

TPL Response to Al Jazeera Article

A recent Al Jazeera story (Exposed: The links between Indonesia's deforestation and Xinjiang) made sweeping allegations regarding PT Toba Pulp Lestari Tbk's ("TPL")* exports into China and its operations in Indonesia. These allegations are incorrect, speculative and bereft of any factual basis or evidence.

TPL has not sold any DWP to Xinjiang. This is a serious, unacceptable inaccuracy in the story. We do not sell dissolving wood pulp to companies that do not comply with our sustainability policy and commitments, particularly the respect for human rights.

Contrary to the journalist's remarks, TPL did not provide any material for this article. TPL was not approached or offered any opportunity to give its side of the story in accordance with the principles of fair and balanced reporting. We could not have declined 'to share additional data about its DWP exports' for this article, nor could we have pointed to our 'publicly available financial report,' because we have not been requested by the journalist or publication to provide these.

TPL operates on legal, licenced concession areas and in accordance with all Indonesian relevant laws and regulations. We continue to be firmly committed to the implementation of our Sustainability Policy, which, among other commitments, requires that we respect the rights of local communities and indigenous peoples, in accordance with national and local laws and regulations, international best practice, and the principles of Free, Prior and Informed Consent (FPIC). Our Grievance Mechanism is publicly available and we actively address claims or allegations presented to us in a fair and transparent manner.

Stakeholders and media that are knowledgeable about Indonesia would acknowledge that overlapping land claims is not uncommon in the country and it affects all land-based sectors – forestry, agriculture, mining, etc. Cases could be between two or even multiple companies that have been granted overlapping concessions, and also between companies and communities, individuals and indigenous groups that have their respective bases for claiming rights to the land.

The case of the Pargamanan Bintang Maria (PBM) community in Parlilitan district, Humbang Hasundutan regency, in North Sumatra – referenced at the beginning of your story – would be a good illustration of this if it were more accurately reported. TPL has been engaged with the PBM community since 2016 from when the community representatives filed a claim with the Indonesian Ministry of Environment and Forestry

* TPL operates based on Surat Keputusan Menteri Kehutanan RI No. 493/Kpts-II/92 dated 1 June 1992 on the right to manage and operate a industrial plantation (Hutan Tanaman Industri (HPHTI)), with several amendments and the latest was Surat Keputusan Menteri Lingkungan Hidup & Kehutanan RI Nomor SK.1487/Menlhk/Setjen/HPL.0/12/2021.

(MoEF). In May 2018, the PKTHA (Directorate of Land Tenure Conflict Resolution & Indigenous Forest) – a government agency under the MoEF that mediates on land claims – reviewed the claim and ruled that the area was in fact classified as a State Forest located in TPL’s concession. Despite this ruling, TPL as part of its community development program entered into a partnership with the community to support livelihood development and other needs, and this has been ongoing successfully for three years now.

For Al Jazeera’s further information, in 2021, the Indonesian government formed an independent team comprising experts and NGOs, including KSPPM and AMAN, to verify the land claims in TPL’s concessions. The government concluded that there were 10 community claims overlapping with TPL’s licensed area and instructed TPL to proactively work with the community groups to resolve these claims. This has resulted in a partnership program called the Forest Farmers Group, with all 10 claims amicably resolved.

We have always encouraged stakeholders to engage in a dialogue as only participatory process could enable a fair review of relevant evidences, such as maps and other documents, by the affected communities and other interested groups. TPL has demonstrated willingness to abide by the results of any valid land claim process, including the excision of land, provided that the process is managed in a fair, proper, and legal manner, in line with Government regulations.

As part of continuous improvement, we have recently engaged a third-party organization, Earthworm Foundation, to assess TPL’s current systems, processes and practices related to social engagement and conflict management and recommend actions to improve these. As a demonstration of transparency, updates on this engagement have been published by Earthworm and are available on these links:

<https://www.earthworm.org/pages/statement-toba-pulp-lestari-tp>

<https://www.earthworm.org/pages/statement-on-earthworms-engagement-with-toba-pulp-lestari-december-2022>

<https://www.earthworm.org/pages/statement-on-ksppm-press-release>

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PT Toba Pulp Lestari Tbk

Board of Director