



Update on the disassociation of the Forest Stewardship Council from Asia Pulp and Paper (APP)

In October 2007, the Forest Stewardship Council (FSC) disassociated from the Indonesian company Asia Pulp and Paper (APP). The decision was due to substantial publicly available information that APP was involved in destructive forestry practices. The FSC Board of Directors extended the scope of the disassociation to those entities for which the FSC Secretariat had evidence of control by APP as the majority shareholder. Certificate holders affected by this decision had their certificates terminated and were no longer able to use the FSC trademarks.

In late 2012, APP approached FSC, stating that they had undergone fundamental changes and that they would therefore like to enter into a constructive dialogue on the possibility of renewed association with FSC. More recently, APP has announced a new Forest Conservation Policy, with one part focused on the complete adoption of the FSC Principles & Criteria for High Conservation Value Forests across its entire supply chain.

The FSC Board of Directors welcomed this announcement and has expressed interest in following APP's process of achieving the stated objectives of the Forest Conservation Policy and compliance with the FSC Policy for Association.

Any consideration of a re-association with APP would require at least a full year of implementation of APP's new conservation policy. After this minimum period, FSC would require clear documentation, with independent verification, that APP had successfully implemented its Forest Conservation Policy, and that there was no further involvement, directly or indirectly, by APP or any of its subsidiaries, in unacceptable activities, as stipulated by the FSC Policy for Association.

Until the FSC Board of Directors decides differently, the disassociation from APP and their former certificate holders will remain in force. Other companies known to be directly or indirectly involved in APP activities, according to the Policy for Association, shall not be issued FSC certificates.

During this period FSC will not pursue any extension of disassociation from other companies allegedly related to APP. This will remain the situation until the FSC Board reaches a conclusion on whether or not to consider re-association with APP, provisionally scheduled for the first half of 2014.

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The Forest Stewardship Council (FSC) is an independent non-governmental organization that promotes environmentally sound, socially beneficial, and economically prosperous management of the world's forests. FSC was created in 1993 to help consumers and businesses identify products from well-managed forests. FSC sets standards by which forests are certified, offering credible verification to people who are buying wood and wood products. Currently more than 183 million hectares and 27,000 companies are certified to FSC standards worldwide. For more information visit www.fsc.org.