

RGE Statement on Greenpeace Report on RGE Corporate Group 20 May 2025

This is with reference to the Greenpeace report titled 'Under the Eagle's Shadow: Investigating the RGE/Tanoto Shadow Empire' and published on 20 May 2025 which raises allegations of entities that are claimed to be linked to the RGE Group and non-compliance with RGE's sustainability policy.

As a leading, global player in high profile industries and with a total asset value that exceeds USD 35 billion, RGE operates to high levels of sustainability, transparency and governance standards. We reiterate our assurances to our stakeholders that we do not operate what is claimed in Greenpeace's report to be a shadow supply chain. Many of our stakeholders would know that we take our sustainability commitments very seriously and that we strictly adhere to our no deforestation pledge as part of a broader sustainability policy across the RGE Group.

Beyond keeping to our policy commitments, RGE business groups have been progressing on their respective 2030 sustainability agenda that sets out ambitious targets on carbon emissions reduction, energy transition, increased investments in nature conservation, and social inclusivity while growing the business in a responsible manner.

Greenpeace's Real Motive

You may be aware that RGE's member company, APRIL, has been engaged with the Forestry Stewardship Council (FSC) on a process to regain our FSC certification. APRIL is the <u>first company globally</u> to implement the FSC remedy process, and is, to date, the only active case in Indonesia, making it the lone target of scrutiny from campaigning NGOs.

Greenpeace has <u>withdrawn its membership from FSC</u> since 2018, saying they "no longer have confidence that FSC alone can consistently guarantee enough protection, especially when forests are facing multiple threats." The NGO, however, continues to launch disruptive campaigns meant to cast doubt on FSC's implementation of the remedy process and derail our process.

Greenpeace's report repeats past allegations that have been refuted and draws conclusions based on assumptions and speculation. There is no reference to any formal documentation or named sources and we encourage our stakeholders to rely on facts than on conjectures.

The full scope of APRIL's FSC reassociation process ('Corporate Group') has been independently determined by FSC, following an expansive interpretation of the Accountability Framework Initiative's (AFI) criteria of control. This scope is publicly disclosed on FSC's website.

As we take every allegation of policy noncompliance seriously, we address Greenpeace's allegations in detail below:

Strict adherence to no deforestation across RGE business groups

RGE is committed to transparency and accountability across all our business groups (BGs), requiring each to adopt policies and commitments aligned with the <u>RGE Sustainability Policy</u> which mandates that all BGs must uphold our sustainability principles and firm commitment to zero deforestation.

APRIL has enforced a strict no-deforestation pledge under its <u>Sustainable Forest Management Policy 2.0</u> in 2015. 100% of the fibre used by APRIL is sourced from forestry plantations. APRIL's compliance with its Sustainable Forest Management Policy is independently audited, with all reports publicly available on APRIL's <u>Sustainability Dashboard</u>. The company's and suppliers' forestry plantations are certified to global forest management standards and have full traceability to the source. It also adheres to its <u>Wood & Fibre Sourcing Policy</u> to ensure that all wood, virgin fibre, pulp, biomass (together "fibre") are sourced only from responsibly managed plantations.

APRIL integrates forest conservation and restoration into its business model in a way that is unique both in Indonesia and globally. APRIL remains, to our knowledge, the only company committed to conserving a hectare of natural forest for every hectare of plantation (1 for 1), which has resulted in around 360,000 hectares of conservation and restoration areas under APRIL's protection to date. Through its US\$1 per tonne internal conservation levy on every tonne of fibre delivered to its pulp mill in Kerinci, Riau, APRIL has allocated over US\$60 million toward conservation initiatives and partnerships since 2020, as detailed in the APRIL2030 Progress Report.

- Asian Agri, in line with its <u>Sustainability Policies</u>, operates under a long-standing No
 Deforestation, No Peat, No Exploitation (NDPE) commitment, ensuring its palm oil production
 is deforestation-free. The company has ceased establishing new plantations since
 2003, maintaining its estate at approximately 94,000 hectares (<u>2023 Sustainability Report</u>, p.28).
 Asian Agri focuses on enhancing yield from its existing plantations through innovation and
 sustainable best practices.
- Apical established its original Sustainability Policy in 2014, reinforcing its NDPE commitments and support to local communities. In 2023, Apical strengthened its <u>Sustainability</u> Policy to further enhance traceability and ensure a deforestation-free supply chain.

RGE business groups were among the first companies in the region to conduct independently assured sustainability reporting, adhering to Global Reporting Initiative (GRI) standards since 2002. Additionally, RGE companies were among the first in Indonesia to achieve global sustainable forest management certifications under PEFC.

We have also championed the protection of biodiversity and high conservation value forests, highlighted by our flagship <u>Restorasi Ekosistem Riau</u> (RER) ecosystem restoration programme on the Kampar Peninsula in Riau Province, Sumatra, which manages 150,693 hectares of tropical peat swamp forest.

With regard to Greenpeace's claims of deforestation in our supply chain, we can clarify the following:

- We reiterate that PT Mayawana Persada is not under the control or ownership, directly or indirectly, of RGE and/or its shareholders. A copy of our previous response can be viewed here.
- On PT Industrial Forest Plantation (PT IFP) which supplied to Asia Symbol through PT
 Balikpapan Chip Lestari (PT BCL), PT BCL suspended sourcing from PT IFP following
 investigations in 2023. We can confirm that to date, there has not been any supply from PT
 IFP to Asia Symbol since PT IFP's suspension in 2023.
- PT Adindo Hutani Lestari (PT AHL) is publicly <u>listed</u> on the <u>APRIL Sustainability Dashboard</u> as
 one of APRIL's long-term fibre suppliers. External assurance, conducted annually by KPMG,
 under the independent oversight of APRIL's Stakeholder Advisory Committee, confirms that

all plantation fibre supply received by APRIL from its own plantations and those of suppliers is in compliance with its Sustainable Forest Management Policy (SFMP) 2.0. Please refer to previously published responses.

- PT Sumatera Riang Lestari (PT SRL) has been a long-term supplier to APRIL, operating within
 five concessions that are also listed on APRIL's Sustainability Dashboard. PT SRL's
 concessions are also included in the independent assurance. Since the launch of APRIL's
 SFMP 2.0 in June 2015, there have been no reported incidents of deforestation in any of PT
 SRL's concessions.
- PT Phoenix Resources International is not under direct or indirect ownership or control of RGE or its shareholders. Similarly, a previous response is publicly accessible.
- PT Lahan Agro Inti Ketapang (PT LAIK) has never been a supplier to Apical. As such, any allegations related to PT LAIK are not within our purview to comment on.
- PT Usaha Sawit Unggul (PT USU) was part of Asian Agri (AA) until 2019. Land conversion of 800 hectares occurred in 2012, prior to AA's adoption of its no-deforestation commitment in 2014. The area was developed in compliance with the local plantation laws (Law 18 of 2004) and within the final Hak Guna Usaha (HGU) concession area. After its divestment from AA, PT USU remained in Apical's supply chain via PT Sawit Sukses Sejati (PT SSS).
 - Following investigations in 2022, Apical imposed a Stop Work Order, required High Conservation Value (HCV) and High Carbon Stock (HCS) assessments, and initiated a recovery plan. As PT USU and PT SSS failed to complete corrective actions, Apical ceased all procurement from both companies in May 2022. This case reflects our approach to support capacity building where possible, but take decisive action when necessary.
- PT Global Sawit Semesta (PT GSS) has <u>ceased being a supplier to Apical</u> since November 2024, following a comprehensive review and immediate action by Apical.

We can also clarify that the three forestry concessions in Papua – namely PT Kesatuan Mas Abadi, PT Damai Setiatama Timber and PT Mukti Artha Yoga – are operated by RGE member companies Apical, APRIL and Asian Agri respectively, as **forest conservation and restoration areas.** Spanning about <u>half a million hectares</u>, these areas will be managed for conservation and community benefits, in line with the concession licenses granted by the Indonesian Government and our Sustainability Policies, and will significantly expand the conservation contribution of RGE companies in Indonesia.

RGE and APRIL will continue to be committed to the effective, robust and equitable implementation of the FSC remedy framework and will remain open to constructive engagement with stakeholders. If you have any further queries, please let us know so we can immediately address them.

For any further queries, please contact:

Lucita Jasmin, Group Sustainability Director, lucita jasmin@rgei.com Lim Siow Joo, Head of Group Communications, siowjoo lim@rgei.com Charles Hogan, VP Communications, Charles hogan@aprilasia.com