



## **APP's New Mill in South Sumatra to Uphold No Deforestation Commitment**

*New plant will be wholly reliant on sustainable plantation wood for its raw materials, and will implement highest environmental standards and technologies*

**2013, July 17 - JAKARTA** - PT Pabrik Kertas Tjiwi Kimia Tbk and PT Pindo Deli Pulp and Paper Mills, part of Asia Pulp & Paper Group (APP), have completed the acquisition of a 70.58% shareholding (each 35.29% shareholding) in PT. OKI Pulp & Paper Mills, a company currently developing a pulp and paper mill in South Sumatra, Indonesia on July 11, 2013.

Once the construction is completed, the new mill will cover 2,600 hectares in Ogan Komiring Ilir in Palembang, South Sumatra, with an additional 200 hectares for the development of a port. Civil works are starting this year, with the first phase of the commercial production is expected to begin in 2016. The new mill is expected to produce around 2 million ADT of pulp per year.

To continue APP's commitment to clean technology, PT OKI Pulp & Paper Mills will use the most advanced environmental technology and standards available in the world today. Clean and self sufficient energy generated from the pulp production process and wood bark gasification will power the mill. The new facility will also aim to comply with the European Union's standards for Integrated Pollution and Prevention Control (IPCC).

Around 10,000 direct and indirect jobs will be provided by the new mill, with the objective of employing a largely South Sumatran workforce. Local job creation and economic development is a top priority for the province.

**As is the case with all APP mills, PT OKI Pulp & Paper Mills will only use plantation wood for its raw materials. This is in line with the commitments made by APP in its Sustainability Roadmap Vision 2020 and Forest Conservation Policy.**

Results of studies carried out by independent experts The Forest Trust and Atta Marie, show how the mill's fibre requirement can be met through established existing plantations within the vicinity of the mill in South Sumatra.

Aida Greenbury, MD of Sustainability of APP said:



“Expansion of our production capacity is essential if we are to continue to meet customer demand and to further strengthen Indonesia’s presence in global trade.

“Working together with its sister companies, local government and other stakeholders, this new mill will continue to uphold and implement APP’s Sustainability Roadmap Vision 2020 and our commitments to No-Deforestation.

“It will ensure that we can achieve sustainable economic development in South Sumatra, respect community rights, provide employment and ensure that forest biodiversity is protected, across our entire supply chain.”

For more information and comments, please contact:

Darragh Ooi  
Asia Pulp and Paper  
+62 815 745 838 95  
darragh\_ooi@app.co.id