

## A MESSAGE TO OUR CONSUMERS

First and foremost, PASEO would like to thank you for the support you have shown us through the years, welcoming our products into your homes. We want you to know that your trust and loyalty in our brand has not gone unnoticed, and we will continue to earn your trust by standing by our strict commitment to supporting environmental concern through responsible forest management. As a brand reliant on natural resources, we are passionate about protecting the natural forests and committed to implementing the best environmental practices in our operations. In fact, no natural forest wood is used in PASEO pulp production process. This is a result of our steadfast commitment and adherence to our zero deforestation policy throughout our entire supply chain.

Please be assured that PASEO tissue products are made from 100% virgin fibres sourced from responsibly managed plantations. We harvest and replant our plantations every 5-6 years. Again, no natural forest wood is used during our harvesting and production.

The unfortunate conditions of fires in Indonesia causing the haze that affects the health of Singaporeans and our neighbours in the region is a very big concern to PASEO as well and we take this issue very seriously. We have had a 'Zero Burning' policy in our supply chain since 1996, and a zero deforestation policy since 2013. We are also one of the very few organisations that has voluntarily published the full list of our suppliers, and provided their maps to the government and World Resources Institute In 2014. We have made this move as part of our commitment to be transparent, and we will continue to be during this fire situation.

We do not burn land – but despite our best efforts, there are still fires in our suppliers' concessions. These are primarily due to fires outside concessions that quickly progress into our suppliers' concessions, and illegal activities outside our control, which have been aggravated by El-Nino, a global natural phenomenon. Our immediate priority right now is to bring the fires under control. We have numerous measures in place to counter burning and to put out any fires detected near our plantations.

Fire is a hugely complex issue, involving the rights of local communities, illegal activity by small enterprises and fundamental complexities over land use rights, maps, ownership and protection. We are also collaborating and working with the government and relevant parties as the fire situation is complex – together, we are fully committed to ensuring the end of the fires within our supplier concessions regardless of the fact that we do not cause the fires. We continue to commit to be open with our partners, customers and to the public.

We ask for your trust and support as we continue working with our on-ground teams to manage and control these issues.

Warmest regards,  
The PASEO team

## FAQ

We understand you have been asking questions and would like answers. We hope this helps you to better understand all that we're doing to help with the situation:

### Did APP cause the haze by burning the forest?

No. In absolute terms, APP has not caused any of the fires.

The resulting damages from fires causes suffering to our employees and the communities within our operations, as well as threaten wildlife habitat and the very forests that we have invested to protect.

Also, as a company in a forest-based business, we gain absolutely nothing from burning land. Our pulpwood plantations are a huge investment to which our business operations depend, and there is absolutely no reason why we would deliberately cause damage to our own resources.

### Why is there fire in APP suppliers' area?

There are fires in our suppliers concessions, but as CIFOR's reports[1] have pointed out, the existence of fires does not mean that the company has a role in setting those fires. No company in forestry industry is completely isolated in the plantation landscape. Fire can spread easily from one plantation to another. Fires are burning in our suppliers' concessions for several reasons; primarily this is due to (illegal) activity outside of our control. We have reported such activities to seek strict law enforcement from authorities. Some of the resulting actions by authorities are documented publicly[2].

### What is APP doing now to help fight the fires and what are you doing to ensure this doesn't happen again next year?

Suppression is our utmost priority at this time. Our firefighting teams are working around the clock and we are bringing in additional resources from across our supply chain to manage forest fires.

While we alone cannot prevent this from happening again, we are also taking many serious steps to fire prevention. APP and its pulpwood suppliers have invested heavily in equipment, technology, and human resources in order to detect and extinguish fires in forest concessions. Our strategy includes fire suppression helicopters, satellite monitoring, surveillance drones, remote sensing, and ground patrol, fire response teams comprising of up to 2,900 trained fire fighters.

In addition, we engage in community programs to reach out to more than 2,600 people across 220 villages in the local area, providing training and equipment for forest fire management. On top of all this, our suppliers conduct daily monitoring of concession.

### Q: Does APP cut down natural forests?

No. We have invested over USD \$200 million into our Forest Conservation Policy. This is designed to protect natural forests from **zero deforestation** by ensuring that our products are produced in mills that implement strict Chain-of-Custody systems, and supporting various active conservation programs in Indonesia.

As part of our commitment to transparency, the implementation of our Forest Conservation Policy has been constantly monitored by **The Forest Trust**, **Greenpeace**, and many other NGOs. It also has been independently evaluated by the **Rainforest Alliance**, which confirmed that there has been no clearance by APP suppliers. Reports are also made public through our monitoring dashboard.

Further, APP also implements program to support the protection and restoration of one million hectares of forest in Indonesia, amongst other various active conservation programs in Indonesia.

[1] <http://blog.cifor.org/29335/the-political-economy-of-fire-and-haze-in-indonesia#.VfUv99JViko>

[2] <http://jambi.tribunnews.com/2015/09/01/9-orang-ditangkap-bakar-lahan-konservasi-pt-wks>