

SUSTAINABLE PROCUREMENT POLICY

At Permata Group, we are dedicated to responsible sourcing as a fundamental pillar of our sustainable practices. We recognize the importance of balancing environmental preservation, human rights, and economic sustainability in all aspects of our operations. By adhering to these principles, we not only contribute to environmental conservation and uphold ethical standards but also ensure the long-term resilience and success of our business operations.

Introduction:

Our sustainable procurement policy outlines our commitment to responsible and sustainable sourcing practices, which are essential for the integrity of our supply chain and the well-being of stakeholders.

Policy Principles:

1. **Ensuring Legal Compliance:** We will diligently monitor our supply chain to ensure compliance with all relevant laws and regulations governing environmental protection, labor rights, and ethical business practices.
2. **Zero Tolerance for Abuse and Harassment:** We will not tolerate any form of abuse or harassment within our operations and supply chains. We will implement robust measures to prevent and address such behavior promptly, fostering a safe and respectful work environment.
3. **Fair Trade Practices:** We will enforce fair trade practices and advocate for our suppliers to do the same. This includes ensuring the provision of decent living wages for workers and promoting equitable treatment throughout the supply chain.

4. **Due Diligence on Suppliers:** We will conduct thorough risk assessments of our suppliers, evaluating their performance based on environmental, human rights, and legal criteria. This includes assessing their compliance with our supplier code of conduct and relevant industry standards, which may be subjected to site visits if necessary.
5. **Supplier Code of Conduct:** We will mandate all suppliers to adhere to our code of conduct, which outlines our expectations for ethical business practices, including respect for human rights, labor standards, and environmental protection.
6. **Remediation for Non-Compliance:** In cases of non-compliance, we will work with suppliers to address non-compliance issues promptly and require them to provide evidence of remediation and corrective actions.
7. **Environmental Accountability:** We will encourage our suppliers to participate in our Traceability to Plantation (TTP) initiative and complete related questionnaires for self-assessment of their environmental and human rights practices, i.e NDPE- No Deforestation, No Peat and No Exploitation). This voluntary initiative aims to enhance transparency and accountability in our supply chain.
8. **Anti-Bribery and Corruption:** We will not accept any kind of bribery and corruption, including acts of gratification, conflicts of interest, bid-rigging and money laundering in all of our operations.
9. **Transparency and Traceability Goals:** We will strive to ensure traceability and transparency in our supply chains by maintaining 100% traceability to the level of mills (TTM) and 100% traceability to plantations (TTP) by 2025.

This commitment enhances accountability and enables us to identify and address sustainability risks effectively.

10. Supplier Engagement and Training: We will engage with our suppliers through workshops, dialogues, and training sessions to communicate our vision, goals, and expectations. Our aim is to foster collaboration, knowledge sharing, capacity building and continuous improvement among our suppliers. We commit to having 100% of our suppliers attend our workshops and 90% complete our questionnaires by 2030.

Through these actions, we aim to ensure responsible sourcing practices, promote respect for human rights, and drive positive social and environmental impacts throughout our supply chain. We welcome any stakeholder or interested party to come and voice their concerns or collaborate with us to strengthen our commitment to sustainability and ethical business practices. We will periodically update this policy to ensure it remains relevant with our business needs.