

GRIEVANCE POLICY

1. Background

The Company is committed to maintaining highest ethical standards and adherence to the applicable laws and regulations where its operations are located, the Company's Business Code of Conduct (hereafter termed as "BCOC"), and to the sustainability commitments. All Stakeholders, whether internal or external party, are encouraged to report any Grievances, concerns, or indication of Violations pertaining to the Company.

2. Purpose

The purpose of this Policy is to ensure that all Grievances reported to the Company are managed effectively and transparently through an established process. This Policy will be reviewed on a regular basis for its relevance and effectiveness to achieve the purpose of this Policy and the Company's overall business objectives.

3. Scope

This Policy addresses all Grievances submitted to the Company from all Stakeholders, including grievances raised by the community. Grievance can be related to employment, human rights, environment, social, irregularity or Violation of the public law, the Company's BCOC, internal policies, and other applicable regulations and standards.

4. Definitions

For the purpose of this Policy, the below terms apply:

Company: PT. APP Purinusa Ekapersada, including its subsidiaries and affiliates located in Indonesia.

BCOC: 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.

Supplier Code of Conduct ("SCOC"): 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 business partners towards Stakeholders.

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

Reporter: The person(s) or company or stakeholder who submit a Report.

Report: All information submitted by Reporter to the Company, whether verbally or in writing.

Grievance: Complaints, concerns or issues that the Reporter wishes the Company to address and resolve.

Violation: Unacceptable or improper behavior or unprofessional manner.

Triage Officer: An individual assigned to perform the Triage process or preliminary assessment on Reports received by the Company.

Triage: Preliminary assessment of the incoming Report for the purposes of categorization, taking preliminary measures, prioritization, and assignment for further handling.

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

Investigation: An inquiry into the circumstances surrounding instances of misconduct, corruption, fraud and other related incidents, conducted by a qualified Investigator utilizing a systematic and forensic process.

Grievance Officer: An individual assigned for receiving and overseeing the management of Grievance Report within the Company, including conducting the Triage process, assigning cases to the relevant function within the Company, monitoring the handling process and ensuring adequate documentation in the system.

Grievance Handling and Remedy: The measures implemented by the relevant management function in the Company to support, rectify, and/or address situations arising from the reported issue or Grievance.

Grievance Sub-Committee: A sub-committee comprised of several corporate-level function heads, including Sustainability, Risk & Integrity, and Security or Resilience, responsible for overseeing and ensuring the effective implementation of the Grievance mechanism within the Company.

5. Main Principles

The Company assures that all Reports raised to the Company will be addressed in the most appropriate and fair manner and commits to taking necessary actions to handle and remediate the situations reported.

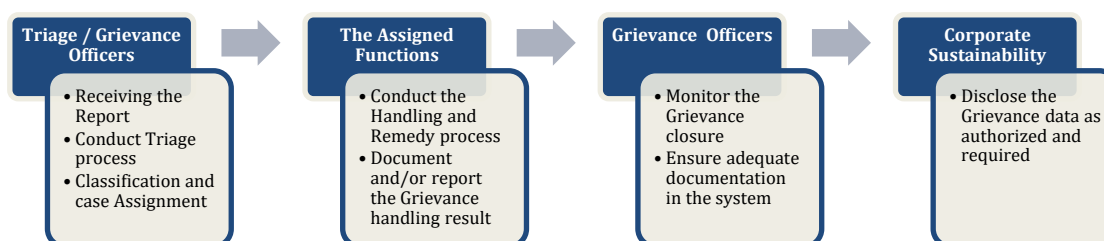
To enhance the comfort and security for Reporters, the Company offers a confidentiality option if requested or desired. Additionally, the Company allows for anonymous reporting. This enables Reporters who fear negative consequences or believe their identity may not be adequately protected to submit their Report discreetly.

The Company prohibits any retaliation against Reporters who raised their concerns in good faith. Reporters must not face threats or punishment for expressing their concern. Any form of retaliation is strictly prohibited and will result in sanctions and disciplinary action, including but not limited to employment dismissal, contract termination and potential criminal proceedings under applicable laws.

In the process of managing and handling a Report, the Officers appointed by the Company shall follow the principles listed below:

- Confidentiality and anonymity (if required).
- Non-discrimination.
- Independence.
- Professionalism.
- Competence.
- Objectivity.
- Protection and non-retaliation.
- Timeliness.

6. Requirements



Picture 1: Flowchart of Grievance Handling Process

6.1 Receiving the Report

All Reports received by the Company, whether Grievances or suspected Violation or misconduct, will be registered into a system database for further Triage process.

6.2 Triage

Specifically assigned Triage Officers appointed by the Company will conduct a Triage process. The objective of this process is to verify the reported issues or concerns and gather preliminary information or evidence pertinent to the Report.

During Triage phase, the Triage Officers should also determine the type of Report received, whether the Report:

- a. is a Grievance Report; or
- b. has merit and warrants a more in-depth Investigation due to any potential breach of BCOC or potentially impact to operations in a mean to resolve issues by non-judicial manner.

Triage Officers shall exercise discretion, wisdom, and experience in determining the appropriate and timely course of action. They shall refrain from:

- a. Attempting to conduct interviews, except to gather initial information from the concerned individual/Reporter.
- b. Contacting the subject of the Report or other witnesses.

If the Triage process yields no valid information provided or receives no response/feedback from the Reporter within a predetermined time frame, the Report will be processed based on the limited information available.

6.3 Classifying

Based on the Triage result and initial information gathered by Triage Officers, a Report can then be categorized as:

- a. Investigative Case
If there is a potential misconduct or violation of BCOC, or applicable laws, regulations, and standards.
- b. Grievance Case
If there is no indication of BCOC violation. However, Grievance Handling and Remedy procedures should be established to address the concern.

c. Closed Case

If the Report lacks ground for further Investigation or Grievance Handling and Remedy.

6.4 Assignment

For a Report classified as:

a. Investigative Case

An Investigation process will be conducted by the appointed Investigator designated by the Company, in accordance with the established Whistleblower and Investigation Policy and Procedure.

b. Grievance Case

In cases affecting the interests of the Company and/or Stakeholders, the Grievance case will be overseen by Grievance Officers and assigned to the appropriate function within the Company for further Grievance Handling and Remedy procedures.

6.5 Grievance Handling and Remedy

Each related function in the Company assigned for a Grievance case is responsible to perform Grievance Handling & Remedy process and the continuous improvement required in an appropriate and effective manner, and to communicate with the Reporter and relevant Stakeholders to ensure proper follow up and handling.

The Grievance Handling and Remedy process encompass the verification of raised issues or Grievances, risk-based assessment and analysis (both actual and potential), engaging in dialogues with the Reporter and relevant Stakeholders to resolve the Grievances, and implementing handling and continuous improvement plans (if necessary), which in line with the original agreement's spirit and purpose with the relevant Stakeholders.

When addressing a Grievance, the relevant function assigned by the Company must conduct the Handling and Remedy process, also the required continuous improvement, in an appropriate manner which in line with the following principles.

Principle of Grievance Handling and Remedy:

1. **Legitimate and trusted:** should be perceived as legitimate by the relevant Stakeholders who may need to access it and should be jointly designed and overseen by the Company.

2. **Based on engagement and dialogue:** should focus on engagement and dialogue between the relevant Stakeholders, with the purpose of finding proper, appropriate and sustainable solution.
3. **Rights Compatible:** should be aimed for sustainable solutions and rights compatible for the relevant Stakeholders, that are also aligned with the applicable laws, regulations, standards, and local cultures, including but not limited to the UN's Guiding Principles on Business and Human Rights.
4. **Fair and empowering:** should seek to redress imbalances in power, knowledge, and influence between the Company and the relevant Stakeholders to enable informed dialogue, shared responsibility for the outcomes, and a process based on mutual respect.
5. **Based on Free, Prior, and Informed Consent (FPIC):** should be voluntary and self-directed by the relevant Stakeholders where related information and options are priorly informed for a clear, transparent, and objective decision or consent.
6. **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.
7. **Timeliness:** should be timely handled, aligned with the pre-determined timeline by the Company and is agreed with the relevant Stakeholder, which purposely to prevent bigger or greater implication or impact.
8. **Clear and accessible:** process and outcomes related information pertaining to the Grievance should be clear and readily accessible by the relevant Stakeholders who may need to access it in agreed information-sharing protocols.
9. **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.

To ensure the effective and efficient resolution of Grievances, in its implementation, each function in the Company may develop specific Grievance handling guidelines or standard procedures tailored to the type of Grievance being addressed. However, those guidelines must align with the

general principles outlined in this Policy and other grievance handling procedure established by the Company.

6.6 Documentation

The assigned related function in the Company for the Grievance handling should maintain proper documentation about the Grievance case, including the binding agreement between relevant Stakeholders (of the agreed solution and remedy plan) and its outcomes. The related function also responsible for any updates and follow up to the relevant Stakeholders as appropriate.

All data and report related to Grievances handled should be appropriately documented in an integrated system database provided by the Company for evaluation and sustainable-decision-making.

6.7 Disclosure

The information disclosed to the Reporter by the assigned function within the Company may be restricted due to confidentiality concerns or legal obligations. Therefore, the actions taken by the Company to address the Grievance may not be fully visible to the Reporter. However, please be assured that the Company will follow up on all Grievances submitted.

In cases where Grievances involve sensitive and confidential information, the report will only be accessible to the Reporter or the relevant Stakeholders to the extend necessary to address the pertinent information without breaching general confidentiality principles applied in the Company.

Other Grievance-related information deemed as appropriate and necessary for disclosure, either publicly or in a limited capacity to specific parties as required, will be provided by the Company with approval by the Grievance Sub-Committee. The publication and disclosure of such information will be handled by the designated company function, such as Corporate Sustainability, through an agreed and appropriate sharing media.

This Policy supersedes the Company's Grievance Policy of 2022.

Jakarta, 2 December 2024

REFERENCE

THE COMPANY'S POLICIES

Business Code of Conduct (BCOC).
Speak Up (Whistleblower).
Whistleblower Protection.

STANDARD

ILO 130: The Examination of Grievances Recommendation.
UN Guiding Principles on Business and Human Rights (UNGPs BHR)'s Effectiveness Criteria.
Forest Stewardship Council Remedy Framework (FSC RF).
ISO 37002: Whistleblowing Management System.