



MEDIA RELEASE

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APP to Launch First LEI Certified Paper Worldwide *Represents a significant milestone in ongoing sustainability efforts*

Asia Pulp & Paper (APP) and the Indonesian Ecolabelling Institute (Lembaga Ekolabel Indonesia {LEI}) today announced that five of APP's pulp and paper mills¹ have successfully achieved Chain of Custody (CoC) certification under the LEI certification program².

“The LEI CoC certification is a wood-tracking scheme to ensure that LEI-CoC certified product is sourced from a responsibly-managed forest,” said Agung Prasetyo, Executive Director of LEI. “This is an excellent initiative for APP to introduce the first LEI-certified paper worldwide, manufactured from LEI Sustainable Forest Management (SFM) certified pulpwood plantation. This signifies our efforts in further promoting Indonesian products certified under a transparent and multi-stakeholder based certification scheme.”

Agung Prasetyo added that, LEI-CoC trademark has entered Japan, EU, and USA market through LEI-CoC certified wooden furniture. Today more than 1.5 million hectares of forest in Indonesia is certified under LEI program, consisting of natural production forest, plantation forest, indigenous people forest, and community-based forest.

The certification process, which covers APP's entire product range from pulp and tissue to various kinds of converted paper products, was conducted by TUV International Indonesia from April until July 2009. TUV International Indonesia is a part of German-based TUV Rheinland

¹ The pulp and paper mills certified are: PT Indah Kiat Pulp & Paper Tbk (Certificate Register No. 824 301 09001), PT Lontar Papyrus Pulp & Paper Industry (Certificate Register No. 824 301 09002), PT Pindo Deli Pulp and Paper Mills Karawang and Perawang Mills (Certificate Register No. 824 301 09004) and PT Pabrik Kertas Tjiwi Kimia Tbk (Certificate Register No. 824 301 09003).

² LEI Standard 5001 and guidelines, which include LEI 88 Guideline (Chain of Custody System Certification), LEI 88-02 (General requirement for field assessor for CoC Certification), LEI 88-24 (Guideline for Decision Making Process by Expert Panel), Manual LEI 22-02 (LEI logo usage rules) and LEI Board of Trustee Decree Number 07/LEI/MPA/V/2009 (Amendment of Board of Trustee Number 01/MPA-LEI/VII/2007).

Group and an LEI accredited certification body. As a leading provider of environmental and social assessment worldwide, TUV operates in over 400 locations around the globe and promotes sustainable forest management.

APP's mills were accredited following a four stage certification program according to LEI's protocol. As a start, a pre-assessment process was conducted by an LEI expert panel³ from April 13th – 21st. On April 22nd, TUV International Indonesia placed a public announcement in a national newspaper to invite input from various stakeholders regarding the ongoing certification process. The main assessment was conducted at various APP production facilities in Sumatra and Java islands from May 7th -20th. All APP production facilities were declared to pass the audit during the decision-making process which was held on July 21st – 24th 2009.

“We were impressed by how hard APP staff worked. They are clearly very dedicated to ensuring all measurement and critical control points are in place for the clean production of LEI-certified products. This is not an easy task,” stated Prof. Ir. T.A. Prayitno, M.For, PhD, a member of the LEI certification process expert witness panel.

Aida Greenbury, APP's Director of Sustainability & Stakeholder Engagement added, “LEI principles are designed to meet the needs and sustainability concerns of Indonesia in line with national laws and regulations. As such, we are very proud to have achieved LEI CoC certification as it demonstrates our commitment to responsible development of Indonesia's pulp and paper industry. We are constantly working to improve the sustainability of our operations.”

In addition to these new LEI CoC certifications, APP's pulpwood supplier, PT Wirakarya Sakti, represents the largest LEI certified plantation in Indonesia. Currently LEI is the only SFM certification program applicable for pulpwood plantation industry in Indonesia. Prior to LEI certification, APP's mills have been certified under various international certification schemes, including Indonesian Ecolabel, European Ecolabel, Japan Ecolabel and PEFC.

On commercial plans for the sale of LEI certified paper, Ms Greenbury added, “APP is planning to market its LEI certified paper globally, starting with Asia. The Asian market is particularly aware of and welcoming to the LEI certification.”

APP is planning to start production of LEI certified paper in the fourth quarter of 2009.

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About LEI

The Indonesian Ecolabelling Institute (LEI) is a constituent-based organization promoting sustainable forest management using certification standard to bridge social and environmental needs to meet market needs. As a constituent-based organization, LEI holds mandate from its four chambers of constituent, namely indigenous people and community forest chamber,

³ The expert panel consisted of Prof. Ir. T .A. Prayitno, M. For PhD – an expert on wood science technology and CoC, Dr. Ir. Sri Nugroho Marsoem, M. Agr. Sc – a pulp and paper specialist, Ir. Sugjanto Soewadi – an expert on sustainable forest management and CoC and Ir. Hasbie Hasbillah – an expert on production and environmental management for sustainable development.

business chamber, NGO chamber, and eminent persons' chamber. In 2000, LEI became an accreditation body and a Chain of Custody certification system was adopted. Certification for community-based forest management and plantation forest was adopted in 2002 and 2003 respectively; while LEI's phased approach to sustainable forest management certification was being developed and was finally launched in 2007. Currently LEI is developing certification system for non-timber forest products, and to be followed by the development of sustainable forest certification for carbon sequestration and marine products in 2010.

About APP

APP is one of the world's leading pulp and paper companies and is ranked one of the largest vertically integrated pulp & paper producer in Asia. Its combined pulp, paper and packaging capacities in Indonesia amount to over 7 million tones. APP currently has its principal operations located in Indonesia, and markets its products to more than 65 countries on six continents.

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