

## APP Additional Response to Peer Review Process of HCS Assessment in Riau Region Group 1

The following are additional response to the result of HCSA Peer Review of APP Companies Riau Group 1.

These will cover the following companies:

- PT Bukit Batu Hutani Alam
- PT Sekato Pratama Makmur
- PT Balai Kayang Mandiri
- PT Riau Mandau Lestari

1. HCS assessment in APP companies in Riau was conducted in 2014. It was part of the pilot project on HCS's early development approach, prior to the finalization of HCS Toolkit V1.0. In the absence of the toolkit, the assessment and analysis in 2014 were implemented using patch analysis decision tree with was also agreed by Greenpeace, Ata Marie, TFT (now Earthworm Foundation), and APP.
2. While the social-related steps might not be identical to what is expected from HCS Social Requirement in the current toolkit (HCS Toolkit V2.0), the company has since strengthened its implementation on social engagement. This process includes an annual FPIC being conducted prior to the implementation of the Company's Annual Operational Plan (Rencana Kerja Tahunan / RKT). In addition, APP also launched community-based initiatives to strengthen the HCS forest protection. Amongst the signature programs established with an aim to increase the community livelihood while preserving natural forests are Integrated Forestry & Farming System (Desa Makmur Peduli Api / DMPA) and Collaborative Conservation Management (CCM), the latter is in collaboration with the Earthworm Foundation (EF).
3. On peatland management, APP has committed to not develop areas designated as protected peatlands by the Government of Indonesia (GoI). In peatland areas where cultivation is permitted, including the area designated for community partnership program, APP commits to implement best practice peatland management to protect the peat ecological function.
4. To strengthen its zero-deforestation commitment, APP launched its Forest Conservation Policy in 2013. The commitment consists of 4 pillars; Protection of Natural Forest, Best Practice Peatland Management, Responsible Social Practices and Sustainable Global Supply Chain. To better monitor and protect its conservation area, APP partnered with [MDA](#), a satellite surveillance and intelligence provider, to provide monitoring and alerts through its Forest Alert Service. The result of the forest monitoring and further information on APP FCP commitment and implementation is accessible through [APP Sustainability Dashboard](#)