

## Public Notification on PT Wahana Agro Mulia

APP Group has undertaken an acquisition or takeover a production forest management company. This acquisition is aimed at restoring land productivity, thereby increasing economic value, improving ecological integrity, and providing benefits to the surrounding communities.

Prior to this, APP Group has conducted an assessment to determine whether the raw material sources posed risks of violating APP policies, particularly concerning irreversible violations such as the conversion of natural forests into plantation forests. Initial assessments of these raw material sources were conducted to ascertain whether there were any direct land conversion activities or involvement in land conversion in other areas.

Company's Name : PT Wahana Agro Mulia (PT WAM)  
Type of Permit : Production Forest Management  
SK.252/Menhut-II/2009  
Location : South Sumatra  
Area : ±6.290 Ha

APP Group initiates a Stakeholder Notification process to address stakeholders' concerns and gather input regarding the company, with the intention of developing it into a raw material source.

We will open this stakeholder notification on **17 – 30 May 2024**

Stakeholders who interested to provide feedback related to the management of PT WAM, able to send their message to:

E-mail : sustainability@app.co.id  
E-mail Subject : Stakeholder Notification – Feedback on PT WAM

Summary of PRE-SERA results:

No	Indicators	Evidence
1	Company, or any of its associated company <sup>1</sup> , convert natural forest to other land use (plantation forest, agriculture, etc) after February 1 <sup>st</sup> , 2013.	<b>1. Natural Forest Conversion</b> According to the implementation of the License for Timber Forest Product Utilization in Natural Forest (RKTUPHHK) of PT WAM from 2013 to 2020, the operational activities conducted by PT WAM includes: <ul style="list-style-type: none"><li>• Boundary demarcation</li><li>• Rubber planting in the Logged Over Area (LOA)</li><li>• Plant maintenance</li><li>• Road construction</li><li>• Infrastructure development</li><li>• Land clearing of Wild Acacia</li></ul> There are no land preparation activities resulting in the conversion of natural forests into plantation forests.

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		<p>Through analysis using Landsat Imagery, the changes in forest cover from 2013 to 2022 were identified as follows:</p> <ul style="list-style-type: none"> <li>• The extent of Dense Forest increased by 135 ha due to the transformation from Old Scrubland to Dense Forest.</li> <li>• Land fires occurred in 2019, resulting an expansion of Young Scrub by 1,861 ha.</li> <li>• Some of the land affected by the 2019 fires was utilized for Mixed Dry Farming (1,117 ha).</li> </ul> <p><b>Analysis of land cover changes (Landsat Imagery):</b></p> <table border="1" data-bbox="751 716 1422 1100"> <thead> <tr> <th>Land Cover</th> <th>2013 (Ha)</th> <th>2020 (Ha)</th> <th>Changes 2013 - 2020</th> <th>2022 (Ha)</th> <th>Changes 2020 - 2022</th> </tr> </thead> <tbody> <tr> <td>Young Scrub</td> <td>1716</td> <td>1620</td> <td>-96</td> <td>3577</td> <td>1957</td> </tr> <tr> <td>Old Scrub</td> <td>230</td> <td>190</td> <td>-40</td> <td>179</td> <td>-11</td> </tr> <tr> <td>Dense Forest</td> <td>24</td> <td>87</td> <td>63</td> <td>159</td> <td>72</td> </tr> <tr> <td>Plantation Forest</td> <td>2666</td> <td>2089</td> <td>-577</td> <td>247</td> <td>-1842</td> </tr> <tr> <td>Open Land</td> <td>1039</td> <td>375</td> <td>-664</td> <td>396</td> <td>21</td> </tr> <tr> <td>Mixed Dry Farming</td> <td>729</td> <td>2042</td> <td>1313</td> <td>1846</td> <td>-196</td> </tr> <tr> <td>Water Body</td> <td>30</td> <td>30</td> <td>0</td> <td>30</td> <td>0</td> </tr> </tbody> </table> <p>Through analysis of the Re-afforestation Non-Tax State Revenue (PNBP) payments, it is evident that there were no reforestation fund payments made by PT WAM from 2013 to 2022. Therefore, it can be assumed that PT WAM did not utilize natural timber/logging during this period.</p> <p><b>2. Interrelation / Affiliation</b></p> <p>From the search results of affiliation information based on the company's articles of association, PT WAM is not affiliated with any other company engaged in the conversion of natural forests into plantation forests.</p>	Land Cover	2013 (Ha)	2020 (Ha)	Changes 2013 - 2020	2022 (Ha)	Changes 2020 - 2022	Young Scrub	1716	1620	-96	3577	1957	Old Scrub	230	190	-40	179	-11	Dense Forest	24	87	63	159	72	Plantation Forest	2666	2089	-577	247	-1842	Open Land	1039	375	-664	396	21	Mixed Dry Farming	729	2042	1313	1846	-196	Water Body	30	30	0	30	0
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Currently, PT WAM is undergoing a High Conservation Value (HCV) - High Carbon Stock (HCS) assessment process to serve as the basis for its area development planning. This is in compliance with the APP Policy, which prohibits the development of Industrial Timber Plantation (HTI) areas in forested land and aims to protect its HCV areas.

At present, PT WAM does not supply wood to APP Mills. However, when supplying wood in the future, PT WAM is required to meet the 12 SERA Indicators.