

## **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, Suppliers and Partners**

Our facilities and suppliers and business partners (contractor and others) shall comply with all applicable policies, environmental legislation and regulations, requirements and standards regarding environmental management and protection including land, water, air and waste in the jurisdictions where we operate. We socialize these provisions to our suppliers and business partners and carry out regular monitoring.

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

To achieve the Company’s environmental commitments:

- 2.1 We implement internationally recognized standards such as ISO 14001 Environment Management System, ISO 50001 Energy Management System and other requirements to manage our environmental resources, aspects and impacts 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 innovate technology and control procedures 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) in accordance with applicable laws and regulations.
- 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 United Nations Global Compact’s CEO Water Mandate program.
- 2.6 We ensure the procurement of more energy efficient operational equipment in accordance with ISO 50001 Energy Management System.

- 2.7 We ensure efficient and environmentally friendly 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.
- 2.8 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).
- 2.9 We ensure that the procurement of recycled paper raw materials complies with applicable regulations and laws regarding the procurement of recycled paper.
- 2.10 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.
- 2.11 We implement fire safety management throughout our operational areas in accordance with the Company's Health and Safety Policy and actively involved in prevention and mitigation.
- 2.12 We ensure the protection of biodiversity in our operational area.
- 2.13 We carry out inventory analysis, Life Cycle Assessment (LCA), and environmental impact studies of production processes and supporting activities
- 2.14 We apply the Circular Economy concept in all Company activities.
- 2.15 We communicate this Policy to workers, suppliers, local communities and other relevant stakeholders

### **3. Governance**

- 3.1 This Policy applies to the Company's operations, suppliers and partners.
- 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.
- 3.4 Sustainability 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.
- 3.5 We report the progress on the implementation of this Policy, to our stakeholders in a variety of ways.

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

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

Jakarta, 31 May 2023

## 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 19 of 2004 concerning Determination of Government Regulations In Lieu of Law Number 1 of 2004 concerning Amendments to Law Number 41 of 1999 concerning Forestry to Become Law  
Law of the Republic of Indonesia Number 17 of 2004 concerning Kyoto Protocol to The United Nations Framework Convention on Climate Change  
Law of the Republic of Indonesia Number 30 of 2007 concerning Energy  
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 6 of 2023 concerning Stipulation of Government Regulations in Lieu of Law Number 2 of 2022 concerning Job Creation

### STANDARD

United Nations Sustainable Development Goals (UNSDGs)  
Environmental Management: Life Cycle Assessment - Principles and Framework ISO 14040:2006  
Environmental Management: Life Cycle Assessment – Requirements and Guidelines ISO 14044:2006  
Environment Management System ISO 14001:2015  
Energy Management System ISO 50001:2018  
Ecolabel Criteria - Part 1: Paper product categories, Section 3: Printing paper and multipurpose paper SNI 7188-1-3:2021