

For immediate release

Asia Pulp and Paper Achieves Highest Standards of Timber Legality Certification

Jakarta, 14 November 2012 – Asia Pulp & Paper Group (APP) has received the SVLK timber legality certification on its ninth and final mill, confirming that it meets the highest standards of Indonesian wood legality throughout its entire manufacturing facilities.

<u>SVLK is the Indonesian Timber Legality Assurance System</u>. The new system creates a more rigorous chain of custody process designed to ensure the mills only receive and process timber from legal sources, and that all products exported from the country are traceable to verifiable points of origin.

The final certification was received by APP's Pindo Deli Perawang mill on 7 November 2012, following the certification of <u>eight other mills since July of this year</u> and ahead of its target of being wholly certified by January 2013.

Ms. Aida Greenbury, Managing Director Sustainability & Stakeholder Engagement, APP said:

"100% compliance has always been our aim and we're delighted to have achieved this. As new requirements in the US and Europe show, the market is demanding proof that all products are from legal, verifiable and traceable sources.

"In addition to fulfilling these legal requirements, we are implementing an ambitious sustainability program which includes ensuring no deforestation in the supply chain by 2015, as detailed in our <u>Sustainability Roadmap Vision 2020</u>."

SVLK has an important role to play in helping Indonesian companies meet the new European Union Timber Regulation (EUTR). In April 2011, Indonesia and the European Union (EU)agreed on a Voluntary Partnership Agreement (VPA) under the Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan. Under this voluntary agreement, the design of SVLK is recognized as the credible system to guarantee the legality of timber from Indonesia. This VPA between the EU and Indonesia is expected to become operational in 2013.

Dr. Ir. Dwi Sudharto, M.Si, Director of Forest Product Processing and Marketing Development, Ministry of Forestry said that: "As the national timber legality standard, SVLK provides assurance to global markets that all Indonesian wood-based products are traceable to their legal origin. Our standards are recognized internationally and facilitate the export of our products around the world. This would not be possible without multi-stakeholder support. APP has been a strong supporter of this program from the start and we congratulate it on the achievement of having all its mills certified."

Indonesia's SVLK certification standard has been developed through years of multi-stakeholder engagement and consultation involving government, industry, civil society and the academic community. Certification is provided by certification bodies accredited by the National Accreditation Committee (KAN) and independently monitored by the Forestry Independent Monitoring Network, which consists of civil society and forestry industry experts.

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About APP

Asia Pulp & Paper Group (APP) is a brand umbrella for paper products which are produced by several mills in Indonesia such as PT Indah Kiat Pulp & Paper Tbk, PT Pindo Deli Pulp & Paper Mills, PT Pabrik Kertas Tjiwi Kimia Tbk, PT Lontar Papyrus Pulp & Paper Industries, and PT Ekamas Fortuna. APP Indonesia has a total production capacity of around 9 million tonnes and markets its products to more than 120 countries. Most of APP's production facilities are Chain-of-Custody certified by <u>LEI</u> and <u>PEFC</u>.

APP launched its <u>Sustainability Roadmap Vision 2020</u> in June 2012 to further improve its environmental performance, biodiversity conservation, and protection of community rights. Key objectives of this roadmap are to ensure that our pulpwood suppliers adopt <u>High Conservation Value (HCV)</u> protection, supply 100% plantation wood by 2015 and be 100% Sustainable Forest Management (SFM) certified by 2020.