

27 May 2024

## **Investigation summary into allegations of illegal clearing by PT Riau Indo Agropalma**

In March this year, in response to a report by Jikalauhari and the Indonesian Environmental Law Study Institute (ICEL) alleging illegal forest clearing by APP Supplier, PT. Riau Indo Agropalma (PT RIA), APP had set up an investigation team to determine the veracity of the report. The investigation is now completed, and we would like to announce the findings of our investigations.

Based on APP's investigations, APP found there were some new areas were cleared which were in direct violation of APP's supplier agreement and sustainability policies. This affected a total of approximately 57 hectares of land.

The details of the investigations were outlined by PT RIA formally to APP which also includes the remediation actions where required.

There were 3 locations that were raised as concerns and based on the investigations, the results are as below:

### **PT Riau Indo Agropalma (PT RIA) within the Concession**

The total area that has been opened is 57 Ha and as previously mentioned, this is due to a shift in the boundaries of PT RIA's concession area based on legal documents approved by the Ministry of Environment and Forestry (MOEF). However, the HCV-HCS study was not carried out in this extended area and is therefore a violation of PT RIA's commitment to APP's sustainability policy.

PT RIA also did not notify APP before land clearing that there had been an adjustment in the concession boundary in the area. The new operational head who led this activity assumed that the new area had undergone HCV-HCS assessments. Immediate concrete steps to rectify the situation by dismissing the personnel responsible. PT RIA has also committed to restoring the affected areas and will continue to provide APP Group with up-to-date information on progress.

Based on the investigation outcome and the corrective action outlines by PT RIA, APP Group will monitor the progress and outcome of the corrective actions as part of our SERA process.

Failure to comply with these instructions could result in a termination of their supplier agreement.

**Koperasi Mutiara Mandiri and Makmur Jaya Farmers Group Community Forest Area**

Agreements are in place with both the community group for the development of Community Forest. Prior to the land clearance, an HCV-HCS indicative desktop study which was carried out in May 2023, the area is a non-forest area/Other Use Area (APL).

A Pre-Rapid Biodiversity Assessment (Pre-RBA) was carried out in September 2023 and no protected flora and fauna habitats or the existence of communities and community cultural sites were found within the location.

There was no sustainability commitment violation in these locations.

We thank our NGO partners for highlighting these incidents to us and we trust that they can see that we take their allegations seriously. APP remains steadfast in our dedication to sustainable development, and we will continue to work tirelessly towards achieving our environmental goals and fostering positive relationships with all stakeholders.

We recognize the importance of rebuilding trust and ensuring accountability within our supply chain, and we are fully committed to working collaboratively with all partners to address these challenges and build a more sustainable future together.

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