



Code of Conduct for Legality and Sustainability Certification

In Support of Green Purchasing Law Implementation

Japan's Green Purchasing Law (GPL) was revised in April 2006. The new regulations were drawn up by the Japanese government to certify the legality and sustainability aspects of pulpwood, as the raw material of virgin pulp. The certification is required for all wood and wood products purchased by governmental agencies of Japan.

As a start, APP and Sinarmas Forestry (hereinafter collectively referred to as the APP Group) have decided to voluntarily adopt the self-certification method as proscribed under the terms of the GPL.

Code of conduct:

1. APP Group shall conduct business activities in compliance with applicable laws and regulations of the Republic of Indonesia.
2. APP Group shall adopt the self-certification method proscribed under the terms of the GPL.
3. The policy and standard procedure in support of GPL implementation shall be reviewed on a regular basis and revisions will be introduced when and where necessary.
4. APP Group shall require all companies in the respective stages of the supply chain (from logging to distribution) to submit the documents necessary to confirm the legality and sustainability of the fiber in their stage of the supply chain.
5. APP Group shall appoint a person-in-charge with responsibility within each respective stage of the certification process.
6. The documentation necessary for the certification shall be retained for a certain period of time and will be disclosed upon request.
7. APP Group shall oblige its external wood suppliers to submit the documents necessary to confirm the legality and sustainability of wood delivered.
8. APP Group's pulp legality and sustainability can be guaranteed by APP's self-certification system. Purchased pulp is certified according to recognized international standards, thus also meeting GPL requirements.

9. In order to enhance the objectivity of our certification system, APP Group shall implement wood tracking audits on periodic basis by commissioning a third party organization.
10. APP Group shall announce and socialize this Code of Conduct to the public and to each operational unit within APP Group.
11. The fiber procurement policy of APP is stated in a separate document and is a critical element in APP's self-certification in order to meet GPL requirements.

Jakarta, 2007

APP

Sinarmas Pulp and Paper Products

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