

## **ENVIRONMENTAL POLICY**

### **(the “Policy”)**

#### **1. Our Responsibility to Achieve Better Environmental Performance**

PT. Indah Kiat Pulp & Paper Tbk (hereinafter referred as the “Company”) is committed to implement sustainable development throughout our operations, by achieving better environmental performance, including managing available resources responsibly, developing environmentally friendly products, and minimizing environmental impact.

##### **Our Operations and Suppliers**

Our facilities and suppliers shall comply with all applicable environmental legislation and regulations, requirements and standards regarding environmental management and protection in the jurisdictions where we operate.

#### **2. Our Approach**

To achieve Company’s environmental commitments:

- 2.1 We implement internationally recognized standards such as ISO 14001 Environment Management System, ISO 50001 Energy Management System to manage our environmental resources and impact and to set targets for continuous environmental improvement.
- 2.2 We conduct environmental risk assessment and environmental impact assessment that used as guideline in efforts to prevent, control and monitor environmental impacts.
- 2.3 We implement innovative methodologies to prevent and minimize land, water and air pollution utilizing control technologies, including through the application of 3R principle (Reduce, Reuse and Recycle) in managing waste (Hazardous and Toxic Materials, non-Hazardous).
- 2.4 We implement programs for the reduction of Greenhouse Gas (GHG) and non-GHG emission through energy efficiency initiatives, increasing the share of renewable energy and the reduction of fossil fuels which are carried out by considering technical, commercial and sustainability aspects.
- 2.5 We implement efficiency in the use of water resource in our operations per unit of production as part of our commitment to the UN Global Compact’s CEO Water Mandate program.
- 2.6 We ensure the procurement and use of chemicals complies with applicable national and international laws and regulations, requirements and standards designed to protect both public health and the environment.

- 2.7 We ensure that the sourcing of our main raw materials complies with environmental requirements in accordance with the Company's Fibre Procurement and Processing Policy (FPPP).
- 2.8 We implement Sustainable Forest Management (SFM), including the protection and conservation of High Conservation Values (HCV) and High Carbon Stock (HCS) across APP's pulpwood suppliers' concessions.
- 2.9 We implement a fire prevention and fighting system to prevent and mitigate its impact as stated in the Company's Fire Safety Management Policy.
- 2.10 We ensure the protection of biodiversity in our operational area.
- 2.11 We apply eco-design principles for our new products in accordance with Life Cycle Assessment (LCA) and Circular Economy concept.
- 2.12 We communicate this Policy to workers, suppliers, visitors, local communities and other relevant stakeholders

### **3. Governance**

- 3.1 This Policy applies to Company's operations and suppliers in Indonesia.
- 3.2 The provisions stated in this Policy are applied in the derived rules in our operations.
- 3.3 This Policy will be reviewed on a regular basis for relevance and its effectiveness to achieve business objectives. To ensure the implementation of this Policy, we conduct regular monitoring and evaluation of its progress.
- 3.3 Environmental function is appointed to coordinate the day-to-day implementation of the Company's environmental performance in line with this Policy. The Company<sup>1</sup> regularly reviews the progress on the implementation of this Policy.
- 3.4 We report the progress on the implementation of this Policy, to our stakeholders in a variety of ways.

This Policy is to further elaborate the Company's sustainable environmental commitment as stated in the Company's Sustainability Commitment.

This Policy supersedes the Company's Environment Stewardship Policy of 2012 and Procurement Policy on Chemical Substances & Articles of 2009.

Jakarta, 31 May 2023

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<sup>1</sup> As referred to the Company's Governance Policy

## REFERENCE

### REGULATION (LAW)

Law of the Republic of Indonesia Number 5 of 1990 concerning Conservation of Diversity Resources  
Life and Ecosystems

Law of the Republic of Indonesia Number 41 of 1999 concerning Forestry

Law of the Republic of Indonesia Number 18 of 2008 concerning Waste Management

Law of the Republic of Indonesia Number 32 of 2019 concerning Environmental Protection and  
Management

Law of the Republic of Indonesia Number 11 of 2020 concerning Job Creation

### STANDARD

United Nations Sustainable Development Goals (UNSDGs)

Energy Management System ISO 50001:2018

Environment Management System ISO 14001:2015