

TPL Statement on Rainforest Action Network Report

21 March 2024

On 18 March 2024, Rainforest Action Network (RAN) published a report, which contained false allegations regarding the operations of Toba Pulp Lestari (TPL). The report follows correspondence between RAN and TPL in the days beforehand, during which direct and categorical information was provided to demonstrate that these allegations are unsupported by the facts (see Appendix).

The RAN allegations relate to forestry management and deforestation, the resolution of land disputes and corporate ownership. We offer stakeholders the following responses earlier shared with RAN.

Forestry management and deforestation

In response to RAN's questions, we undertook an analysis of the coordinates and satellite imagery provided by RAN to test their claims of deforestation at Aek Raja, Habinsaran and Aek Nauli estates.

- **Aek Raja Estate, North Tapanuli Regency:** Our analysis, based on the coordinates provided by RAN, noted that there has been land cover change in this area. This land cover change was detected by routine patrols in 2023 and is associated with illegal encroachment and illegal logging within the TPL concession. These incidents have been reported to the relevant authorities in 2023. TPL does not have any plantation operations in this area.
- **Habinsaran Estate, North Tapanuli Regency:** Our records show that this area was first cleared in 1995 and is currently in its fifth plantation rotation. There is no record of deforestation after 2015.
- **Dolok Parmonangan Village, Dolok Panribuan District, Simalungun Regency:** Our records show that this area was first cleared in 2011 and is currently in its third plantation rotation. For Coordinates 9.0027952°E 2.6824292°N, there appears to have been an error and these are not verifiable or traceable in our concession. We also analysed the information provided by RAN in relation to the claimed 1,390 ha of deforestation from 2016. Our analysis confirmed that this claim is incorrect.

Based on the data provided by RAN, our analysis shows that there is no deforestation as claimed in their report. Any land cover change has been confirmed as related to legal and compliant plantation management activities.

Our concession covers an area of 167,912 ha of which only 55,053 ha have been established to plantations and nearly 48,386 ha are allocated to conservation. The management of the concession is subject to a range of regulatory, certification and policy requirements and are subject to periodic external audit and verification.

Resolution of land disputes

TPL takes a collaborative and transparent approach to community engagement. We reject any allegations of coercion or use of force and criminalization of community concerns. Our commitment to transparency in dispute resolution has been reflected in regularly updated and published progress reports

This work to date has achieved strong support and active engagement from community and traditional leaders, local government representatives and residents from various villages. TPL provided a detailed update on these issues and progress in October 2023.

Earthworm Foundation independently reviews TPL's community engagement and conflict resolution systems to ensure a fair, transparent and equitable process that adopts the principles of Free, Prior Informed Consent.

Corporate ownership

TPL is a public, independently managed business entity. While not part of the RGE Group, TPL is included in the Corporate Group of APRIL following the FSC Remedy Framework which defines Corporate Group based on control

For any questions regarding the claims in this report, please contact:
investor_relation@tobapulp.com.

Annex:

Deforestation analysis by RAN:

1. Analysis of satellite imagery by RAN found that at least 1,390 ha of natural forests were cleared within PT. TPL concessions after 2016.

TPL response:

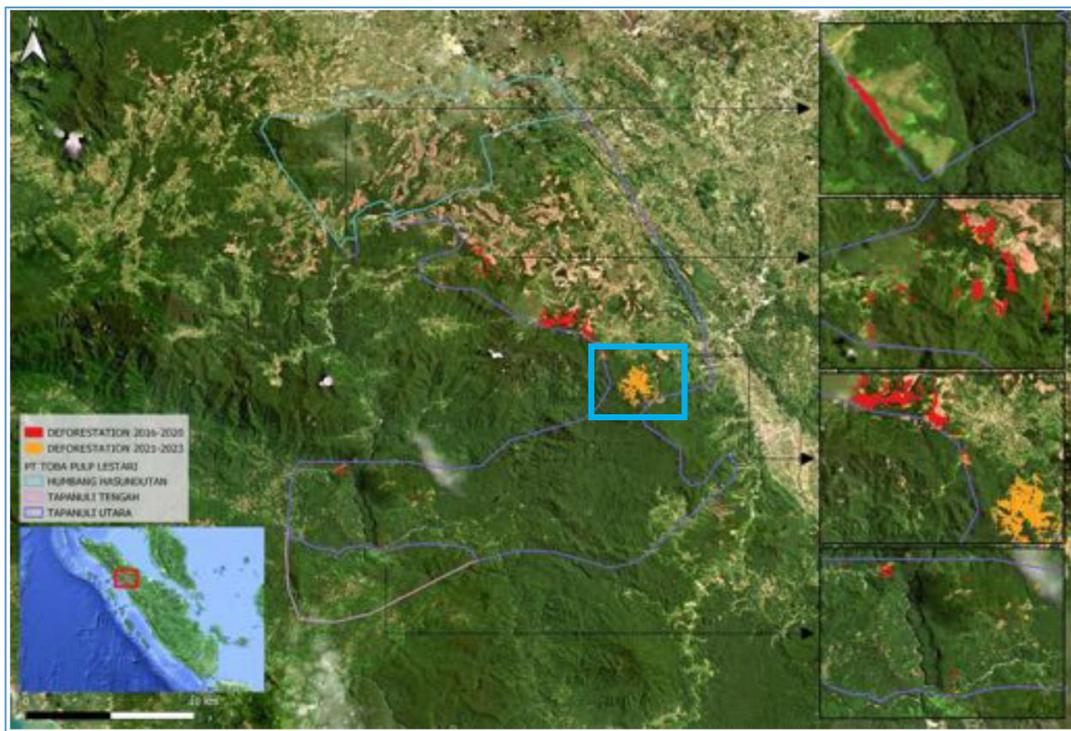
TPL conducted an analysis based on the indicative maps shared by RAN, and results of this analysis confirm that RAN's interpretation of the imagery is not accurate or correct. TPL did not clear any natural forests.

2. RAN analysis suggests that 392 ha of this forest loss occurred after December 2020.

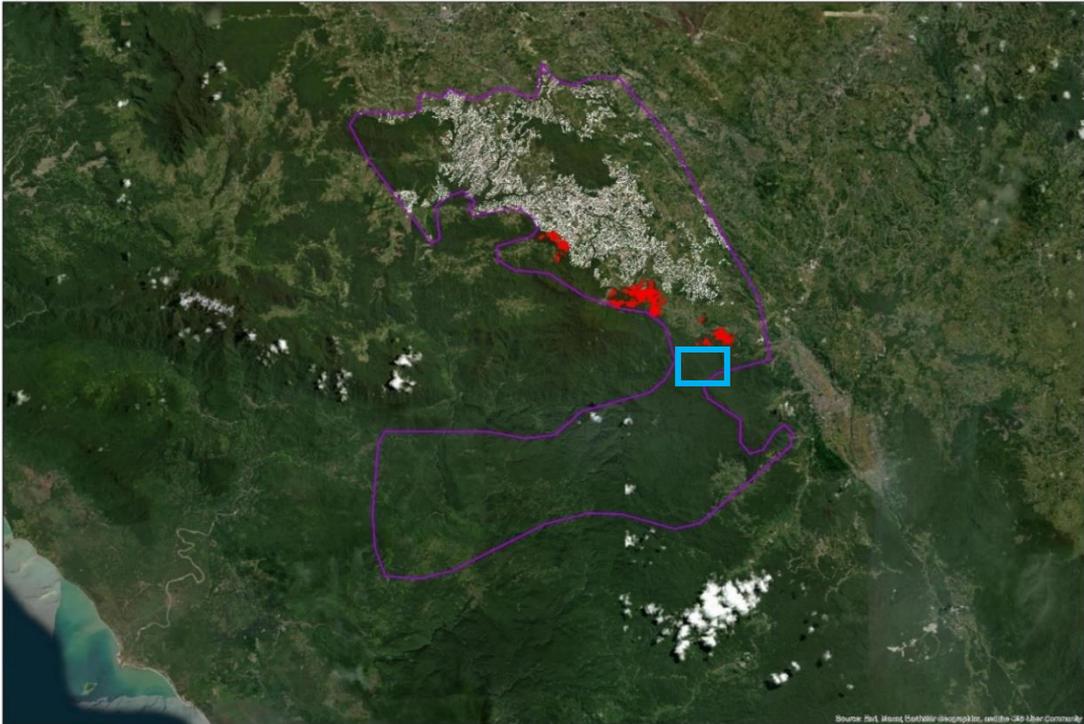
TPL response:

See above response.

3. RAN satellite analysis indicated that PT. TPL concession in the district of Tapanuli Utara saw the largest levels of deforestation between 2015-2023. Their analysis showed that over 541.1 ha were cleared between 2016 -2023.



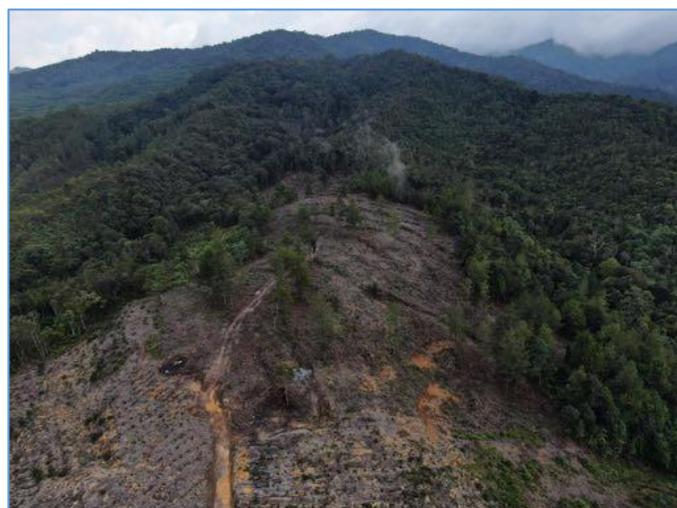
 Potential Deforestation by RAN Deforestation 2021 – 2023



TPL response:

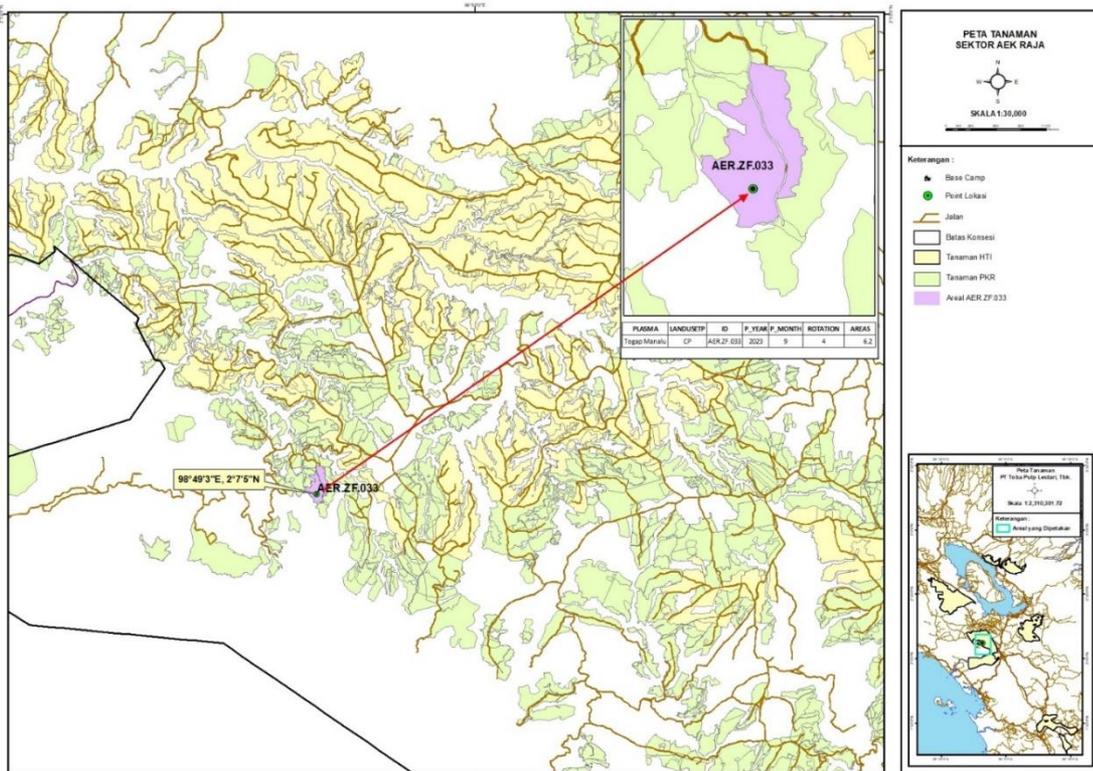
TPL conducted preliminary checks based on the available maps shared by RAN. Based on this analysis TPL is not operating in the indicated area.
(Please see the image above).

4. RAN asserted that field investigations in Tapanuli Utara undertaken by a local NGO in February 2024 also confirmed findings that deforestation has persisted in PT. TPL's operations after the December 2020 cut-off date in the following locations:



*Forest clearing inside PT. Toba Pulp Lestari's concession in its Aek Raja Estate, North Tapanuli Regency. GPS Coordinates 2° 7' 5.326" N, 98° 49' 3.888" E.
Image taken by local NGO, February 2024.*

TPL response:



Based on analysis of the available maps shared by RAN, this area is located in the Aek Raja Estate. Records show this was **first planted in February 2006** and is currently in plantation rotation 4. The detailed information is as follows:

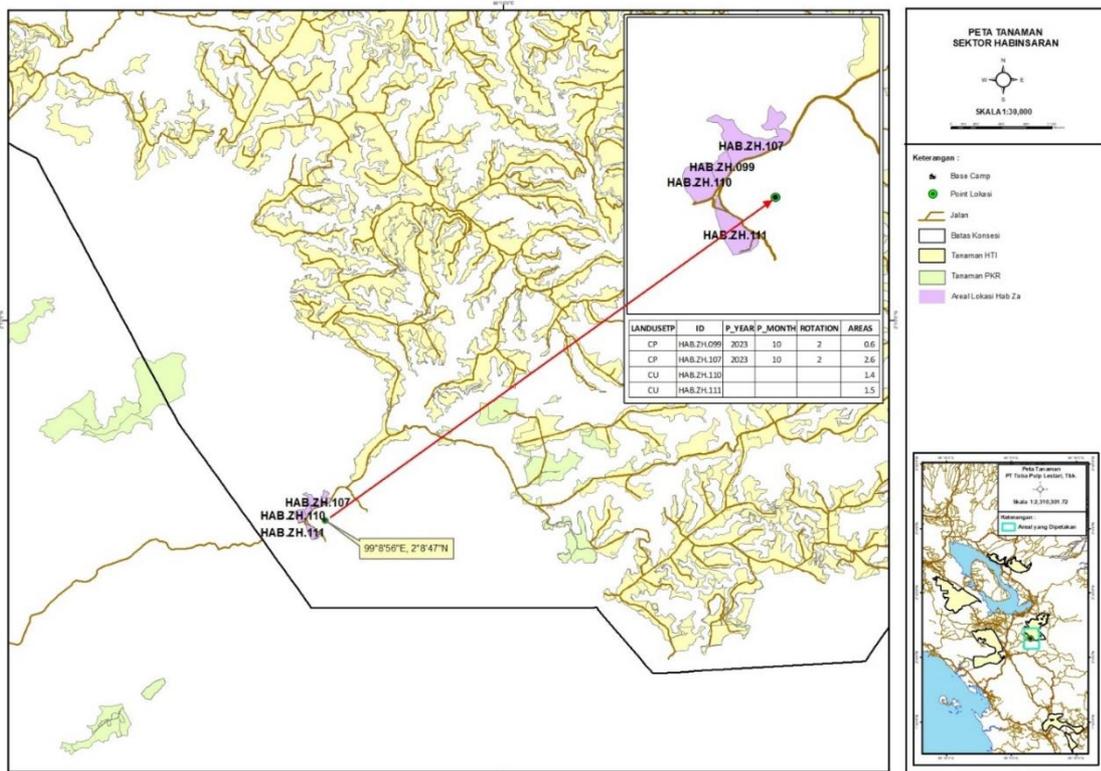
Plasma	LANDUSETP	ID	P_Year	P_Month	Rotation	Areas
Togap Manalu	CP	AER ZF.033	2023	9	4	6.2



Forest clearing inside PT. Toba Pulp Lestari's concession in its Habinsaran Estate, North Tapanuli Regency. GPS Coordinates 2° 8' 47.721" N - , 99° 8' 56.359" E

Image taken by local NGO, February 2024.

TPL response:



Based on analysis of the available maps shared by RAN, this area is located in the Habinsaran estate and was **first cleared in 2007** and planted in October 2019 and is currently a second rotation plantation area. The detailed information is as follows:

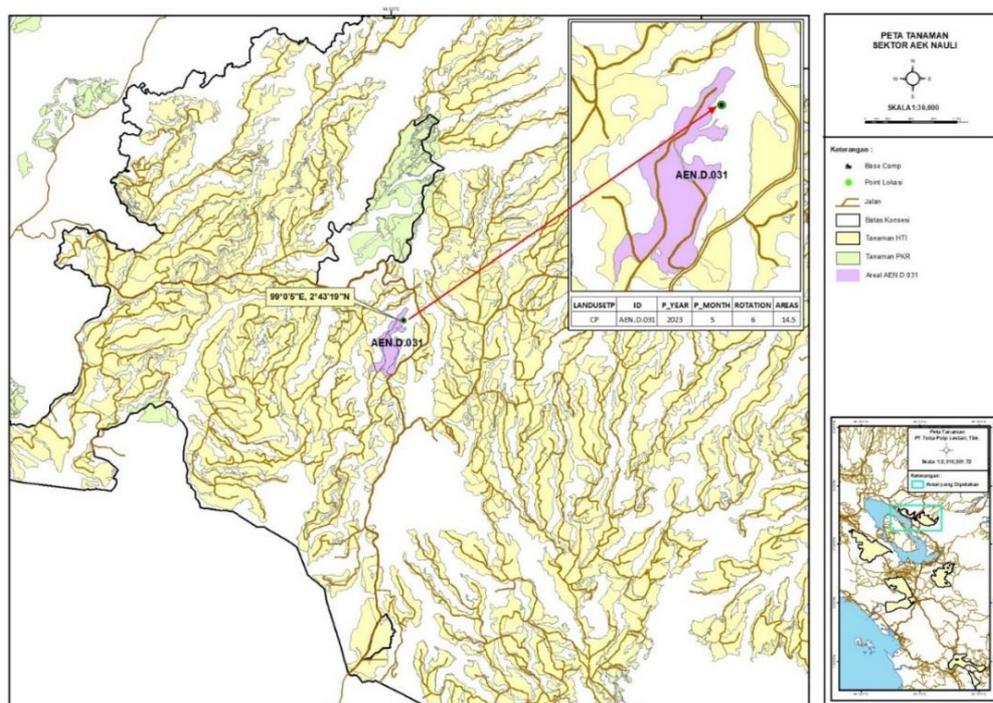
LANDUSETP	ID	P_Year	P_Month	Rotation	Areas
CP	HAB ZH. 099	2023	10	2	0.6
CP	HAB ZH. 107	2023	10	2	2.6
CU	HAB ZH. 110	2023			1.4
CU	HAB ZH. 111	2023			1.5

5. RAN assert that field investigations undertaken by a local NGO in February 2024 also confirmed our findings that deforestation has persisted in PT. TPL's operations in Simalungun after the December 2020 cut-off date, as shown in the image below.



Forest clearing inside PT. Toba Pulp Lestari's concession in the "Aek Nauli Sector area", in Dolok Parmonangan Village, Dolok Panribuan District, Simalungun Regency. GPS Coordinates 2° 43' 19.902" N - 99° 0' 5.786" E. Image taken by local NGO, February 2024.

TPL response:



Based on analysis of the available maps shared by RAN, this area is located in the Aek Nauli estate and was **first planted in 2001** and is currently a sixth rotation plantation area. The detailed information is as follows:

LANDUSETP	ID	P_Year	P_Month	Rotation	Areas
CP	AEN D.031	2023	5	6	14,5