

## **Media Statement - Updated 19 December 2023**

### **RGE, APRIL and Asia Symbol Respond to Allegations on Sustainability**

There have been a number of recent media reports citing a publication titled ‘Pulping Borneo’ that was published in May 2023. RGE, APRIL and Asia Symbol had previously responded to the allegations in the report. However, certain media have continued to cite references in the report. For ease of reference and to reiterate our stance in relation to these allegations, the following are the consolidated responses from RGE, APRIL and Asia Symbol.

#### **RGE Statement on EPN Report ‘Pulping Borneo’ - May 2023**

RGE categorically refutes the overall premise of the report published by Environmental Paper Network (EPN) on 23 May 2023, which suggests that two of the entities named in the report as operating in Kalimantan are under the ‘common control’ of RGE.

RGE has acknowledged the Accountability Framework Initiative and its definition of ‘Corporate Group’ and we can confirm that no such association, influence or control exists in relation to the two entities mentioned in the EPN report. It is not therefore possible or appropriate for RGE to comment on matters related to those parties unrelated to RGE.

To illustrate the speculative nature of the allegations, previous employment by individuals at our business groups is presented in the report as an indication of a current connection to RGE. We operate in a free and open employment market in which employees can choose to join or leave companies as they wish. None of the arguments alleged in the report establish any connection or form of ‘control’ to these companies.

RGE’s business groups operate in accordance with the RGE [Sustainability Framework](#) and [Sustainability Policy](#), which includes explicit no deforestation commitments, and each business group develops and enforces its own sustainability policies consistent with their operating context and RGE’s overall framework. These companies also have ambitious 2030 sustainability targets that aim to contribute to the achievement of national and global goals on climate, nature protection, and sustainable development.

For further information, please contact John Morgan, RGE Head of Communications, at [john\\_morgan@rgei.com](mailto:john_morgan@rgei.com).

#### **APRIL Group on EPN Report ‘Pulping Borneo’ - May 2023**

The Environmental Paper Network (EPN) and other NGOs released a report titled “Pulping Borneo” and held a press conference on 23 May 2023. Various statements and claims were made about APRIL in the report and prior to its publication. APRIL had responded to questions from EPN. APRIL provided full and clear facts and evidence in our response, demonstrating that the claims made in the report related to APRIL were baseless.

As a company that has been striving to uphold sustainable forest management and to advance forest conservation and restoration in Indonesia, APRIL Group is committed to ensuring there is no deforestation in our supply chain and that all commitments made in our [Sustainable Forest Management Policy \(SFMP 2.0\)](#) are fulfilled.

Implementing our policy entails engaging with our fibre suppliers and building their capability to comply with our voluntary commitments. As part of the continuing trust building with our stakeholders, we have adopted independent oversight of our policy implementation, complemented by annual third-party verification.

Since they commenced in 2014, all [audit reports](#) have been made publicly available and the scope and remit of the auditors involved has been made clear as relating specifically to APRIL and its suppliers. We recognize that implementing our commitments is a process of continuous improvement and we value critical feedback and constructive inputs from our stakeholders.

The EPN report includes allegations of deforestation in APRIL's fibre supply chain referencing past claims regarding APRIL suppliers that have been thoroughly investigated and publicly responded to by APRIL previously. We stand by our previous statements and take this opportunity to address them again and provide our stakeholders with firm assurances that claims in the report are untrue.

### **Commitments to No Deforestation**

APRIL stands by the No Deforestation commitments we made in 2015 and reaffirms that these apply to all areas where we operate, including our full fibre supply chain.

We have announced publicly that our downstream diversification in paperboard at our operations in Pangkalan Kerinci in Riau Province is fully aligned with our SFMP 2.0 and [APRIL2030](#) commitments announced in November 2020, as well as all legal and regulatory requirements. Fibre supply to meet current and future production capacity will come entirely from plantation fibre, subject to SFMP 2.0 compliance, and will not necessitate or cause any new forest conversion.

APRIL fibre suppliers are subject to strict due diligence standards, compliance monitoring and third party assurance. During the term of their contract with APRIL, third party suppliers are also subject to monitoring of their compliance with our policies and procedures and are subject to annual assurance by an independent third party to assess compliance with our SFMP 2.0. This includes the identification and reporting of fires. A list of APRIL's suppliers and concession maps are publicly available on APRIL's [Sustainability Dashboard](#).

Regarding long-term fibre supply, the company has adopted a target of a 50% gain in fibre plantation productivity by 2030. Over the past three years, we have gained more productivity from the same land bank, posting a 29% increase in fibre yield.

As a result of our commitment to R&D, more than 60% of our total plantation base is now on the higher end of our productivity range. Improvements in our production processes for wood conversion have also reduced the amount of fibre required per pulp production ton by up to 10%.

Our growth is based on sustainable intensification, land optimisation and the adoption of precision silviculture techniques. On the production side, efficiencies are generated by the vertical integration of our mill and plantation operations and ongoing R&D in alternative raw materials.

### **PT Adindo Hutan Lestari and PT Fajar Surya Swadaya**

The EPN report repeats past claims regarding the actions of two suppliers, PT Adindo Hutani Lestari and PT Fajar Surya Swadaya. We stand by the published responses we have shared previously with EPN and stakeholders, summarised here:

- 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 in its 2020 report, and that there was no breach of our SFMP 2.0 commitments. This is detailed in our comprehensive response to Auriga’s claims.
- PT. Fajar Surya Swadaya (PT. FSS): We confirmed in 2018 that the company was 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 was the basis for plantation development carried out in non-HCV areas in 2016-2017. This is explained further in our detailed response to stakeholders.

### **Human Rights and Community**

APRIL strictly adheres to a [human rights policy](#) which requires we respect human rights, including the rights of indigenous peoples and local communities. We operate legally on concession areas licensed by the Government of Indonesia and respectfully and fairly manage any overlapping land claims in line with the principle of Free, Prior and Informed Consent (FPIC). Land claims and progress in resolving land claims and other community disputes are regularly and publicly disclosed by APRIL.

### **FSC Remedy Process**

We remain committed to working with FSC and stakeholders on the development and implementation of our remedy plan, following the FSC’s Remedy Framework, and will continue to work towards ending disassociation.

We invite interested stakeholders to view APRIL’s [case page](#) on the FSC website for detail. But in the meantime we can note that in response to the publication of APRIL Group’s acknowledgement of harm letter with FSC, Mr. Kim Carstensen, FSC Managing Director, said he “welcomes the acknowledgement of environmental and social harm from the APRIL Group and the commitment to fully and sincerely engage in the process of remediation.” We will continue to keep stakeholders updated on the progress of this process. We welcome feedback and would be happy to address any further queries from our stakeholders.

For further information, please contact Geeta Ramachanran, APRIL Group Head of International Communications, at [geeta\\_ramachanran@aprilasia.com](mailto:geeta_ramachanran@aprilasia.com).

## **[Asia Symbol on EPN Report ‘Pulping Borneo’ - July 2023](#)**

Environmental Paper Network (EPN) released a report titled “Pulping Borneo” on 23 May 2023. The report alleged that wood chips received by Asia Symbol from PT Balikpapan Chip Lestari (PT BCL) in 2021 and 2022 have been obtained from companies that have committed deforestation.

As noted in our response to EPN, Asia Symbol’s Wood and Pulp Sourcing Policy and Sustainability Policy comply with RGE’s Forestry, Fibre, Pulp & Paper Sustainability Framework which commits the RGE group of companies to No Deforestation and to responsible sourcing of pulp and wood chips. We apply responsible sourcing across our fibre supply chain and are prepared to terminate any supply relationship that cannot or will not meet the objectives of our Wood and Pulp Sourcing Policy.

The EPN report explicitly acknowledged that its claims have not been independently verified and that none of the companies mentioned in the report has breached any law or regulations. However, we take any allegations of deforestation seriously and have been engaging with our supplier, PT BCL, on these issues.

The EPN report claimed that three fibre suppliers to PT BCL have committed deforestation - PT Adindo Hutani Lestari (PT AHL), PT Fajar Surya Swadaya (PT FSS) and PT Industrial Forest Plantations (PT IFP). On PT AHL, APRIL Group (Asia Symbol's sister company) has refuted the allegations based on spatial analysis, ground verification and third party audit .

On PT FSS, in consideration of recent findings published by the Forest Stewardship Council in April 2023, Asia Symbol has instructed PT BCL to suspend any sourcing from PT FSS indefinitely. On PT IFP, which supplied only to Asia Symbol through PT BCL, our rapid investigation concluded that some land cover change took place in their concessions between 2016 and 2022. Based on this, we have also asked PT BCL to immediately suspend sourcing from PT IFP indefinitely.

In addition, Asia Symbol has engaged PT BCL to implement the following:

- To continue as a supplier to Asia Symbol, PT BCL has to align its wood and fibre sourcing policy with Asia Symbol's Wood Chip and Pulp Sourcing Policy and strictly adhere to Asia Symbol's zero tolerance for deforestation.
- PT BCL has been required to put in place a robust due diligence system and conduct regular field verification for all wood sourced.
- Asia Symbol has also further strengthened its own [Wood and Pulp Sourcing Policy](#), focusing on eliminating deforestation and conversion in its fibre supply chain, and adherence to human rights and the International Labour Organisation's fundamental principles.

We will continue to work with PT BCL and our fibre suppliers to further strengthen policies, improve processes and reinforce strict adherence to Asia Symbol's wood sourcing policy and sustainability framework.

For further information, please contact Yin Liang, Asia Symbol (Shandong) Head of Sustainability, at [liang\\_yin@asiasymbol.com](mailto:liang_yin@asiasymbol.com).

## **RGE Sustainability Track Record**

RGE companies have been pioneers of many sustainability commitments in the Asia Pacific region in recent years. We were among the first companies to do independently verified sustainability reporting following Global Reporting Initiative standards in 2004, and were also one of the first to have a global certification for sustainable forest management under the Programme for Endorsement of Forest Certification in Indonesia.

We are also early adopters of ESG (Environmental, Social and Corporate Governance) reporting as part of our RGE Sustainability Framework released in 2015. Beyond stopping deforestation, RGE companies have championed the protection of biodiversity and high conservation value forest.

For instance, APRIL Group has a unique 1-for-1 commitment which is to conserve a hectare of forest for every hectare of plantation, as part of its sustainability policy. This company currently has 361,231 hectares (2.5 times the size of London) of conservation and restoration areas under active management and protection.

As part of its conservation efforts, APRIL helps manage 150,693 hectares of peatland forest through its [Restorasi Ekosistem Riau](#) (RER) ecosystem restoration programme on the Kampar Peninsula in Riau Province, Sumatra. The RER programme was initially boosted by a US\$100 million investment in conservation announced at COP25 in Paris in 2015. Collectively, these conservation efforts are unparalleled by any other industry players.

Most recently, RGE and its companies have also implemented group-wide 2030 commitments that include a range of investments in climate, nature and people as part a business transformation strategy. The majority of this investment is embedded in operational expenditure aligned to each company's sustainability commitments and budgets.

In Brazil, Bracell recently announced [Bracell 2030](#), its strategic plan to build a legacy for a sustainable future, which is anchored in ambitious targets and commitments related to climate, nature, people and communities and aligned with the UN 2030 agenda. Further, Group companies including those in the plantation sector, have made voluntary investments in forest conservation and restoration as part of a business model that balances production against the protection of nature and biodiversity.

As part of its APRIL2030 commitments, in addition to its existing conservation efforts, APRIL committed USD\$1 per tonne of plantation fibre supply per year to the funding of forest conservation and restoration activities. To date, this has resulted in an additional \$47 million for investment in nature.

Beyond the plantation sector, another RGE company, Apical, a leading vegetable oil processor with an expanding global footprint, announced in April this year plans to establish [a joint venture](#) with Spanish energy company Cepsa to produce second-generation biofuels by constructing the largest plant in southern Europe. The joint venture will entail an investment of up to €1 billion and marks Apical's entry to the sustainable aviation fuels market. The new plant is also a key element of RGE's strategy to produce a range of fuels to decarbonise aviation, maritime and land transportation.

In March 2023, Woodfibre LNG, also part of the RGE group of companies, announced its [Roadmap to Net Zero](#), its plan to achieve net zero emissions by the time operations start at its new production plant in Canada in 2027, 23 years ahead of government regulation. This roadmap will see Woodfibre LNG be the first LNG export facility in the world to achieve net zero, and includes commitments to be net zero both through the construction stage of the project and during operations.

As part of its focus on circularity, RGE [announced](#) in 2019 plans to invest USD200 million over 10 years in next generation textile fibres and clean, closed loop technology. In 2022, as part of this investment, RGE [launched](#) a five year research collaboration with Nanyang Technological University, Singapore on innovation in textile recycling technology which will see the company commit up to S\$6M over five years to set up the RGE NTU Sustainable Textile Research Centre ('SusTex').

Collaboration is a key element of RGE's approach to sustainability. Through its business groups, RGE works with a range of national and global organisations from the public and private sectors. For example, Sateri, a leading viscose producer, is currently engaged in a five-year [partnership](#) with Conservation International to protect and restore Poyang Lake, China's largest freshwater lake, in Jiangxi province, China, which will help to conserve key habitats for endangered species. Similarly, APRIL works with NGOs BIDARA and Fauna and Flora on the RER programme in Sumatra.

Several of RGE's commitments to sustainability are outlined in this short [video](#) from United Nations Global Compact featuring Bey Soo Khiang, Vice-Chairman of RGE and Chairman of APRIL Group.