

## Forest Stewardship Council (FSC)

### **FAQs on Asia Pulp and Paper (APP) moving under beneficial ownership of Jackson Wijaya, the current beneficial owner of the Domtar Group**

#### **1. How was FSC informed that Jackson Wijaya will be the beneficial owner of both Domtar and APP?**

FSC received a letter from the Board of Domtar informing about their group beneficial owner, Jackson Wijaya, soon to also become the beneficial owner of APP as part of his father's succession planning.

#### **2. Can you explain the "implications" of Domtar and APP having a common beneficial owner for the FSC's Policy for Association?**

Because APP is disassociated from FSC, any entity or corporate group with a majority shareholding or majority ownership interest is considered indirectly involved and within the scope of the disassociation. If there are such majority shareholding or ownership links between Domtar and APP this would result in extending the disassociation to Domtar. This is consistent with the manner FSC has treated all other mergers, acquisitions, and ownership changes of disassociated organizations to date.

#### **3. Does FSC need any further evidence (legal or otherwise) to help understand the implications of this change in beneficial ownership?**

FSC will need to better understand the shareholding and ownership relationships, if any, between Domtar and APP as a result of this change. To accomplish this, FSC will be conducting a legal analysis.

#### **4. If the change of beneficial ownership is duly confirmed by the new owner, APP and Domtar, why is FSC deciding to conduct a legal review of relevant company connections to evaluate the implications of this new situation?**

FSC seeks to have a clear and complete picture of the corporate and ownership links between Domtar and APP. A legal review will help us decide what actions FSC will take to address the implications of this new situation.

#### **5. How long will this process take?**

This case was assigned a high-priority in FSC and we will pursue an accelerated timeline on this analysis.

**6. Can you share examples of "consistent" application of the consequences of ownership changes that FSC has done in the past?**

Recently, the RGE Group member Asia Pacific Resources International (APRIL) acquired majority ownership of the Vinda Group. RGE is disassociated from FSC. The Vinda Group maintained several FSC certifications at the time of acquisition by APRIL. FSC terminated the License Agreements for the FSC Certification Scheme as FSC determined the Vinda Group to be in the scope of disassociation. There are several such examples over the years, this is just one.

**7. What is the status of a second review of the corporate relations between APP and Paper Excellence / Domtar as announced in June 2024 to be conducted by commissioning an independent expert?**

FSC is putting this review on hold, as the corporate group relationship between Domtar and APP has changed and these two corporate groups now share the same beneficial ownership. Rather than reviewing allegations of corporate links between these two groups, FSC will now focus on a legal review to understand the shareholder and ownership connections between Domtar and APP.

**8. Does this decision imply any changes to the APP remedy process?**

We are also analyzing what consequences this ownership change creates to the ongoing remedy process by APP.

**Background on the remedy process of APP**

At the General Assembly in 2022, the FSC membership opened the door for organizations to remedy for past conversion and Policy for Association violations because we believe that healing is possible and encouraged, under conditions set by FSC for the benefit of sustainable forestry and, thus, the FSC Certification Scheme with its members and supporters. The FSC Remedy Framework, which became effective in August 2023, defines a verified approach to restoration of environmental values, recompense for social harm and an opportunity to heal.

FSC [disassociated](#) from Asia Pulp and Paper (APP) in October 2007. FSC and APP have been in dialogue since 2013 on how APP can address the environmental and social impacts of its conversion to again associate with FSC.

In early 2024, APP took steps to embark on a process to remedy the environmental and social harms stemming from its past conversion activities. In May 2024, APP and FSC signed a remedy framework agreement that initiated the implementation of APP's remedy process. For more information, refer to the APP remedy [case page](#).

For more information about the history of this case, [visit this page](#)