



APP RESPONSIBLE & SUSTAINABLE BUSINESS DECLARATION

APP currently has multiple manufacturing facilities in Indonesia and China and markets its products in more than 120 countries on six continents. We are one of the largest integrated pulp-and-paper companies in the world.

Our vision is **to become a leading and respected global pulp-and-paper company that provides superior values to customers, community, employees and shareholders - responsibly and sustainably**

This statement has been developed as part of our commitment to sustainability and good governance in all our operations. The meaning of sustainability to us is the balance of economic, environmental and social interests in the growth of our business.

On *economic sustainability*, we have a responsibility to our shareowners, our employees and their families, our customers, and the communities who depend on us for their incomes and livelihoods. The responsible development of the pulp and paper industry is integral to the future prosperity of the communities and countries in which we operate. In support of that responsibility, we have to be a profitable and financially sound organization.

On *environmental sustainability*, we believe that continuous improvements in raw material sourcing and utilization, process efficiency, environmental impact/footprint minimization and supply chain management are core disciplines in achieving a better environment.

On *social sustainability*, we are committed to respecting and protecting human rights and will enforce this commitment within our own operations and our supply chain. Our long-term aim is to contribute to active development of the communities in which we operate. We will endeavour to make our operations transparent to stakeholders while respecting the cultural sensitivity and context in which we operate.

In order to achieve our goal to be a responsible company that grows in a sustainable manner, the following are integral in conducting our business:

- As the basic foundation of a responsible and sustainable business operation, we commit to meet or exceed the requirement of relevant regional and national legislation in the countries in which we operate. This includes international regulation that has been ratified by those countries.
- We are committed to continuous improvement in our operations by researching, reviewing and adopting relevant technological innovations and scientific advances, as well as international best practices, standards and certifications.
- We shall develop and maintain specific policies for key aspects of our operation to ensure that our commitment to conduct our business responsibly and sustainably is achieved
- Our Responsible & Sustainable Business commitments are a corporate priority which shall be understood, accepted and actively put into practice by all levels of our personnel. We shall provide the necessary education, training and resources for our personnel to help them to comply with our commitments.
- These commitments and policies shall be deployed across our supply chain, including our affiliates, contractors and suppliers. Their compliance to the relevant policies shall factor into our decision to enter into or continue a business relationship with them.

- Achievements in business growth and sustainability depend on the quality of people who carry out the business. Therefore we shall continue to invest further in employees through relevant training and education.
- Transparency is essential in ensuring that we are in line with our commitments and policies. We shall monitor and report our progress regularly and publicly to our stakeholders.
- To maintain the confidence of our stakeholders, we shall employ third party verification and/or auditing to our public reporting.
- We shall respect our stakeholders' interests and shall maintain an open and constructive dialogue with both internal and external stakeholders to ensure that their concerns and issues are well addressed in our commitments and policies.

Currently we have developed the following key policies to support our commitment to operate responsibly and sustainably:

- Environment Stewardship Policy
- Responsible Fibre Procurement & Processing Policy
- Corporate Social Responsibility Policy
- Employee Welfare Policy
- Chemical Substance & Article Procurement Policy

These policies have been developed by listening to our stakeholders and consulting experts in a variety of professional fields. This has taken place with the recognition that the balance of the three sustainability pillars – environmental, social and economic – are required for the long-term success of our business and for the long-term needs of the communities and forested areas in which we operate and around the world. They are part of our management system and shall be regularly reviewed and revised as necessary in accordance to the current best practices.

This declaration is to replace the APP Sustainability Declaration which was developed in 2004. If you need additional information or clarification please contact us at environment@app.co.id or go to our website — www.asiapulppaper.com.

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 leading pulp and paper manufacturer and is ranked as one of the largest vertically integrated pulp & paper producer in the world.