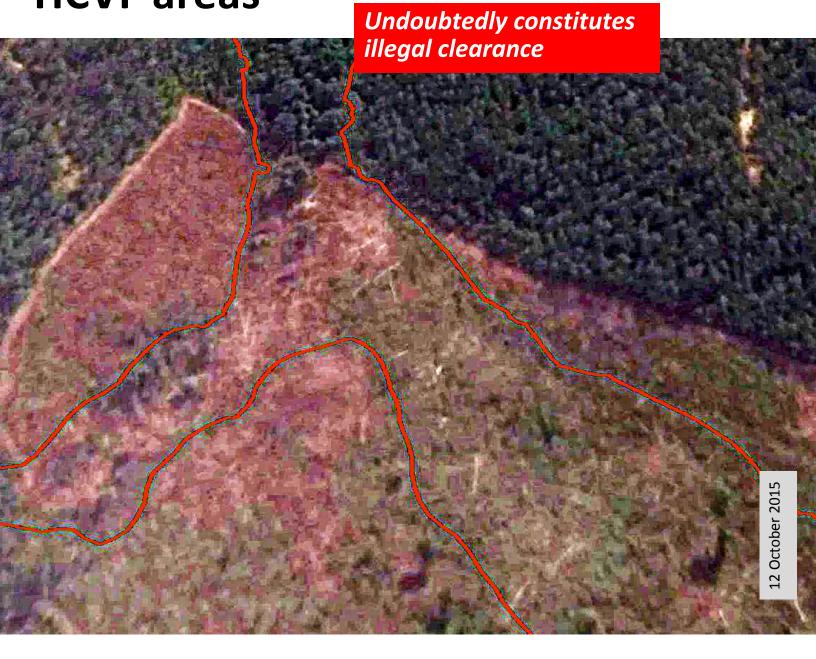


Proven beyond doubt, **APRIL** continues to clear legally-established HCVF areas



The markets will certainly react negatively. APRIL's commitments, which have been widely disseminated in the media, will most assuredly come under the spotlight.

What does APRIL wish to achieve by clearing legally-established HCVF areas?

Background

Regardless that APRIL has announced a new sustainability policy to "clean up deforestation" from its entire supply chain, the company has demonstrated its inability to ensure legal compliance as it has been proven to still be clearing legally-established HCVF (High Conservation Value Forest) areas.

The relevant evidence cannot be disproved through third-party verification, even if conducted independently, as the illegal clearance of legally-established HCVF areas constitutes a serious violation of forestry law.

Greenomics issued a strong reminder to APRIL on this when the company announced its new sustainability policy on 3 June 2015, when it became apparent that the new policy continued to provide opportunities for APRIL to clear legally-established HCVF areas.

Now, what Greenomics averted to has become reality. APRIL ended up clearing some of the legallyestablished HCVF areas on its concession. What does it mean for APRIL, which committed itself to cleaning up its supply chain from deforestation, if the legally-established HCVF areas that are found on its own concessions are incapable of being protected and maintained, and even end up being cleared by APRIL itself?

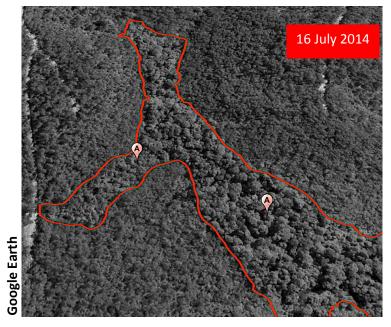
It is not difficult to see how the credibility of APRIL's new sustainability policy will be undermined if the company is involved in the illegal logging of legally-established HCVF areas. This report presents evidence on the clearing of legallyestablished HCVF areas on APRIL's own concession. APRIL will of course be given an opportunity to respond to the findings of the report.

However, it is more important that APRIL provides explanations to its key stakeholders regarding its illegal clearance operations in legally-established HCVF areas.

Methodology

The report uses the legal operating documents of PT RAPP (APRIL-owned concession) to observe land-cover changes in legally-established HCVF areas. To do so, we have availed of USGS Landsat 8 and Google Earth images in time-series.

Greenomics has also reported the relevant cases to the Ministry of the Environment and Forestry and requested that the Ministry take the appropriate actions.



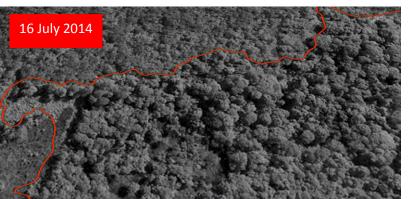


9 July 2015

APRIL involved in pulping legally-established HCVF

areas (delineated in red)

101°35'30.51"E 0°16'39.03"S 101°35'25.36"E 0°16'36.57"S Clearing legallyestablished
HCVF areas is
clearly a
serious matter
from the legal
perspective.





101°35'42.62"E 0°16'36.41"S

The illegal clearance of legally-established HCVF areas in so many places on the concession of APRIL demonstrates that what is going on is most assuredly not an accident or oversight.

Recommendations

- APRIL's Stakeholder Advisory
 Committee (SAC) should request
 APRIL to stop clearing legally established HCVF areas. The SAC also
 needs to ask APRIL to prioritize legal
 resolution in respect of those legally established HCVF areas that have
 been cleared.
- The SVLK (Timber Legality Verification System) certificate held by PT RAPP must be revoked as the clearing of legally-established HCVF areas is a serious legal issue.

APRIL's new sustainability policy provides room for the pulping of legally-established HCVF areas.

The new sustainability policy will use a landscape assessment approach to legitimize the clearing of legally established HCVF areas.



For further discussion please contact:

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