



01 July 2021

RGE Responds to International Business Times

In the interest of accurate reporting, RGE would like to address a number of erroneous claims in an article published in a U.S. online media outlet on 28th June 2021. The article contains unfounded references to RGE and its pulp and paper operations in Indonesia, APRIL Group.

False Deforestation Claims

The claims in the article are largely drawn from two sources. The first is a database run by a coalition of NGOs known as Forests & Finance. In May, this group published a report purporting to link Chinese banks to deforestation, which included reference to RGE and APRIL, alongside other forestry companies from Southeast Asia, Brazil and Central and West Africa.

In policy and in fact, RGE companies, including APRIL Group, a leading producer of pulp and paper products, have strict no deforestation policies, compliance with which is regularly, independently audited. There is no evidence to suggest that the capital raised since 2016 supports the report's overarching claim this has contributed to deforestation in any part of RGE's or APRIL's supply chain.

The report's authors base their claims on disparate historical NGO reports. APRIL has already refuted those claims that relate to the company with evidence-based facts. The report's authors have not factored in APRIL's independent reporting and assurance processes that demonstrate consistent compliance with its Sustainable Forest Management Policy 2.0 ([SFMP 2.0](#)) commitments.

The claim that financing APRIL poses an additional financial risk due to billion dollar social compensation claims is based on research carried out on the palm oil sector, with financial figures crudely extrapolated to the pulp and paper sector. This analysis does not take into account the different industry profiles and dynamics nor is it grounded in focused research.

Response to Trase Allegations

The second is a report issued by Trase, a group that uses publicly available data to draw links between trading companies and places of production. Our internal analysis on the claims in the Trase document noted:

- APRIL's Sustainable Forest Management Policy 2.0 ([SFMP 2.0](#)) commits the company to 'no-deforestation'. This means that any proposed development activities can only be in areas that have been determined following High Conservation Value and High Carbon Stock assessments.
- The methodology employed by Trase has no ground-truthing associated with it given its complete reliance on remote imagery. While this methodology can provide an indication of forest cover change, it cannot determine with absolute certainty the nature of the change.
- APRIL also undertakes high-resolution monthly forest cover change assessments of all APRIL owned and supplier concessions, including open market suppliers. We also require in-field

verification of every detection greater than 1 hectare. This is independently assessed and verified in the field by KPMG as part of their annual assurance work. None of our field verified data from June 2015 to date shows that there has been forest cover change associated with plantation development in any of the areas identified by Trase.

Peatland

The article also references our peatland operations with a range of misrepresentations.

As a company with substantial concessions in peatland ecosystems, we have an obligation to manage these landscapes responsibly. We implement a production-protection model where we produce and also protect the peatland landscape in an integrated approach. We have a ratio of 1.25 hectares of conservation and restoration peatland forest for every hectare of production area. This exceeds our industry leading 1 for 1 commitment where we conserve a hectare for every hectare of plantation developed.

Through our decades of land management experience in Indonesia, we have learned that it is essential to maintain a balance between production, protection and social needs as part of an integrated landscape approach.

At a landscape level, we have invested in proactive community-based fire prevention programs and best-in-class water management. This has resulted in our peatland areas being one of the better, if not the best managed in the region, including our [Restorasi Ekosistem Riau](#) project that works to restore more than 150,000 hectares of peatland forest on Riau's Kampar Peninsula.

Conclusion

The media coverage in question contains multiple mistruths which misrepresent companies working on the ground fully committed to balanced, sustainable management of vast areas of land, as well as providing jobs, livelihoods and other opportunities for hundreds of thousands of people. RGE remains fully committed to its 5Cs principle: only if our actions are good for the country, community, climate and customers will they be then good for the company. RGE also has an open invitation to external stakeholders to independently ground-truth our responses to their claims.

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