

23<sup>rd</sup> December 2025

Dear Mr. Sam Lawson,

In response to your 22<sup>nd</sup> Desember 2025 forthcoming publication relating to PT Toba Pulp Lestari '*Recent clearance of natural forest in the PT Toba Pulp Lestari concession linked to devastating flooding and landslides in the Batang Toru/Tapanuli area, and supply chain connections to Western markets via Asia Pacific Rayon*', please see details below addressing the specific findings and question.

**EarthSight & Auriga Findings 1:** Devastating landslides and flash flooding have caused over 700 deaths in Sumatra, Indonesia since 27 November 2025. One of the worst affected areas is the Batang Toru/Tapanuli area on the west coast of North Sumatra province.

**TPL response:**

With regard to the flooding and landslide events in Batang Toru, South Tapanuli, in early December 2025, there is no credible evidence to substantiate any causal link to TPL's operations. Based on spatial, hydrological, topographical, and operational data, these events cannot be attributed to TPL's activities.

**1. Scale of TPL Operations within the Broader Landscape**

- Of the total 83,623 hectares of concessions located across four affected regencies, TPL operates only 19,615 hectares (23.46%), which are managed as forest plantations.
- When compared to the total land area of the four regencies (1,268,597 hectares), TPL's operational areas—covering both industrial forest plantations (HTI) and forest partnership areas—account for only 1.55% of the total area.
- Batang Toru area is located within South Tapanuli. In total of 13,265 hectares of TPL concession area, only 1,274 hectares of forest plantation managed by TPL within concession.

**2. Geographic (Distance and Elevation) and Unconnected Watersheds**

**• Sipirok Flood Location within Batang Toru Watershed, Sipirok District**

The distance between the company's concession and the flood-affected location in Sipirok is approximately 5–7 km, while the nearest planted area is 1–5 km from the concession boundary. Between the concession area and the flood location, there are residential areas, agricultural land, and rice fields.

The elevation at the concession boundary is approximately 960 m above sea level (MASL), and the operational area is at 930 MASL, while the flood location is situated at approximately 1,110 MASL.

The company's concession in South Tapanuli Regency is located within the Barumun–Bilah watershed, which drains into the Malacca Strait via Labuhan Batu Regency, and the Batang Gadis watershed, which flows into the Indian Ocean via Mandailing Natal Regency. In contrast, the flood location in Sipirok lies within the Batang Toru watershed, which flows into the Indian Ocean via Aek Batang Toru.

- Flood Locations in Hutagodang and Garoga within Batang Toru District**

The distance from the concession area to the flood-affected location in Hutagodang Village is approximately 25 km, and to Garoga approximately 27 km. The elevation at the concession boundary is approximately 960 MASL, and the operational area is at 840 MASL, while the flood locations are situated at approximately 120 MASL in Garoga and 90 MASL in Hutagodang.

The company's concession in South Tapanuli Regency is located within the Barumun–Bilah and Batang Gadis watersheds, which drain into the Malacca Strait and the Indian Ocean, respectively. In contrast, the flood locations in Garoga and Hutagodang are located within the Nabirong watershed, which drains into the Indian Ocean via Aek Garoga.

The details are follow:

Regency	No.	Natural Disaster	Location	Village	District	Coordinate		Natural Disaster Location		TPL Concession				Remarks
						X	Y	Watershed (DAS)	Elevation (MASL)	Estate	Distance to Natural Disaster (Km)	Watershed (DAS)	Elevation (MASL)	
South Tapanuli	1	Flood	Hutagodang	Hutagodang	Batang Toru	99° 0' 53.8" E	1° 30' 33.2" N	Nabirong	90	PAS	25 Km	Batang Gadis and Barumun Bilah	900	Aek Garoga
	2	Flood	Garoga	Garoga	Batang Toru	98° 59' 42.4" E	1° 31' 13.0" N	Nabirong	120	PAS	27.4 Km	Batang Gadis and Barumun Bilah	840	Aek Garoga
	3	Flood	Sipirok	Paran Julu	Sipirok	99° 16' 40.8" E	1° 35' 46.1" N	Batang Toru	1110	PAS	5.7 Km	Batang Gadis and Barumun Bilah	960	Aek Laopeng, Aek Sagala
	4	Landslide	Aek Latong	Mersada	Sipirok	99° 14' 14.5" E	1° 37' 4.2" N	Batang Toru	3020	PAS	9.5 Km	Batang Gadis and Barumun Bilah	930	Erosion

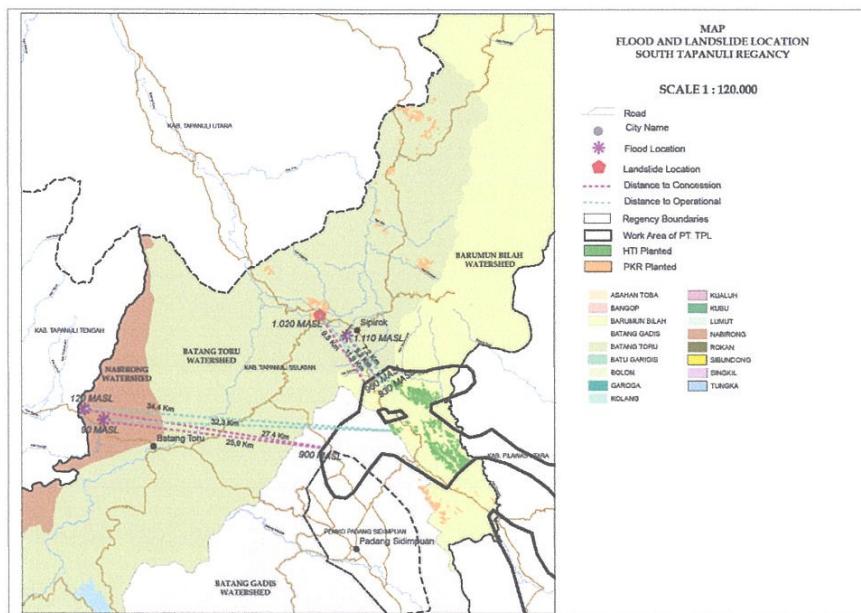


Figure 2. Map of TPL Estate Concessions in South Tapanuli/TAS, Watersheds, Topography, and Flood Locations in South Tapanuli Regency

**EarthSight & Auriga Findings 2:** Hazardous debris carried by floodwaters in the Batang Toru river basin has included large quantities of logs from upstream

**TPL response:**

- Reports of logs and timber debris observed in floodwaters cannot be attributed to TPL's operations. Since 2014, TPL has not conducted any natural forest conversion, and utilizes only eucalyptus logs sourced from its managed plantation areas.
- Based on Government findings dated 10 December 2025, the log samples identified from the affected areas were classified as originating from natural forest timber (such as rubber, Shorea, agathis, etc.), and none were identified as eucalyptus.
- Regarding the Directorate General of Law Enforcement of the Indonesian Ministry of Forestry and reports concerning five locations, the Ministry is currently conducting a process of collecting information and evidence as part of the ongoing legal procedures. This information has been officially disclosed through PT Toba Pulp Lestari Tbk's information disclosure to the Indonesia Stock Exchange (IDX).

**EarthSight & Auriga Findings 3:** Experts have pointed to the role that deforestation has played in the disaster, including by removing the natural forests that help to absorb rainfall and stabilise ground with their roots. President Prabowo Subianto was quoted as saying in reference to the disaster, "We must truly prevent deforestation and forest destruction" and during a visit to affected areas of North Sumatra declared that the government is cracking down on illegal logging.

**TPL response:**

TPL reaffirms the commitment in place since 30<sup>th</sup> June 2014 regarding the voluntary moratorium on any forest conversion into forestry plantations. This commitment to no deforestation and responsible sourcing is laid out in the company's Sustainability Policy and Wood and Fiber Sourcing Policy.

**EarthSight & Auriga Findings 4:** On 1<sup>st</sup> December, Environment Minister Hanif Faisol Nurofiq said that his office had evidence of eight companies whose activities have potentially contributed to the landslides and floods of timber and wood waste seen in the Batang Toru/Tapanuli area at the end of November 2025. Subsequently on 15<sup>th</sup> December, forestry minister Raja Juli Antoni announced that the President had ordered an audit and evaluation of your company PT Toba Pulp Lestari (PT TPL), which controls several large blocks of land in North Sumatra.

**TPL response:**

The management of PT Toba Pulp Lestari Tbk respects the statements made by government officials and fully supports the audit and evaluation processes undertaken by the Government as part of forestry governance and oversight. The Company affirms that all operational activities are conducted under valid licenses, approved Forest Management Plans (RKU) and Annual Work Plans (RKT), and in compliance with applicable laws and regulations.

The Company has been and remains cooperative, and continues to provide the data, documentation, and access required by the competent authorities in connection with the audit and

evaluation process. To date, there has been no official conclusion or determination of any violation by the Company. Accordingly, any allegations currently circulating remain part of an ongoing process and cannot be regarded as established facts or legal conclusions.

**Earthsight & Auriga Findings 5:** The Indonesian NGO Walhi has meanwhile named seven companies which it alleges contributed to floods and landslides in the Tapanuli region. One of those companies is PT Toba Pulp Lestari, which Walhi states has converted thousands of hectares of forest in the Batangtoru River basin into eucalyptus plantations, which has contributed to deforestation and flash floods. PT Toba Pulp Lestari has denied the allegations, and you (Salomo Sitahang) have stated that all the company's activities comply with permits, regulations and government provisions.

***TPL response:***

- **Permits, planning, and environmental governance**

TPL has operated since 1992 and has conducted all activities in compliance with Indonesian national regulations, based on valid permits and mandatory planning and environmental documents. These include the Forest Utilization Business Permit (PBPH), Long-Term Work Plan (RKU), Annual Work Plan (RKT), and Environmental Impact Assessment (AMDAL/EIA). Environmental management and monitoring reports (RKL-RPL) are submitted to the Government every six months in accordance with applicable regulatory requirements.

- **Certification and independent verification**

TPL holds relevant certifications and verifications, including mandatory national certification schemes such as the Timber Legality Verification System (SVLK) and the Sustainable Production Forest Management certification (PHPL/PHL), as well as the Programme for the Endorsement of Forest Certification (PEFC) as an international voluntary certification scheme.

In addition, TPL holds management system certifications, including ISO 9001 (Quality Management System), ISO 14001 (Environmental Management System), and ISO 45001 (Occupational Health and Safety Management System). TPL is subject to periodic independent audits and surveillance conducted by Bureau Veritas (BV) as accredited certification bodies.

- **Conservation commitments and land allocation**

From the total concession area of 167,912 hectares as stipulated under the government permits, approximately 119,526 hectares are classified as production areas. Of this, TPL utilizes approximately 48,419 hectares — for managed forest plantations planted with eucalyptus.

The remaining areas within the concession are set aside for protection and conservation purposes, including areas classified as conservation zones as well as areas that have been subject to High Conservation Value (HCV) and High Carbon Stock (HCS) assessments as part of the Company's planning framework. TPL maintains firm commitments to protecting identified conservation values in accordance with applicable regulations and certification requirements.

**Earthsight & Auriga Findings 6:** On 6 December 2025, the Directorate General of Enforcement at the Indonesian Ministry of Forestry revealed that it had sealed five locations in the Tapanuli area identified as potentially having contributed to the damage wreaked by the recent events, including two locations within the PT Toba Pulp Lestari concession. The sealing of these areas, officials stated, was to “secure the location, prevent further activities that could worsen the conditions, and to obtain strong legal evidence for further law enforcement processes.” The agency said that it was coordinating with the National Police to jointly pursue criminal action against companies suspected of contributing to the disaster, including through the use of money laundering laws to seize assets.

***TPL response:***

The management of PT Toba Pulp Lestari Tbk clarifies that the action taken by the Directorate General of Law Enforcement of the Ministry of Forestry consisted of the installation of warning signage as part of an information-gathering and evidence-collection process, and does not constitute the imposition of sanctions or a determination of proven violations.

The Company respects and supports the ongoing legal process and remains cooperative with law enforcement authorities, including through the provision of documents, facilitation of field verification, and technical clarifications as required. The Company further emphasizes that its operational activities are carried out in accordance with applicable permits and regulations, and that the temporary suspension of timber utilization was undertaken as a form of compliance with government policy in an emergency context, not as a result of any finding of fault or violation by the Company.

Management reiterates that any legal conclusions must await the official outcome of the examination process conducted by the competent authorities.

**Earthsight & Auriga Findings 7:** On Monday 1 December 2025, you (Anwar Lawden) stated in an information disclosure to the Indonesia Stock Exchange that PT TPL’s plantation forest activities have all been passed High Conservation Value (HCV) and High Carbon Stock (HCS) assessment by third parties; and that of a total 167,912 hectares, only 46,000 hectares have been developed into eucalyptus plantations, with the remainder set aside for protected and conservation areas

***TPL response:***

As part of the Company’s sustainability policies, effective 30 June 2014, TPL and its suppliers will only develop non-forested areas, as identified through High Conservation Value (“HCV”) assessments and High Carbon Stock (“HCS”) assessments. The HCV and HCS areas identified from this assessment will be protected and ensure that the supply of wood will not contribute to the degradation or loss of HCV and HCS forests.

**EarthSight & Auriga Findings 8:** EarthSight and Auriga Nusantara have found that large tracts of protected primary forest and habitat for Tapanuli orangutans have been cleared illegally on steep slopes within the PT TPL concession upstream of areas hard hit by the disaster, and have identified evidence of landslides associated with this deforestation.

***TPL response:***

With regard to the flooding and landslide events in Batang Toru, South Tapanuli, in early December 2025, there is no credible evidence to substantiate any causal link to TPL's operations. Based on spatial, hydrological, topographical, and operational data, these events cannot be attributed to TPL's activities.

**EarthSight & Auriga Findings 9:** EarthSight's analysis of satellite imagery for the Batung Toru river basin and neighbouring river basins has revealed three upland areas where significant clearance of natural forest had been taking place in the months leading up to the disaster. One of these areas is within a concession issued to PT Toba Pulp Lestari.

***TPL response:***

There is no connection between TPL operations and flooding. TPL has different watershed area within TPL Concession and Landslide area proven by watershed maps. There are some operation area in the same watershed but they have different catchment area. Through the elevation, distance, and topography between TPL operation and Natural Disaster area also prove that TPL are not related to the flood and landslide in Batang Toru and Tapanuli area. TPL reaffirms the commitment in place since 30<sup>th</sup> June 2014 regarding the voluntary moratorium on any forest conversion into forestry plantations. This commitment to no deforestation and responsible sourcing is laid out in the company's Sustainability Policy and Wood and Fiber Sourcing Policy.

**EarthSight & Auriga Findings 10:** Beginning in March 2021 at 2° 3'37.05"N, 98°53'47.32"E, a pattern of logging and forest clearance consistent with industrial development of monoculture timber plantations has spread southward in a continuous process through an area in the centre of the Aek Raja block of PT Toba Pulp Lestari's concession SK.1487/MENLHK/SETJEN/HPL.0/12/2021, through an area of primary natural forest (forest not logged since at least 2000).

***TPL response:***

Based on internal verification using spatial data and operational records, TPL has not identified any forest clearance of 883 hectares within the areas referenced (coordinate of 2° 3'37.05"N, 98°53'47.32"E). The areas identified through this verification comprise approximately 13.7 hectares and 72.2 hectares, which are managed under Forest Partnership scheme involving local communities, implemented in accordance with applicable regulations and the Company's sustainability policies.

Conversion of these areas has occurred since at least 1999, and they have long been utilized by local communities for agricultural purposes, including the cultivation of corn, coffee, and chili, as well as the establishment of small-scale fish ponds, prior to their formal management under the

partnership scheme. In designating and implementing community partnership areas, TPL ensures full compliance with prevailing regulations and its sustainability commitments.

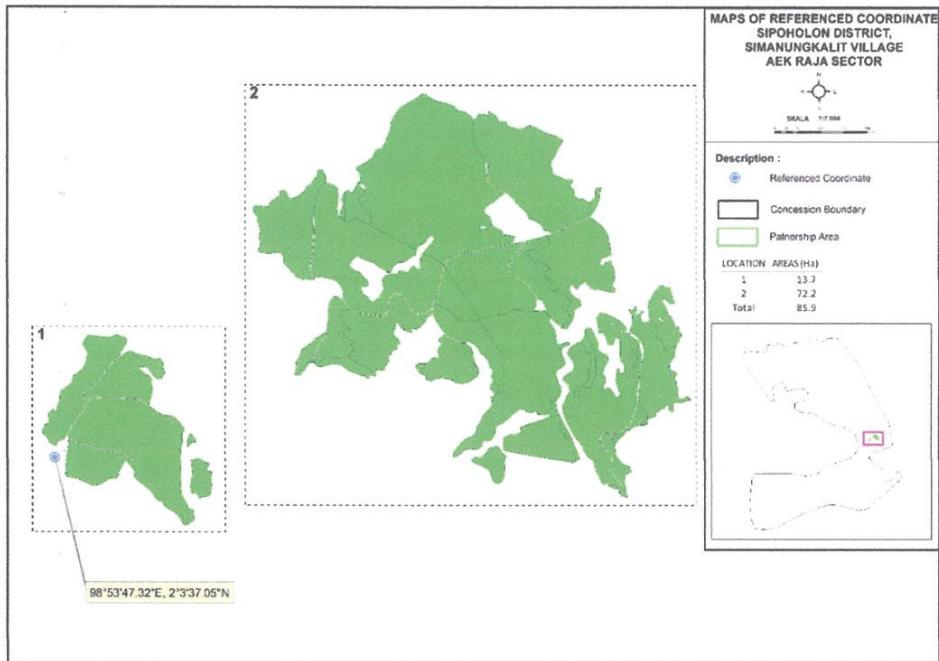


Figure 1. Maps of referenced coordinate in Sipoholon District

**EarthSight & Auriga Findings 11:** Between March 2021 and 1 December 2025, a total of 883 hectares of forest in this area was cleared, including 758 hectares within the PT Toba Pulp Lestari concession, and a further 125 hectares outside of it. Of these totals, 154 hectares of forest was cleared within the concession between July 2024 and November 2025, while 88 hectares was cleared outside the concession in this period. Clearance in this area was continuing between 27 October and 1 December 2025. The extension of the clearance beyond the concession boundary appears to have occurred illegally.

**TPL response:**

See response on findings 10.

**EarthSight & Auriga Findings 12:** This deforestation continued through November 2025, right up until Cyclone Senyar. After continuing at a steady pace for several years, the clearing in the area accelerated in the weeks leading up to the disaster with an area of forest larger than a football pitch cleared every day.

**TPL response:**

TPL reaffirms the commitment in place since 30<sup>th</sup> June 2014 regarding the voluntary moratorium on any forest conversion into forestry plantations. This commitment to no deforestation and responsible sourcing is laid out in the company's Sustainability Policy and Wood and Fiber Sourcing Policy.

**Earthsight & Auriga Findings 13:** Satellite images from 1 December, in the immediate aftermath of Cyclone Senyar, show that landslides occurred next to the most recent logging activity.

***TPL response:***

Based on spatial, hydrological, topographical, and operational data, these events cannot be attributed to TPL's activities.

**Earthsight & Auriga Findings 14:** All of this forest clearance appears to be illegal. Indonesian government maps indicate that this area, which comprises steep terrain, is at particular risk of landslides. For that reason, this part of the concession is zoned as 'limited production forest', where forest clearance is not normally allowed. Your company has admitted that Indonesian authorities declared 11,315ha of the Aek Raja estate – a quarter of its area – as 'protected forest', and available maps indicate the recently deforested area lies within that zone.

***TPL response:***

TPL has operated since 1992 and has conducted all activities in compliance with Indonesian national regulations, based on valid permits and mandatory planning and environmental documents. These include the Forest Utilization Business Permit (PBPH), Long-Term Work Plan (RKU), Annual Work Plan (RKT), and Environmental Impact Assessment (AMDAL/EIA). Environmental management and monitoring reports (RKL-RPL) are submitted to the Government every six months in accordance with applicable regulatory requirements.

**Earthsight & Auriga Findings 15:** Your company's assessment of forests in its concession, published in 2024, concluded that this area contains nationally significant concentrations of threatened species, and is also crucial for the control of erosion on vulnerable steep slopes. Maps of orangutan habitat from 2019 identified parts of the recently cleared forest as being potentially occupied by Tapanuli orangutans, a unique species found only in the Batang Toru ecosystem which is the most threatened of all great apes.

***TPL response:***

TPL maintains firm commitments to protecting identified conservation values in accordance with applicable regulations and certification requirements. As part of the Company's sustainability policies, effective 30 June 2014, TPL and its suppliers will only develop non-forested areas, as identified through High Conservation Value ("HCV") assessments and High Carbon Stock ("HCS") assessments. The HCV and HCS areas identified from this assessment will be protected and ensure that the supply of wood will not contribute to the degradation or loss of HCV and HCS forests.

**Earthsight & Auriga Findings 16:** A survey of the affected area conducted by Earthsight and Auriga Nusantara in December 2025 confirms the scale of the activity, and proves it has led to landslides. Logging was documented on extremely steep slopes where it is never permitted. The survey also documented heavy machinery and piles of tropical logs stacked at a roadside. These logs did not have legally required SVLK labels attached, indicating they were the result of illegal logging.

***TPL response:***

- Reports of logs and timber debris observed in floodwaters cannot be attributed to TPL's operations. Since 2014, TPL has not conducted any natural forest conversion, and utilizes only eucalyptus logs sourced from its managed plantation areas.
- Based on Government findings dated 10 December 2025, the log samples identified from the affected areas were classified as originating from natural forest timber (such as rubber, shorea, agathist, etc.), and none were identified as eucalyptus.

**Earthsight & Auriga Findings 17:** Our findings therefore indicate that illegal forest clearance in the PT Toba Pulp Lestari concession Aek Raja block contributed to landslides, floods and timber debris downstream, including in the Batang Toru river basin, where deaths occurred as a result.

***TPL response:***

Based on spatial, hydrological, topographical, and operational data, these events cannot be attributed to TPL's activities.

**Earthsight & Auriga Findings 18:** In July 2024, the NGO Rainforest Action Network reported on forest clearance in this area of the PT Toba Pulp Lestari concession. In 2024, TPL told RAN that this activity was illegal encroachment and illegal logging which was reported to the relevant authorities in 2023. However, the pattern of the activity looks more like that typically seen with development of industrial timber plantations, and does not resemble smallholder-associated agricultural encroachment or selective illegal logging. Satellite imagery shows a large, industrial-scale operation, requiring the cutting of more than 30km (18 miles) of logging roads through difficult steep terrain, and the construction of numerous log bridges to cross the many small streams and rivers. It would have taken at least 2000 large trucks to remove the logs.

***TPL response:***

Based on internal verification using spatial data and operational records regarding RAN report and earthsight allegation, TPL has not identified any forest clearance of 883 hectares within the areas referenced (coordinate of 2° 3'37.05"N, 98°53'47.32"E). The areas identified through this verification comprise approximately 13.7 hectares and 72.2 hectares, which are managed under Forest Partnership scheme involving local communities, implemented in accordance with applicable regulations and the Company's sustainability policies.

Conversion of these areas has occurred since at least 1999, and they have long been utilized by local communities for agricultural purposes, including the cultivation of corn, coffee, and chili, as well as the establishment of small-scale fish ponds, prior to their formal management under the partnership scheme. In designating and implementing community partnership areas, TPL ensures full compliance with prevailing regulations and its sustainability commitments.

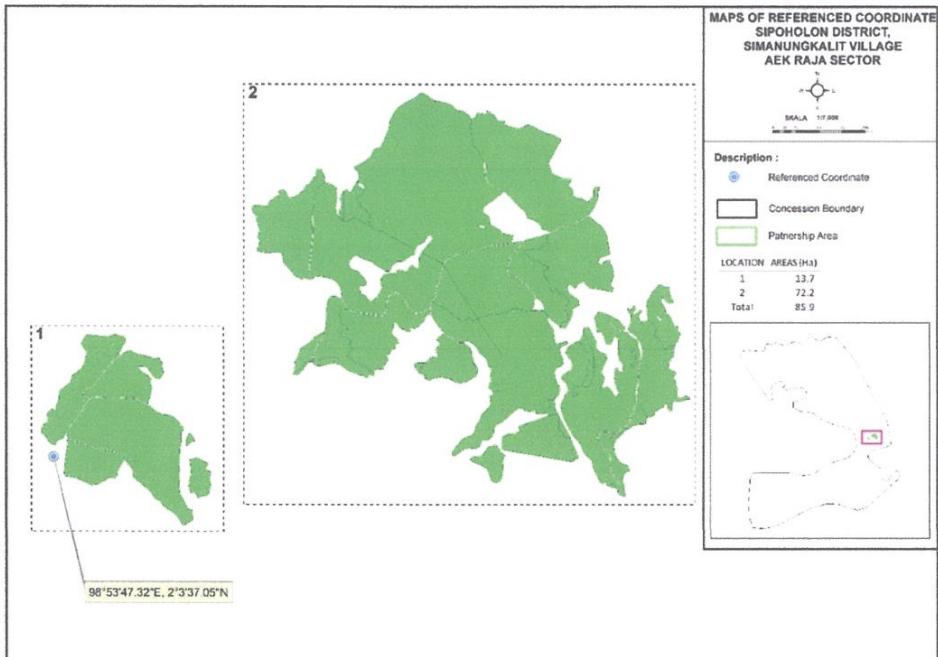


Figure 1. Maps of referenced coordinate in Sipolohon District

**EarthSight & Auriga Findings 19:** A high-resolution satellite image from September 2025 also shows that some of the area previously illegally logged has since been replaced with monoculture tree plantations, presumably by your company. This pattern suggests that your company may be allowing illegal logging to happen, then planting the deforested area with monoculture timber plantations, enabling your company to expand plantations while still claiming not to itself have converted any natural forest.

**TPL response:**

TPL maintains firm commitments to protecting identified conservation values in accordance with applicable regulations and certification requirements. As part of the Company's sustainability policies, effective 30 June 2014, TPL and its suppliers will only develop non-forested areas, as identified through High Conservation Value ("HCV") assessments and High Carbon Stock ("HCS") assessments. The HCV and HCS areas identified from this assessment will be protected and ensure that the supply of wood will not contribute to the degradation or loss of HCV and HCS forests.

**Earthsight & Auriga Findings 20:** Your company's annual management plan for 2024 and 2024 SVLK audit report support this, as both documents refer to "restoration" or "enrichment" activities (planting of monocultures) by your company in protected forest areas within the concession. Neither document specifically states why these protected forests would require such 'restoration', but the evidence available indicates this refers to illegal logging by third parties.

***TPL response:***

PT Toba Pulp Lestari Tbk clarifies that the terms "restoration" and "enrichment" as used in the 2024 management plan and SVLK audit documentation refer to standard silvicultural and environmental management measures applied in accordance with approved forest management plans, environmental permits, and applicable Indonesian forestry regulations. These activities are implemented to maintain forest function, stabilize degraded or disturbed areas, and prevent further environmental degradation, including erosion and loss of vegetation cover.

The use of such terminology does not constitute an admission of illegal forest clearing by the Company. Where areas within the concession have experienced disturbance due to historical land use, natural events, or unauthorized third-party activities, the Company is obligated under its permit and certification requirements to undertake protective and rehabilitative measures. These actions are preventive and corrective in nature, aimed at environmental protection and risk mitigation, rather than an indication of responsibility for the underlying disturbance.

Planting activities conducted in such areas are carried out in accordance with the approved RKU/RKT and AMDAL, and are subject to independent verification through SVLK, PHPL, and IFCC audits. Any interpretation that equates environmental rehabilitation or enrichment measures with an acknowledgment of illegal logging by the Company is therefore inaccurate and does not reflect the regulatory or technical context in which these activities are undertaken.

**Earthsight & Auriga Findings 21:** The clearance within the concession was also illegal, because it took place in an area zoned as protected under approved management plans authorized by the Indonesian Ministry of Forestry.

***TPL response:***

See response on findings 10.

**Earthsight & Auriga Findings 22:** It is highly unlikely that relevant authorities were unaware of an illegal logging operation at such a large scale. Their failure to address it suggest there may have been corruption involved, with authorities paid to ignore the logging.

***TPL response:***

TPL reaffirms the commitment in place since 30<sup>th</sup> June 2014 regarding the voluntary moratorium on any forest conversion into forestry plantations. This commitment to no deforestation and responsible sourcing is laid out in the company's Sustainability Policy and Wood and Fiber Sourcing Policy.

TPL cannot assume that there's corruption involve with authorities paid to ignore the logging.

**Earthsight & Auriga Findings 23:** Your company has also been repeatedly accused of human rights violations in its conflicts with local communities. In the most recent incident in September 2025, PT TPL security forces injured more than 30 members of the Indigenous Ompu Mamontang Laut Ambarita community who were farming customary land near Lake Toba. The incident was condemned by Indonesia's National Human Rights Commission, suggesting it violated rights including those to security, freedom from torture and a healthy environment.

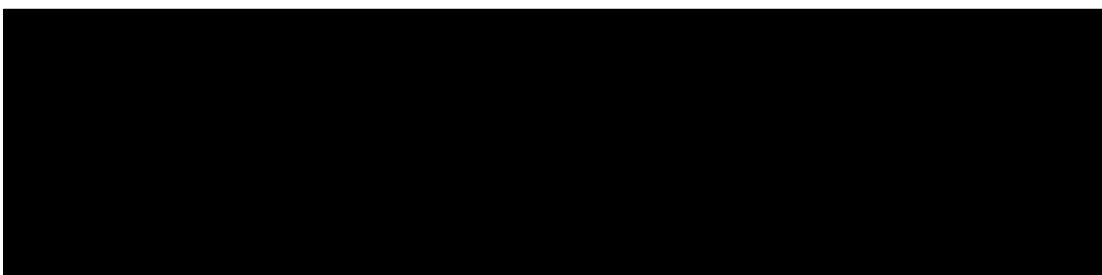
**TPL response:**

[See our company statements.](#)

**Earthsight & Auriga Findings 24:** Rencana Pemenuhan Bahan Baku Industri (RPBBI) reports submitted to the Indonesian authorities for the TPL mill in Sumatra between 2021 and 2024 (the period when the aforementioned forest clearance has been taking place in the company's concession) do not report any consumption of natural forest timber. Yet Earthsight estimates that as much as 80,000 cubic metres of tropical logs were produced from the clearance of primary forests in the PT Toba Lestari concession in North Tapanuli district during that time. No other mill has reported receiving this timber during this period, suggesting that the wood may have entered Toba Pulp Lestari's supply chains undeclared.

**TPL response:**

As part of the Company's sustainability policies, effective 30 June 2014, TPL and its suppliers will only develop non-forested areas, as identified through High Conservation Value ("HCV") assessments and High Carbon Stock ("HCS") assessments. The HCV and HCS areas identified from this assessment will be protected and ensure that the supply of wood will not contribute to the degradation or loss of HCV and HCS forests.



**Earthsight & Auriga Findings 26:** PT Toba Pulp Lestari's current (October 2023) [sustainability policy](#) states that the company and its suppliers "stopped logging natural forests" in June 2014. In 2024, TPL supplied 136,625 tonnes of dissolving wood pulp, 42.84% of total supply, to its sister company Asia Pacific Rayon (APR), a 325,000 tonne capacity viscose rayon mill in Riau which is also owned by RGE, according to APR's [2024 Sustainability Report](#). Asia Pacific Rayon's [2024 sustainability policy](#) claims that the company does not obtain raw materials

from “areas where there is conversion of natural forest to plantations”. The conversion of primary forest within the TPL concessions runs counter to both these policies.

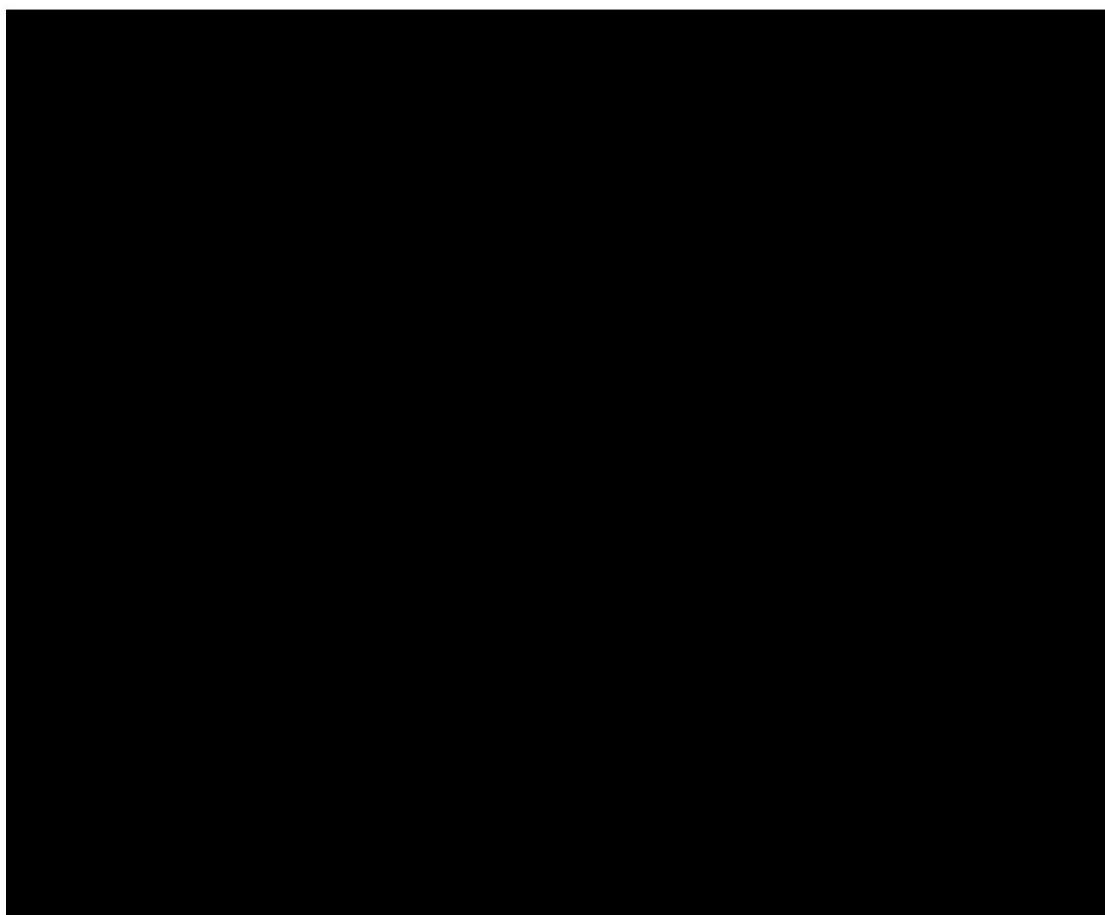
***TPL response:***

*Not related to TPL.*

**EarthSight & Auriga Findings 27:** Asia Pacific Rayon exported \$232m of viscose rayon during the period January to October 2025, with the majority sold to Turkey, Bangladesh, Pakistan and India. APR’s customers in these countries use its rayon to produce clothing and other goods for export to the US, EU and UK. APR advertises these onward supply chain connections on its own website.

***TPL response:***

*Not related to TPL.*



**Question**

**EarthSight Question 1:** Where was natural forest timber produced through clearance of natural forest in the PT Toba Pulp Lestari concession in North Tapanuli sold or transferred to?

***TPL response:***

As part of the Company's sustainability policies, effective 30 June 2014, TPL and its suppliers will only develop non-forested areas, as identified through High Conservation Value ("HCV") assessments and High Carbon Stock ("HCS") assessments. The HCV and HCS areas identified from this assessment will be protected and ensure that the supply of wood will not contribute to the degradation or loss of HCV and HCS forests.

**EarthSight Question 2:** If the activity is illegal and being carried out by third parties as alleged to RAN, why has PT Toba Pulp Lestari been unable to stop it for over four years? How would you explain the planting of eucalyptus on illegally logged areas?

***TPL response:***

TPL reaffirms the commitment in place since 30<sup>th</sup> June 2014 regarding the voluntary moratorium on any forest conversion into forestry plantations. This commitment to no deforestation and responsible sourcing is laid out in the company's [Sustainability Policy](#) and [Wood and Fiber Sourcing Policy](#).

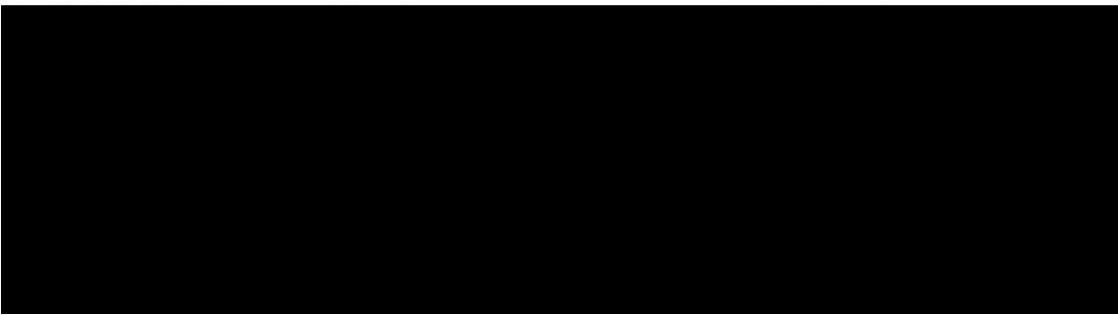
Planting of eucalyptus has only been conducted in areas approved under the Company's Forest Management Plans (RKU/RKT), including areas subject to government-recognized Community-Based Forest Management (PHBM) programs implemented in cooperation with local communities. Such activities are part of rehabilitation, conflict resolution, and sustainable land management efforts and should not be construed as legitimizing or benefiting from illegal logging.

**EarthSight Question 3:** If your company alerted authorities to the illegal logging in 2023, please can you confirm which exact agency you contacted on what date, and whether you made any follow up attempts to ensure action was taken? Can you provide copies of your communication with relevant authorities?

***TPL response:***

This illegal activity was detected by our routine patrols and reported to the relevant authorities in 2023 with the copies to Forest Management Unit Region XII Tarutung, Village Head and Sub-district Head in 10<sup>th</sup> November 2023.

As these reports form part of ongoing regulatory supervision and law enforcement processes, related correspondence is not disclosed publicly. Nevertheless, the Company remains fully cooperative and stands ready to provide supporting documentation directly to the relevant authorities upon formal request.



Thank you for the opportunity to comment on the report and please contact us if you have any further queries or concerns.

Sincerely,  
PT Toba Pulp Lestari Tbk

**PT TOBA PULP LESTARI Tbk**

Anwar Lawden, SH  
Director