

PT Toba Pulp Lestari

Wood and Fibre Sourcing Policy

TPL is committed to sustainable development and upholds our business philosophy of doing what is “Good for the Country, Good for the Community, Good for the Climate, Good for the Customer, and Good for the Company”.

Acknowledging the critical importance of forests a natural ecosystems in combating climate change, protecting and enriching biodiversity and natural resources, and sustaining community livelihoods, TPL is firmly committed to eliminate deforestationⁱ and conversionⁱⁱ in our operations and supply chain.

Building on our Sustainable Policy, we reiterate our commitment to producing and sourcing all wood, virgin fibre, pulp, biomass (together “fibre”) only from responsibly managed forests. We will follow all applicable national laws to only source legal fibre from supply chains with known origin and continue to commit to no illegal logging.

This policy aligns with the principles and guideline laid out in the United Nations (UN) Global Compact, the UN Guiding Principles for Business and Human Rights, the International Bill on Human Rights, and the International Labour Organization (ILO) fundamental conventions.

This policy applies to TPL’s own operations, including those of our mills, and plantation forests we own and/or manage, and all third-party fibre suppliers. It is implemented a fibre sourcing due diligence system, including risk assessment, to evaluate and mitigate risk, and avoid material from unacceptable sources

We commit to obtaining raw materials from low-risk sources, which exclude these unacceptable categories:

- wood that is illegally harvested or illegally traded;
- wood harvested in violation of customary, traditional and human right;
- wood harvested from forests in which there are known activities in violation of workers’ rights and principles as defined in the ILO Declaration on Fundamental Principles and Rights at Work;
- wood harvested in which high conservation value in forest or high conservation value areas are being destroyed or at risk of being destroyed due to management activities;
- wood harvested in areas in which there is conversion of natural forest to plantations or non-forest use;
- wood from areas where the use of genetically modified organisms in forestry operations exist or in areas where research takes place.

We commit to produce and source fibre that meet credible forest certification standards where feasible. This includes commitment to:

- increase the proportion of certified fibre overtime;
- meet the standard for Controlled Wood or Controlled Sources as a minimum for all non-certified fibre procured
- implement and maintain Chain-of-Custody certification systems at our pulp mills.

We commit to work with our suppliers to meet the requirements of this policy, which includes:

- supporting efforts to obtain forest certification in efficient, cost effective manner;
- providing technical assistance to advance sustainable forest management practices
- and where breaches occur, applying constructive engagement in working with our suppliers to resolve and prevent further instances of non-compliance

To implement and demonstrate progress toward our commitments, TPL further commits to:

- Risk assessment : assess deforestation, conversion and human right risks within our operations, supply chains, and prioritize interventions in areas or with suppliers that are not low-risk
- Supplier engagement: Work with our suppliers to address, prevent, mitigate, and where necessary, remedy any harms that result from actions that violate this policy
- Monitoring: Track implementation and results through a robust and transparent monitoring mechanism

ⁱ Accountability framework’s definition of deforestation, “the loss of natural forest as a result of: a) conversion to agriculture or other non-forest land use; b) conversion to a plantation; or c) severe or sustained degradation

ⁱⁱ Accountability framework’s definition of conversion, including “gross conversion”, “Change of a natural ecosystem to another land use or profound change in the natural ecosystem’s species composition, structure or function.”

Sandeep Bhalla
Managing Director