



27, Lev Tolstoy Street – MD 2001, Chisinau – Republic of Moldova
Tel +373 (22) 889 300 – Fax +373 (22) 889 301

Deforestation-Free Supply Chain Policy

1. Introduction

At Trans-Oil Group of Companies, we are committed to promoting sustainable practices and ensuring that our supply chain is free from deforestation and forest degradation. Our policy is guided by the principles of environmental stewardship, responsible sourcing and compliance with international standards and best practices.

2. Commitment to Deforestation-Free Supply Chains

We recognize the critical importance of protecting forests and biodiversity. We are dedicated to sourcing materials in a way that does not contribute to deforestation or forest degradation. This commitment extends to all our suppliers and business partners.

3. Key Principles

Our Deforestation-Free Supply Chain Policy is based on the following key principles:

- a. **Compliance with Laws and Regulations:** We comply with all applicable laws, regulations and industry standards related to deforestation-free supply chains. We strive to exceed compliance requirements whenever possible.
- b. **Sustainable Sourcing:** We prioritize sourcing materials that are certified as sustainable by credible certification schemes, such as FSC (Forest Stewardship Council), PEFC (Programme for the Endorsement of Forest Certification), and other recognized standards.
- c. **Traceability and Transparency:** We will ensure traceability of forest-risk commodities within our supply chain. This includes obtaining and maintaining detailed records of the origin of materials and working with suppliers to ensure transparency.
- d. **No Deforestation Commitment:** We are committed to a no-deforestation policy, which means we do not source products from suppliers involved in deforestation or forest degradation. This includes the protection of primary forests and high conservation value (HCV) areas.
- e. **Supplier Engagement and Collaboration:** We work collaboratively with our suppliers to promote deforestation-free practices. We engage in open communication, provide support for compliance, and encourage the adoption of sustainable practices.
- f. **Monitoring and Verification:** We establish robust monitoring and verification systems to ensure compliance with our deforestation-free commitments. This includes third-party audits, satellite monitoring, and field assessments.
- g. **Continuous Improvement:** We are committed to continuous improvement of our supply chain practices. We regularly review and update our policies to enhance our performance and adapt to new challenges and opportunities.

4. Implementation and Monitoring

We implement this policy through the following measures:

- **Supplier Assessment:** We will conduct thorough assessments of suppliers to ensure compliance with our deforestation-free requirements.
- **Certification and Standards:** We will prioritize suppliers who are certified by recognized sustainable forestry standards.

- **Training and Capacity Building:** We will provide training and resources to our procurement team and suppliers to promote deforestation-free practices.
- **Traceability Systems:** We will implement systems to track the origin of forest-risk commodities within our supply chain.
- **Regular Audits:** Conducting regular audits and third-party verifications to ensure adherence to our policy.
- **Reporting Mechanisms:** Establishing clear mechanisms for reporting and addressing any non-compliance issues.

5. Reporting and Accountability

We commit to transparency in our deforestation-free practices by regularly reporting on our performance and progress. We hold ourselves accountable to our stakeholders through continuous monitoring, evaluation and improvement of our supply chain practices.

6. Review and Continuous Improvement

This policy will be reviewed periodically to ensure its relevance and effectiveness. We are committed to continuous improvement in our deforestation-free practices and adapting to new challenges and opportunities.

7. Conclusion

At Trans-Oil, protecting forests and promoting sustainable sourcing is a fundamental value that guides our actions and decisions. We are dedicated to creating a deforestation-free supply chain and contributing to global efforts to preserve our planet's forests.

As Chief Executive Officer, I am committed to the successful implementation of this Deforestation-Free Supply Chain Policy to continuous improvement and transparent reporting on our deforestation-free practices.

Approved:

Vaja Jhashi

Chief Executive Officer

