



October 12, 2021

APRIL Group - Response to Rainforest Action Network

Dear Ms. Cassady,

Thank you for the opportunity to respond to your correspondence dated 6 October 2021. We have previously addressed several of the allegations regarding the supply partners referenced in your letter, which are a repeat of those made in earlier reports from other NGOs. These are included again here.

Sustainability Commitments

APRIL Group's Sustainable Forest Management Policy ([SFMP 2.0](#)) remains the foundation of our approach to sustainability, including our steadfast commitment to no deforestation. Our mill has been running on 100% plantation fiber since December 2015 and there has been no new plantation development and no deforestation in APRIL's concessions since then as independently assured by KPMG each year. All of APRIL's fiber suppliers are bound by our SFMP 2.0 commitments.

For the sake of accuracy, please note that the total area managed by APRIL and its long-term supply partners, through licenses granted by the Indonesian Ministry of Environment and Forestry, comprises 1,047,182 ha. This includes 448,632 ha of plantations, 364,996 ha of conservation and restoration areas, 31,867 of livelihood plantations, with the remainder for communities and other uses.

Maps of the concessions managed by APRIL and its supply partners have been shared with the World Resources Institute's Global Forest Watch and are also published on our [Sustainability Dashboard](#). It should be noted that incorrectly linking APRIL to areas that are in fact not connected to our operations could be considered a form of misinformation.

We should also point out that depicting legitimate plantation development as deforestation is effectively a blatant misrepresentation of the Indonesian Government's land use plan. This also overlooks the fact that much of the plantation development in Indonesia in recent years has taken place on degraded, non-HCV (High Conservation Value) areas, in line with the HCV tools and guidelines which have been available and adopted by APRIL since 2005.

Addressing Claims Regarding Fiber Suppliers

- We can confirm that APRIL does not take wood supply from the following entities listed in your document: PT. Permata Borneo Abadi, PT. Santan Borneo Abadi, PT. Itci Kayan Hutani, PT. Itci Kartika Utama, and the Kayan Patria Pratama group. As such, any claims of plantation development or deforestation by these companies should not be connected by RAN with our company, as that would again inaccurate.
- **PT. Adindo Hutani Lestari (PT. AHL):** In 2020, we confirmed, based on evidence from spatial analysis and ground verification, that no deforestation occurred in the areas highlighted by Auriga and that there was no breach of our SFMP 2.0 commitments. This is detailed in our [comprehensive response](#) to Auriga's claims. In addition, we can again confirm that no shareholding in PT AHL has been held by the shareholders of APRIL or RGE. As of 2019, PT. AHL's gross plantation area is 191,472 ha, which is comprised of 56,747 ha of planted area, 91,258 ha of conservation land, 17,767 ha of livelihood plantation, amongst other uses.



- **PT. Fajar Surya Swadaya (PT. FSS):** We confirmed in 2018 that the company is an open market supplier of plantation wood. Supply commenced in June 2017 following completion of an internal due diligence process. APRIL did not purchase and use natural forest wood from this supplier. Our due diligence noted that PT FSS had commissioned Tropenbos International to conduct a High Conservation Value assessment of their concessions in April 2015. This is in accordance with our SFMP and formed the basis for plantation development carried out in non-HCV areas in 2016-2017. This is explained further in our [detailed response](#) to stakeholders.

Supplier Compliance

APRIL currently takes supply from 32 supply partners, which are listed on our [Sustainability Dashboard](#). All fiber suppliers are subject to a due diligence process before they enter into a contract with the company. This due diligence process is based on national regulations as well as our SFMP 2.0. Fiber suppliers, including PT. Itci Hutani Manunggal (PT. IHM), are only eligible to supply fiber to APRIL when they have achieved agreed due diligence standards.

During the term of their contract with APRIL, all fiber suppliers are subject to compliance monitoring. This includes land cover change (LCC) monitoring based on GIS satellite imagery and internal SFMP 2.0 compliance audits. Fiber suppliers are required to submit ground-verified findings of LCC monitoring every two weeks. Further information on our supplier management can be viewed in our 2020 [Sustainability Report](#) ('Responsible wood fiber sourcing', pages 32-34).

External assurance is undertaken every year by an independent third party to assess compliance with SFMP 2.0 by APRIL and its suppliers. This is conducted by [KPMG PRI](#) and is commissioned by APRIL's [Stakeholder Advisory Committee](#). It details the compliance with APRIL's SFMP 2.0 commitments of all the company's fiber supply sources, including PT. RAPP, the operating arm of APRIL, supply partners, open market suppliers and community fiber plantations and is reported publicly.

Fiber sourced from APRIL plantations is covered by timber legality certification, including SVLK. APRIL's forestry operations are certified to the Programme for the Endorsement of Forest Certifications (PEFC) Sustainable Forest Management standards, ISO 14001 and the Singapore Environmental Council's Green Label Scheme for sustainable forest management. Fiber suppliers are also required to align with our ongoing commitment to forest conservation and restoration. For example, PT. IHM manages 12,931 hectares of conservation area, in addition to 89,326 hectares of plantations

Capacity expansion

We advised in July 2021 that we are in the planning, preparation and approvals phase of our growth and this process is ongoing. We are investing in Indonesia over the next two years to drive further downstream diversification to value-added, bio-based products made from sustainably sourced, renewable raw materials.

We have been clear that this and other sustainable growth initiatives are in full alignment with our SMP 2.0 and APRIL2030 commitments and will not entail any expansion of our current land concessions. Based on current plans, the first phase of new production capacity is anticipated to come on stream in 2025. We have no plans to apply for new industrial plantation concession licenses or expand our concession areas.



Fiber supply to meet any proposed increased production capacity will come entirely from plantation fiber sourced from APRIL's current concessions and long term supply partners, as well as open market suppliers. Again, we would like to emphasise that, through our supplier due diligence system, we ensure that all fiber originating from external sources comes from sustainably managed forest plantations and complies with relevant national and international regulations and standards.

Yours sincerely,

A handwritten signature in blue ink, appearing to be the initials "LJ" or similar, written in a cursive style.

Lucita Jasmin, Director of Sustainability & External Affairs
APRIL Group