

APP Sustainability Campaign in New York

APP customers and other invited guests from across North America were given the opportunity to build their understanding of the many social and environmental challenges facing Asian pulp and paper producers during a Stakeholder Update Seminar held April 7, 2008, in New York City. During the day-long seminar, academic and industry experts provided a comprehensive perspective on the pulp and paper industry, developments in the field of forest certification, and the specific challenges of doing business in Indonesia's developing economy.

Elizabeth Widjaya, Director of the PROSEA Institute (Plant Resources of South East Asia Association) at the Indonesian Institute of Sciences (LIPI) and a respected expert in the field of forest conservation, explained the challenges of sustainable forest management in Indonesia. Ms. Widjaya also discussed the importance of collaboration among industry, government and the private sector to overcome these challenges. (LIPI, together with APP and its exclusive fiber supplier Sinarmas Forestry, has been working together in several conservation programs on the island of Sumatra.)

Henry Poole, a renowned columnist for Paper Trade Magazine, discussed the highly competitive business environment of the international pulp and paper industry, and the role Asian producers are playing in changing the shape of the industry. Mr. Poole also examined the economic, environmental, and political issues facing Asian producers in Asia. He concluded that, in spite of myriad challenges, the Asian paper industry has a bright future.



In spite of the challenges facing the industry, APP is persistent in its commitment to Conservation beyond Compliance

John Bruce Wells, Director of Corporate Risk Management for Environmental Resources Management (ERM), discussed the ongoing Carbon and Social Footprint Assessment Project with APP – the first of its kind in Indonesia. This presentation was of particular interest to stakeholders who are increasingly concerned about their direct and indirect contribution to global climate change.

ERM was engaged by APP to assess the Carbon and Social Footprints of its eight mills in Indonesia, providing a baseline of understanding about the impact of APP's operations as well as a path toward continuous improvement. According to Mr. Wells, the APP project was the world's first combined Carbon-Socio Footprint Assessment conducted by a paper company.

Several senior managers from the Indonesian pulp and paper industry provided a detailed look at the issues of sustainability in Asia. Aida Greenbury, Director of Sustainability and Stakeholder Engagement for APP, and Mr. Lie Gendo, Managing Director of Sinarmas Forestry, presented an update on the sustainable practices of APP and Sinarmas Forestry.

Ms. Greenbury highlighted APP's mission: to improve the quality of life of its people, ensure a sustainable environment, and provide satisfactory returns for its shareholders, while building the foundation for a sustainable future for all its stakeholders. She also detailed the Legal Origin Verification and Chain-of-Custody protocols put in place by APP to ensure the integrity of its fiber supply from plantations through finished product.

Mr. Lie discussed Sinarmas Forestry's sustainable forest management practices, and outlined several key social and environmental initiatives, including the company's sustainable production program, flagship conservation programs, and community empowerment programs.



In presenting the ongoing Carbon and Social Footprint Assessment Project with APP, Mr. John Bruce Wells from ERM stated that APP goes well beyond compliance with Indonesian government requirement and is the first of its kind in Indonesia

Bob Simpson from the Program for Endorsement of Forest Certification (PEFC) discussed the growing relevance of sustainable forest management and chain of custody certification in the world market. He also explained the protocols and standards used by PEFC for its certification programs. The majority of APP's mills are now PEFC CoC-certified.

Feedback from the audience during the seminar and the following question-and-answer session showed a positive response toward Asian paper products, and an appreciation of APP's continued commitment to sustainability in spite of the challenges it faces as an Asian producer.

Jakarta, July 16th 2008

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