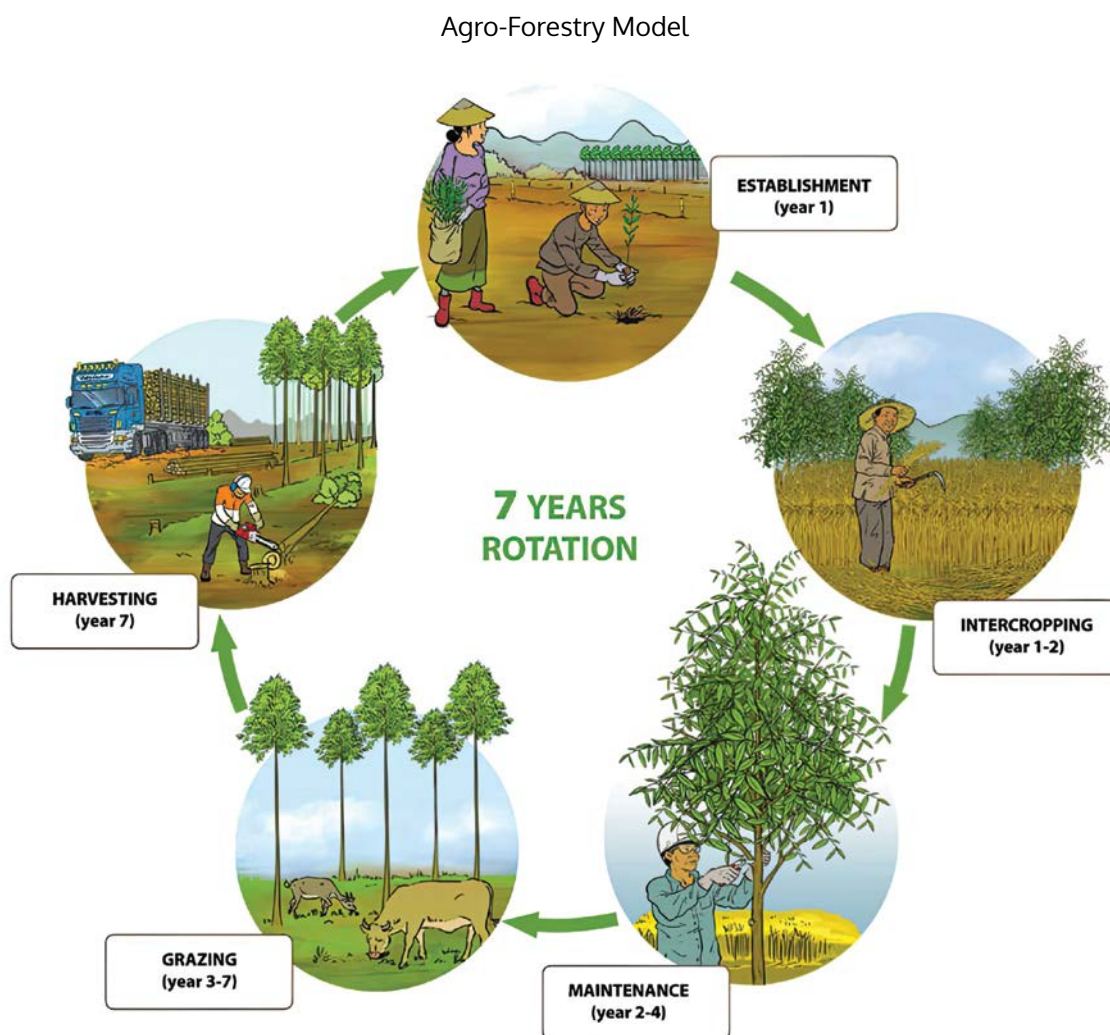


Harvesting operations



Burapha’s agro-forestry model provides PFA and non PFA land users access to intercropping agreements and support to develop agricultural crops, pasture, and livestock. Through intercropping agreements, Burapha provides PFA and non PFA land users with plots within the Project plantations to cultivate annual crops between the trees during the first year of the plantation cycle, and for livestock grazing from year three onward; after which the 7-year cycle is repeated until the end of the lease agreement. The plantations are also used for NTFP collection and villagers are permitted to collect wood debris after harvesting.

Additionally, opportunities for plantation maintenance work (weeding, pruning, fertilizing) are offered to local communities and undergrowth vegetation clearing work prior to harvesting in year 7.



ສາທາລະນະລັດ ປະຊາທິປະໄຕ ປະຊາຊົນລາວ ພັກປະຊາຊົນ ປະຕິວັດລາວ ທີ່ມີກຽດສະຫງ່າ ໝັ້ນຍືນ

ພິທີເຊັນສັນຍາ

ດັດແກ້ ແລະ ເພີ່ມເນື້ອທີ່ສໍາປະທານ ຈໍານວນ 60.000 ເຮັກຕາ ຢູ່ແຂວງວຽງຈັນ ແລະ ແຂວງໄຊຍະບູລີ ເຂົ້າໃນສັນຍາສໍາປະທານ ໂຄງການປູກໄມ້ອຸດສາຫະກຳ ຢູ່ເຂດປ່າຜະລິດແຫ່ງຊາດ ທີ່ມີສະພາບເຊື່ອມໂຊມ ແລະ ປອກໄຫຼ້ນ ຢູ່ແຂວງວຽງຈັນ ສະບັບລົງວັນທີ 31 ກໍລະກົດ 2020

ລະຫວ່າງ

ລັດຖະບານ ແຫ່ງ ສປປ ລາວ ກັບ ບໍລິສັດ ບຸຣາຟາ ກະສິກໍາ-ປ່າໄມ້ ຈຳກັດ
ນະຄອນຫຼວງວຽງຈັນ, ວັນທີ 09 ມີນາ 2022

Signing ceremony

Amendment and increase of the concession area of 60,000 ha in Vientiane Province and Xayaboury Province to the Concession Agreement on Industrial Tree Plantation Project in the National Production Forest Areas of Vientiane Province Dated 31st July 2020

Between

The Government of the Lao PDR and Burapha Agro-Forestry Co., Ltd.
Vientiane Capital, 09th March 2022



Granting of 60,000 ha Concession

In recent years, the Government of Lao PDR (GOL) has made significant efforts to increase forest cover by 70% of the total national land area as well as achieving National REDD+ Strategy (NRS) to 2025 and Vision to 2030. In 2022, GOL granted Burapha a Concession to plant 60,000 hectares and retain areas for conservation within Production Forest Area aligns with these national goals. Burapha was the first plantation company to receive this type of concession.

Plywood Mill

2022 was the first full year of production for Burapha's state-of-the-art plywood mill. In November, production ramped up further to six days per week, 24-hour operations, with total finished goods for the year of 8,444m³, mostly for export to Australia and Europe.

Log supply to the plywood mill was primarily from Burapha's FSC plantations, with purchase of third-party logs and veneer supplementing this supply to meet production demands. FSC Chain of Custody procedures were implemented to ensure wood legality from our third party supplier.



Total volume of **3rd party** logs delivered



Total volume of **Burapha** logs delivered



Log peeling line at Burapha plywood mill



Veneer sorting at drying line

Sawmill

Production continued at Burapha's sawmill in 2022 with 1597m³ of teak and eucalyptus furniture and wood products sold on local and international markets.



Social Performance

Burapha’s continued commitment to partnering with local communities by providing direct employment opportunities, additional income through household contracts. **\$1.3M** was injected back into local communities via wages along with Village Development Funds, road construction and upgrades.



Household contracts – 182, engaging 439 labour



Daily labour – 580 total headcount, including 236 females



Outgrower program remained at 255 participant families and 434 ha

Livelihood Monitoring

In May 2022, external consultants conducted baseline social, economic and livelihood assessments for two new partner villages in Ban Meuang Meun in Meun District and Ban Nakang in Xanakham District. These studies were to record all aspects of livelihood and social economic status of villages prior to Burapha partnerships. This information is then used to track the progress of village development through the project lifecycle. Follow up benefits assessments of partner villages is planned in subsequent years.

Partner Village Engagement

Burapha engages with our partner villages throughout the entire operational cycle from land acquisition to plywood production. Burapha has currently 43 partner villages in nine districts of central Laos.

Partner Villages by District and Province

Feung	Hinheup	Keo-Oudom	Meun	Paklay	Phonhong	Sangthong	Xaythany	Xanakham
Houaydua	Borchan	Dansavan	Muangmun	Nakang	Houaydua	Kouay	Donian	Nadi
Nalang	Hintit		Namo	Nakhan	Saka	Vangma	Hatkiang	Nakang
Namhai	Hinngon		Namphaet	Nampa	Vangmon	Xo	Houakhoua	Namkouan
Nonhinhae	Khone Keo		Phonsaen	Natoung			Nakhontoung	Namoy
	Na-an						Sean-oudom	Nasomboun
	Nakang							Nonnakaep
	Namthom							Phonngam
	Phonmouang							Phonsavath
	Phonngoun							Saenchaleun
	Phonthong-nuea							



ESTABLISH THE RELATIONSHIP

Burapha's Land Acquisition Manual (LAM) presents the framework for acquiring land and engaging with proposed new partner villages. This document was updated in January 2022 to better reflect our applied process and the community's customary use of the PFA lands. The LAM provides accurate household and village information sufficient to ensure the balance is maintained between Burapha plantation programs and village livelihoods.

The LAM, Burapha applies a Participatory Rural Appraisal (PRA) format that collects and records information including village community mapping, seasonal agricultural calendar, and a village history profile collected from villager authorities, elders and clan leaders.

Land survey and early community consultation throughout the land acquisition process is undertaken by a team of Burapha experts with Lao Government counterparts.





Village meetings

MAINTAIN THE RELATIONSHIP

Post land-acquisition through to plantation operations, the newly formed Community Liaison Team provides a focal contact point for communities. This team manages village grievances, village development requests and labor scouting for plantation work. Over the past year, Burapha has diversified these field teams to provide better representation of ethnic groups and languages from our partner villages.

To better streamline the transition of acquired land to forestry operations, the Lands Team has introduced a Community Consultation Report (CCR). The CCR is a summary document that outlines the results of consultations along with minutes of meetings, it contains links to land user and household data, land survey and mapping data.



Putty line Burapha plywood mill



Plantation workers

BENEFIT SHARING

In our forestry operations, labor opportunities are prioritized towards those villages that have agreed to have plantations established. Prior to plantation establishment, Burapha engages with villages regarding work opportunities through a series of structured consultations. Individuals and households that wish to participate co-sign a labor agreement.

Ongoing communication with partner villages is important to keeping them informed regarding plantation operations, impacts and labor opportunities at each stage of the cycle.

Village Development Funds and Donations

From 2022 Burapha paid the first installments of Village Development Funds (VDF) to partner villages within PFAs. The VDF is a voluntary financial contribution paid to partner villages for plantations on a per hectare basis and can be used for infrastructure upgrades or other discretionary projects.

In 2022 the Plywood Mill

- Donated panels for village building improvements to villages.
- Undertook earthworks to help repair drainage on an adjacent farm.
- Donated bricks and cement to a local village for village office improvements.
- Donated water tank for a village temple.
- Supported cultural events and hosted students from the University of Laos Forestry Department to the mill in June 2022 to demonstrate plywood production.



Community Grievances

Four community grievances were received during 2022. Three were regarding fugitive dust caused by harvesting operations. Immediate dust suppressions measures were implemented to address these grievances. One grievance was in relation to water leachate from the plywood mill log yard escaping into a nearby watercourse, with subsequent drainage upgrades implemented.

Four Land Use Limitations (LUL) issues were raised by communities in 2022. LUL issues typically relate to borders between adjacent land parcels under different use or the precise location of Government administrative boundaries. Three LUL issues were successfully closed during the year.

Environmental Performance

Environmental and Social Impact Assessment (ESIA)

ESIA for forest operations was approved by GOL in July 2022. The ESIA is accompanied by an Environmental Social Management and Monitoring Plan (ESSMMP) which Burapha implements to comply with its environmental requirements of the government.



Environmental Monitoring

During 2022, Burapha conducted 27 internal inspections across Burapha and contractor operations. Fifteen corrective action reports issued, primarily in relation to plantation camp safety and work station safety at the sawmill.

An FSC Forest Management audit was conducted by consulting company, GFA, in October, which was successfully passed and certification retained.

In June 2022, the World Bank's Multilateral Investment Guarantee Agency (MIGA) conducted an environmental and social due

diligence of Burapha operations to assess our compliance against the IFC Performance Standards. This was a necessary step to provide Burapha's investors with loan guarantees (insurance) against misappropriation.

During this process, MIGA offered to provide grant support to Burapha to fund projects identified during the due diligence that are required to meet IFC Performance Standard compliance. This work is ongoing and expected to be concluded in 2023.

Wastewater discharge monitoring was undertaken at the plywood mill site during the wet season from June to October. The monitoring identified tannin rich water leachate from the log yard draining directly into a nearby waterway creating a potential risk to local aquatic ecosystems. The yard drainage system was subsequently improved directing runoff into a sediment pond.

Special Management Areas (SMAs)

Burapha protects any forest remnants, tall trees, wetlands and stream buffers in our plantation areas under our Special Management Area Policy. As a result, our plantations are interspersed with SMAs for conservation, which provide important ecological and social benefits.

As of the end of 2022, 1,381 hectares of our plantation areas were set aside for conservation as SMA. The SMAs are important sources of NTFP and TFP and also provide ecosystem services such as water filtration and habitats for a range of species – fauna and flora. The National University of Laos has conducted wetseason and dryseason monitoring of three representative

Carbon Credits

In April 2022, Burapha completed its first validation and verification audit conducted by TUV Nord and their report, along with project documents and carbon calculations was submitted to VERRA, the global administrator of the Verified Carbon Standard (VCS). Burapha anticipates the issuance of its carbon credits in 2023. Burapha has applied for credits generated for plantations established since 2016 and will continue to make periodic applications for newly established areas under VCS.

Our People

Our HR Policy, aligned to International Labor Organization (ILO) standards and Lao Labor Law, outlines our core principles of engaging with our workforce including:

- Fair and safe working conditions
- Wages paid above minimum wage rates
- No forced labor
- No child labor
- Equal employment opportunity and anti-discrimination and harassment
- Employees rights to collective bargaining and freedom of association

All employees are entitled to fair working conditions as outlined in the Company’s Staff Rules (published in Lao and English language and ratified by the Lao Ministry of Labor and Social Welfare) and their employment contract, which at the minimum meet Lao Labor Law standards in relation to matters including recruitment, wages, hours of work, as well as termination and redundancy processes and payment.

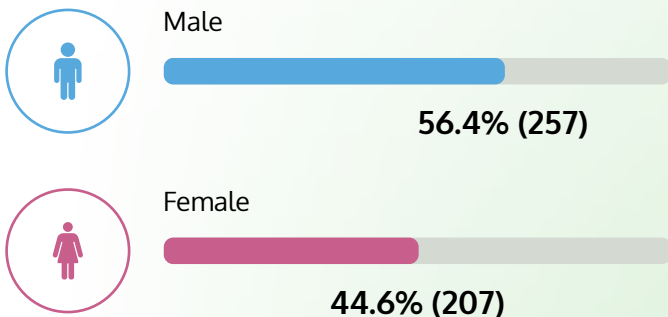
Additionally, our Code of Conduct is clear regarding Burapha’s zero tolerance towards bribery and corruption.

Workforce Diversity

Burapha’s permanent workforce was increased to 464 mostly due to the implementation of a third shift crew at the plywood mill.

In 2022, female staff representation remained at over 44% of all full-time employees, even with the increase in overall headcount.

The largest representation of female workers continues to be at the plywood mill, where women are employed from surrounding villages. Burapha provides much needed income to the area while maintaining family unity as the young do not have to leave the village to find work away from home.



Wages and Employment Conditions

All workers are paid above the Lao minimum wage.

In recognition of increasing inflation rates in Lao PDR, all Lao employees remunerated in local currency (LAK) received a cost-of-living wage increase in August. Additionally, daily meal allowances for eligible employees were also increased to recognize the increasing food costs in Laos.

In August 2022, Burapha participated in independent remuneration surveys with recognized, global providers to better inform future decisions regarding remuneration bands to align the company with the Lao market.



Burapha plantation pruning

Employee Relations

Burapha is committed to promoting a positive relationship between employees and the Company. A significant step forward in promoting direct communication between management and plywood mill workers was achieved through the establishment of a formal Employee Working Group (EWG), in August. The group comprises 12 peer-elected employee representatives from a cross-section of work areas at the plywood mill. The purpose of the EWG is to offer an important mechanism whereby employees can make suggestions to management regarding issues that impact workers.



Members of the plywood mill Employee Working Group

The group played a critical role in the smooth transition to three shifts at the plywood mill, assisting management in the communication of roster options and an employee voting process.

EWG representatives also provided great support to workers and management to mobilizing ~110 plywood staff to assist with plantation maintenance work during production downtime in August/September. This initiative was of great mutual benefit, providing workers with continuous full time pay during this period while also assisting the company to complete much needed work in plantations local to the plywood mill.



Plywood mill staff supporting plantations maintenance



Plywood mill staff supporting plantations maintenance

In March, the Xaythany District Lao Trade Union Federation conducted its second-round elections for union representatives for the sawmill, Vientiane headquarters and forestry field operations. Seven employees were elected to the executive committee.

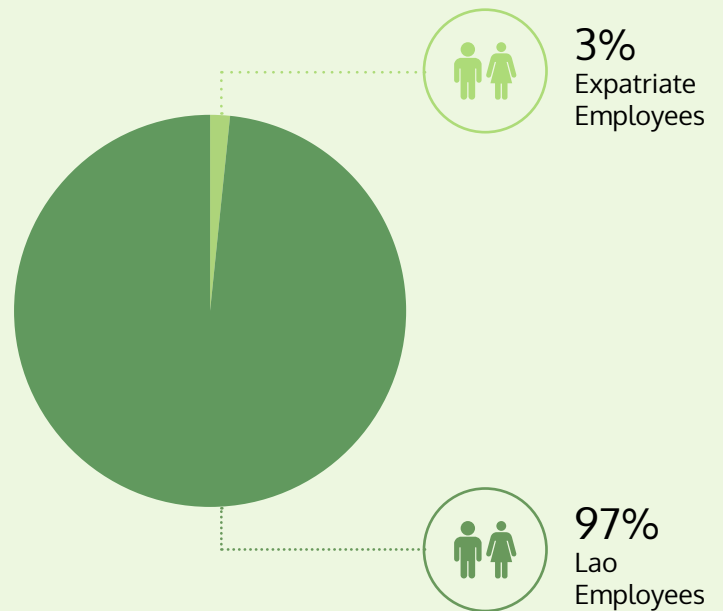
The Hinheup District Lao Trade Union Federation commenced discussions with plywood mill employees in March, with membership application submissions commencing in November with a view to fully establishing the executive committee in early 2023.

Burapha has a grievance process in place for employees who have an individual grievance or issue related to unfair treatment or issues of discrimination or harassment. There were no formal employee grievances received in 2022.

Local Job Creation

Burapha has a strong commitment to employing Lao people whenever possible, limiting the employment of expatriates only to senior leadership and highly technical and specialist roles where the skills don't currently exist in Laos.

In 2022, 97% of Burapha's full time workforce were Lao.



An additional 85 Lao positions were created in 2022. The vast majority of these were due to the introduction of a third shift at the plywood mill as production ramped up to 24 hours per day, six days per week operation in November 2022. A major local recruitment campaign was undertaken to recruit an additional 76 entry-level production workers from communities local to the plywood mill in Hinheup district.



Training and Development



Induction training

Burapha continued its focus on the development of both technical and leadership skills for its people during 2022.

Field-based training in silvicultural skills was delivered to daily workers in the Forestry unit including the technical aspects of the work, machinery and equipment operations, job related safety and the use of personal protection equipment (PPE).

New training was provided by Social Security Organisation (SSO) for all operators and supervisory staff at the plywood mill to better inform employees of the SSO process and benefits offered to workers through this Government-run organization.



SSO training

Training for plywood mill supervisors included plywood manufacturing training, software skills, fire and emergency training and plywood quality control.

The new Leadership Fundamentals supervisory training program was launched with 30 Lao leaders attending soft-skills training provided by an external training body. Over five, half-day sessions, the team gained knowledge and practical skills on topics including delegation, providing feedback, managing performance and communication.



Leadership training of Burapha staff



During late 2022, the HR team commenced development and roll-out of a range of skills-based modules for leaders regarding key HR processes including Counseling and Discipline, Performance Management and Lao labor law.

During the year, nine Lao employees were promoted into more senior roles, further supporting the Company's focus on developing leadership capability across the organization.

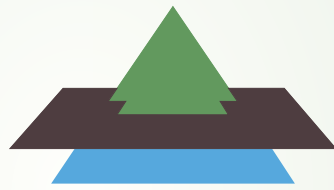
Training Hours

Total training hours in 2022 was 1,825, including training in key areas including:

 SAFETY	 OPERATIONS/TECHNICAL	 FSC
First Aid Working at Heights Risk Assessments Use of PPE Use of firefighting equipment Lock Out, Tag Out Isolations	Fertiliser application Weeding techniques Planting techniques Pruning Plywood mill machine operation Lean manufacturing	Use of FSC Trade Mark for products and promotional materials FSC Chain of Custody FSC Forest Management

 LEADERSHIP	 GENERAL
Counselling and Discipline Leadership Fundamentals	Social Security Organisation (SSO) information sessions/ training





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