

# REGENESIS



## APP FOREST POSITIVE POLICY 2025



## **APP FOREST POSITIVE POLICY** (the “Policy”)

### **REGENESIS**

Regenesi is APP’s new platform to deliver our renewed overarching ambition for a sustainable future. It brings together all of APP’s commitments, actions, and initiatives under one banner, reflecting our commitment to conserve and restore the forests that underpin our business, manage carbon, drive innovation in production, empower people and communities, and foster partnerships to advance sustainable development.

This Forest Positive Policy (FPP) is the first initiative to be published under the Regenesi platform.

### **PREAMBLE**

The release of our 2013 Forest Conservation Policy represented a significant milestone in our journey to sustainability. The FCP was an acknowledgement of our responsibility to forests and communities in Indonesia and the markets in which APP operates, both of which are vital to the success of our business. Since then, years of behind-the-scenes work has gone into progressing those goals. We are now proud to announce the publication of our new Forest Positive Policy - the next step in our sustainability journey.

The launch of this new policy is a celebration of the global community’s move towards nature positive. We are committed to integrating forest stewardship more deeply into every aspect of our business. Our commitments focus not just on conservation, but also on restoration. We prioritise not just community engagement, but community empowerment, and our support for value chains involves not just supplier management, but also an investment in capacity building and transformation. We’ve also aligned with the most recent science and global frameworks, ensuring the policy reflects accurate and forward-looking approaches to responsible landscape management.

The Forest Positive Policy reflects the interconnected nature of forests and is a commitment to a future in which business, forests, and people thrive in tandem. It outlines a path towards a holistic, data-driven, and collaborative approach to conserve, restore, and responsibly manage landscapes, while delivering measurable environmental and social impacts.

This policy is designed as an enduring keystone for APP and will be complemented and realised through our strategic initiatives which will outline specific targets, implementation plans, and accountability frameworks.

## THE POLICY

PT. APP Purinusa Ekapersada (hereinafter referred to as “APP, Our, We”) recognizes our responsibility to conserve, restore, and maintain forests.

This Policy details how APP will transform its approach to sustainable forest management and includes the key commitments that APP makes as part of a journey of change across our operations and network of suppliers. We will radically increase the positive impact of our forest management activities. We commit to improving forest ecosystems, achieving positive ecological and biodiversity outcomes, and supporting sustainable livelihoods, at scale, across our supplier concessions.

## 1. Taking Responsibility for Restoring Our Forests

### 1.1. Managing Our Forests

**Commitment 1:** To increase the area of land under sustainable management within our supplier concessions through active conservation and restoration of forests.

- 1.1.1. APP is committed to driving long-term forest conservation by upholding strict no-deforestation and conversion-free principles, and adopting a landscape level approach to conservation and restoration in areas we operate in. Where appropriate, this will include support for restoration in areas not designated for production that provide positive ecological or social value and be achieved through active engagement and collaboration with suppliers, industry peers, NGOs, local communities, customers, and other stakeholders.
- 1.1.2. APP will comply with applicable local, national, and global legislation on forest management, including but not limited to forest management practices; nature and environmental conservation; community and land rights; labour and working conditions; and anti-corruption or bribery.
- 1.1.3. APP will assess potential risks to environmental values associated with our corporate group’s activities through comprehensive Environmental Due Diligence (EDD). The due diligence outcomes will be systematically integrated into our decision-making processes to ensure responsible and sustainable practices across our supply chain.

- 1.1.4. APP will complete baseline measurements of soil condition across our supplier concessions and will monitor changes in soil condition to achieve a balance between current production and future land needs.
- 1.1.5. APP is committed to obtaining certification from national and global assurance schemes as a demonstration of our compliance with sustainable forest management standards. Through our approach to sustainable forest management, we will:
- only use fibre that is certified under mandatory and voluntary assurance schemes;
  - integrate fibre supply considerations and potential for forest conservation and restoration when assessing new developments;
  - only develop plantations in areas that are not natural forests or High Conservation Value (HCV) areas, as identified through appropriate land assessment methodologies;
  - only use genetically modified organisms (GMOs) in segregated nursery areas, and only for research purposes. APP will not use GMOs in any production plantations;
  - develop, maintain and continuously improve monitoring, reporting and verification (MRV) tools, including an assessment system for new and existing suppliers.
- 1.1.6. APP will align our supplier assessment process with globally recognised frameworks for responsible sourcing. APP adopts a 31 December 2020 cut-off date of natural forest conversion and deforestation. Suppliers will only be considered for inclusion in APP's Supplier Network if they meet this cut-off date and commit to implementing appropriate remedial actions.
- 1.1.7. APP will continually expand its Integrated Forest and Farming System (IFFS) to serve the Supplier Network and wider landscape, bringing technology, innovation and collaboration to conserving forests.
- 1.1.8. APP will work collectively with governments, other companies, and local communities to integrate fire prevention into socio-economic development programmes across our supplier concessions and beyond. We will adopt a phased approach that includes mapping fire-prone areas, implementing preventive and mitigative management plans, and establishing early warning systems.
- 1.1.9. APP will adopt climate-positive practices in managing our operations, incorporating measurement, evaluation and reduction of our emissions, including greenhouse gas (GHG) emissions and resource efficiency, to align Forest Positive and climate goals.

## 1.2. Positive Ecological and Biodiversity Outcomes

**Commitment 2:** To achieve positive ecological outcomes and conserve and enhance biodiversity across APP's operations and Supplier Network.

- 1.2.1. APP will serve as a steward of the landscape to benefit livelihoods, local economies, and biodiversity. This will include working to improve ecosystem functioning, services and integrity. We will work to build understanding, awareness and capacity for positive ecological and biodiversity outcomes across our operations, Supplier Network and local communities.
- 1.2.2. APP will work to conserve and improve biodiversity across our supplier concessions. We will seek to better understand the biodiversity present in these areas through regular assessments of rare, threatened, endangered (RTE) and culturally significant species and habitats. We will use data to manage impact drivers affecting species, design restoration projects focused on habitat conservation and species recovery.
- 1.2.3. APP will provide training and incentives for our suppliers to implement biodiversity conservation activities to support achieving Forest Positive goals.
- 1.2.4. APP will ensure the conservation of all HCV as well as key biodiversity areas (KBAs). We pledge to integrate this tenet into the operations of our group's subsidiaries and require the same level of commitment for our supplier concessions.
- 1.2.5. Recognising the prevalence of wetlands (including peatland and mangrove) across our supplier concessions, we will adopt best practice approaches to maintaining hydrological integrity and reducing GHG emissions. This includes the management of habitats in proximity to rivers, lakes and other water courses.
- 1.2.6. Working with our supplier concessions, APP will identify opportunities to establish wildlife corridors through restoration and support activities which minimise human-wildlife conflict.
- 1.2.7. APP will take action to prevent illegal harvesting, illegal hunting and trade in forest products and other biodiversity, including RTE species, in accordance with the laws and regulations of the countries where we operate.

## 2. Empowering People

### 2.1. Human Rights

**Commitment 3:** To uphold our Human Rights Policy in all aspects of our operations.

- 2.1.1. APP will prevent and avoid causing or contributing to adverse human rights impacts in our operations and supply chain, and adopt a proactive approach to

- promote and ensure the importance of adhering to Human Rights principles throughout our value chain.
- 2.1.2. APP is committed to identifying and safeguarding the rights of customary and local communities impacted by, or adjacent to, our supplier concessions. We will uphold these rights in accordance with the Bill of Human Rights and relevant local and national laws. The affected stakeholders shall be identified through proactive engagement and recognised assessment processes, ensuring the stakeholder perspectives are taken into account where appropriate.
  - 2.1.3. APP will respect local community rights to FPIC at every level of our operations. We will always seek to resolve disputes and community grievance in a clear and transparent way.
  - 2.1.4. APP respects the principles outlined in the UN Guiding Principles on Business and Human Rights and is committed to conducting Human Rights Due Diligence (HRDD) to identify, prevent, mitigate, and address human rights risks and impacts across our operations and supply chain in accordance with Human Rights Policy.
  - 2.1.5. APP implements grievance and complaints mechanisms following the UN Guiding Principles Effectiveness Criteria, with a transparent grievance governance structure. The mechanism is available to all stakeholders and is intended to safeguard the confidentiality & security of environmental and human rights defenders, whistleblowers, complainants, and community representatives.
  - 2.1.6. APP respects workers' rights, working conditions, and responsible recruitment following the principles concerning fundamental rights as set out in the ILO Declaration on Fundamental Principles and Rights at Work, which is incorporated in our standalone Human Rights Policy.
  - 2.1.7. Where discrepancies arise between this Policy, applicable national or international law, or standards related to human rights, APP will adhere to the applicable national law or standards.

## 2.2. Empowering Communities

**Commitment 4:** To improve social and economic conditions for local communities through programmes and actions that sustain forests.

- 2.2.1. APP will identify the affected stakeholders, cultural values, and indigenous areas within our supplier concessions to align with our responsible sourcing commitment.
- 2.2.2. APP will integrate the objective of reducing poverty with the conservation, maintenance and improvement of the forest resources needed for community sustainable livelihoods. We commit to involving indigenous peoples and local communities under FPIC principles when assessing and managing biodiversity and socio-economic programmes within our supplier concessions.

- 2.2.3. APP will support projects improving village prosperity and access to markets, including legal harvest and trade in timber and non-timber forest products, and by taking active steps to discourage and prevent illegal harvesting. APP will work with local communities to move towards sustainable land use practices with positive impacts on biodiversity, climate, health, and education.
- 2.2.4. All APP suppliers will be required to implement social programmes, based on an evaluation of community needs and opportunities in their areas.

### 3. Transforming Our Value Chain

#### 3.1. Engaging Suppliers

**Commitment 5:** To deliver this Policy through best practice supplier requirements, expertise and support for suppliers, and transparent stakeholder engagement (Supplier Network).

- 3.1.1. APP is committed to sourcing products that have achieved full traceability to plantation, to ensure transparency and no deforestation in our supply chain.
- 3.1.2. APP will use our Supplier Network to achieve sustainable forest management and improved outcomes for biodiversity and people, whilst ensuring security of fibre supply.
- 3.1.3. APP will assess the policies, systems, processes, and capabilities of our suppliers through our supplier due diligence assessment tools and mitigate any non-negligible risks, aligned with the certification & regulatory requirements.
- 3.1.4. APP seeks to elevate and embed governance and transparency values throughout our value chain.
- 3.1.5. APP will engage with all existing and prospective suppliers to increase the ecological and biodiversity values of the land under management. We will require suppliers to seek recognised forest certification as a condition to enter the Supplier Network.
- 3.1.6. APP will use an enhanced supplier evaluation and risk assessment process which considers the quantity and condition of forests within the supplier's concession, and the supplier's commitment and ability to undertake forest restoration.
- 3.1.7. APP will provide incentives and support to achieve forest certification, including meeting restoration prerequisites. Time frames will be set for existing suppliers to comply with this Policy.
- 3.1.8. Smaller forestry suppliers will be provided with additional opportunities and support to join the Supplier Network.

### 3.2. Building Our Capacity

- 3.2.1. APP will establish a specialised Restoration Unit which will support our Supplier Network to:
- remediate environmental and social harm;
  - assist suppliers to attain sustainable forest certification;
  - build internal capacity within suppliers to achieve sustainable livelihoods for smallholders and community forest associations
  - deliver sustainable forest management and improved outcomes for biodiversity and people across our supplier concessions.
- 3.2.2. APP recognises the need for internal and external expertise and resources around sustainable forest management, conservation, and restoration. We will incorporate these through staffing, training and partnerships, and ensure that all external partners align with requirements and expectations.
- 3.2.3. APP will collaborate with customers and other key stakeholders to demonstrate leadership in sustainable forest management.
- 3.2.4. APP is committed to collaborating across our sector to achieve collective and aligned goals, advocating and engaging on forest-related matters where appropriate.

## 4. Engagement And Monitoring

**Commitment 6:** To uphold transparency through continuous monitoring and engagement with our key stakeholders.

- 4.1.1. APP will use stakeholder engagement as a mechanism to support our Forest Positive journey, to identify opportunities, and to find solutions. We will collaborate with all stakeholders to deliver this Policy and drive continuous improvement.
- 4.1.2. APP is committed to regular and effective communication and engagement with our stakeholders on the principles of transparency, accountability and constructive dialogue.
- 4.1.3. APP will monitor and report on progress regularly through our Sustainability Dashboard and our Sustainability Report. We will align our reporting with current frameworks and global best practices and will meet existing and future regulatory disclosure requirements.
- 4.1.4. APP will integrate, implement and maintain an internal audit programme(s), including the frequency, methods, responsibilities, planning requirements and

reporting to ensure transparent and appropriate practice in achieving the Forest Positive goals.

4.1.5. Where and when appropriate and at suitable intervals, APP will conduct independent, third-party verification to validate our compliance and performance levels.

## 5. Our Approach

- 5.1. APP's Forest Positive approach recognises that accountability for managing forests within concessions lies with the concession owner. To ensure the permanence of these forests, we will create larger areas of functioning forest ecosystems through reforestation, restoration, and connecting fragmented habitats. We will work to enhance biodiversity and ecosystem functions and services, ecological integrity, and connectivity across our supplier concessions.
- 5.2. APP's business model recognises the dependency on natural capital and ecosystem services, and this requires advocacy for consideration of the value of ecosystem services and all natural capital markets. We will collaborate to achieve this aim across industry and with Governments.
- 5.3. APP is committed to continue to work closely together with stakeholders to safeguard natural and managed ecosystems whilst promoting innovative approaches to economic development.
- 5.4. APP will further develop and integrate carbon strategies, including emission reduction and the creation of carbon sinks, as part of our approach.
- 5.5. APP will enable decision making to be based on robust and science-based data. Where needed, we will create new data management systems and adopt MRV tools to support effective governance and transparency.

## 6. Governance

- 6.1. This Policy applies to all of APP's business units, subsidiaries, operations, and suppliers globally. This includes but is not limited to APP's pulp and paper mills, tissue and packaging production facilities, APP-owned or operated forestry concessions, and both direct and indirect independent suppliers across all sourcing regions and commodities. Where exclusions exist, these will be transparently disclosed and justified through a credible, risk-based analysis demonstrating that the excluded areas pose no material environmental or social risk.
- 6.2. APP will set and disclose time-bound, measurable, and verifiable targets aligned with this Policy, including geographic implementation milestones, where appropriate. Progress will be assessed using specific indicators that are regularly reviewed to maintain credibility

and ambition. These targets and progress will be published annually through our Sustainability Report or other relevant platforms.

- 6.3. This Policy complements and is integrated with other related policies and procedures under the APP Sustainability Commitment.
- 6.4. This policy will be applied in accordance with and is subject to all relevant laws and regulations in Indonesia and the countries in which APP operates.
- 6.5. This Policy will be periodically reviewed and evaluated to ensure continued alignment, relevance, and effectiveness in achieving business objectives.
- 6.6. APP's Forest Positive Committee is appointed to coordinate the day-to-day implementation of this policy.

This policy supersedes APP's Forest Conservation Policy of 2013 and has been developed to highlight and enhance APP's commitment to manage and address the Environmental, Social, and Governance (ESG) risks and opportunities related to its operations as stated in APP's Sustainability Commitment.

Jakarta, 10 September 2025

## REFERENCES

### REGULATION (LAW)

Law of the Republic of Indonesia Number 39 Year 1999 concerning Human Rights  
Law of the Republic of Indonesia Number 13 Year 2003 concerning Manpower  
Law of the Republic of Indonesia Number 11 Year 2020 concerning Job Creation  
Law of the Republic of Indonesia Number 6 of 2014 concerning Villages  
Law of the Republic of Indonesia Number 41 of 1999 concerning Forestry  
Law of the Republic of Indonesia Number 18 of 2013 concerning Prevention and Eradication of Forest Destruction  
Law of the Republic of Indonesia Number 5 of 1990 concerning Conservation of The Living Natural Resources and Ecosystems  
Law of the Republic of Indonesia Number 32 of 2024 concerning Conservation and Biodiversity  
Law of the Republic of Indonesia Number 32 of 2009 concerning Environmental Protection and Management  
Regulation (EU) 2023/1115 concerning Deforestation Regulation (EUDR)  
Law of the Republic of Indonesia Number 20 of 2014 concerning Standardisation and Conformity Assessment

### STANDARD

Forest Stewardship Council (FSC) Principles and Criteria for Forest Stewardship  
FSC Remedy Framework  
Programme for the Endorsement of Forest Certification (PEFC) Sustainable Forest Management - Requirement  
Accountability Framework Initiative (AFi) Core Principles  
Convention on Biological Diversity (CBD)  
United Nations Sustainable Development Goals (UN SDG 15, 8, 12)  
ISO 14001:2015 concerning Environmental Management Systems  
ISO 26000 concerning Social Responsibility  
IUCN Red List concerning Critically Endangered Species  
CITES Appendix I  
International Bill of Human Rights:  
Universal Declaration of Human Rights;  
International Covenant on Civil and Political Rights and International Covenant on Economic, Social and Cultural Rights  
United Nations Guiding Principles on Business and Human Rights (UNGPs on BHR)  
ILO Declaration on Fundamental Principles and Rights at Work  
Indigenous and Tribal Peoples Convention, 1989 (ILO No. 169)  
United Nations Global Compact – 10 Principles