



APP RESPONSIBLE FIBRE PROCUREMENT & PROCESSING POLICY

APP puts the responsible management of its fibre supply as a priority in its commitment to sustainable operation and environmental protection. The types of fibre that we use to manufacture our paper products are virgin wood fibre and fibre from recycled paper waste, from imported and local sources.

The foundation of our supply chain is wood legality. To be a responsible consumer of wood fibre we have to go a step further to secure a sustainable source of wood. Therefore, we shall continue to drive processes to ensure that we only accept:

- É Wood that is properly checked and verified as to **legal origin** and **chain of custody**
 - É Wood harvested that does not violate **traditional and civil rights**
 - É Wood harvested in forests in which **high conservation values** are protected by forest management activities
 - É **Waste and wood residues**, as set out by Government regulations, that are not listed under CR IUCN & CITES
- Appendix I
- É Wood from forest management units free from **genetically modified trees**
 - É Wood harvested in compliance with the **ILO Core Conventions**

To implement this commitment, we will:

- É Maintain systems and procedures to reasonably ensure that wood from illegal sources shall be rejected before it enters the mill. These systems and procedures will be regularly verified and certified to the highest standards by independent and certified 3rd party auditors.
- É Ensure that a multi-stage environmental assessment process is conducted prior to forest plantation development. In addition to government regulated assessments, we will also pursue the High Conservation Value Forest assessment in accordance with HCV Resources Network methodology and tools.
- É Expect that wood suppliers comply with our commitment above.
- É Ensure that wood suppliers who are found in breach of relevant legal requirements and the provisions of this policy shall be immediately warned and, for repeated violations, have their contracts reviewed for termination.

For our imported pulp consumption, we are committed to purchasing only legal and environmentally sound pulp, which has been produced from sustainably-managed forestry sources and achieved relevant environmental certifications. To implement this commitment, we will ensure that the pulp is properly checked and verified as to legal origin and chain of custody before it enters the mill.

This policy is to replace APP's Fibre Procurement Policy which was first developed in 2004.

If you need additional information or clarification, please contact us at sustainability@app.co.id

APP

Jakarta, May 2019