

PT Toba Pulp Lestari Tbk Statement on Labor Allegations

PT Toba Pulp Lestari Tbk (TPL) refers to recent allegations made by online media that suggest the company has employed underage labour. We have investigated and found this to be categorically untrue.

TPL asserts that it has never employed minors. We observe national and international applicable regulations and best practices. We have a clear and firm policy against any form of child labour, and our policy applies to all our suppliers. We are committed to providing a safe, productive and conducive work environment. This commitment is summarized in the PT Toba Pulp Lestari Human Right Policy:

https://www.tobapulp.com/wp-content/uploads/2021/12/Human-Right-Policy-TPL_ENG.pdf

TPL's policies have been continuously communicated to all employees and contractors. These include the following:

1. Respecting the International Labor Organization's Declaration at Work on Fundamental Principles and Rights at Work.
2. Complying with all labour laws and regulations, Perjanjian Kerja Bersama (PKB) that have been agreed upon by TPL and trade unions.
3. Upholding recruitment best practices, complying with all legal requirements and cultural practices including proactively recruiting qualified workforce from local communities.
4. Complying with the Universal Declaration of Human Rights, ILO Conventions, and all applicable laws, including:
 - a. No child labour (under 18 years) and forced labour.
 - b. Freedom of association and protection of the right to organize.
 - c. Equal remuneration (compensation) for male and female workers for work of equal value.
 - d. Paying wages above the minimum wage standards set by the government.
 - e. The right to protection of occupational safety and health including the right to rest, working hours, leave, and other provisions regulated in the Manpower Act.

Jandres Silalahi, Director of TPL said the company places a high priority on the welfare of field workers. "We provide housing facilities that are livable and child-friendly. The houses include two rooms, a kitchen, a bathroom, a living room, and clean water. We also opened learning centres for children of workers so they have equitable access to education", he said.

TPL has proactively socialized its sustainability policy to its suppliers on annual basis. We conduct evaluations and assessments on the supply chain to appropriately ensure suppliers are aligned with our commitments.

As part of continuous improvement, we plan to increase our support to our contractors on the implementation of our commitment to further strengthen our labour system, processes and practices as well as engage with a credible labour rights expert for assurance. If any instances of non-compliance with regulations and relevant commitments are found, they will be addressed immediately.

May 13, 2022

**PT Toba Pulp Lestari Tbk
Board of Director**