



PT. ARARA ABADI

ENVIRONMENTAL POLICY

(the “Policy”)

1. Our Responsibility to Achieve Better Environmental Performance

PT. Arara Abadi (hereinafter referred as the “Company”) is committed to implement sustainable development throughout our operations, by achieving better environmental performance, including managing available resources responsibly and minimizing environmental impact.

Our Operations and Partners

Our operational and business partner including supplier 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 Environmental Management System and others to manage our environmental risk assessment, environmental impact assessment for continuous environmental improvement.
- 2.2 We manage B3 waste (Hazardous and Toxic Materials/B3, non-B3) and manage chemicals to prevent soil, water and air pollution.
- 2.3 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.
- 2.4 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.
- 2.5 We ensure the wood fibre raw material that we produced, and supply meets environmental requirements in accordance with the Company's Production and Supply of Wood Fibre Raw Material Policy.
- 2.6 We implement Sustainable Forest Management (SFM), including the protection and conservation of High Conservation Values (HCV) and High Carbon Stock (HCS) across the Company’s concession area.
- 2.7 We implement a fire prevention and fighting system to prevent and mitigate its impact as stated in the Company’s Fire Prevention and Management Policy.



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- 2.8 We ensure the protection of biodiversity in our operational area.
- 2.9 We communicate this Policy to workers, business partners including suppliers, visitors, local communities and other relevant stakeholders

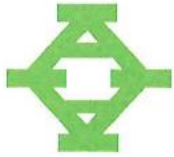
3. Governance

- 3.1 This Policy applies to the Company's operations and business partners including suppliers.
- 3.2 The rules applied across the Company's operations are derived from the provisions in this Policy.
- 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 Forest Sustainability – Health, Safety and Environment (FS HSE) Function is appointed to coordinate the day-to-day implementation of the Company's environmental performance in line with this Policy. The Company¹ 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.

Tangerang Selatan,
Latest update: 25 March 2024

¹ As referred to the Company's Governance Policy



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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 *jo.* 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

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 *jo.* 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

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)

Environment Management System ISO 14001:2015