

ENVIRONMENTAL POLICY

(the “Policy”)

1. Our Responsibility to Achieve Better Environmental Performance

PT. OKI Pulp & Paper Mills (hereinafter referred as “OKI”) believes in achieving better environmental performance and developing environmentally friendly products to maintain sustainability in our business. We are committed to responsibly manage the available resources and minimizing environmental impacts from all of our operations.

Our Operations and Suppliers

Our facilities and suppliers shall comply with all applicable environmental legislation and regulations in the jurisdictions where we operate.

2. Our Approach

To achieve OKI’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 impact and to set targets for continuous environmental improvement.
- 2.2 We conduct 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 through efficiency in the use of chemicals and innovative use of environmentally friendly chemicals, waste (Hazardous and Toxic Materials, non-Hazardous) reduction, recycling & reuse and proper waste disposal.
- 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 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 national and international laws and regulations 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 OKI’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 OKI'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.

3. Governance

- 3.1 This Policy applies to OKI'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 Steering Committee is appointed to coordinate the day-to-day implementation of OKI's environmental performance in line with this Policy. OKI¹ 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 OKI's sustainable environmental commitment as stated in the OKI's Sustainability Commitment.

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

Jakarta, 31 May 2023

¹ As referred to OKI'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