

June 4, 2013

Asia Pulp and Paper's No Deforestation policy continues as it issues its third Sustainability Roadmap 'Vision 2020' update

Pulp mills confirm August deadline to stop receiving natural forest wood

<u>Asia Pulp and Paper Group (APP)</u> today announces that its commitment to end deforestation in its supply chain continues to protect Indonesian rainforest. The announcement comes as the company releases the <u>third update</u> to its <u>Sustainability Roadmap 'Vision 2020'</u>.

APP's <u>Forest Conservation Policy (FCP)</u>, which ended natural forest clearance in the company's supply chain, was announced on February 5 this year. Natural forest will be identified through High Conservation Value (HCV) and High Carbon Stock (HCS) assessments currently underway across all APP land concessions in Indonesia. The assessments, which are set to be completed early next year, are being undertaken by The Forest Trust (TFT) and independent HCV assessors, to determine which parts of APP's supplier concessions contain natural forest, all of which will be protected.

The company has today announced an absolute deadline of August 31, 2013 for all natural forest wood felled prior to February 1, 2013, to have reached its pulp mills. After this date, no natural forest fiber will be able to enter APP log yards.

Aida Greenbury, APP Managing Director of Sustainability said: "We are making progress and will continue to ensure our business becomes truly sustainable, allowing us to trade strongly in the years that lie ahead.

"The addition of a fixed deadline for the natural forest wood to reach our mills is a great example of our stakeholder engagement programme in action. The NGO community pointed out that this deadline is necessary and as a result, it has become part of our commitments."

APP has also unveiled a pilot online <u>monitoring dashboard</u>, which gives access to up-to-date technical information relating to the implementation of the FCP. The dashboard, built by TFT using its SURE technology, enables stakeholders to review current progress on the ground and to see moratorium boundary maps, HCV/HCS progress, grievance and verification reports and FCP protocols. APP will be consulting with its stakeholders on the format and content of the final version, which will be launched later in the year.

Scott Poynton, Executive Director of TFT, added: "TFT's work with APP is going as strongly as we had hoped. There have been some issues, but the important thing is that we're learning from these, and with the help of NGOs, we continue to move the project forward.



"It's a huge task. There are over 100 people working across 38 concessions spread throughout Indonesia, but we firmly believe that the assessments currently taking place will form the bedrock of APP's long term future."

In the past three months, a number of NGOs have independently reported potential infringements of APP's Forest Conservation Policy. Aida Greenbury commented:

"We have committed to investigate all of the issues raised by NGOs and to publish our findings as we seek to improve practices."

"We are still in the early stages of delivering the FCP and our systems are not yet perfect. Inevitably there will be challenges at first when operating across a huge land area, but let me be clear – our commitment to stop natural forest clearance on February 1st was absolute. There are no planned exceptions. If mistakes do get made we will learn from them and use them to strengthen our systems."

Additional highlights of today's update report:

- Independent HCV Assessments are underway for all 38 APP suppliers in Indonesia, with the completed first stage of 11 concessions due in Q4 2013 and the second stage of 27 concessions due in Q2 2014.
- TFT and APP technical teams have completed an analysis of satellite data as part of the High Carbon Stock (HCS) study and have introduced an on the ground field verification team.
- As a result of learning from grievances received, APP has introduced a risk assessment project team
 responsible for identifying, reporting and addressing any potential future issues in the FCP
 implementation process. The team will share any findings with participants of APP's Focus Group
 Discussions and ensure that any such issues, which fall within the group's influence, will be addressed
 appropriately following field verification and stakeholder consultation.

APP Sustainability Roadmap 'Vision 2020', the Forest Conservation Policy and the new monitoring dashboard can be viewed at www.asiapulppaper.com.

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ABOUT APP

Asia Pulp & Paper Group (APP) is a trade name for a group of pulp and paper manufacturing companies in Indonesia and China. The APP Group of companies is one of the world's largest vertically integrated pulp and paper companies, with an annual combined pulp, paper, and converting products capacity of over 18 million tons. APP-Indonesia and APP-China currently market their products in more than 120 countries across six continents. APP's production facilities are Chain-of-Custody certified by SVLK, LEI and PEFC.

APP launched its Sustainability Roadmap 'Vision 2020' on 5 June 2012 and its Forest Conservation policy on 5 February 2013, to further improve its environmental performance, biodiversity conservation, and protection of community rights.

ABOUT TFT

Established in 1999, TFT is a global non-profit that helps businesses bring responsible products to market. Responsible products improve peoples' lives and respect the environment at all stages of the product lifecycle. TFT helps its more than 90 members worldwide build responsible supply chains by identifying and addressing embedded social and environmental issues. Having established a strong record of achievement in timber supply chains, TFT has expanded its work into palm oil, leather and stone. TFT's has offices in 15 countries, and an on-the-ground presence in many more http://www.tft-forests.org.

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