

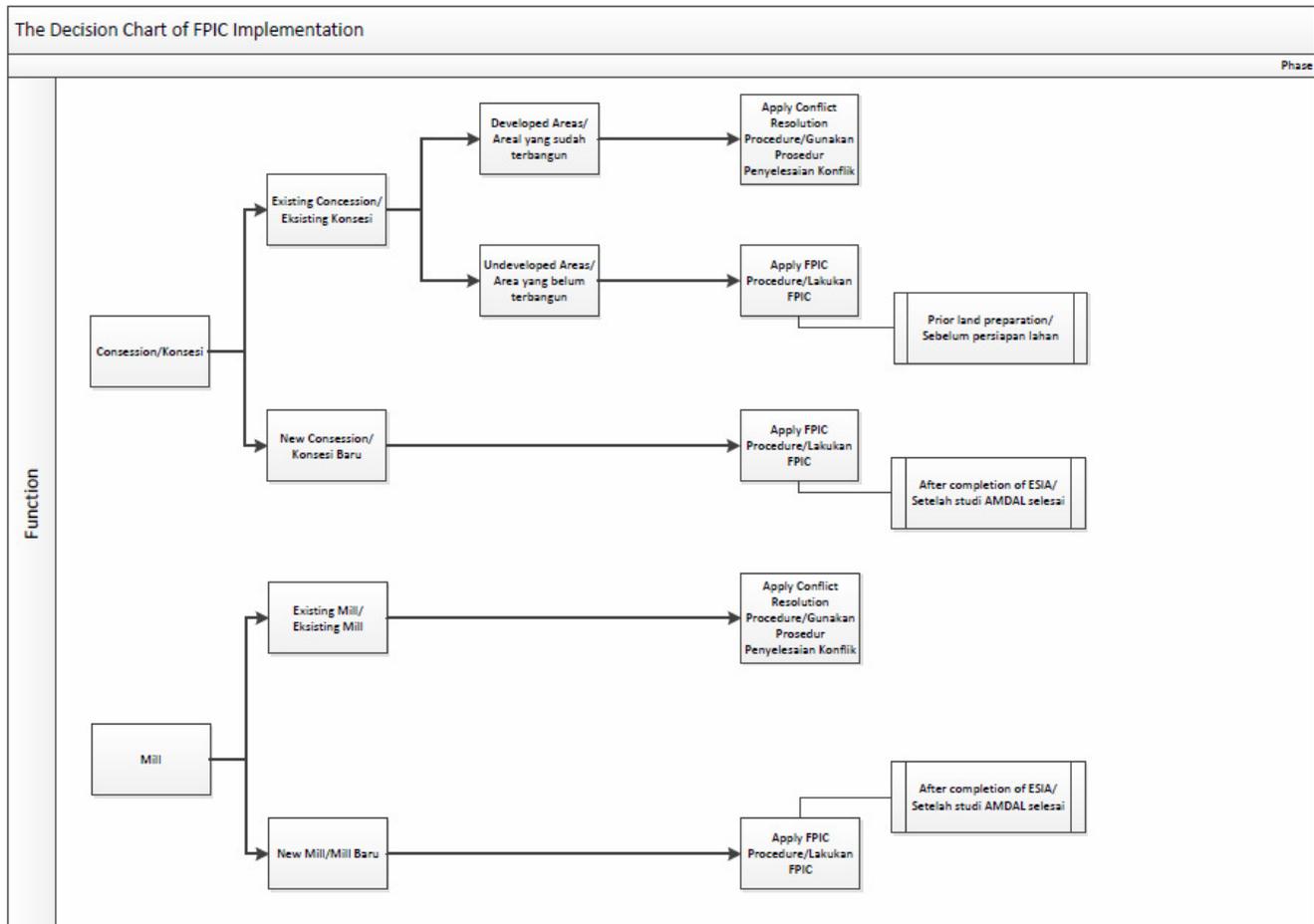
### FPIC Process Flow.

Free Prior Informed Consent (FPIC) is a decision-making process without pressure and intimidation (free), which is performed before the activity that affects the community is undertaken (prior), with the possession of full and accurate knowledge about the activity and its impact on the community (informed), so that the community can either provide or withhold its permission over the activity (consent).

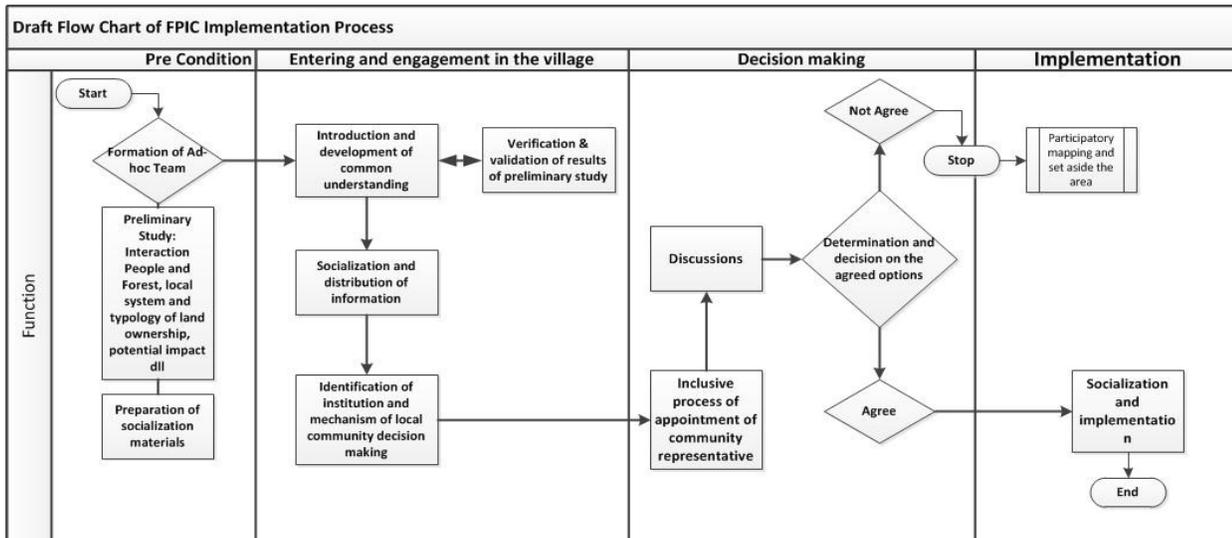
APP has committed in its Forest Conservation Policy to respect the rights of communities including their rights with respect to their customary land and/or forest area.

Procedures and trainings have been developed for our and our timber suppliers' staff to ensure that FPIC is properly implemented in advance of:

- New plantation forest development areas within the existing concessions
- New plantation forest development in new concessions/licenses
- New mill development



The following diagram illustrates the process flow for the implementation of FPIC within our operation and that of our supply chain. In already developed plantation forest area, if there is any dispute, it will be managed through our conflict resolution procedures.



#### Key steps in FPIC implementation:

- Conduct a preliminary study based on secondary data to identify the presence or absence of land-rights claims that have been traditionally recognized, indigenous/local community who lives in the area, forest resource/land use by indigenous/local community that may be affected by the activities of the company, and possible impacts of the activity on cultural sites.
- Prepare materials for engagement/discussion with the community that includes: the nature of the project, the affected local area, the impacts on social, economic and cultural rights that may arise, the potential risks and the benefits of such activities, etc.
- Identify and map the social groups within the community/village to ensure that the community/village representatives (e.g. formal or informal village leaders) who will be contacted for engagement/discussion can fully and fairly represent the people in that community/village.
- Providing the opportunity for the community to receive assistance from a third party of their own choice for discussion/engagement with the company if they choose to do so.
- Providing sufficient time and opportunity for the community's representatives to think and communicate amongst themselves before making decision on the company's proposed activities.
- Promoting the principles of mutual respect and no violence/intimidation during discussion/engagement.