

## GRIEVANCE POLICY

### 1. Purpose

The purpose of this procedure is to ensure that all grievances reported to PT. Indah Kiat Pulp & Paper Tbk (hereinafter referred as the “Company”) are managed effectively and transparently through an established process.

### 2. Background

The Company is committed to maintaining highest ethical standards and adherence to the applicable laws where its operations are located, the Company’s Business Code of Conduct (BCOC), and to the sustainability commitments.

The purpose of this procedure is to ensure that all grievances reported to the Company are managed effectively and transparently through an established process.

### 3. Scope

This Policy covers all Grievances received by the Company through the Integrated Call Center (ICC) channel including community complaint, human resources related Grievances, irregularity or violation of the public law or the Company's internal policies and Business Code of Conduct.

### 4. Definitions

**Company:** PT. Company Pulp & Paper Tbk

**Reporter:** The person(s) or company that raises the concern.

**Grievance:** Complaint, concern or problem which an individual or a group wants the company to address and find solutions for.

**Complaint:** Statement that something is unsatisfactory or unacceptable.

**Stakeholders:** A party that is interested in the Company and can either affect or be affected by the business.

**Business Code of Conduct:** A set of principles that is applied globally, which reflect of the Company’s ethical norms, culture, and character, as well as a standard of conduct and business for all Company’s employees towards Stakeholders.

**Misconduct:** Unacceptable or improper behavior or unprofessional manner.

**Investigation:** An inquiry as to the nature of events associated with misconduct, corruption and fraud risk incident and carried out by qualified individuals using a methodical and forensic process.

**Investigator:** An accredited individual, with appropriate training, experience, wisdom and sense of judgement appointed to conduct Investigation.

**Officer:** An individual that assigned to conduct preliminary on the reported grievances received through the Company's reporting channels.

**Grievance Sub-Committee:** Joint head of divisions consist of Sustainability and Stakeholder Engagement, Corporate Risk and Integrity, and Corporate Security.

**Triage:** Initial assessment of the incoming report of Grievance or wrongdoing for the purposes of categorization, taking preliminary measures, prioritization and assignment for further handling.

**Management Action:** A course handle by the respective division or management to support and correct situations of the incoming issue reported.

**Related Functions/Sections/Departments/Divisions:**

No.	Perawang Mill	Tangerang Mill	Serang Mill
1.	External Relation & Legal (ERL)	Sustainability (SD)	Sustainability (SD)
2.	Security (SC)	Security (SC)	Security (SC)
3.	Technical Pulp Division (TEU)	Quality Assurance (QA)	Quality Assurance (QA)
4.	Environmental Protection & Water Treatment (EPWT)	Human Resources (HR)	Human Resources (HR)
5.	Human Resources (HR)	Corporate Risk & Integrity (CRI)	Corporate Risk & Integrity (CRI)

**5. Principals**

The Investigator/Officers involved in managing concerns shall follow the principles listed below:

- Confidentiality and Anonymity
- Non-Discrimination
- Independence
- Professionalism
- Competence
- Objectivity
- Protection and non-retaliation
- Timeliness

The Company allows to the Reporter to raise their Grievance anonymously. Anonymous reporting provides a mechanism to make a disclosure for individuals who fear negative consequences or assume that insufficient care will be taken to protect their identity.

## 6. Requirements

### 6.1. Receiving the Grievance

All Grievances received through the Company's reporting channel will be registered into the database system for identifying the concern and perform Triage/preliminary activity.

### 6.2. Triage

The appointed CRI Officer after receiving a report, will conduct a Triage. The purpose of Triage is to determine whether the report has merit and warrants a more in-depth Investigation due to any potential breach of the BCC or potentially impacted by its operations to resolve issues non-judicial manner.

During this phase, officer gathers information and evidence from the Reporter, such as any relevant evidence related to the concern. Investigator/Officer shall employ judgement, wisdom, and experience in determining the appropriate course of timely action and **shall not**:

- Attempt to conduct interviews, other than to obtain information from the concerned individual/Reporter;
- Contact the subject of the concern or other witnesses.

When the Reporter wishes to remain anonymous, this can be done by writing down the anonymous identity on the form.

Where the result of Triage, there is no valid information provided or no response/feedback by the Reporter within 25 (twenty-five) business days, the Grievance will be closed.

Details of Triage procedures refer to the document related to the **Triage standard**.

### 6.3. Classifying

Based on the Triage result and evidence gathered by the CRI/Officer, the report can be defined whether:

- There is potential misconduct or violation of the BCOC occurred and has a ground for further Investigation (as in Appendix 1) that should be performed by CRI Investigator.
- There is no indication of a violation of the BCOC. However, a remedy should be established by the relevant division to the Reporter or affected party to solve the concern; or
- The Grievance does not have any ground for further Investigation or remedy.

Below is the table that may reflect the Function/Section/Department/Division will handle the specific issues:

**Table 1 - Specific Issues**

Category	Specific issues	Functions/Sections/Departments/Divisions				
		ERL/SD	TEU/QD	EPWT/SD	SC	HR
Environmental	Environment Forestry	√				
	Environment Mills	√	√	√		
Social	Community Issue	√			√	
	Labor/Human Rights	√				√
Governance	Employee/Human Resources					√
	Commercial Issue					
	Ethics/BCOC/SCOC					√
	Security Issue				√	
	Legal Issue					√

#### 6.4. Assignment

If the Grievance is not related to the violation of the BCOC or any criminal offense, however it may have an impact on the Company's or Stakeholders interest then this Grievance will be assigned to the related division/department for further review and dialogues with the Reporter to find a resolution.

#### 6.5. Management Action

To ensure the Grievance is settled in the most effective and efficient manner, each Function/Section/Department/Division as the referral party should develop separate guidelines or standard procedures on the implementation by referring to the general guideline provided by this Policy.

##### 6.5.1. Timeline of the Management Action

Within 7 (seven) business days after assignation, the assigned Function/Section/Department/Division must give feedback to Grievance Sub-Committee whether this Grievance has been addressed with the solution or need extended time to establish and perform further processes (e.g., direct remedy, meeting, negotiation, external recourse, etc.). The extended period must be proposed in a written manner submitted by the respective Division/Department Head to the Grievance Sub-Committee. During the extended period, the assigned Division/Department must update periodically to Grievance Sub-Committee at the minimum once a month or monthly basis.

##### 6.5.2. Management Action Handling

The relevant Function/Section/Department/Division as the recipient must monitor and evaluate the on-going process while communicating with the Reporter to ensure the issue is addressed or handled correctly.

### 6.5.3. Principal of Management Action

1. **Legitimate and trusted:** should be perceived as legitimate by the Stakeholder who may need to access it and should be jointly designed and overseen by the Company.
2. **Accessible:** should be readily accessible by, all parties who may need to access it.
3. **Transparent:** should operate on a presumption of transparency of process (e.g. decisions on Grievance acceptance) and outcomes, while allowing for dialogue to remain confidential and, where requested, for the confidentiality of the identity of the Reporter.
4. **Based on engagement and dialogue:** should focus on engagement and dialogue between the parties, with the aim of identifying sustainable, rights compatible solutions that are considered appropriate.
5. **Predictable in terms of process:** should provide predictability in terms of the key steps and options within the process, should be timebound where appropriate, and provide for agreed outcomes to be monitored.
6. **Fair and empowering:** should seek to redress imbalances in power, knowledge, and influence between the company and the Reporter to enable informed dialogue, shared responsibility for outcomes, and a process based on respect.

### 6.6. Records

Related divisions will maintain all documentation about the Grievance and be responsible for any updates, and for following up with the Reporter as appropriate. However, related Function/Section/Department/Division response to the Reporter may be limited by confidentiality concerns or legal obligations. Thus, all the actions that the Company has taken to address the concern may not be readily apparent to the Reporter. Rest assured that the Company will follow up all Grievances submitted to the Company.

Once a resolution from Management Action has been agreed upon or a decision made, the final stage is to implement the decision, monitor outcomes, and close out the Grievance. Follow-ups also may be needed to address problems that develop during the implementation of the response. Adjustments may be necessary to ensure that the root causes of Grievances are addressed, and outcomes are consistent with the spirit of the original agreement with the Reporter. Experience from the follow-ups can also be used to further refine the Grievance handling process or to inform future responses to similar Grievances.

The Grievance data handled by related Function/Section/Department/Division should be submitted to Grievance Sub-Committee for documentation purpose.

Several topics in the grievance deal with information that is sensitive and confidential in nature, and therefore the relevant verification reports will only be made available to the reporter in 14 (fourteen) working days after the Grievance closed. Grievance verification reports on issues related to environment topics are uploaded to [www.sustainability-dashboard.com](http://www.sustainability-dashboard.com)

## REFERENCE

### STANDARD

APP's Business Code of Conduct (BCOC)

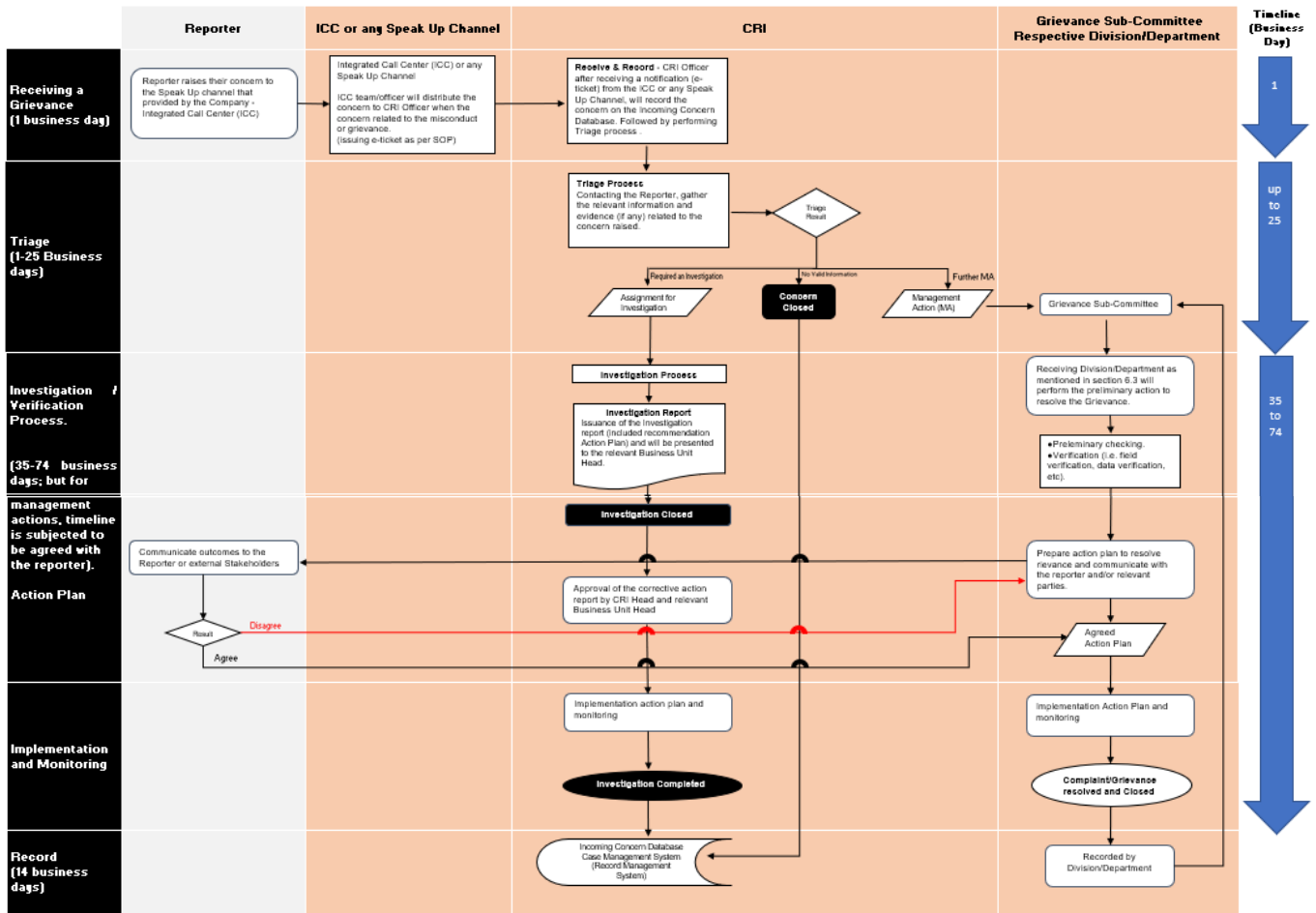
Whistleblowing Management System ISO 37002:2021

## APPENDIX 1

Allegation of the violation of the law or of the Company's Business Code of Conduct (BCOC), including the general, operational or financial conduct, can be in form below but not limited to:

- corruption criminal offences, corruption assimilated criminal offences, corruption related criminal offences, forgeries or offences committed in the course of employment or related to employment duties
- financial and accounting
- preferential or discriminatory practices or treatments in performing the tasks
- violations of stipulations on incompatibilities and conflict of interests
- abusive of Company's material or human resources
- company's asset theft
- violation of legal stipulation on public procurement and non-reimbursable financing
- incompetence or negligence at work
- non-objective staff assessment in the recruiting, selection, promotion, dismissal and demotion process
- anti-competitive practices
- violation of procedures or establishing of internal procedures which are not compliant with the law.
- issuing of administrative or other type of documents serving the groups or clients interest which may be against Company's interest or against public morality
- violation that endanger employees, the Company's relations with the third parties or the Company's reputation.
- verbal, sexual or physical harassment
- any other serious violations of the law or of the Company's BCOC.

## APPENDIX 2 - FLOWCHART OF GRIEVANCE





### APPENDIX 3 – TIMELINE

Grievance should be managed according to the timeline. On each activity must meet the requirements, as follow:

No.	Type of Activities	Timeline
1.	<p><b>Receiving a Grievance</b></p> <p>When the Grievance received by the Officer, which can be through any channels i.e. Integrated Call Center, direct report, referral from Internal Audit Division or others, the Officer must record in the database system immediately.</p>	1 (one) business day
2.	<p><b>Triage Process</b></p> <p>The Officer will follow up the report by contacting the available contact of the Reporter Some activities may conduct during Triage process, i.e. collecting information including any supporting document that can be provided by the Reporter. When the information of Grievance is complete clear and there is a ground for further action, The Officer must produce case assignment report to the Grievance Sub-Committee for Management Action</p> <p>In the situation where the information of Grievance is not complete received, and the Reporter is unable to be contacted or no further respond in order to obtain complete information, The Officer have time limit up to 25 (twenty-five) business day to follow up and within this period, if no feedback from reporter, this Grievance will be followed up with the limited available information.</p>	1 to 25 business day(s)
3	<p><b>Management Action</b></p> <p>Direct remedy, meeting, negotiation performed by the relevant division/department in order to solve of the Grievance – action plan.</p> <p>Additional timeline may be permitted upon submission by the referral Department/Division and subject to proposal of the assignee Division/Department Head and acknowledged by the Grievance Sub-Committee.</p>	Subject to the agreed timeline