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Timer Manurung
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15-07-2020

Subject: FSC Response on request for clarification concerning Paper Excellence and its subsidiary mills and trading companies

Dear Timer Manurung,

Thank you for your letter dated October 24, 2019 regarding Paper Excellence and its corporate connection with the APP Group. We greatly appreciate Auriga's work in documenting and researching the complex corporate structures and relationships involving the Widjaya family and the Asia Pulp and Paper Group. We have studied the documents and the Notice of Listing by Green Fortune Capital Limited. According to our review and analysis of the documentation, there remains intact a corporate ownership division between the shareholdings of Paper Excellence and Asia Pulp and Paper, and thus we do not find the requisite 51% ownership under the Policy for Association.

Our analysis confirms that Jackson Widjaya controls over 51% of Paper Excellence and shows that he is involved with APP China through Ever Dragon Investments, which would qualify Paper Excellence as being indirectly involved with an indirectly involved organization. With this, we have found Jackson Widjaya positioned one degree removed from the disassociated group.

At this time FSC will not rescind certification of the listed Paper Excellence companies as we cannot show indirect involvement as per the FSC Policy for Association. The submitted information is nonetheless helpful and serves as a reminder of the complexity of corporate structures.

As you are aware, we have suspended discussions with APP for among other issues a lack of transparency in corporate structures. We encourage our stakeholders to continue submitting any relevant information on APP Group and any allegations of violations of the Policy for Association. FSC values the work of Auriga and partner organizations and looks forward to working together in the future for responsible forest management. Thank you again for your letter,



and if you would like to have a meeting to discuss the findings in more detail please let us know.

Kind Regards,

A handwritten signature in blue ink, appearing to read 'Kim Carstensen'.

Kim Carstensen
Managing Director