

## **FIBRE PROCUREMENT AND PROCESSING POLICY** **(the “Policy”)**

### **1. Our Responsibility for the Production and Supply of Wood Fibre Raw Materials**

PT. The Univenus (hereinafter referred as “Company”) implements responsible management to all of its wood and fibre raw materials suppliers as a priority of its commitment to sustainable operation and environmental protection. Fibre used to manufacture our pulp and paper products are either source from 100% plantation wood, sustainably managed forests, or recycled fibre from imported and local sources that have gone through a due diligence process to ensure compliance with applicable standard and regulatory requirements.

### **2. Procurement of Our Wood Fibre**

The basis of our supply chain is the legality of wood as raw material for fibre and we go further by only using sustainable wood fibre as raw material. Therefore, the Company will only accept:

- 2.1 Wood fibre raw materials sourced from sustainably managed plantation forests as defined in APP’s Forest Conservation Policy (FCP).
- 2.2 Wood fibre raw materials that have been properly examined and verified regarding their legitimate origin and/or certified *Chain of Custody (CoC)*.
- 2.3 Wood fibre raw materials that produced without violating traditional and civil rights.
- 2.4 Wood fibre raw materials not originating from areas with High Conservation Values (HCV) protected through forest management activities.
- 2.5 Type of wood fibre raw materials that not restricted in trade and not prohibited under government regulations or not listed on The International Union for Conservation of Nature (IUCN) Red List Critically Endangered species or The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) Appendices I, II and III.
- 2.6 Wood fibre raw materials that are not a result of Genetically Modified Organism/GMO.
- 2.7 Wood fibre raw materials harvested in compliance with the Core International Labour Organization (ILO) Conventions.
- 2.8 Recycled wood fibre that complies with government regulations.

### **3. Our Approach**

To implement this Policy:

- 3.1 We maintain processes to ensure that wood fibre sourced from unacceptable activities does not enter the Company’s mill. This process is included in the Mill Supply Chain (CoC) system. The CoC system has been certified and assessed by an independent third party.

- 3.2 The Company ensures that environmental impact assessment and social impact assessments have been conducted before the development of plantation forests for fibre raw materials, through purchasing certified raw materials. In addition to government-regulated assessments, the Company also conducts assessments of High Conservation Values (HCV) in accordance with the HCV Resources Network methodology and High Carbon Stock (HCS) assessments.
- 3.3 The Company ensures that required certification obligations have been fulfilled.
- 3.4 The Company follows and fulfills all indicators in the Supplier Risk Assessment (SERA) to ensure compliance with the Company's Sustainability Commitment.

Any wood fibre supplier, found in breach of applicable laws and regulations or provisions of this Policy shall be immediately warned and/or suspended and/or have their contract terminated. For suppliers that are warned and/or suspended, we will develop a corrective action plan or remedial plan be implemented. Failing to implement the corrective action plan or remedial plan will have their supplier contract terminated.

#### **4. Governance**

- 4.1 This Policy applies to the Company's operations.
  - 3.1. The rules applied across our operations are derived from the provisions in this Policy.
  - 3.2. 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. Mill Head Office (MHO) Function is appointed to coordinate the day-to-day implementation of the Company's responsible fibre procurement and processing 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 no deforestation in its supply chain commitment as stated in the Company's Sustainability Commitment.

Jakarta, 31 May 2023

---

<sup>11</sup> As referred to the Company's Governance Policy

## REFERENCE

### REGULATION (LAW)

- Law of the Republic of Indonesia Number 41 Year 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 18 Year 2013 concerning Prevention and Eradication of Forest Destruction
- Law of the Republic of Indonesia Number 20 Year 2014 concerning Standardization and Conformity Assessment
- 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

- The International Union for Conservation of Nature (IUCN) Red List Critically Endangered species
- The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) Appendices I, II and III
- International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and its Eight Core Conventions (1998)
- The HCS Approach Toolkit Version 2.0 of 2017: Putting No Deforestation into Practice