



**Beyond
Commitments**

TABLE OF CONTENTS

02 **PRESIDENT'S MESSAGE**

04 **ABOUT THIS REPORT**

06 **ABOUT APRIL**

10 **GOVERNANCE**

- Sustainability Governance
- Adoption of Sustainable Development Goals
- Stakeholder Engagement and Materiality

24 **ENVIRONMENT**

- Sustainable Forest Management
- Responsible Fiber Sourcing
- Conservation and Restoration
- Responsible Manufacturing

60 **SOCIAL**

- Supporting Local Livelihoods and Society
- Developing Our People

72 **GRI CONTENT INDEX**

77 **GLOSSARY**

80 **KPMG ASSURANCE STATEMENT**

84 **APPENDICES**

- Appendix 1 - SDG Impact Pathway
- Appendix 2 - Selected SDG targets for Impact Measurement
- Appendix 3 - Certifications



“
Good business is about
what is good for the
community, country,
climate, customer and
company - only then will
it be sustainable.

Sukanto Tanoto,
founder of APRIL Group

PRESIDENT'S MESSAGE



We are acutely aware that the attention of the world and the corporate sector is now squarely on what can be achieved over the next decade through to 2030.

As I write this year's foreword, business-as-usual in 2019 seems like a distant memory for many of us, with the attention of the global community now rightly on the worldwide efforts to fight the COVID-19 pandemic and the very severe economic impacts that accompany it.

These new challenges have served to reaffirm APRIL's resolve to invest in nature and science-led progress to create a lower carbon economy, thriving landscapes, inclusive progress for people, and sustainable growth for our business.

If anything good can come of the current situation, we hope that it may encourage a renewed collaborative effort across all facets of society to tackle some of the world's enduring challenges and that trust in science-led approaches will rise to the top of global consciousness. The need to achieve both environmental protection and sustainable development in parallel has never been stronger. Real world, science-based solutions that achieve both will be more important in achieving progress than focus on the past.

With this in mind, 2019 was a year of solid progress, once again adhering to our Sustainable Forest Management Policy 2.0 commitments, advancing the science and understanding of tropical peatland landscapes, and ensuring the company's investments and actions directly tie to the United Nations Sustainable Development Goals (SDGs).

During the year we completed a process with PwC that identified seven priority SDGs where APRIL can have the greatest impact in Riau Province, Indonesia, home to our operations. These consist of three core goals and four catalytic goals where the company believes it can make the most difference.

The outcomes of our SDG alignment process and the components of our sustainable production-protection model were presented at the 2019 United Nations Climate Change Conference, or COP25, in Madrid, and to the wider Indonesian business community at the Indonesian Chamber of Commerce and Industry.

It was also highlighted through our associations with the Tropical Forest Alliance, United Nations Global Compact, World Business Council for Sustainable Development and other bodies and by participating in discussions at the Sustainable Landscapes and Commodities Innovation Forum in London.

I am pleased to report that APRIL's commitment to sustainable business, transparency and the SDGs was also recognised at the 2019 Sustainable Business Awards Indonesia where we received several awards and were declared Overall Winner.

During the year, we worked hard to increase the scientific understanding of our operations and its impacts to inform our approach to sustainable business for the next decade.

Our own R&D teams were busy during the year, completing important research programs on tree improvement, fiber technology, plantation management, soil science and plant health.

Research that will help to reduce the global knowledge gap in three critical areas of tropical peatland science - the net flux of greenhouse gases, water-table management and subsidence - was also advanced during the year.

In March 2019, the Independent Peat Expert Working Group (IPEWG), comprising Indonesian, British and Finnish scientists, and APRIL's own peatland science team, published a paper analysing the first ten years of measurements on land subsidence drawn from APRIL's network of measurement tools. This provided new insights into the effects of plantation forestry management on tropical peat subsidence.

APRIL is also now more than three years in to researching the exchange of greenhouse gases in natural, plantation and mixed use peatland. This involves measuring the exchange of carbon dioxide and methane and the data is collected using 50 metre-high flux towers, with a fourth flux tower installed on mineral soil plantation in 2019. A peer-review study into methane (CH₄) emissions was published in 2019, with a report into carbon emissions planned for 2022.

This, and the work to map our overall carbon footprint, will be fundamental in the development and implementation of strategies to reduce overall emissions over the next decade.

At APRIL, we have long understood that environmental sustainability must go hand-in-hand with contributing to Indonesia's overall development agenda.

In December 2019, a study by the Social and Economic Research Institution of Indonesia University's Economic and Business School (LPEM FEB UI) revealed that APRIL's nominal contribution to national GDP over the past 20 years doubled to Rp40.64 trillion in 2018 and the company also helped create 89,646 new job opportunities a year on average.

At local community level, 2019 saw us complete social infrastructure projects, fund secondary school scholarships and contribute to better health outcomes, with an estimated 190,823 people having been treated over the last two decades.

We also contributed to the viability and success of small and medium sized enterprises and to the local farming community through the provision of equipment and sustainable farming skills.

While 2019 was a busy and productive year in relation to sustainability and supporting Indonesia's development agenda, we are acutely aware that the attention of the world and the corporate sector is now squarely on what can be achieved over the next decade through to 2030.

In 2019, we embarked on shaping our next level of commitments and targets to contribute to the achievement of global climate and development goals. We look forward to sharing the substance of these in 2020 as we strive to go beyond our commitments to make a lasting contribution to a sustainable future for all by 2030.



Praveen Singhavi
President, APRIL Group

ABOUT THIS REPORT

APRIL Group's 2019 Sustainability Report is the eleventh that the company has published since 2002 and its third yearly report since 2017.

The change from bi-annual to annual reporting reflects the company's commitment to the continued improvement of the monitoring, reporting and verification of its sustainability programs and commitments. APRIL's 2018 Sustainability Report was published on July 10, 2019. Previous Sustainability Reports are archived at www.aprilasia.com.

Scope

The 2019 Sustainability Report covers the sustainability performance of the 11 entities that comprise APRIL Group, as well as fiber supply partners who have long-term agreements with APRIL.

APRIL Group Companies

PT Riau Andalan Pulp & Paper (PT RAPP)
PT Sinar Mutiara Nusantara
PT The Best One Unitimber
PT Gemilang Cipta Nusantara
PT APRIL Management Indonesia
PT Anugerah Kertas Utama
PT Riau Andalan Kertas
PT Riau Prima Energi
PT Indokarya Bangun Bersama
PT Intiguna Primatama
PT Asia Prima Kimiaraya

In a number of cases, reported data also includes that sourced from fiber suppliers' operations in Indonesia and Malaysia. This is indicated throughout the report. Fiber suppliers include 'supply partners' and 'open market suppliers.'

'Supply partners' are long-term fiber supply partners and contribute to the company's 1-for-1 commitment, where it has pledged to conserve or restore one hectare of forest for every hectare of plantation. 'Open market suppliers' are fiber suppliers that do not contribute to this commitment and are contracted for open-market supply. Details of APRIL's fiber suppliers are published on its Sustainability Dashboard.

The report covers the company and its fiber suppliers' operations and practices between 1 January 2019 and 31 December 2019, with a focus on areas of material interest to stakeholders and performance against its sustainability commitments.

Reporting Framework

This report has been prepared in accordance with the GRI Standards: Core option and focuses on topics defined by a materiality assessment carried out in consultation with stakeholders.

Assurance

APRIL engaged KPMG LLP to provide limited assurance over information included in this report. The information to be assured was selected based on a materiality assessment carried out by APRIL.

A separate assurance engagement (SFMP 2.0 Assurance Report) will be completed for APRIL's Stakeholder Advisory Committee on APRIL's implementation of its Sustainable Forest Management Policy 2.0 once the field access restrictions associated with the COVID-19 pandemic have been lifted. This engagement has historically been undertaken prior to the publication of APRIL's Sustainability Report but was delayed in 2020 due to the pandemic.

The pandemic-related field access restrictions also resulted in KPMG not being able to provide assurance over three of the eight indicators in this report that they were engaged to provide assurance over, as further described in KPMG's assurance report on Page 80.

Once field access is restored, KPMG will be able to complete its work on the three indicators in this Sustainability Report over which assurance has not yet been provided as well as a number of additional indicators in this report. KPMG's findings will be reported in its separate SFMP 2.0 assurance report for the Stakeholder Advisory Committee which will be published on APRIL's sustainability portal.

Contact

If you have questions regarding this report, please contact sustainability@aprilasia.com

ABOUT APRIL



APRIL is a leading producer of fiber, pulp and paper, with plantations and manufacturing operations in Riau Province, Sumatra, Indonesia.

The company is a business group under Singapore-headquartered global resources company, Royal Golden Eagle (RGE). Royal Golden Eagle is an integrated, resource-based industrial group with commercial interests in pulp and paper, viscose fibre, palm oil, and clean energy.

Headquartered in Singapore with offices in Jakarta, APRIL operates an integrated pulp and paper mill in Pangkalan Kerinci, Riau Province, Sumatra. The mill is capable of producing 2.8 million tons of Kraft and dissolving pulp and 1.15 million tons of paper per year. The Company's products are exported to more than 70 countries around the world.

Fiber for its pulp and paper mill is derived from 448,639 hectares of plantation maintained by PT Riau Andalan Pulp and Paper (PT RAPP), the operating arm of APRIL, as well as supply partners and community fiber plantations. APRIL's plantations grow acacia and eucalyptus species. APRIL and its supply partners are responsible for approximately 75% of the mill's fiber input, with the remaining coming from open market supply sources in Sumatra and Kalimantan in Indonesia and in Malaysia.

As at December 2019, APRIL and its supply partners protect and manage 365,733 hectares of conservation and restoration forest. This includes 150,693 hectares of peat forest located on Sumatra's Kampar Peninsula and neighboring Padang Island, where the company leads an ecosystem restoration program. This means that APRIL has met 82% of its 1-for-1 commitment, where the company has pledged to conserve or protect one hectare for every hectare of plantation.

Sustainability Commitments

APRIL established its Sustainable Forest Management Policy (SFMP) 2.0 in 2015 to provide a policy framework to guide the implementation of its sustainable forest management practices. The policy includes commitments by APRIL and its fiber suppliers to no deforestation and no new development on peatland, to only develop areas that are not forested as identified through High Conservation Value (HCV) and High Carbon Stock (HCS) assessments, and to halt all harvesting of mixed hardwood (MHW) by 31 December 2015, among other commitments.

The policy applies to APRIL and current and future fiber suppliers, as well as any future acquisitions or partnerships.

In 2018, the independent Stakeholder Advisory Committee (SAC), which oversees SFMP 2.0 implementation, endorsed the addition of four new components to the SFMP 2.0. The SFMP Addenda include commitments covering chemical use, management of invasive species, genetically modified organisms or GMOs and species protection.

These additions followed the consideration of feedback from stakeholders, internal audits of APRIL's implementation of its SFMP 2.0 commitments and sustainable forest management practices.

Ethics and Integrity

APRIL upholds the RGE Code of Conduct (the Code) which sets standards of corporate governance and business ethics across its group of companies. These guidelines include provisions

APRIL established its Sustainable Forest Management Policy (SFMP) 2.0 in 2015,
a policy framework to guide the implementation of its sustainable forest management practices.

APRIL upholds the RGE Code of Conduct (the Code)
which sets standards of corporate governance and business ethics across its group of companies.

for fair and nondiscriminatory engagement with stakeholders, avoidance of conflicts of interest and intolerance of corrupt practices, and mechanisms for employees to raise grievances.

The Code is based on RGE's Core Values, known as T.O.P.I.C.C. (Team, Ownership, People, Integrity, Customer, and Continuous Improvement) and reflects the company's commitment to be ethical and professional in its business practices and to meet or exceed applicable legal requirements.

The Code was established in 2017 and applies to all APRIL employees and contractors who are each required to sign a statement of compliance. The development, review and improvement of the Code fall under the responsibility of the Head of Human Capital at RGE with inputs and support from APRIL's Human Resources team.

2019 Highlights

1-for-1 goal

Conservation and Restoration vs. Plantation area: **82%**



Pangkalan Kerinci, Riau

PLANTATIONS

448,639
hectares

CONSERVATION & RESTORATION

365,733
hectares

COMMUNITY FIBER PLANTATIONS

8,241
hectares

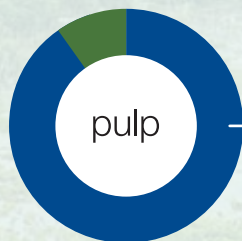
LIVELIHOOD PLANTATIONS

27,064
hectares



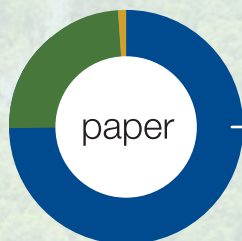
Markets served

APRIL's products are produced in Indonesia and exported to more than 70 countries worldwide



90% Asia Pacific

10% Europe, Middle East, Africa



75% Asia Pacific

24% Europe, Middle East, Africa
1% North America

**2019
production**



PULP
2,596,281 tonnes

PAPER
1,038,863 tonnes

Employment at APRIL and suppliers

EMPLOYEES

8,397

CONTRACTORS

27,565

A photograph of a middle-aged man with a goatee, smiling broadly as he works in a lush green field. He is wearing a high-visibility orange and black polo shirt with reflective white stripes. The background is filled with vibrant green foliage, including palm leaves and other tropical plants, suggesting a plantation or agricultural setting. The lighting is bright and natural, highlighting the man's features and the surrounding vegetation.

GOVERNANCE

A photograph of a person's hand reaching out to touch a coffee plant in a lush green field. The background is filled with dense foliage and sunlight filtering through the leaves, creating a bright and natural atmosphere.

Sections

12 Sustainability Governance

14 Adoption of the Sustainable
Development Goals

16 Stakeholder Engagement and Materiality

SUSTAINABILITY GOVERNANCE

A board of directors oversees the affairs of APRIL and its constituent entities. It is committed to ensuring that high standards of corporate governance are practiced across APRIL's business and operations activities.

Leadership

APRIL Group has clear and well-developed governance processes. It upholds strict corporate governance and ethical business standards by which all employees are contractually bound to abide. These standards include provisions for fair and non-discriminatory engagement with stakeholders, avoidance of conflict of interest and intolerance of corrupt practices.

The principal function of the Board is to oversee the business affairs of APRIL to protect and enhance shareholder value. It reviews and determines overall company strategy and business direction, sustainability, financial objectives, control and performance, risk management and issues of resource allocation.

The Board includes the chairman president, chairman, board chair, directors and board-level committee members. The Board delegates certain functions to Executive Management Committees to facilitate decision making and efficiency. The formation of these committees is dictated by business imperatives and they address specific matters such as strategic direction, performance reviews, market updates, risk management and organizational development.

The Executive Management Committee consists of the President, President Director, Director of Sustainability & External Affairs, Chief Operations Officer, and Fiber Director:

- Praveen Singhavi - President, APRIL Group
- Sihol Aritonang - President Director, PT Riau Andalan Pulp and Paper
- Lucita Jasmin - Director of Sustainability and External Affairs, APRIL Group
- Eduward Ginting - Chief Operations Officer, PT Riau Andalan Pulp and Paper
- Mark Werren - Fiber Director, APRIL Group

The Executive Management Committee oversees the implementation of the company's Enterprise Risk Management (ERM) policy, through which

effective principles of risk management are integrated into the culture and strategic decision making of the business, in line with industry best practices. By adopting a precautionary approach to risk management across its operations, APRIL ensures that management and staff understand the need to identify, assess, prioritise and manage risk and loss prevention.

Independent Advisors

Stakeholder Advisory Committee



Members of the Stakeholder Advisory Committee at the 16th SAC meeting in Jakarta in July 2019.

APRIL's SFMP 2.0 policy commitments and its sustainability programs are overseen by a Stakeholder Advisory Committee (SAC) that regularly reviews the policy's implementation, as well as commissioning regular, independent, published assurance reports of APRIL's performance against its policy commitments.

As part of its verification and monitoring role, the SAC selects an independent assurance provider to review and report on APRIL Group's progress towards the achievement of its policy commitments. The current assurance provider is KPMG Performance Registrar Inc (PRI). This independent assurance function forms part of APRIL's commitment to stakeholder transparency.

The SAC holds regular meetings and hosts stakeholder forums to gather input on the independent assurance process and SFMP progress.

The SAC met three times during 2019 and has made 197 recommendations to date relating to SFMP 2.0 implementation.

Independent Peat Expert Working Group

An important inclusion in SFMP 2.0 was the establishment of an Independent Peat Expert Working Group (IPEWG) to provide science-based recommendations on the development of its responsible peatland management strategy.

The IPEWG first met in 2016 and consists of six peatland scientists from the United Kingdom, Finland and Indonesia. To guide its work, the IPEWG developed a Peatland Roadmap that has three components. Recommendations made by the IPEWG have been included in the Peatland Roadmap, which have in turn been incorporated into the company's annual work plan.

The IPEWG, which also met three times in 2019, plays an important role as an advisor to the company's science and research professionals working to advance tropical peatland science, providing research guidance and review.

Restorasi Ekosistem Riau Advisory Board

Established by APRIL in 2013, Restorasi Ekosistem Riau (RER) is a collaborative project that brings together private and public sector groups to restore and conserve ecologically important peat forest areas on Indonesia's Kampar Peninsula and neighboring Padang Island. The RER Advisory Board was established in 2015 and includes Indonesian and international third-party experts who provide guidance to the RER operational team.

The RER Advisory Board held its eighth meeting in Jakarta in November 2019 receiving progress reports on operational works and community engagement and collaboration. RER partners also provided updates on species conservation and community development, respectively.

ADOPTION OF THE SUSTAINABLE DEVELOPMENT GOALS

In 2019, APRIL continued its engagement with PwC Singapore to assess the impact of its operations using the United Nations Sustainable Development Goals (SDGs) as a framework.

The assessment showed that the outputs and outcomes of APRIL's activities have a direct impact on 41 SDG targets across 15 goals.

The SDGs provide APRIL with an essential framework to align its commitments and strategies to a global development agenda, while also helping the company to strategically focus its resources and programs where the need is greatest. On a practical, operational level, the initiative helps APRIL to connect its strategies and contributions to global and national priorities and translate these to action and benefits on the ground, supporting the achievement of the SDGs in Indonesia across all levels of society.

APRIL initially engaged PwC Singapore in 2018 to support APRIL with measuring the impacts deriving from its business activities on the SDGs. Based on extensive research and an in-depth review of existing data by PwC, which focused on APRIL's activities, peer benchmarking, national and provincial data and literature, seven priority SDGs were identified: three core goals with direct alignment with APRIL's operations, and four catalytic goals where the company believes it can also make a positive impact.

This informed a second phase of activity involving a scoping study to inform the selection of targets for a subsequent impact measurement and quantification process. Through rounds of interviews with key internal and external stakeholders, this phase identified and validated the types of impact attributable to APRIL's operation and initiatives, the reach of impact, as well as whether the impacts were perceived as positive or negative.

The resulting information was used to map out APRIL's activities at program or project-level, the outputs and outcomes over the short, medium and long term, and to eventually determine the direct impacts on specific SDG targets. The mapping exercise was assisted by PwC and validated with APRIL-produced impact pathway maps for APRIL's main operations, environmental initiatives and community initiatives.

These pathways show the causal relationship between APRIL's activities and its impact across stakeholders including employees, communities and the environment, and its contribution to the achievement of the SDGs. Through this process, it emerged that the outputs and outcomes of

APRIL's activities can be expected to have an impact on 41 SDG targets across 15 goals.

These Impact Pathway Frameworks will help APRIL to continuously monitor and evaluate metrics across its operations and to determine the resulting impacts on the SDGs. Based on this process, APRIL has selected eight SDG targets for a pilot phase of impact quantification, which is scheduled to be completed by the end of 2020.

Further details on the individual Impact Pathway Frameworks for the three main categories and on the selected eight targets are available in Appendix 1. APRIL's alignment with the Goals is also illustrated in the section headings on pages 25 and 61.

SUSTAINABLE DEVELOPMENT GOALS



This graph illustrates the Impact Pathway Framework which covers three main categories (inner layer) comprising a number of APRIL's activities (outer layer). The outputs and outcomes of these activities can be expected to have impacts across 15 goals and 41 targets. The details of the pathway frameworks and the respective 41 targets are available in the Appendix.

STAKEHOLDER ENGAGEMENT AND MATERIALITY

Engagement with a broad range of stakeholders is essential to the continued implementation of **SFMP 2.0** and the evolution of **APRIL's** sustainability vision.

Approach

It helps to build strong and effective relationships and collaborative partnerships in the communities where the company operates, as well as building and maintaining trust with a diverse group of stakeholders, including NGOs




Stakeholder engagement teams at each of APRIL's offices ensure that stakeholders have an open channel to share feedback and suggestions. When concerns are raised, stakeholder engagement teams engage directly, responding either in person or in writing. Stakeholders can also raise issues through the company's Grievance Resolution Mechanism system.




Stakeholder engagement activities include bilateral meetings, visits to APRIL's operations in Kerinci, scheduled meetings with independent advisory boards and participation in global forums and events. APRIL cooperates closely with a number of NGOs on initiatives, including partnerships with Fauna & Flora International and social NGO BIDARA on the management of the flagship ecosystem restoration program, Restorasi Ekosistem Riau (RER).





APRIL is also an active member of several international organisations focused on sustainable development, including the Tropical Forest Alliance, United Nations Global Compact (Indonesia and Singapore), World Business Council on Sustainable Development, amongst others.

Online communications platforms help to raise awareness among stakeholders of programs and initiatives that support APRIL's sustainability agenda. These include APRIL's corporate website, a Sustainability Dashboard, a company sustainability news and perspectives forum called APRILDialog.com, as well as pages on digital media platforms including LinkedIn, Twitter and Facebook.

Engagement with stakeholder groups

Stakeholder Group	Objective	Engagement Approach	Key Issues Raised	Actions
 Industry associations	Share best practices Explore opportunities for collaboration	Executive committee meetings Multi-stakeholder forums and events Direct engagement and one-to-one meetings Sustainability Dashboard	Alignment with SDGs Status of sustainability commitments	Speaking opportunities at conferences Bilateral meetings Shared updates on SDG programs
 Customers	Communicate updates on sustainability commitments Understand customer perspective on ESG issues	Industry groups Presentations and meetings Field visits APRIL website Sustainability Report Social media Sustainability Dashboard	Status of sustainability commitments	Bilateral meetings Q&A responses
 Communities	Understand community concerns Maintain levels of engagement and partnership	Community development programs Grievance mechanism Consultation with community leaders Outreach programs to support fire prevention Community forestry schemes Multi-stakeholder forums Direct dialogues Sustainability Dashboard	Company support for community programs Updates on sustainability commitments Specific requirements (e.g.: support for infrastructure)	Community gatherings Operational support (e.g.: infrastructure) Expansion of partnerships Updates on issues of concern

Stakeholder Group	Objective	Engagement Approach	Key Issues Raised	Actions
Employees 	Maintain employee morale and performance Provide updates on company policies	Annual appraisals Townhall meetings Internal campaigns Trade union meetings APRIL website Social media and digital signage Celebration of major festivals HR training Materiality assessment Sustainability Dashboard	Training programs Updates on operational developments	Updates provided through meetings with managers or through employee communication materials (e.g.: newsletter)
Local & National Government 	Maintain compliance with government policies and regulations Communicate updates on company policies	One-to-one meetings Field visits to Pangkalan Kerinci complex Multi-stakeholder forums and events APRIL website Sustainability Report Sustainability Dashboard	Alignment with regulatory infrastructure	Updates via bilateral meetings with Ministry of Environment and Forestry and provincial authorities
Media 	Clarify scope and scale of APRIL's operations Provide updates on specific areas of operations	1:1 briefings Site visits Group meetings	Fire management Supplier compliance Impact of proposed site development of new capital Land tenure	Briefings with leaders/subject matter experts Written responses to questions

Stakeholder Group	Objective	Engagement Approach	Key Issues Raised	Actions
 NGOs	<p>Communicate updates on sustainability commitments</p> <p>Explore opportunities for collaboration</p>	<p>Multi-stakeholder forums and events</p> <p>Direct engagement and dialogue</p> <p>APRIL website</p> <p>Sustainability Dashboard</p> <p>Sustainability Report</p>	<p>Fire management</p> <p>Land claims</p> <p>Supplier compliance</p> <p>Legacy issues</p>	<p>Written responses to questions</p> <p>Bilateral meetings</p>
 Research institutions and academia	<p>Communicate updates on science and research projects (e.g.: on peatland)</p>	<p>Field visits</p> <p>Direct engagement and one-to-one meetings</p> <p>Multi-stakeholder events and forums</p> <p>Sustainability Dashboard</p>	<p>Status of sustainability commitments</p> <p>Updates on research</p>	<p>Invitations for field visits</p> <p>Bilateral and multilateral meetings</p> <p>Speaker platforms</p>
 Business partners	<p>Address queries on company performance and responsible practice</p> <p>Communicate company policies</p>	<p>One-to-one communications</p> <p>Field visits</p> <p>APRIL website</p> <p>APRIL Sustainability Report</p> <p>Materiality assessment</p> <p>Sustainability Dashboard</p>	<p>Status of sustainability commitments</p> <p>Historical issues</p>	<p>Formal Q&A responses</p> <p>Bilateral engagement</p>
 Suppliers	<p>Ensure compliance with SFMP 2.0</p> <p>Support capacity development</p>	<p>Annual supplier visit to APRIL operational site</p> <p>Annual visits to operation sites by APRIL's Sustainability team</p> <p>Trainings and focus group discussions</p> <p>Regular one-to-one communications</p>	<p>Updates on SOPs and sustainability commitments</p>	<p>Visits to Pangkalan Kerinci complex</p> <p>Onsite engagement</p>

Engagement highlights

Innovation Forum



In October 2019, Lucita Jasmin, APRIL's Director of Sustainability and External Affairs, spoke at the Innovation Forum's Sustainable Landscapes and Commodities Forum in London, addressing more than 350 international sustainability professionals, conservation experts and NGO leaders. Her remarks focused on the effectiveness of APRIL's production-protection model as a way to protect conservation forest and advance forest restoration in an Indonesian context. Her remarks were part of a wider discussion on the need for collaboration across public and private sectors to address land use and social and environmental issues in Indonesia and elsewhere.

"Our production-protection model recognises that development and sustainability must be seen as two sides of the same coin, particularly in a developing economy context such as in Indonesia. Apart from the economic contribution at local and national levels, production supports conservation and restoration by providing financial resources and technical and operational capacity," she said.

Sustainable Business Awards



APRIL's commitment to sustainable business, transparency and the United Nations Sustainable Development Goals (SDGs) was recognised at the 2019 Sustainable Business Awards Indonesia where it received several awards and declared the Overall Winner. The company received awards for Best in Strategy and Sustainability Management, Best Stakeholder Engagement and Materiality, Best in UN SDGs, as well as a special award for its contribution to UN SDG 4 - Quality Education.

At a ceremony at the Westin Hotel in Jakarta, Lucita Jasmin, Director of Sustainability and External Affairs, APRIL Group and Ibrahim Hasan, President Commissioner, PT Riau Andalan Pulp and Paper, the operating arm of APRIL Group, accepted the awards from the Minister of National Development Planning, His Excellency Dr. (HC) Ir. H. Suharso Monoarfa.

List of Associations

International

- UN Global Compact
- World Economic Forum
- World Business Council for Sustainable Development
- Tropical Forest Alliance 2020
- Programme for the Endorsement of Forest Certification

National/Regional

- UN Global Compact Network (Singapore)
- Indonesia Forestry Certification Cooperation
- Indonesia Peatland Society
- Indonesia Global Compact Network
- Indonesia Business Council for Sustainable Development
- International Peatland Research Alliance
- Fire Free Alliance
- Kamar Dagang Indonesia (KADIN)
- Asosiasi Pengusaha Hutan Indonesia (APHI)
- Asosiasi Pulp dan Kertas Indonesia (APKI)

Materiality Assessment

APRIL's materiality assessment was specifically designed to identify and prioritize the topics perceived as material by the company's stakeholders. As there were no significant changes to the company and its supply chain in 2019, the materiality assessment outputs from 2018 were adopted as a start point. A subsequent four stage process resulted in an updated materiality assessment that includes the addition of new material topics and the reorganization of others to reflect the external factors considered important by stakeholders and the company. The assessment resulted in a list of material topics that helped define the content of Sustainability Report, in particular, and the company's wider sustainability strategy.

Stage 1: Identification

The following activities were completed at the end of 2018 to identify material issues and insights raised by external and internal stakeholders:

- Review of meeting reports from various forums with local community and village heads and stakeholder forums at provincial and national level
- Review of grievance mechanism
- Analysis of requirements from customers and investors
- Collation of insights from advisory boards
- Review of global standards related to sustainable forest management

This resulted in a preliminary list of topics that would be further assessed by a group of stakeholders.

Stage 2: Ranking

An online survey was sent out to more than 70 external and internal stakeholders. Applying a five-point rating scale, stakeholders were asked to rank the preliminary topics according to their impact and influence.

- Whether the topics have significant impact on the economy, the environment, and/or society, where the term 'impact' can refer to positive, negative, actual, potential, direct, indirect, short-term, long-term, intended, or unintended impacts.
- Whether the topics significantly influence their views about APRIL.

Stakeholders were also invited to add topics that they considered as material but not yet included in the survey. This process was completed in January 2019 and supported the initial prioritization of material topics.

Stage 3: Calibration

A list of issues raised by stakeholders from previous stages was calibrated using all feedback the company's received through its various stakeholder engagements during 2019. This resulted in the addition, regrouping and refocusing of several material topics. New material topics were also identified.

Stage 4: Validation

The materiality assessment process and the calibrated list of material topics were reviewed by APRIL management. This process determined that there were eight topics deemed material by stakeholders that they considered to generate positive or negative impacts on the environment, social and economy, and significantly influence stakeholders' perceptions of the company. The material topics are presented in the following graphic.

Material Topics	Rationale for Materiality
Sustainable management of forestry plantations	<ul style="list-style-type: none"> • Plantations are at the centre of APRIL's business as the source of fiber. Research and development, sustainable forestry management, and plantation productivity and protection are essential to ensuring a sustainable fiber supply. • Forests create environmental, economic and social benefits for local communities and society generally. Similarly, activities that take place on plantations will have an environmental, social and economic impact on these communities.
Biodiversity and ecosystem management	<ul style="list-style-type: none"> • APRIL must uphold its responsibility to manage its licensed concessions areas according to national laws and regulations, including the need to set aside areas for conservation. • A percentage of APRIL's plantations reside on peatland. These areas require effective and sustainable science-based management, conservation and restoration programs. • Parts of APRIL's licensed concession areas are of high conservation value, including significant concentrations of biodiversity, natural habitats and ecosystem services. It is therefore critical that an integrated landscape approach to forest conservation, restoration and protection is in place.

Material Topics	Rationale for Materiality
Responsible wood sourcing	<ul style="list-style-type: none"> • APRIL sources from fiber suppliers, including long-term supply partners and open market suppliers. • APRIL is committed to ensuring that its fiber suppliers implement its sustainable forest management policies and comply with prevailing Indonesian regulations and international standards.
Resource efficiency	<ul style="list-style-type: none"> • APRIL aspires to continuously optimise the productivity of its manufacturing operations, ensuring resource efficiency and minimizing impacts to the environment and wider society.
Empowerment of local communities and supporting livelihoods	<ul style="list-style-type: none"> • As a business enterprise, APRIL has a social responsibility to support the well-being of the community surrounding its operational areas as well as to the larger society through community development and empowerment programs. • It is the responsibility of a business enterprise to respect the rights of people, where free, prior and informed consent (FPIC) principle is one of the means to implement such responsibility.
Responsible practices at the workplace	<ul style="list-style-type: none"> • Human capital is an essential element to ensure the sustainability of a business. • APRIL acknowledges the importance of human capital and continues to value and invest in the wellbeing of its employees.
Third party verification and regulatory compliance	<ul style="list-style-type: none"> • Compliance with local, national and international laws, regulations and standards is business critical to APRIL. • Third-party verification provides opportunities for company to evaluate its performance and identify gaps as well as opportunities for improvement.
Climate impact and risk	<ul style="list-style-type: none"> • APRIL recognises the risks and impacts that climate change imposes on the company's business assets and to the community and thus various measures and activities are in place to mitigate risks as well as minimize environmental and social impacts from climate change.

An aerial photograph of a lush, dense tropical forest. A narrow river flows through the center-right of the image, with a small boat carrying several people on the water. The forest is composed of various types of trees, including many palm trees. The overall scene is vibrant green and conveys a sense of a healthy, natural environment.

ENVIRONMENT

Sections

26 Sustainable Forest Management



33 Responsible Fiber Sourcing



37 Conservation and Restoration



47 Responsible Manufacturing



Sustainable Forest Management

The Sustainable Forest Management Policy (SFMP) 2.0 is the foundation of APRIL's strategic sustainability approach across its supply chain. This policy underlines the company's commitment to eliminating deforestation from its supply chain, protecting the forest and peatland landscapes in which it operates and to supporting best practice forest management in all countries where it sources wood.

Effective from the establishment of SFMP 2.0 in 2015, APRIL and its wood suppliers only develop areas that are not forested, as identified through independent High Conservation Value (HCV) and High Carbon Stock (HCS) assessments. The results of historical HCV assessments and more recent conservation forest management planning inform the company's land use planning, management and monitoring, as it sets aside areas for production as well as for conservation, community use, infrastructure and other uses. HCV assessments are published on APRIL's Sustainability Dashboard.

Of the total concession area of nearly one million ha, approximately 448,639 ha are set-aside for plantation and are planted with two main species to produce pulp and paper: fast-growing *Acacia* and *Eucalyptus*.

Long-term sustainable productivity

APRIL is working to achieve sustainable plantation supply of fiber to its mill. Silviculture practices are implemented across the plantations to ensure that the adaptability and productivity of plantation is realized and sustained. This goal is further supported by a strong focus on scientific research and development.

APRIL places significant research emphasis on soil management to find the optimal characteristics that enable seedlings' survival across various field conditions. This is complemented by micro planning to reduce soil compaction and erosion. Site-specific fertilizers are applied for optimal nutrition of the plant. Spacing and weed control are applied to optimize tree growth and stand productivity.

A long-term fiber supply plan is strictly followed to ensure plantation sustainability, and harvesting follows a sustainable allowable cut to ensure that long-term fiber supply is maintained. As part of the supply plan, harvesting only captures commercial wood, while bark, foliage, branches and top wood are left on site as nutrient capital for the next rotation.

A structured tree breeding program is implemented for *Eucalyptus* and *Acacia* species. A continuous selection and deployment of genetic materials is in place providing improved clones and families with higher productivity and better fiber properties, increasing the volume of fiber harvested per hectare and reducing the specific fiber consumption at mill.

At the same time, all new genetic materials deployed for operational planting are evaluated to determine if they are resistant to key pest and diseases and adaptability to various environments. A germplasm conservation program keeps the genetic diversity of current *Eucalyptus* and *Acacia* species and the introduction of new species and provenances.

Management system and certifications

Enterprise Risk Management (ERM) principles inform APRIL's business operations and strategic decision making processes in line with industry best practices defined by ISO 31000 standards. This framework is used to identify, analyse and evaluate different operational risks and to inform operations management and monitoring approaches.

The company employs several internal and external tools to monitor the sustainability of its forestry operations. A regular internal audit is carried out by the Integrated Management Systems team, who assess standard operating procedures and the implementation of sustainable forestry management practices on the ground against a range of national and international standards. Fiber suppliers are also subject to due diligence audits and processes to ensure compliance with APRIL's SFMP 2.0.

PT RAPP's forest management units have achieved Sustainable Forest Production Management (PHPL/*Pengelolaan Hutan Produksi Lestari*) certification, which is mandatory for all Indonesian forestry-based companies. Compliance with this standard means that plantations are managed according to three principles: sustainability of forest products, preservation of potential forest products, and sustainability of forest resources.

APRIL was also awarded Programme for the Endorsement of Forest Certification (PEFC) for sustainable forest management in 2015. PEFC SFM lays out the international requirements for sustainable forest management. As of 31 December 2019, all of APRIL's concessions that qualify for PEFC have been certified. This accounts for 87.71% of APRIL's total concession areas, noting that PEFC certification applies to plantations developed prior to 2011.

APRIL's operations are certified under ISO 9001 for Quality Management Systems and ISO 14001 for Environment Management Systems, as well as the Health & Safety Management System OHSAS 18001 certification, requiring yearly audits. The health and safety of forestry operations is also certified through Indonesia's mandatory Occupational Health and Safety Management System (*Sistem Manajemen Kesehatan dan Keselamatan Kerja/SMK3*) standard and the ISO 45001 international standard. APRIL also has held the Sustainable Plantation Forest Management (SPFM) certificate under Indonesian Ecolabel Institute (LEI) standards since 2006.

Research and development



APRIL invests in research and development (R&D) to advance sustainable approaches to forestry plantation management. The company operates a centralized facility comprising three laboratories and located at its Pangkalan Kerinci complex. This facility is responsible for forestry research and central nursery management across APRIL's fiber business unit.

The R&D Center's core focus is on improving fiber productivity in order to support more efficient and sustainable production. The Center nurtures seedlings that provide higher pulp yield and better pulping properties, consume less energy, and are more resilient to the threat posed by pests and disease. APRIL does not use any genetically modified organisms (GMOs) in any of its research programs and initiatives, or in any areas where research takes place under the company's direct or indirect responsibility.

The R&D department comprises more than 200 people including specialists in forestry, agriculture, biometry and biological sciences. In 2019, APRIL completed five major research programs, including:

- **Tree improvement** research focused on the continuous improvement of planting material to yield higher volume, including good stem form and better wood properties, lower energy consumption, wider genetic diversity and lower susceptibility to pest and diseases.
- **Fiber technology** research focused on fiber properties and the variations among genetic materials.
- **Plantation management improvement** research focused on cost competition, species clones for silvicultural practices, and factors affecting long term site sustainability and productivity.
- **Soil science** research that surveyed and mapped soil across all forestry business units and conducted an in-depth study on the relationship between edaphic factors with stand productivity and the efficient use of fertilizers.
- **Plant health** research focused on integrated pest and disease management with an emphasis on the development of biological control strategies and efficient use of chemical control.

Highlight: New Tissue Culture Lab

In September 2019, APRIL opened a new tissue culture lab at its Pangkalan Kerinci complex as part of the continued expansion of its research and development capability. The new Kerinci Tissue Culture (KTC) lab has 16 growth chambers that can produce up to 36 million *Eucalyptus* seedlings per annum. Researchers at the KTC lab will carry out analysis and tests in stages to develop high quality seedlings and clones with fast-growing, pest and disease resistant characteristics. During the genetic multiplication stage, lab technicians multiply eucalyptus sprouts. The process is followed by the elongation stage that lasts until the stems grow in length. The plants are then induced to form roots before finally the plants are housed in a temperature, humidity and lighting controlled room designed to ensure the plants can adjust to outdoor environments.



The R&D Center uses a range of technology tools and processes to capture results across its multiple research programs. These include the operational deployment of Near Infra-Red Reflectance Analysis (NIRA) and Resistograph technology, as well as controlled pollination to further improve certain tree traits, tissue culture to obtain a sufficient number of mother plants and clonal planting materials for vegetative propagation.

Technology is also applied to accelerate the selection of fiber characteristics for incorporation into genetic selection criteria for a breeding and deployment program. The R&D Center also has a bio-molecular lab that supports the selection of fast growing, good fiber properties and resistant genetic materials as part of the breeding and deployment program. The lab also identifies pest and diseases that affect nurseries and plantations.

Protection of forest areas

Fires and floods have significant potential to disrupt business sustainability for APRIL over time. The sustainable, science-based management of forest areas is essential to protect against these threats and also to help effectively mitigate greenhouse gas (GHG) emissions. As part of its focus on the responsible management of landscapes, APRIL is committed to full compliance with all national and international laws and regulations that apply to climate change, and to all other areas of operations.

Fire management



Fire poses a major business risk as fiber from plantations is the key raw material for a pulp and paper business. Fire damages plantations and reduces their value and productivity, while also having an adverse impact on air quality and human health. Fire also creates significant environmental impacts, leading to a reduction of soil nutrients, lower water quality and an increasing risk of soil erosion, all of which affect sustainable forest management.

It makes commercial as well as environmental sense to enforce a zero-tolerance approach through a strict 'no-burn' policy across APRIL's and its fiber suppliers' operations. APRIL will not purchase from fiber suppliers who engage in illegal burning. All fiber suppliers are required to submit relevant permits to ensure the legality of their harvested timber and comply with APRIL's no-burn practices. Any breach of these policies is followed by swift investigation along with immediate corrective action, with updates being provided to the relevant local authorities.

Preventive actions include mapping and monitoring hotspots and potential fire risk areas using various external satellite monitoring platforms including NASA's NOAA and MODIS platforms, Aqua, Terra and SNPP. These actions are further supported by APRIL's own inputs from 39 fire monitoring towers and CCTV. Not all data sources are consistent, so every hotspot is checked on the ground and reported within 24 hours to manage this variance. Dedicated fire crews monitor daily weather patterns across multiple locations in APRIL's concession to calculate a Fire Danger Rating based on rainfall, humidity and vegetation moisture.

Another part of APRIL's strategic fire management is its rapid response and aggressive fire suppression capability. APRIL has invested over US\$9 million in fire suppression resources, including one helicopter, two airboats, 39 lookout towers, 521 water pumps, and firefighting training for 724 volunteers across 48 Riau villages as at December 2019.

The company has 1,080 Rapid Response Team members, including 260 professional firefighters as well as a Fire Emergency Response Team (FERT) made up of 30 dedicated firefighters on 24/7 standby across the company's concession areas throughout the dry season.

APRIL also provides its concession maps to Global Forest Watch, a digital platform managed by the World Resources Institute that tracks and reports hotspots and fire incidents.

During 2019, PT RAPP reported two fire incidents within its concessions, down from four incidents in 2018. Supply Partners reported eight fire incidents within its concessions during 2019, a significant decrease from 33 incidents in 2018.

Pest and disease control

APRIL remains committed to avoiding use of the restricted materials listed in Annex 3 of the IFCC Standard 2013, the World Health Organisation Type Ia or Ib (2013), the Stockholm Convention (2016) and the Rotterdam Convention (2015).

APRIL undertakes continuous monitoring of pest and diseases in nurseries and plantations as a preventive measure. This includes the application of biological control agents or cultural control when the pest population or disease incidence is low. Supported by its bio-molecular laboratory, the company has a strong research program to understand the pest and diseases that affect nurseries and plantations.

Land encroachment

APRIL requires all its fiber suppliers to comply with prevailing laws and regulations as well as its SFMP 2.0. As part of its commitment to a sustainable landscape, APRIL takes responsibility for any activities conducted in its concession areas, including protection from land encroachments, and various forms of illegal activities.

Guided by SFMP 2.0 compliance procedures, APRIL's Forest Planning team conducts bi-weekly monitoring of land cover change (LCC) across the company's concession areas using satellite imagery. Any detected land encroachments from LCC monitoring are followed-up with ground checking for verification by the sustainability team. In the case of confirmed encroachments, an investigation report is compiled and recommended corrective action plans are developed.

Case Study: 2019 Fire Season

APRIL responded to two fire incidents that occurred near its concession areas in 2019. The first occurred close to a PT RAPP concession area and the other was near the concession boundary of a supply partner. The fire sites within these concession areas were enclosed by the Ministry of Environment and Forestry so that their causes could be investigated.

The first fire incident occurred in Pelalawan Estate, an area that overlaps with an area managed by PT Caltex Pacific Indonesia. The area has been the subject of an ongoing land dispute between local communities and is mostly planted with community oil palm.

The second fire incident occurred in an area close to PT Sumatera Riang Lestari's concession boundary. This area has a long history of unresolved land claims and encroachment dating back to when the HTI (industrial plantation forest) permit was obtained. The second incident affected APRIL's operations as the company has not been able to carry out any operational activities, including plantation development, in the area since the concession license was granted. APRIL cooperated fully with the Government and the local authorities to help resolve these matters.



APRIL's forest protection, the forest planning and the social and government relations teams undertake regular visits to concession areas to closely monitor any land. All disputes raised by stakeholders are recorded in an integrated land use data platform called Plantation Information Management System (PIMS).

The company's standard operating procedures for land disputes, settlement or resolution, follow the principles of Free, Prior and Informed Consent (FPIC). APRIL prioritizes dialogues and consultative methods to achieve consensual agreements and prevent disputes in the future. Disputed areas are immediately delineated, and no activities will be undertaken by the company in this area. APRIL will also notify government authorities and any related stakeholders of the area's disputed status before entering into communication with claimants and potential mediation.

Following the implementation of its Plantation Information Management System in 2015, APRIL conducted a comprehensive updating of its records of community land claims on its owned and Supply Partner concessions, with a focus on unresolved

historical cases. The implementation of this system is backed by field visits for verification.

Successful resolution of a dispute taking into account the position of all stakeholders, including provincial and government authorities, has primacy over the amount of time such a resolution takes to achieve.

Resolving community land disputes is a complex area, and in some cases it involves multiple claimants in a single area or limited identification of claimants in areas that are recorded as under claim. This is often exacerbated by overlapping historical boundary lines. Resolving these disputes is part of the continuing process of improving land tenure clarity in Indonesia.

As of December 2019, PT RAPP has a total area of 28,249 hectares that are currently inactive due to unresolved land disputes. This compares to 31,979 inactive hectares in 2018. Supply partners similarly recorded 74,704 hectares of inactive concession area due to unresolved disputes, up from 73,223 hectares when compared to 2018.

	PT RAPP		Supply Partners		Total
	Hectares	# of identified claimants	Hectares	# of identified claimants	Hectares
Area inactive due to unresolved land disputes as of December 31, 2018	31,379	611	73,223	306	105,202
Area inactive due to unresolved land disputes as of December 31, 2019	28,249	608	74,704	320	102,953

Responsible Fiber Sourcing

APRIL ensures that the fiber used in its production processes come from responsible sources, in line with the company's sustainability commitments and stakeholder expectations. Supported by its SFMP 2.0, APRIL has several standard operating procedures (SOP) in place to guide and operationalize the implementation of its sustainability commitments across its supply chain.

These include sustainable plantation management, community development programs, human rights protection, responsible work practices and legal compliance. These SOPs cover but are not limited to:

- SFMP 2.0 compliance
- The protection of forest plantations, conservation and restoration areas
- External fiber purchasing
- Verification of legality
- Grievance mechanism

Management and certification

All fiber suppliers are subject to a due diligence process before they enter into a contract with APRIL. This due diligence process is based on national regulations as well as APRIL's SFMP 2.0. The development and implementation of this process involves a range of departments in the management and monitoring process, including the company's wood transport, wood legality, forestry planning, fiber supply, legal and sustainability teams.

The due diligence process records a fiber suppliers' sustainability compliance level by examining fire management readiness, community grievance resolution, community development initiatives, compliance with mandatory chain-of-custody certification for legal fiber sourcing, and health and safety measures. Fiber suppliers are only eligible to supply fiber to APRIL when they have achieved agreed due diligence thresholds.

During 2019, there were no new fiber suppliers entering into contracts with APRIL.

During the term of their contract with APRIL, all fiber suppliers are subject to compliance monitoring. This includes land cover change (LCC) monitoring and internal SFMP 2.0 compliance audits.

Fiber suppliers are required to submit bi-weekly verified findings of LCC monitoring, based on GIS satellite imagery. The Planning team uses the monitoring data to identify potential non-conformances in plantation management, which is then brought to the sustainability department's attention for field verification and investigation.

When SFMP 2.0 potential compliance issues are identified, APRIL works with the fiber supplier's management to develop time-bound corrective action plans. In cases where a supplier is not willing to improve their performance, the relationship is terminated. As part of its SFMP 2.0 commitments, APRIL has been working to extend this program to all of its open market suppliers.

APRIL also implements an annual internal audit of PT RAPP and its supply partners management systems. This is led by the Integrated Management Systems team and assesses the implementation of policies and procedures in relation to sustainable forest management against relevant international and national standards. Audit findings are then reported to the management of the respective entity for any corrective actions and further improvement when required.

External assurance is undertaken to assess compliance with APRIL's SFMP 2.0, conducted by KPMG PRI and commissioned by the SAC. This exercise is carried out annually covering the performance of all APRIL's fiber supply sources, including PT RAPP, supply partners, open market suppliers and community fiber plantations and is shared with stakeholders.

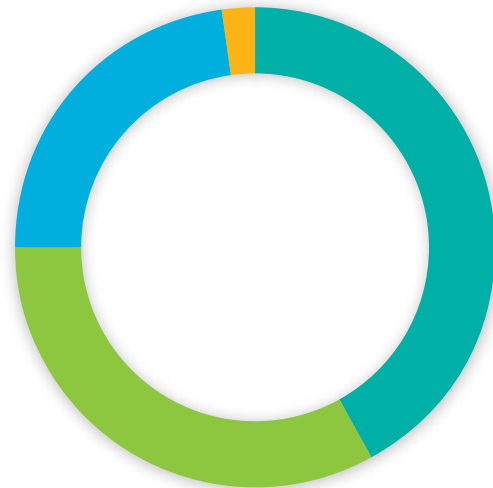
External assurance of SFMP 2.0 implementation

In 2016, external assurance was obtained over the implementation of APRIL's SFMP 2.0 commitments, a year after the launch of the policy. The governance of SFMP 2.0 sits with the SAC which engages KPMG PRI as the third-party assurance provider. In consultation with a range of national and local stakeholders, the SAC determines a set of performance indicators in scope for assurance to assess APRIL's performance in implementing the SFMP 2.0.

For the 2019 annual assurance process, the sampling plan includes site visits to a number of PT RAPP estates, supply partner and open market concessions. This is supplemented by various on-site document review procedures conducted at Pangkalan Kerinci complex. The results of these procedures inform if there are any non-conformances or opportunities for improvement noted in relation to APRIL's SFMP 2.0 commitments. Management develops a time-bound corrective action in response to the findings from SFMP 2.0 assurance. The progress of these actions plans is assessed every year as part of this process.

The assurance engagement on SFMP 2.0 is in progress at the time of publication of this sustainability report. The final report on APRIL's implementation of SFMP 2.0 will be published on APRIL's Sustainability Dashboard towards the end of 2020.

Fiber sourcing



- 42% RAPP
- 33% Supply Partners
- 23% Open Market Suppliers
- 2% Community Fiber Plantation

Owned plantations

In 2019, APRIL sourced 4,420,720 tonnes of fiber from its own plantations, which is 42% of its total fiber supply of 10,433,357 tonnes. This supply is sourced from 448,639 hectares of plantation forest, located across five districts in Riau Province, Indonesia. The largest plantation area, as well as the company's mill production and other facilities, is located in Pelalawan, Riau, near the company's operations in Pangkalan Kerinci and is operated by PT RAPP.

Sourcing fiber from its own sustainably managed plantations enables APRIL to achieve the highest levels of quality assurance. All fiber sourced from PT RAPP plantations is covered by timber legality certification, including IFCC-PEFC or SVLK.

The forest management systems applied in PT RAPP's forestry operations are ISO 14001 certified and have been awarded the Singapore Environmental Council's (SEC) Green Label for sustainable forest management since 2013.

Supply Partners and Open Market Suppliers

APRIL received a significant portion of its supply from fiber suppliers, which are either:

- (i) Long-term fiber supply partners and contribute to the company's 1-for-1 commitment. During 2019, APRIL had a total of 32 supply partners
- (ii) 'Open market suppliers' do not contribute to the 1-for-1 commitment and are contracted for open-market supply. A total of 10 open market suppliers provided fiber to APRIL during 2019

Regardless of their relationship with APRIL, all current and future fiber suppliers are required to comply with APRIL's SFMP 2.0.

In 2019, APRIL received 3,409,731 tonnes of fiber, which equals to 33% of total fiber supply in 2019, from its supply partners. Forest operations of the supply partners are located in the Riau, West Sumatra, and North Sumatra provinces of Indonesia. All fiber supplied by supply partners is IFCC-PEFC or VLK certified. Between 1 January and 31 December 2019, the number of APRIL's open market suppliers varied, as some commenced or completed fiber supply contracts during the year. The Open Market suppliers provided a total of 2,427,644 tonnes of wood, or

23% of total fiber supply in 2019. All fiber supplied by the open market suppliers is certified with IFCC, VLK, or FSC-Controlled Wood in the case of one supplier from Malaysia.

Community Fiber Plantations

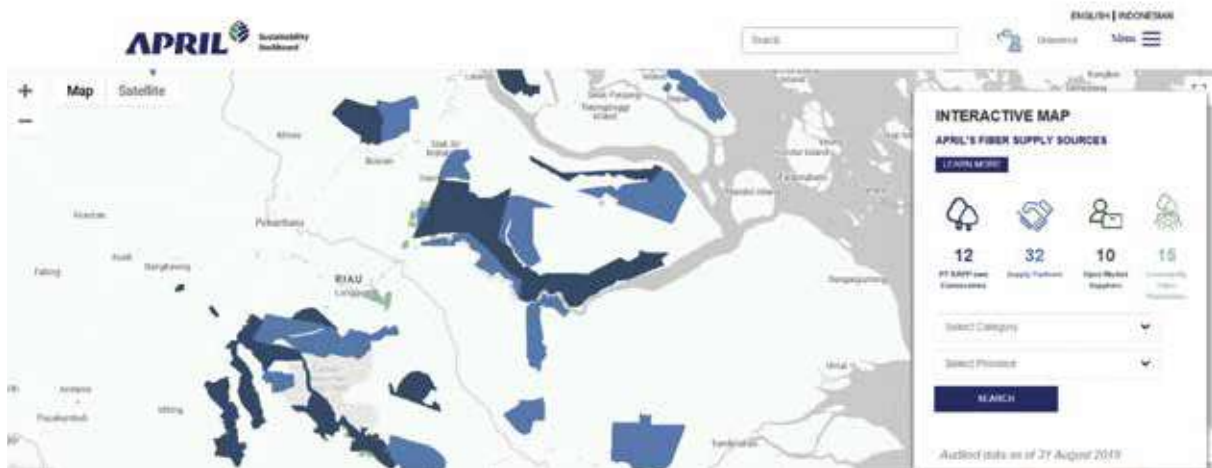
APRIL provided technical assistance and support to 15 community fiber plantation in 2019. Two of these community fiber plantations supplied 175,262 tonnes or 2% of total fiber supply received during 2019. These community-managed plantations are situated on land owned by the Government of Indonesia across three districts within Riau Province, where each community has an official land certificate for its plantation. APRIL's support of these community fiber plantations creates economic benefits to the community as well as additional sources of fiber supply.

Pulp

Almost 98% of pulp used in paper production is self-produced by APRIL. Only 2% or 45,983 tonnes of pulp was purchased from external pulp sources in 2019. A portion of pulp was sourced from two suppliers in Sweden and Finland. Both suppliers have PEFC Chain of Custody certification, which indicates sourcing from non-controversial sources. Another portion of pulp was sourced from a New Zealand-based supplier which is certified in line with FSC standards. FSC certification indicates that the pulp is sourced from certified forests. Through its SFMP 2.0, various procurement policies and procedures, as well as applicable certification schemes, APRIL ensures that the pulp that originates from external sources comes from sustainably-managed forest plantations and complies with the relevant national and international regulations and standards.

Highlight: APRIL Sustainability Dashboard

Early in 2019, APRIL launched an enhanced Sustainability Dashboard. This is a digital platform that publishes regular updates on the company's fiber supply sources and the compliance status of its fiber supply partners. The dashboard includes interactive maps of individual fiber supplier concessions, as well as comprehensive details on APRIL's SFMP 2.0 commitments, including links to the assurance reports by an independent assurance provider, KPMG PRI.



Engagement and collaboration

APRIL proactively engages its fiber suppliers through formal dialogues to better understand the on-the-ground challenges they face in operationalizing APRIL's SFMP 2.0 commitments. These engagements help to strengthen suppliers' capacity to implement sustainable forest

management practices. During 2019, eight of ten open market suppliers visited APRIL's operations in Pangkalan Kerinci complex to participate in sharing sessions on strategic fire management, occupational health and safety (OHS), and a review of SFMP 2.0 commitments and compliance procedures. APRIL also conducted SFMP 2.0 review sessions for around 60 employees from its 32 current supply partners.

Conservation and Restoration



Forest conservation and restoration are essential components of APRIL's science-based production-protection model, where plantation forestry works to protect potentially vulnerable forest areas while providing access to the financial and technical resources to manage conservation and restoration forest areas.

It is also guided by APRIL's SFMP 2.0 commitments to no deforestation, no new development on forested peatland, forest conservation and the responsible management of forest resources as well as a pledge to protect and conserve one hectare of land for every hectare of plantation. APRIL's policy also includes a commitment to only develop non-forest areas, as identified by High Conservation Value (HCV) and High Carbon Stock Approach (HCSA) assessments.

APRIL conserves, restores and protects 365,733 hectares of forest, which includes 150,693 hectares of peatland swamp forest as part of the Restorasi Ekosistem Riau program located on the Kampar Peninsula and Padang Island.

Management approach

APRIL's conservation management approach is informed by the completion of mandatory Environmental Impact Assessments (EIA or Amdal) to identify the social and environmental elements that need to be managed and monitored. APRIL then devises conservation programs that can be applied to its concession and also consider the potential conservation value of the surrounding areas up to five kilometres from the concession boundaries.

Through the combination of HCV and EIA assessments, APRIL is able to establish a solid understanding of the forest ecosystem in its concession areas, including species diversity and habitat as well as the ecosystem services provided to local communities. These assessments become the basis for the company's standard operating procedures for conservation management and monitoring.

APRIL's environment department coordinates the protection and restoration of the company's dedicated conservation and restoration areas, working closely with personnel from social relations, security and planning teams, as well as with local communities.

The company's conservation teams carry out regular patrols across concession areas to identify encroachment activity including illegal logging or mining, poaching, and fire, as well as handling of land community claims.

All incidents are reported to local and provincial authorities in line with laws and regulations. Land claims on conservation areas are processed through the company's land dispute resolution mechanism. The team also carries out frequent training sessions in relation to the conservation of specific species such as Sumatran Tigers and elephants.

To help monitor biodiversity, the departments deploy camera traps and collate reports of species sightings from local communities. However, an updated biodiversity monitoring database is currently in development. The web-based conservation portal will record data on biodiversity which will support management decision-making on species conservation and habitat restoration.

Restoration activities vary, depending on the abundance of trees in particular areas. If tree cover is low, the departments carry out planting. If there is a medium abundance of trees, the departments carry out enrichment activities to support natural growth.

Conservation Forest Management Framework

Commencing in June 2018, APRIL began the development of a conservation forest management framework that effectively protects, restores and enhances identified values and addresses conservation commitments in line with the company's SFMP 2.0.

The resulting Community Forest Management Framework (CFMF) is designed to create a standardised process for forest conservation across APRIL's and its suppliers' concessions. This includes updated geographic information system (GIS) mapping of forest areas and on ground assessment to develop a dynamic conservation database, as well as engagement with the local communities to identify challenges of conservation implementation on the ground. Through this approach, the CFMF will profile areas for conservation intervention as well as provide a guidance module for ground teams and communities to support conservation management and monitoring.

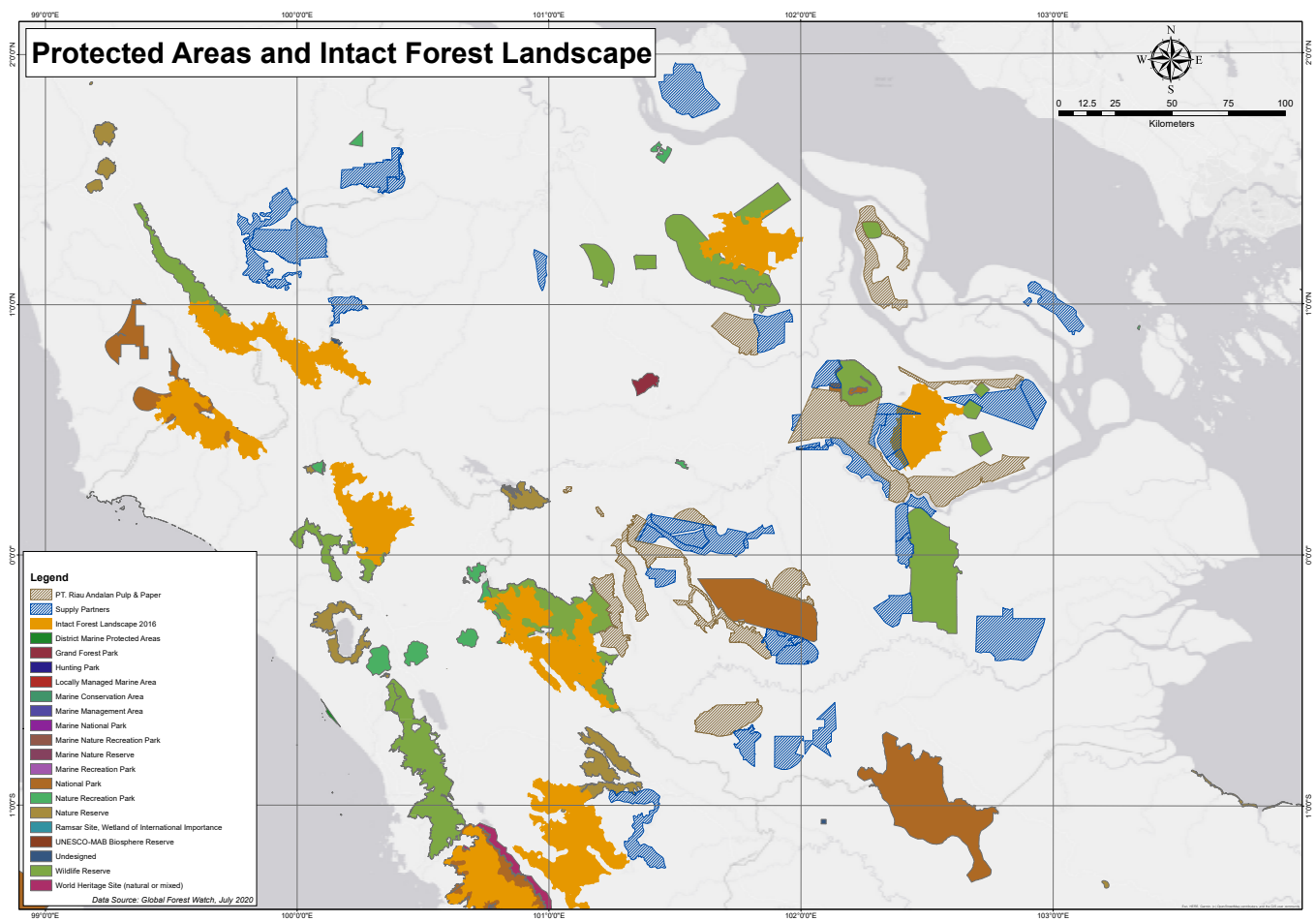
The development of the conservation database also commenced in 2019, through review of several international and national spatial datasets related to biodiversity and ecosystem. This exercise identified the conservation priorities in APRIL's concession area based on both the concession lands and their surrounding landscapes. Priority conservation areas identified are reported under GRI indicator 304 (operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside of protected areas) and shown on the map.

A number of spatial datasets that APRIL used in the exercise are the National Protected Areas and the Intact Forest Landscape, as shown on the map below. Results from this identification phase will inform the second phase of the CFMF. Development of operational guidelines for implementing landscape-level conservation will be the last phase of CFMF, which is estimated to be completed in 2021.

The community engagement phase of the CFMF began in 2019. Team members were trained in forest conservation and community consultation skills and began engagement initiatives with priority communities around their operational areas.

Forest community conservation workshops were conducted in 21 villages, with each launching a long-term community engagement program. APRIL plans to continue its work with local communities and identify priority conservation areas around its own and fiber supplier concession areas. As of December 31, 2019, all 16 PT RAPP concessions and 16 of 32 Supply Partner concessions have implemented CFMF, as part of an ongoing process. These concessions have a total area of 618,385 ha with 170,333 ha related to conservation areas.

Below is a map of PT RAPP and Supply Partners concessions located in Indonesia near areas of high biodiversity value and national protected areas. Areas identified as high biodiversity value according to Intact Forest Landscape are in **orange**. The **remaining coloured** areas are identified as protected areas including government designated National Parks and Wildlife Reserves.



Case Study: Restorasi Ekosistem Riau

Established in 2013 by APRIL, Restorasi Ekosistem Riau (RER) is an ecosystem restoration programme made up of 150,693 hectares of peat swamp forest, situated in two landscapes on Sumatra's eastern coastline. The first landscape is an area of 130,095 hectares located in the heart of a larger 344,573-hectare forest block on the Kampar Peninsula, while the second, an area of 20,598 hectares, is located on nearby Padang Island. Combined the area is about the same size as London, England.

The Kampar Peninsula is a 720,000-hectare coastal plain which hosts of a variety land use activities including agriculture and forest plantations as well as protected and natural forest. Natural forest and *acacia* fiber plantations together occupy around 80% of the Kampar Peninsula. Padang Island is 110,936 hectares in size and located off the eastern coast of Riau Province. This island landscape comprises of 60-70% peatland soils, lakes, rivers and coastal area. The restoration area represents about 49% of all forested areas on Padang Island.



The Serkap River is one of four main rivers in the RER concession areas.

RER operates under the terms of five 60-year ecosystem restoration concessions (ERCs) issued by the Indonesian Government. The purpose of an ERC is to restore a degraded forest to a balanced condition, and to ensure that it can provide ecosystem services such as water storage and supply, carbon storage, fisheries and non-timber forest products.

The aims of the RER programme are to protect and restore the fragile peat domes at the centre of the two landscapes, to develop jobs and empower local communities to reduce the drivers of deforestation, and to contribute to Indonesia's carbon emission reduction commitments. It advances these aims with the support of a US\$100m investment from APRIL in 2015 and collaboration with RER partners including Fauna & Flora International, BIDARA and Laskar Alam.

FFI serves as a technical partner in support of RER's science-based restoration approach. Since developing the partnership, RER has benefitted greatly from FFI's work, which has included the initiation of baseline surveys of biodiversity, carbon, and community.

BIDARA works to strengthen community social capital initiatives within rural communities on the Kampar Peninsula, while Laskar Alam Foundation, based in Padang Island, focuses on empowering individuals and communities to develop sustainable lowland agriculture through farm education, campaigns, and school programmes.

Before RER was established, the area experienced decades of degradation through commercial and illegal logging by private businesses and local communities, who cleared and drained the forest. During this time, large trees were harvested from the area and networks of canals were built to provide access to locations deep within the peat forest for transporting logs. The drainage canals reduced water levels, drying out the peat and increasing the risk of fire.

The RER program is part of APRIL's integrated production-protection landscape model. The protection element of this model involves *acacia* fiber plantations on the perimeter of the restoration area. These productive plantations not only provide protection but also the resources for ecosystem restoration, forest protection and operational capability.

Experience since the establishment of the RER programme has shown that the production-protection landscape model is a reliable, consistent and effective approach for restoration in Indonesia, given the extent of the financial and technical resources required for long-term and active landscape management.



The changeable hawk eagle (*Nisaetus cirrhatus*), one of the species to be found in the RER area.



A monitor lizard (*Varanus salvator*), one of the mammals to be found in the RER.

RER's peat swamp forests include some of the most critically threatened habitats on Earth and have been acknowledged as highly significant areas for biodiversity by the following organisations and institutions:

- Worldwide Fund for Nature (WWF) and Wildlife Conservation Society (WCS) regard the area as a global eco-regional priority for Sumatran Tiger conservation (Class II, Priority 2) capable of supporting 50 or more individual tigers.
- Wetlands International has identified the Kampar Peninsula as part of the protected area network.
- The International Union for the Conservation of Nature (IUCN) has stated that the RER is a Key Biodiversity Area (KBA) and biodiversity hotspot.
- Birdlife International has classified the Kampar Peninsula as an Important Bird Area (IBA).
- The Riau Provincial Government, through PERDA No 10/1994, has set the area as a Peat Protection Forest with 248,800 ha.

Of the 797 species of plants and animals recorded in the RER area, 57 are of conservation concern listed on the IUCN Red List, with 36 listed as being vulnerable, 13 endangered, and 8 critically endangered. There are also 114 species on the CITES list and 106 species noted by the Government of Indonesia as being of conservation concern.

To date, 76 mammal species have been recorded including five of Sumatra's six cat species including the critically endangered Sumatran Tiger, seven primates, 307 bird species, 106 species of herpetofauna and 190 species of plants.

Peatland Management



APRIL practices responsible management of peatland landscapes as part of its science-based production-protection model and supported by its SFMP 2.0 commitments. The company and its supply partners operate on 245,145 hectares of managed peatland, while at the same time conserving 144,060 hectares of peatland.

Production forestry supports natural forest protection in two ways. It provides a physical perimeter buffer zone to protect potentially vulnerable forest areas from encroachment or fire, while providing the financial, technical and scientific resources to promote and maintain forest conservation and restoration.

This model is unique to APRIL and central to the company's 1-for-1 commitment, where it will protect or conserve one hectare for every hectare of plantation. APRIL is 82% towards this goal.

APRIL's vision for the science-based management of peatland acknowledges that it is one of the world's most significant carbon stores and equally connected to Indonesia's social and economic

progress. Approximately 48% or approximately 4.2 million hectares of Riau province sits on peatland, which supports a population of 6.6 million people, so areas of peatland will be a part of economic activity in the Province.

The imperative is to ensure that this economic activity is sustainable, guided by science and balanced with forest conservation and restoration.

APRIL has long recognised that peatland is a key area of concern for many stakeholders. The company's concession licenses have been granted by government on peatland, so it has a legal obligation to manage those concessions for commercial use but in the most responsible way possible. To do this, the company has invested heavily in science, tools and best management practices to balance production and protection.

Implementing this vision is a stepped process, guided by science and with support from the International Peat Expert Working Group (IPEWG).

APRIL is working to ensure a robust understanding of peatland science based on an extensive data set built up over the past decade, representing one of the most comprehensive databases available for tropical peat management globally. Specifically, this research aims to reduce the knowledge gap in three critical areas of tropical peatland science: peatland emissions and recovery levels, water-table management and subsidence.

The future approach to plantation activity as well as conservation and restoration on peatland will be informed by this science, enabling APRIL to develop a time-bound series of goals and measurements that are credible and achievable and contribute to the achievement of global and national climate targets.

Calculating carbon footprint

Keeping global warming to well below 2°C can be achieved only by reducing greenhouse gas emissions from all sectors including land and food, the Intergovernmental Panel on Climate Change (IPCC) said in its Special Report on Climate Change and Land (SRCCL).

The report shows that better land management can contribute to tackling climate change, but is not the only solution. "Agriculture, forestry and other types of land use account for 23% of human greenhouse gas emissions. At the same time natural land processes absorb carbon dioxide equivalent to almost a third of carbon dioxide emissions from fossil fuels and industry".

Indonesia acknowledges the urgency to reduce greenhouse gas (GHG) emissions from the most contributing sectors: land use, land use change and forest (LULUCF). In its Intended Nationally Determined Contributions (INDC) that was established in 2016, Indonesia pledged unconditionally to reduce its emissions by 29% below the baseline or business-as-usual (BAU) levels by 2030.

Considering the global, country and organizational objectives to reduce GHG emissions and the risk that global climate change may bring, including sea level rise, extreme weather events, and reduced productivity due to higher temperatures, APRIL continues to pursue transparent and robust calculation of its carbon footprint.

While reporting of the GHG emissions from APRIL's mill in Pangkalan Kerinci complex has been in place for a number of years, APRIL undertook its full GHG emission inventory during 2019. The GHG inventory follows the GHG Protocols standards authored by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI) for: GHG Protocol Corporate Standard; GHG Protocol Agricultural Guidance; IPCC guidelines for Agricultural, Forestry and Other Land Use.

APRIL will continue to complete the GHG inventory putting the organization in a position to set reduction targets from a base year.

Independent Peat Expert Working Group

The Independent Peat Expert Working Group (IPEWG) continued to support of APRIL peatland research including GHG flux measurements, water table experiments, native species trials and peat subsidence monitoring, with a focus on research to advance the Peatland Roadmap and Workplan developed in 2017.

The IPEWG is involved in the design and analysis of a range of ongoing programs including water table management, flood risk analysis, and greenhouse gas emissions monitoring.

In 2019, the IPEWG welcomed two additional Indonesian scientists: Professor Dwi Astiani and Dr. Fahmuddin Agus. Prof. Astiani is a tropical peatland and forest ecology expert and a lecturer at the University of Tanjungpura, in west Kalimantan, Indonesia. Dr. Agus is a research scientist at the Indonesian Soil Research Institute, under the Indonesian Agency for Agricultural Research and Development, Ministry of Agriculture, Indonesia. His research focus is on climate change in relation to land use and land management systems.

The third two-year phase of the IPEWG will run from 2020. This phase will include a review of the Peatland Workplan as well as the initiation of a technical peatland science forum with local and regional experts.

In March 2019, as part of the workings of IPEWG, a team led by Professor Chris Evans of the UK's Centre for Ecology and Hydrology, supported by Indonesian, UK and Finnish scientists and by APRIL's own peatland science team, published an analysis of the first ten years of measurements from APRIL's network of subsidence poles in the international journal *Geoderma*. The dataset analysed was by far the largest ever published and provided data on tropical peat subsidence measurement.

GHG Flux Tower Project



APRIL is researching the exchange of greenhouse gases in managed and unmanaged peatland forests on the Kampar Peninsula, Sumatra, Indonesia.

The project involves measuring the net ecosystem-atmospheric exchange of carbon dioxide and methane using the eddy covariance technique for different land use profiles on the Kampar Peninsula on the east coast of Sumatra, Indonesia: a natural peat forest, a plantation forest area on peatland (*acacia crassicarpa*), and a mixed land-use area. The data is collected using instruments placed on 50 metre-high flux towers located in each profile area. A fourth flux tower was installed on a mineral plantation in 2019.

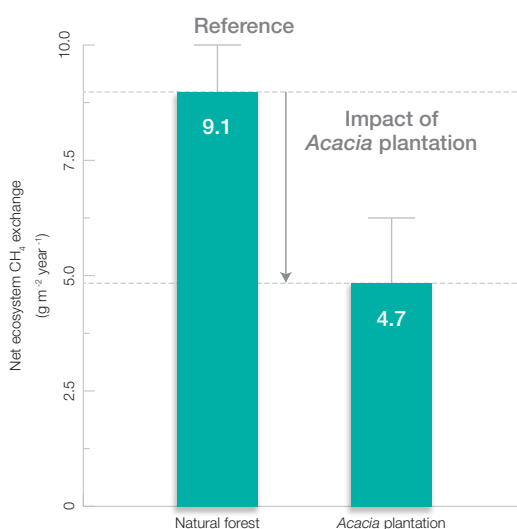
Assessing the impact of land use change on greenhouse gas emissions across different landscape types will enable APRIL's scientific researchers to calculate the positive or negative net change over time. This will inform landscape management approaches and strategies to reduce overall land use emissions, as well as addressing gaps in the science of tropical peatland management. A peer-review study into methane (CH₄) emissions was published in 2019, with a report into carbon emissions due in 2022.

Methane Emissions

The measurement and analysis of methane (CH_4) emissions on tropical peatland landscapes in Riau, Sumatra was completed during 2019 with peer-reviewed results published in March 2020. The study found that tropical peatlands are significant CH_4 sources and likely have a greater impact on global atmospheric concentrations than previously thought, while also establishing new links between ground water levels and methane emissions across different land use types.

The research is among the first of its kind to assess CH_4 emissions in tropical peatlands using the eddy covariance technique, was the result of a two-year intensive monitoring program carried out by APRIL's peatland research team supported by the IPEWEG.

Impact of the *Acacia* plantation on net ecosystem CH_4 exchange from tropical peatland



Water Table Trials

Two trials were set-up in 2019 to answer the following research questions: whether water tables influence *Acacia crassicarpa* growth and yield; and what is the dominant hydrological process controlling the water balance in tropical peatlands.

These trials, which are scheduled to run until 2023, employ a range of equipment and instrumentation to capture various plant-physiological and hydrological processes in response to water table depths at 40, 60 and 80 centimeters.

The trial setups were examined by the IPEWEG members and the initial results were discussed during meetings of the group. The following measurements are conducted on a regular basis:

- Air temperature, relative humidity, solar radiation, precipitation, water table and soil moisture content (hourly measurements).
- Tree height and diameter (monthly measurements).
- Leaf area index, litter fall, hyper and multi-spectral drone imagery (quarterly measurements).
- Soil infiltration, hydraulic conductivity, peat physical and chemical characteristics (annual measurements).

Responsible Manufacturing



APRIL responsibly manages its production facilities to boost productivity and operational efficiency and reduce any adverse impacts to the environment and community. It invests in technology innovation and continuous operational improvement to promote the efficient use of resources including renewable energy generation, increased water efficiency and the reduction of waste and air emissions.

APRIL's strategic approach to increasing resource efficiency has four core elements:

- Maximizing the use of materials and applying by-product or residual material recovery processes to reduce waste.
- Optimizing production processes to reduce air emissions and water usage.
- Increasing energy efficiency through the use of residuals and by-products to generate renewable energy.
- Responsible management of hazardous and non-hazardous waste.

This approach informs five operational policies and procedures related to the management and monitoring of materials, energy and water usage, solid waste, and air emissions. These include:

- Sustainable Forest Management Policy (SFMP) 2.0 - includes the company's commitment to responsible forest management and the continuous reduction of its carbon footprint.

- Enterprise Risk Management Policy - provides a holistic framework to mitigate, manage, and monitor any risks to the company's mill operations, financial, compliance and reputation.
- Environmental Policy - outlines the principles of environmental and social management of the company's operations at its plantation and production facilities.
- Supplier Code of Conduct - includes practical instructions for APRIL's suppliers, purchasers' instructions, sourcing policy and sourcing guidelines as well as a guiding framework for the responsible sourcing of materials and energy.
- Integrated management system and chain-of-custody policies.

Management systems and certifications

The company uses a range of tools and procedures to manage and monitor the potential environmental impacts of its manufacturing operations. This environmental monitoring is based on the mandatory Environmental Impact Assessment (EIA), developed in line with local and national regulations and reported to the Government of Indonesia.

The monitoring of waste, air emissions and water management is conducted by operational teams, with further data consolidation and analysis handled by the mill environment team. This data informs any necessary corrective action where applicable threshold parameters have been exceeded and the development of innovative solutions to further improve performance. Monitoring data are recorded in the company's internal record systems and are regularly reported to provincial and district environmental agencies.

Third-party certifications are also used as tools to monitor environmental performance and identify opportunities for improvement. Since 2003, PT RAPP has been certified under the ISO 140001 Environmental Management System standard. In 2019, PT RAPP achieved ISO 45001 certification for occupational health and safety, updating its OHSAS 18001 certification which it had held since 2006.

In late 2019, APRIL completed an audit report for ISO 50001 Energy Management System and was awarded with the certification in early 2020.

During 2019, an inspection by representatives from local authority identified non-compliances related to PT RAPP's monitoring of air emissions and solid waste management. This resulted in an administrative sanction.

PT RAPP worked with the local authority to develop corrective action plans in accordance with relevant environmental regulation and standards and regularly reported on progress to the authorities. In December 2019, PT RAPP completed the required corrective actions and the administrative sanction is in the process of being revoked.

Research and Development

Research and development is critical to increasing the efficiency and sustainability of APRIL's vertically integrated business and its overall value chain. APRIL's R&D function aims to achieve greater resource efficiency from its nurseries and plantations through to its manufacturing operations in the short and long-term. For example, intensive investment in genetic research enables the best seedlings to be identified in order to produce the highest plantation yields. This in turn reduces the need for fertilizers as well as energy and water use.

During 2019, APRIL's R&D programs focused on its managed plantations and supported the introduction of improved pulp products that require less energy consumption and feature improved material efficiency, as well as introducing new technologies for pulping processes.

Material efficiency

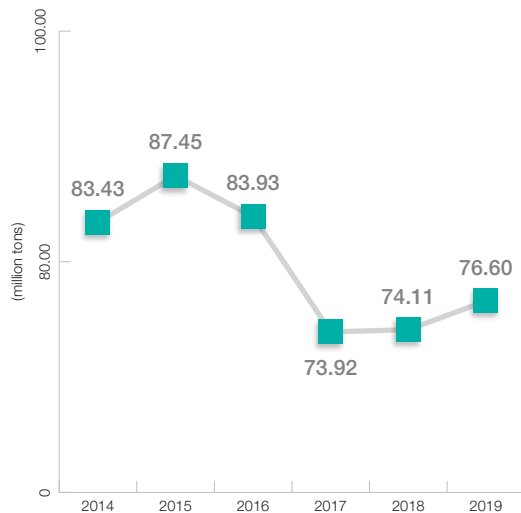
To respond to the global challenge of resource depletion, APRIL implements manufacturing best practices at its Pangkalan Kerinci mill to maximize the value of raw materials, to reuse or recover by-products or residuals that would otherwise end up as waste, and to help address the global challenge of inefficient resource use. APRIL's pulp and paper mill has an annual production capacity of 2.8 million tonnes of pulp and 1.15 million tonnes of paper. In 2019, the company produced a total of 2,596,281 tonnes of pulp and 1,038,863 tonnes of paper.

The production of pulp and paper involves the use of renewable material, such as fiber, water, carbon dioxide, starch and non-renewable material, such as salt, sodium sulphate, limestone and ground calcium carbonate (GCC). In 2019, pulp production consumed 76.6 million tonnes (29.5 adt/adt) of renewable materials (Graph 1) and 211,206 tonnes (81.76 kg/adt) of non-renewable materials (Graph 2).

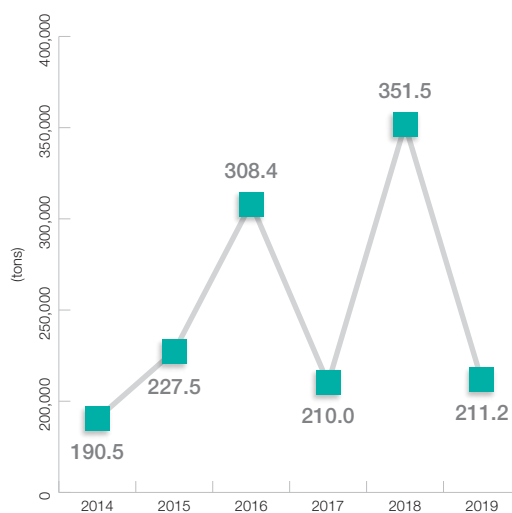
Compared to the figures in 2018, the use of both renewable and non-renewable materials in pulp production decreased. This was due to increased production of dissolving pulp, which requires less input.

Paper production consumed 9.24 million tons (8,891 kg/t) of renewable materials (Graph 3), a decrease from 9.55 million tons in 2018 due to increasing efficiency of the production process. The consumption of non-renewable materials was 99,000 tons (95.3 kg/t) in 2019 (Graph 4), increasing from 80,728 tons (78.04 kg/t) in 2018 due to change in paper specifications requested by customers, which led to increased consumption of some non-renewable materials.

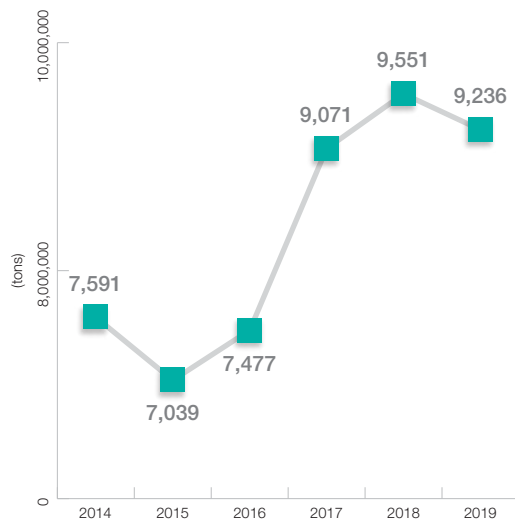
Graph 1: Renewable material use in pulp production



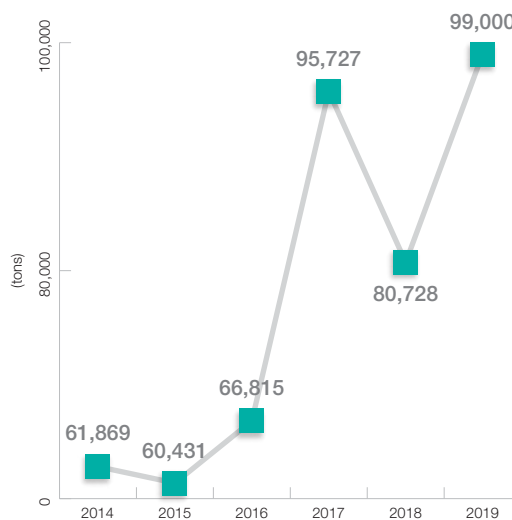
Graph 2: Non-renewable material use in pulp production



Graph 3: Renewable material use in paper production



Graph 4: Non-renewable material use in paper production



Production activities generate various by-products and residuals. Some, such as carbon dioxide, bark, and black liquor, are passed through recovery processes and deployed to increase material use efficiency while minimizing waste generation.

Since 2007, APRIL has operated a precipitated calcium carbonate (PCC) plant that captures the carbon dioxide produced by its lime kiln plant which would otherwise be emitted to the air. This plant produces precipitated calcium carbonate, which then re-enters the production cycle through the lime kiln and is converted into quicklime, one of the raw materials required for pulp production.

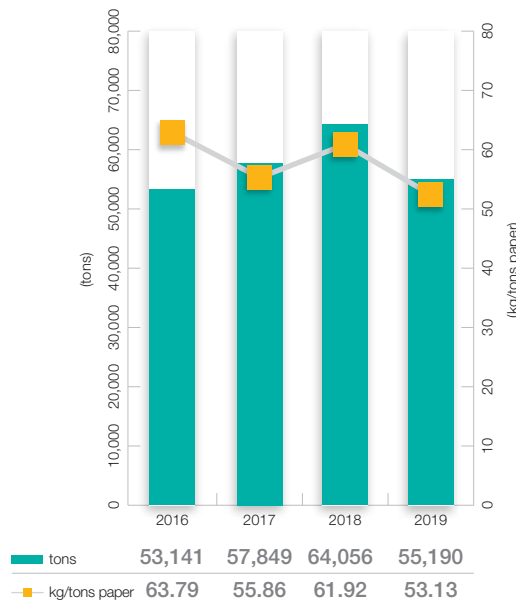
A total of 55,190 tonnes of emitted CO₂ was used by the PCC plant to produce precipitated calcium carbonate (Graph 5). This is a decrease from 2018, where the plant consumed 64,056 tonnes of emitted CO₂ for PCC production and is due to specific paper specifications required by customers, resulting in lower consumption of PCC and lower consumption CO₂ emissions.

Pulp production generates black liquor as by-product. This is further processed into white liquor and can be used as cooking chemical in the pulp production process. The excess gases generated by these processes are captured to produce methanol, a renewable energy that fuels the mill facility.

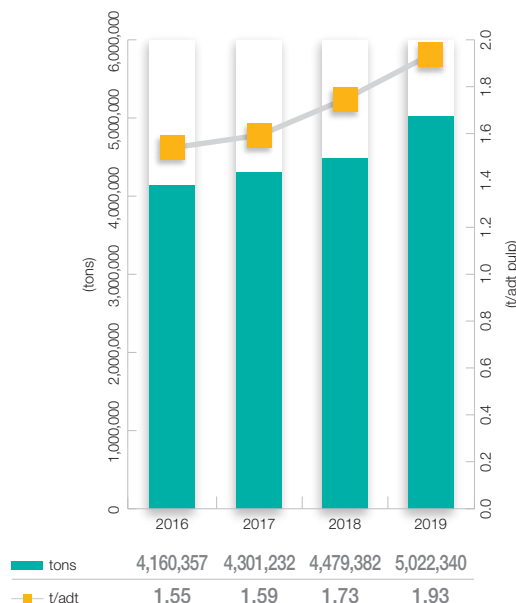
In 2019, 5,022,340 tons of black liquor were recovered as biofuel (Graph 6) and 15,023 tons of methanol were recovered (Graph 7). Other fuel sources include bark and palm husks as a renewable energy source for the production facility.

In 2019, 896,365 tons of bark and 372,212 tons of palm husks were used to produce biofuel as a renewable energy source during 2019 (Graph 8). 2019 saw the increased production of dissolving pulp with the generation of black liquor and methanol increasing as a result. Fiber supply received during the year also comprised a relatively high portion of aging material, where the fiber properties are not sufficient to enter the pulp production process. As a result, there was an increase in the volume of bark that was used as a fuel source.

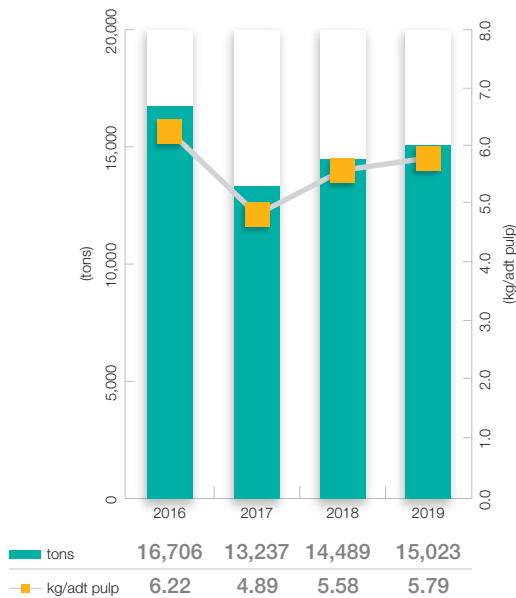
Graph 5: Recovery of CO₂ at PCC Plant



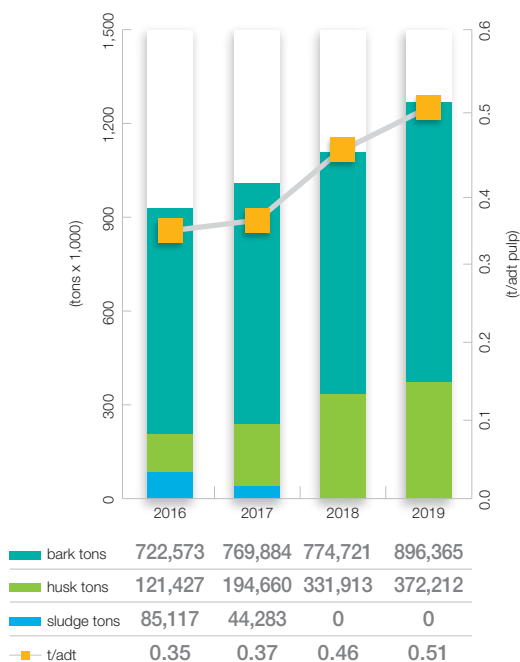
Graph 6: Recovery of Black Liquor to biofuel



Graph 7: Recovery of methanol to biofuel



Graph 8: Recovery of bark, husk & sludge to biofuel



Energy Production and Consumption

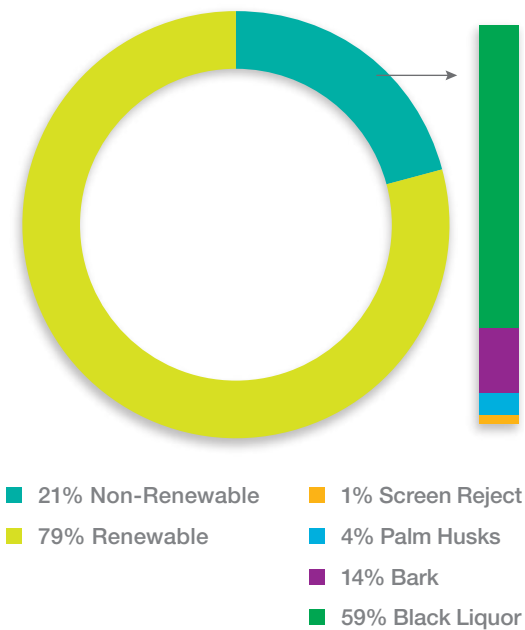
APRIL generates its own energy for all of its operational activities and does not purchase any energy from external sources. The company continuously seeks innovations and initiatives to increase its energy efficiency, as part of its commitment to effectively manage its carbon footprint. Moreover, most of the by-products and residuals from the pulp and paper production process are recovered as biofuel. This recovery contributes significantly to the company's renewable energy production and contributes to the reduction of its carbon footprint.

Of a total energy consumption of 99,665 terajoules for the pulp and paper production in 2019, 79% or 78,702 terajoules is sourced from renewable energy sources (Graph 9). The renewable energy was made up mostly from black liquor (59%) and bark (14%) (Graph 10). The remaining 21% of consumption came from non-renewable energy sources, mainly derived from coal (13%) and natural gas (8%).

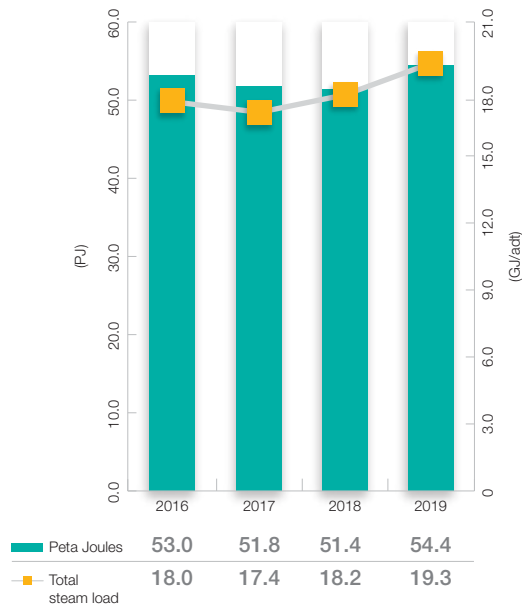
There was a slight decrease in the level of energy met by renewable energy sources in 2019, down from 80.7% in 2018 to 79%. This was due to increased maintenance activities during the year which required an increase in diesel oil and coal consumption.

Furthermore, the pulp and paper mill consumed 3.23 Tw/hours of electricity (Graph 11) and 54.4 PJ of steam (Graph 12) during 2019. The increased consumption of electricity and steam in 2019 was due to the increased production of dissolving pulp.

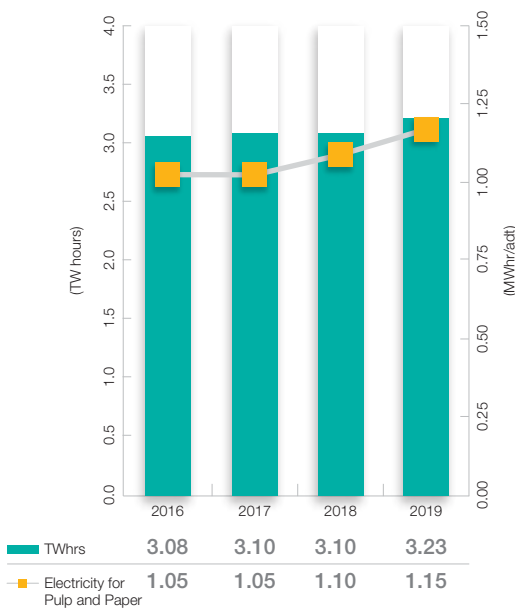
Graph 9 & 10: Energy consumption



Graph 12: Steam consumption



Graph 11: Electricity consumption



APRIL's power plant team is responsible for energy procurement and the implementation of the company's energy efficiency strategy. This involves the procurement of materials for energy production, consulting with mill operations management and monitoring and managing energy, electricity and steam consumption. The department is also responsible for optimizing energy efficiency using internal tools and certified environmental and energy management systems.

Mill Greenhouse Gas (GHG) emissions

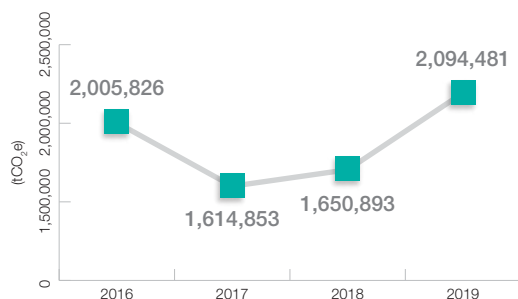
The development of APRIL's GHG emissions profile follows established methodologies and emission factors adopted developed by the International Council of Forest and Paper Associations (ICFPA) and the National Council for Air and Stream Improvement (NCASI). It also follows the requirements of the World Resource Institute (WRI)

and the World Business Council for Sustainable Development (WBCSD)'s GHG Protocol and uses current global warming potentials from the Intergovernmental Panel on Climate Change (IPCC).

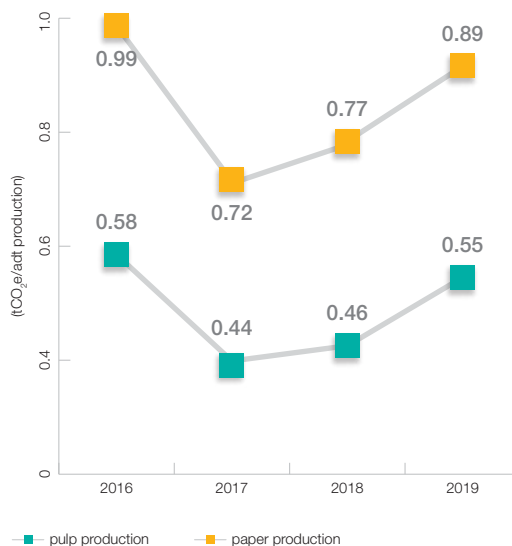
The measurement of mill Scope 1 GHG starts with the identification of the emission sources, which include fiber preparation and production activities at the mill including chemical recovery, power generation, waste management and transportation within the Pangkalan Kerinci mill complex. APRIL uses the operational control approach for calculating emissions.

In 2019, the Scope 1 GHG emissions from the mill complex was 2,094,481 tonnes of CO₂ equivalents (Graph 13). The biogenic CO₂ emissions from biomass combustion in mill were 7,756,438 tonnes of CO₂. The GHG intensity for pulp production and paper production were at 0.55 tCO₂ e/adt pulp and 0.89 tCO₂ e/tonne paper (Graph 14), respectively. The significant increase in mill GHG Scope 1 emissions was caused by the increased consumption of coal to support the increased energy needed to make a higher proportion of dissolving pulp as well as the impact of more frequent maintenance activities. APRIL does not purchase electricity, heat or steam, so there were no Scope 2 GHG emissions generated.

Graph 13: Total mill Scope 1 GHG emissions



Graph 14: Mill Scope 1 GHG emission intensity



Water and effluents

Water management

Water is an essential part of the pulp and paper production process, requiring the withdrawal and consumption of large quantities of water. APRIL sets out long-term objectives for the efficient use and reuse of water and the management of water emissions through the application of operational and management incentives, as well as a commitment to continuous improvement, or Kaizen method.

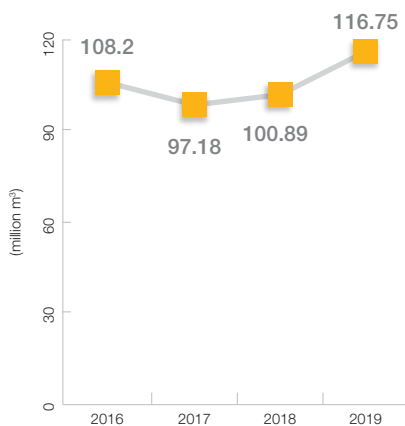
APRIL's mill is equipped with calibrated water flow meters at several distribution points. This enables the mill production team to record the daily water withdrawal, consumption and effluent discharge. These measurements are further consolidated onto a water balance sheet. APRIL's license for water extraction requires it to report water monitoring and consumption data to provincial government authorities.

Water withdrawal and consumption

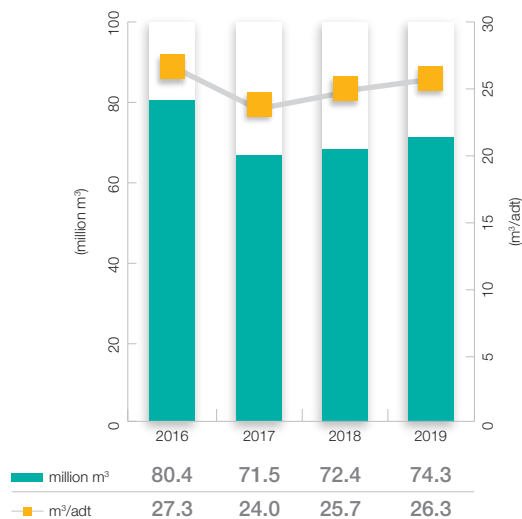
APRIL is licensed to withdraw water from the nearby Kampar River to support its production processes. This river is also used by the surrounding communities for water supply, transportation, and fisheries. In 2019, the total water withdrawal was 116,748,620 m³ (Graph 15). Around 82% of the water withdrawn is treated and returned to the Kampar River.

Of the total water withdrawal, 64% or 74,282,738 m³ was solely used in the production of pulp and paper (Graph 16). The water consumption for pulp and paper production increased in 2019 due to increased maintenance activities and increased production of dissolving pulp. The remaining volume was used for other purposes, including plantation nursery irrigation, to support the mill's power plant, and by households in the Pangkalan Kerinci complex. APRIL has installed a water pre-treatment facility that processes withdrawn water, including clarification and filtration processes. Optimizing the use of water reduces the need for pumping and heating which uses less energy and makes the purification of the remaining wastewater more efficient.

Graph 15: Total water withdrawal



Graph 16: Water consumption for pulp and paper



Waste Water management

Water used in the pulp and paper production process contains several biological and chemical elements that must be carefully treated before water is discharged back into the Kampar River, as untreated waste water can have adverse impacts on water quality, aquatic biota as well human health.

APRIL operates an integrated waste water treatment plant that processes up to 280,000 m³ of effluent every day. This facility consists of biological and chemical treatment processes and is maintained regularly through removal of sludge, nutrient supply to the bacterial pond, and utilities maintenance.

Mill facility technicians are responsible for measuring the waste water volume and quality, as well as monitoring the treatment plant's performance. They receive regular training on treatment plant operations and management, as well as emergency preparedness as part of overall capacity building.

Monitoring of waste water volume and quality is conducted every day, according to the company's environmental impact assessment processes. The company also engages an accredited third-party laboratory to test waste water quality on a monthly basis to ensure data accuracy.

APRIL regularly monitors and reports various pollutant parameters, such as total suspended solids (TSS), biological oxygen demand (BOD), chemical oxygen demand (COD), nitrogen and phosphorus. In compliance with the Ministry of Environment Regulation No. 5 of 2014 on Wastewater Quality Standards. An additional indicator of adsorbable organic halogen compounds (AOX) is also reported as well as other national standards. Monitoring data is reported to the Environmental Agency in Riau Province every six months.

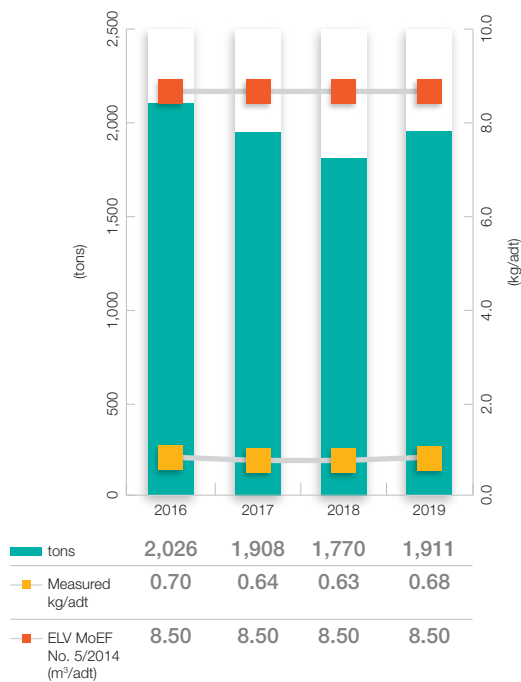
Graph 17: Volume of treated waste water



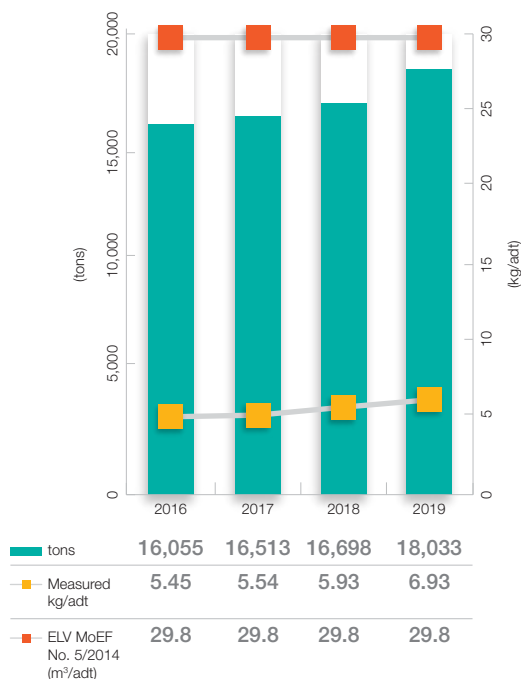
APRIL discharged a total of 89,056,616 m³ of treated wastewater back to the Kampar River, or equal to 31.6 m³/adT (Graph 17). This water intensity is well below the allowable threshold of 85 m³/adT required by the environmental regulations. Based on a total water withdrawal of 116,748,620 m³, this indicates that 82% of its total water withdrawal was treated and returned to the Kampar River.

During 2019, APRIL maintained the concentration of its waste water levels, including BOD, COD, and TSS, to be well below the government's threshold (Graph 18 – Graph 23).

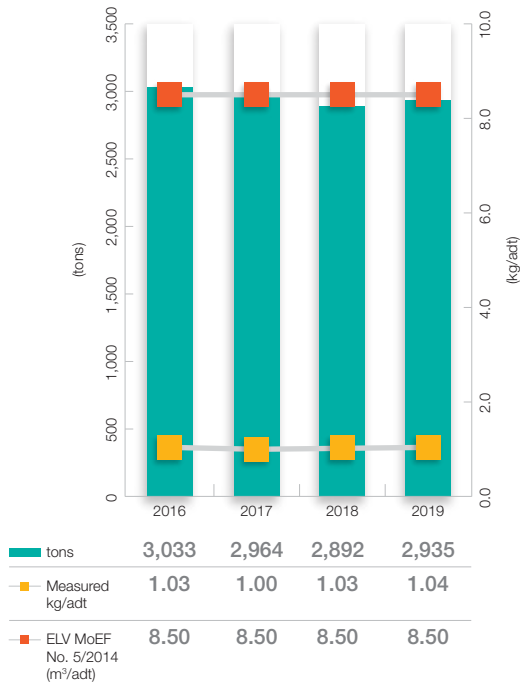
Graph 18: BOD5 in treated waste water



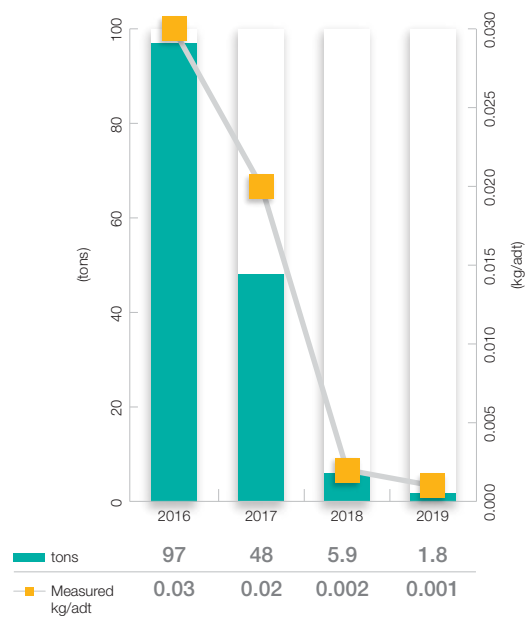
Graph 19: COD in treated waste water



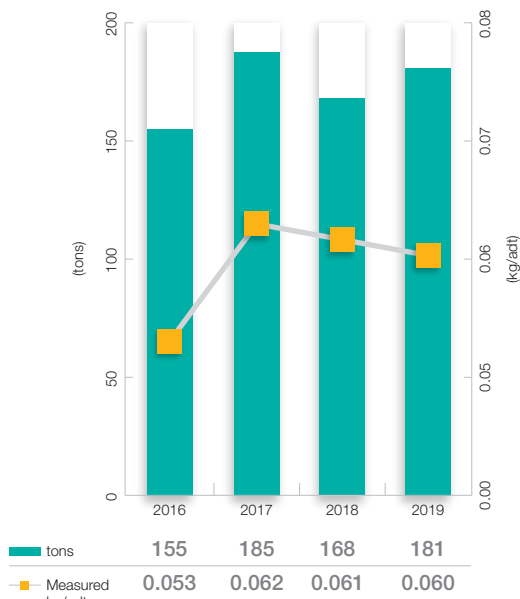
Graph 20: TSS treated waste water



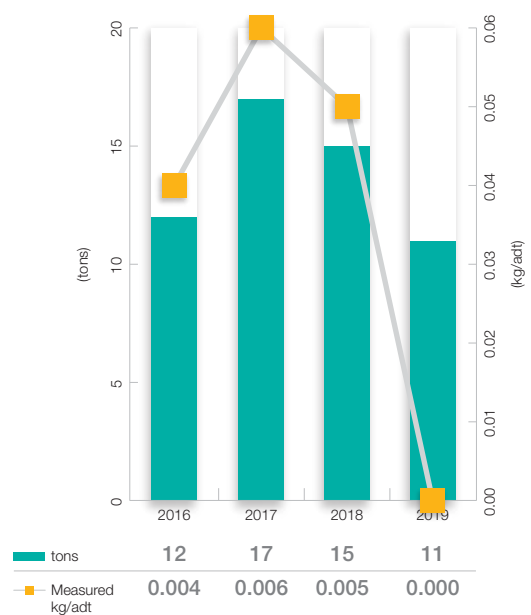
Graph 22: AOX in treated waste water



Graph 21: Nitrogen in treated waste water



Graph 23: Phosphorus in treated waste water



Air emissions

Various activities in the pulp and paper production process generate air pollutants that require proper management. The loading and processing of wood logs in the woodyard and chip screen, as well as power boiler processes are the key sources of particulate emissions. Air emissions associated with the combustion of fuels for energy production at the recovery boilers and power boilers also emit significant amounts of NO_x, SO₂ and TRS and their active management and reduction is also a priority.

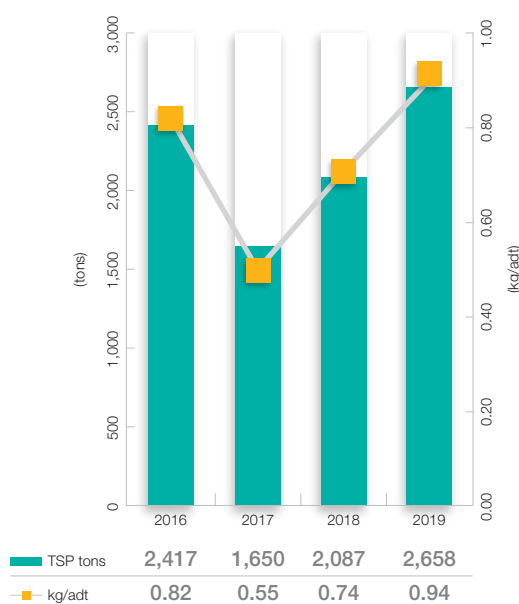
In addition to reducing the use of fossil fuels and improving energy efficiency, APRIL invests in best available technologies to ensure that air emissions generated by its production activities do not have a negative impact on the community or the environment. These technologies include:

- The installation of dust collectors, electrostatic precipitators and cyclone and scrubbers to control particulate emissions.
- High solid firing boiler technology for black liquor and calcium carbonate (CaCO₃) processing, reducing sulphur oxide (SO₂) emissions.
- Low NO_x burning in power boiler and recovery boilers to reduce nitrogen oxide (NO₂) emissions.
- The use of odorous gas treatment (OGT) scrubbers and lime mud washing to reduce total reduced sulphur (TRS) emissions.

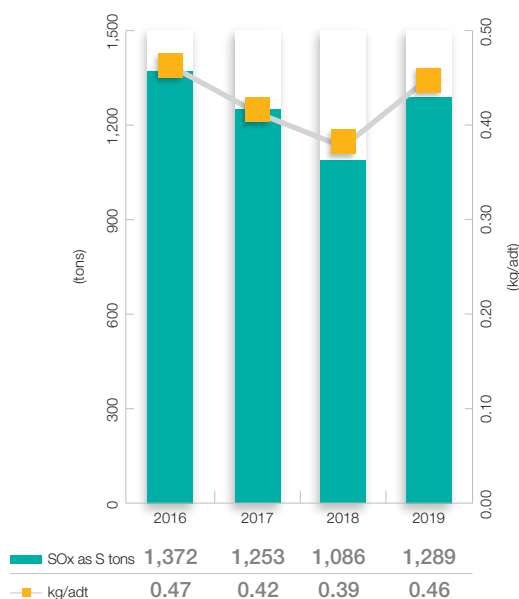
APRIL also carries out regular air emissions monitoring using Continuous Emissions Monitoring Systems (CEMS) against several air pollutant parameters as stipulated in the Ministry of Environmental Decree No. 13 of 1995 on Air Emission Standards. The mill operations department conducts the regular monitoring, measurement and analysis of this data which is reported internally daily and then reported to provincial and district environmental agencies every three months.

In 2019, air emissions from APRIL's mill comprised of 2,658 tons of total particulate, 5,253 tons of NO_x, 1,289 tons of SO_x and 60 tons of TRS (Graph 24 – Graph 27).

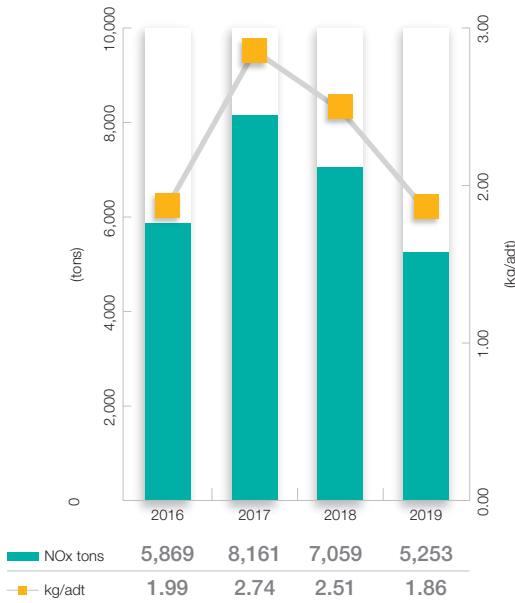
Graph 24: Total particulate in treated air emissions



Graph 25: SO_x as S in treated air emissions



Graph 26: NOx in treated air emissions

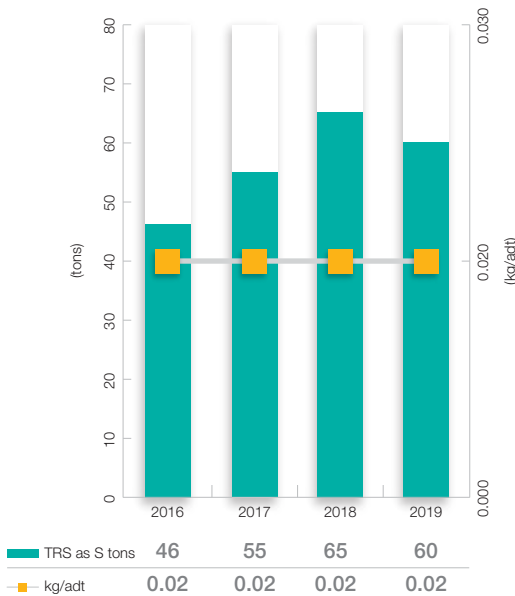


Solid waste

Production and non-production activities generate some residuals that can be recovered or no longer have value and must be treated as waste. APRIL maximises the use of materials and reduce the waste generation to limit waste disposal to landfill.

APRIL's solid waste management plan is executed in line with national regulations. The waste management technical team characterizes solid waste in compliance with Government Regulation No. 101 of 2014 on Hazardous Waste Management. This process results in the characterization of solid waste as either hazardous waste or non-hazardous waste. Once characterized, different types of solid waste undergo different methods of transportation, storage, utilization and disposal, in line with regulations.

Graph 27: TRS as S treated air emissions



The waste management team also conducts data measurement and calculations across all waste generation points and reports the findings according to internal guidance on waste management monitoring. APRIL holds permits for temporary storage and landfill operations which require the company to report its management and monitoring of solid waste to provincial and district environmental agencies every three months.

Hazardous waste

Activities that generate hazardous waste include:

- (i) Production activities, which generate sludge from the Waste Water Treatment Plant (WWTP), fly ash and bottom ash from coal burning, lime mud from kiln, and dregs, grits, and pre-coats from recast, and
- (ii) Non-production activities, which generate used oil, used rags, and other contaminated goods.

For hazardous waste, several parameters are used to understand the nature of the hazardous waste, such as the consistency and volume of sludge, the composition and moisture content of fly ash and bottom ash, and fuel consumption. Trucks then transfer hazardous waste from their source to other facilities within the mill complex for management. The transported waste data is recorded daily.

In cases where the landfill permit is not yet issued, hazardous waste is then transferred to a temporary waste storage facility, designed to prevent the contamination of hazardous waste into the surrounding environment. The facility is equipped with pipes to collect any leachate. APRIL follows government regulations on the allowable storage durations for different types of hazardous waste.

Hazardous waste material from production activities is then disposed of at landfills at the Pangkalan Kerinci complex, while those from non-production activities are handled by a licensed third-party for transportation to their final disposal. The transporter is responsible for verifying the type and amount of hazardous waste transported and to record them in a manifest.

In 2019, APRIL generated 246,177 bone dried tonnes of hazardous waste from production activities, which was disposed in the landfill.

APRIL also generated 663 tonnes of hazardous waste from non-production activities, which was handled by a licensed third-party for transportation and disposal.

Non-hazardous waste

Pulp and paper production generates non-hazardous waste, such as fly ash and bottom ash from biomass combustion, as well as white fiber and brown fiber. APRIL adopts a variety of approaches for non-hazardous waste management.

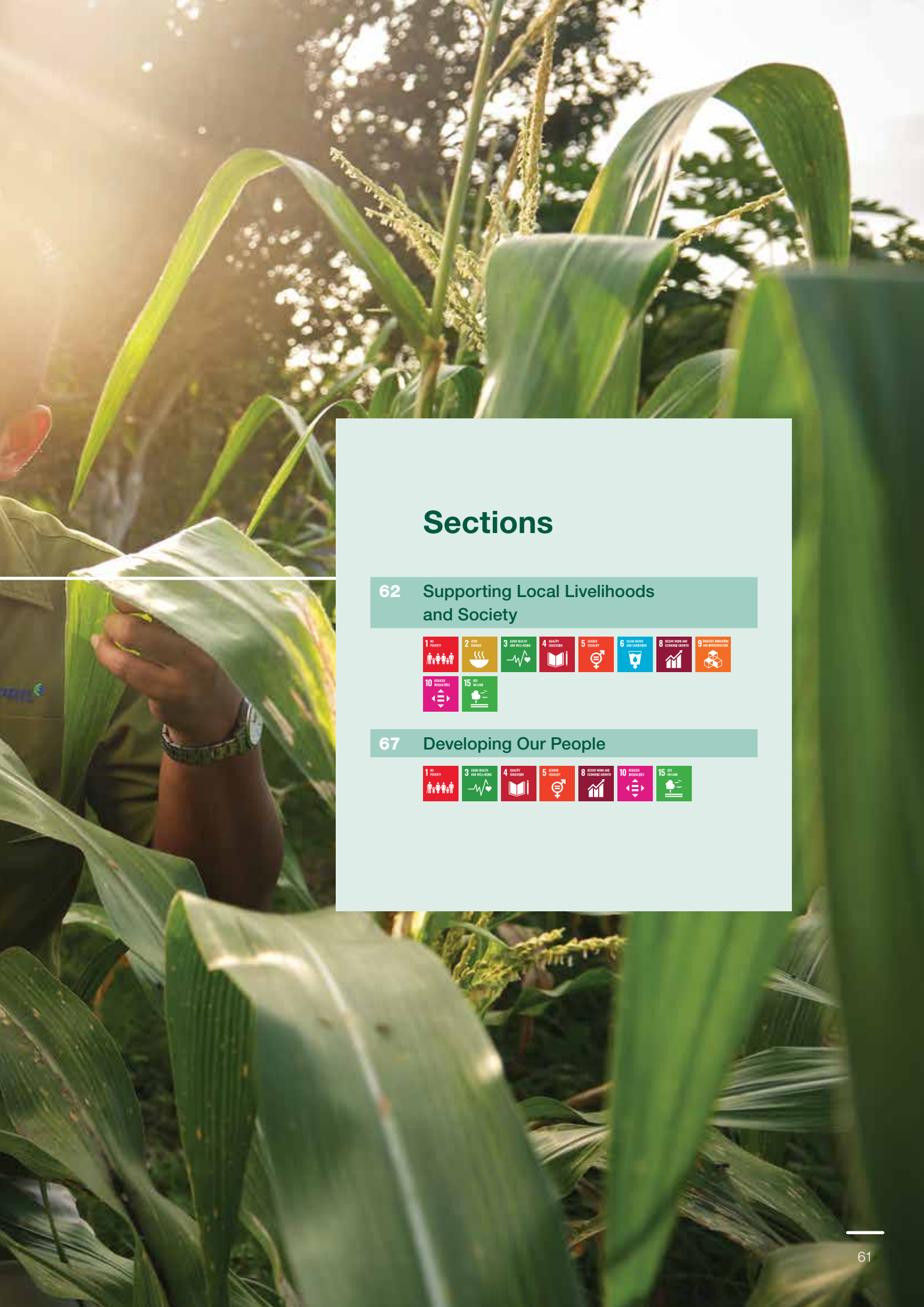
APRIL reuses some elements of non-hazardous waste. For example, fly ash is re-used as a solidification material to prevent landslides at landfills in Pangkalan Kerinci and as a soil ameliorant. Bottom ash is utilized for road sub-base and is directly transported to the application area without needing any temporary storage. Brown fiber is first stored temporarily at a brown fiber storage facility before being utilized as fuel in the mill's power boiler.

The waste management team measure and record the waste that it further utilized either in the landfill logbook, plantation logbook or transport daily report. White fiber and non-hazardous waste from non-production activities such as domestic waste and used wood pallets are handled by an accredited third-party for transportation outside Pangkalan Kerinci complex and final disposal. This waste is measured at a weight-bridge for monitoring and reporting.

The total amount of non-hazardous waste produced in 2019 was 100,725 tonnes. Of this, 98% was reused and the remaining 2% was handled by an accredited third-party service provider for the transportation and final disposal.



SOCIAL



Sections

62 Supporting Local Livelihoods and Society



67 Developing Our People



Supporting Local Livelihoods and Society

APRIL contributes to the social and economic development of the communities where it operates, working to alleviate poverty and create prosperity. Respect for the rights of communities is embedded in its SFMP 2.0 in two key sections: Section V: Proactive Support of Local Communities and Section VI: Respect the Rights of Indigenous Peoples and Communities, including a series of commitments.

APRIL's performance against its commitments to local communities is measured annually by the community development team, which has 44 dedicated personnel. The company implements community development programs across three main areas:

- Education: School improvements, vocational training, scholarships
- Empowerment: Training for farmers, agriculture support
- Enhancement: social infrastructure projects, healthcare support

The company consults with communities through stakeholder forums to understand their needs and receive their input on proposed projects across each area and to receive feedback on current initiatives. The community development team also works with villages to assess their needs and challenges according to a series of environmental and social parameters.

This regular consultation informs the evaluation of community development programs and contributes to planning for subsequent years. The evaluation also helps community development teams to identify solutions to particular challenges as they arise, such as how to help communities find suitable markets for the products or commodities they have produced.

Economic Contribution

APRIL makes a significant contribution to the local and regional economy, providing employment and contributing to gross domestic product as well as taxation income.

The contribution was calculated in a study of the company's macroeconomic and fiscal impact on the region published in December 2019 by the Social and Economic Research Institution of Indonesia University's Economic and Business School (LPEM FEB UI). The study calculated the economic impact of APRIL's operations at national and provincial levels between 2015 and 2018, finding that:

- APRIL has contributed Rp368.51 trillion to national gross domestic revenues since 1999. Of this sum, 93.68% - Rp345.68 trillion - contributed to the GDP of Riau province.
- APRIL's nominal contribution to national GDP over the past ten years grew from Rp20.14 trillion in 2009 to Rp40.64 trillion in 2018. The nominal contribution to regional GDP also increased over the same period.
- Through direct and indirect engagement with other business sectors, the study showed that every Rp1 million in sales of pulp and paper products trigger Rp1.5 million of economic output in the regency and Rp2.28 million in the province.
- In the 1999-2018 period, APRIL Group contributed Rp82.08 trillion to national household income, 94.92% of which was collected in Riau. The company helped create 89,646 new job opportunities a year on average over the same period.

Community Fire Prevention



In 2015, APRIL established the Fire Free Village Program (FFVP) in Riau Province as a vehicle to collaborate with NGOs, government and local authorities to promote community fire prevention through education and capacity building at a community level.

The FFVP complements APRIL's commitment to fire prevention and no burn policy, and works in close collaboration with local communities to address the underlying causes of fires through a process of socialization, education and increased awareness of the impacts of unmanaged burning and smoke haze.

The program is made up three separate components, specifically:

- 1. Fire Aware Communities (FAC):** a socialization program among communities about the impact of haze from forest and land fires. In 2019, socialization activities included Fire Free Goes to the Movies in 30 villages, Fire Free Goes to School in 56 schools, and Fire Free Goes to Market in 10 communities.
- 2. Fire Free Villages (FFV):** a comprehensive two year program of initiatives targeting 'High' and 'Extreme' fire risk areas, that includes awareness and logistic support to villages as well as rewards and other assistance. In 2019, there were nine villages involved in the full FFV component.

In 2019, three of the nine villages had no burnt area and received the full reward, while five villages received half the reward for fires less than two hectares.

- 3. Fire Resilient Communities (FRC):** a sustainability mentoring program for villages that have participated in FFVP for two years, where these villages are expected to independently prevent forest and land fires. In 2019, there were nine villages involved in the FRC component.

The FFVP also works in partnership with local NGOs, District, Provincial and National Government, and local agencies like the police, military and the Disaster Management Agency. As of December 31, 2019, the total land area covered by the FFVP - through partnerships with almost 80 communities - was 753,604 hectares, an area almost ten times the size of Singapore.

Social Infrastructure

A major focus of APRIL's community development program is support for social infrastructure. Projects include the building of schools, mosques, village centres, sports arena, community halls, roads and related facilities and materials to support social, cultural, religious and other activities. In 2019, APRIL and its supply partners spent approximately USD280,000 on social infrastructure projects, compared to USD288,540 the year before.

PT RAPP's community development team consults with communities on the type of assistance needed. These projects are supported by signed contracts with the heads of village, with acknowledgement required when projects are completed. Materials provided include items such as cement, computer equipment, school furniture and sports equipment. A total of 15 social infrastructure projects were completed in 2019, the same as in 2018.

Education

Along with its supply partners, APRIL provides scholarship programs covering primary to university levels, teacher training, and facilities and equipment, such as projectors, books and classroom furniture. The company's scholarship and education programs were set up in 1999 and are promoted among local communities in collaboration with village heads.

Under the company's Talent Pool scholarship program, tertiary students receive financial assistance to pursue university degrees

and then employment with APRIL upon graduation. The company supports students attending the University of Riau (UNRI) and the Islamic University of Riau (UIR), both located in Pekanbaru.

The company also provides scholarships for high school students. In 2019, APRIL and its supply partners funded 430 secondary school scholarships, up from 417 in 2018. APRIL also works with the Tanoto Foundation to implement its PINTAR program, which provides support and training for teachers to increase education standards overall.

Case Study: School Improvement Program Enhances Kampar Education Quality

Between August and November 2019, the community development team ran its second school improvement module, focusing on capability building and teacher training. "This year, we've focused trainees on specific issues relevant to them," said the community development team's Sundari Berlian. "We welcome and appreciate PT RAPP's community development initiative of the School Improvement Program," said Aidil, secretary of the Kampar education and sports authority. "It has proven its purpose as a number of schools in Kampar Regency have shown an improvement. In Kuntu Region, schools that were accredited as 'C' level have now become a 'B' level, and the 'B' level schools now have become 'A' level schools".



Healthcare

APRIL Group is committed to improving access to healthcare for communities in rural areas, particularly those beyond the reach of government health services. The company's healthcare programs focus on five regencies, or municipal areas, in Riau province: Pelalawan, Siak, Kuantan Singingi, Kampar and Kepulauan Meranti.

Health campaigns are organized each year to engage and educate communities on health, hygiene and nutrition. For example, the company provides support for local maternity programs, in the form of information on nutrition for newborn babies and young children. APRIL estimates that 190,823 people have been treated by its healthcare programmes over the last two decades.

Case Study: Local Pupil Becomes Doctor to Give Back to the Community

Heru Ardila Putra moved to Pelalawan when he was just a child and went on to receive scholarships from Sayap Garuda middle school and then a university scholarship from the Tanoto Foundation before fulfilling his dream of becoming a doctor. Today, he gives back to the community that has supported him as one of the doctors at the PT RAPP health clinic.

"I was grateful because the scholarship covered my tuition fees and motivated me to maintain a level of academic excellence," said Heru. After graduating university, he was employed at a private hospital, until he heard of an opening at PT RAPP's clinic, and home drew him back. "As the townsite is in a multicultural neighborhood, I had to learn quickly how to adapt to meet the individual needs of each and every patient but eventually it became second nature".



Small and Medium Sized Enterprises



APRIL supports the establishment and growth of small and medium sized enterprises (SMEs). The goal of its program, which was established in 2002, is to foster entrepreneurship among local communities by providing technical skills, mentorship in obtaining financing from local banks and opportunities to market their product and services.

The number of small and medium sized enterprises contracted by APRIL and its supply partners was 322 in 2019, compared to 333 the previous year. The majority of SMEs operate in the manpower and transport sectors.

Respecting the Rights of Local Communities

APRIL is committed to the principle of Free, Prior and Informed Consent (FPIC) in its engagement with communities. We actively work to resolve land claims and encroachment issues through mutually agreed, transparent and consultative processes. This is supported by a Grievance Resolution Procedure that was established in consultation with local and international NGOs.

Current grievance cases are tracked on APRIL Sustainability Dashboard and are also subject to assurance as part of the SFMP 2.0 assurance reports. No new grievances were submitted through the public grievance process in 2019.

Support for Farmers



The APRIL Integrated Farming System (IFS) programme was established in 1999 and works to equip local farmers with the sustainable farming skills and agricultural assistance needed to support economically viable farming. The program now covers more than 2,300 hectares of community agricultural land, with the number of farmers trained by the company increasing from 236 in 2019, up from 202 in 2018.

Livelihood plantations

APRIL runs a partnership scheme with local communities under regulatory guidance from the Ministry of Environment and Forestry, where it allocates areas within its licensed concession areas for communities to cultivate timber and non-timber forest products, or other crops that contribute to food security and community welfare. A total of 27,064 hectares has been allocated as livelihood plantations, with 16 villages involved with the scheme.

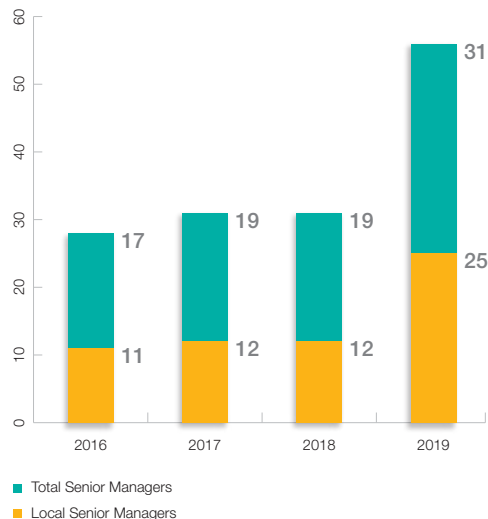
Livelihood plantation areas are allocated based on the geographical location of villages and their specific needs, which are determined in consultation. These areas are typically used for commercial Acacia or Eucalyptus plantations with communities earning revenues from each harvest rotation, or for rubber and oil palm plantations where communities can market the harvested products they produce.

Developing Our People



APRIL invests considerable resources in the professional development and wellbeing of its employees and contractors, with an emphasis on local talent development. Ensuring it attracts, trains and retains high caliber employees from Riau Province remains a priority focus, as evidenced by the fact that 81% of strategic management positions are now held by local personnel. Strategic management positions, which are based at the company's corporate and sales offices, are defined as senior managers

Local employees in strategic management positions



and above. Local senior managers are from the community surrounding operations.

All APRIL employees receive annual performance and career development reviews with their respective supervisors. Employees are compensated in a fair and transparent manner, based on merit and performance. The vast majority of employees are covered by a collective bargaining agreement with the company.

Labour force participation

A majority of employees of APRIL are members of the following labour groups:

- SP-Riaupulp
- SP-Riaupaper
- SP-Riaupower
- SP-RiauFiber

There has been an increase in employees' participation across labour groups over the last three years, from a 44.3% participation rate in 2016 to a 59.5% rate in 2019.

Employees and contractors by gender

	Employees		Total
	Male	Female	
Mill	2,910	317	3,227
Fiber	3,045	416	3,461
Supply Partners	1,599	110	1,709
Total	7,554	843	8,397

	Contractors		Total
	Male	Female	
Mill	6,892	707	7,599
Fiber	9,510	3,002	12,512
Supply Partners	5,966	1,488	7,454
Total	22,368	5,197	27,565

Employee Training and Development



Training courses are provided for employees and include leadership and people management and business ethics and planning. These are mainly delivered at the APRIL Learning Institute (ALI) in Pangkalan Kerinci. Average training hours per employee in 2019 was 12.4.

Other training and development programs activities include:

- APRIL Management Development Program
- APRIL Sustainability Professional Readiness Program (ASPiRE)
- External training, including the WBCSD's Sustainability Leadership Program

APRIL also supports employees undertaking post-graduate study in sustainability as part of their employment.

At APRIL's operations in Pangkalan Kerinci, employees are provided with housing and access to health, sports and recreation facilities and schools which offer the International Baccalaureate syllabus for their children.

The company does not employ child labour, in compliance with International Labor Organization (ILO) and Indonesian labour laws. We strictly implement a no forced or compulsory labour policy as well as prohibiting discrimination in respect to employment and occupation. Grievance resolution mechanisms for employees are in place to address concerns related to work conditions.

APRIL Sustainability Professional Readiness Program

The APRIL Sustainability Professional Readiness Program (ASPiRE) is an 18-month accelerated talent development program designed to recruit and train graduates who have a passion for sustainability and its contribution to good business.

Program candidates receive access to a range of sustainability-focused roles in APRIL and RGE's business groups. These include technical roles in forestry or manufacturing operations or corporate roles focusing on stakeholder engagement, policy formulation, certification and benchmarking, and communications.

Launched in 2018, the program helps participants gain technical knowledge of sustainable business operations and science-based approaches as well as project management skills, teamwork and coordination and problem solving.

Upon completion of the program, candidates may be placed and fast-tracked for promotion and will be considered for further company-sponsored overseas professional development opportunities. In 2019, three candidates were accepted for the program with a further intake scheduled during the second half of 2020.

Case Study: Why I joined APRIL's Sustainability Professional Readiness Program (ASPiRE)

Ika Citra Marlia was first exposed to the UN Sustainable Development Goals while working for an Indonesian government ministry, but they had not yet become part of her professional ambition.

Ika then left the ministry to pursue her Masters' degree at NUS in Singapore. "I encountered sustainability in almost every area of study. As a policy school student, I had to design policies that best captured a problem and offer a feasible solution that addressed a core issue. It was here I realized that sustainability is not just about meeting the SDG targets before the 2030 deadline, it's about the how and why as well," says Ika.

She first learned of an APRIL in a case study about the 2015 fire and haze crisis across Southeast Asia. This led her to apply for the ASPiRE program, which she completed in 2019. "This is when I came across APRIL and its Sustainable Forest Management Policy, she says. "I feel that working at APRIL supports my personal ambition to learn more about sustainability and learn how to act on it as well. APRIL is committed and has aligned its business with the SDGs, not just environmentally but also taking account the social and economic factors."



Ika Citra Marlia, Senior Associate, APRIL Group, speaking at an event in Jakarta in 2019.

Health and safety



APRIL continues to increase the frequency and availability of courses and training sessions on health and safety to ensure the implementation of health and safety standards for manual workers, including contractors in all forestry plantation and mill operations.

PT RAPP plantation and mill operations are certified under the Health and Safety Management System OHSAS 18001 and are audited annually. The company is also subject to review under Indonesia's principle of Occupational Health and Safety Management System, or *Sistem Manajemen Keselamatan Kerja* (SMK3).

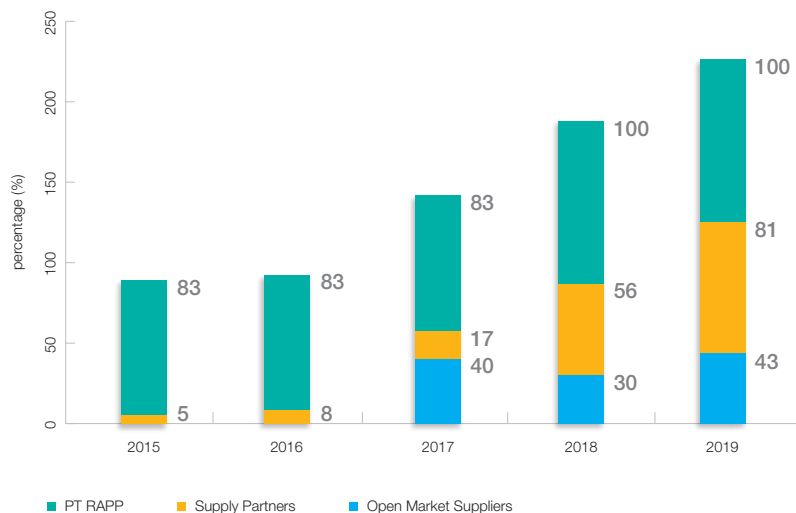
The company's Occupational Health and Safety (OHS) Program is made up of the following four key elements:

1. Management commitment and employee involvement: Management safety committee and Kaizen initiatives.
2. Workplace analysis: General safety inspections, nonconformity reports, job safety analysis (JSA), emergency drill and safety audits.
3. Hazard prevention and control: OHS promotion and campaigns, safe work procedures and a five-step behavioral based safety (BBS) project implementation (think through task, evaluate exposure, risk assessment, precautionary action, executing job in a safe manner).
4. Fire Occupational Health and Safety (OHS) training and education: Internal and external training and certification.

Occupational Safety Improvement Measures continue to include the following:

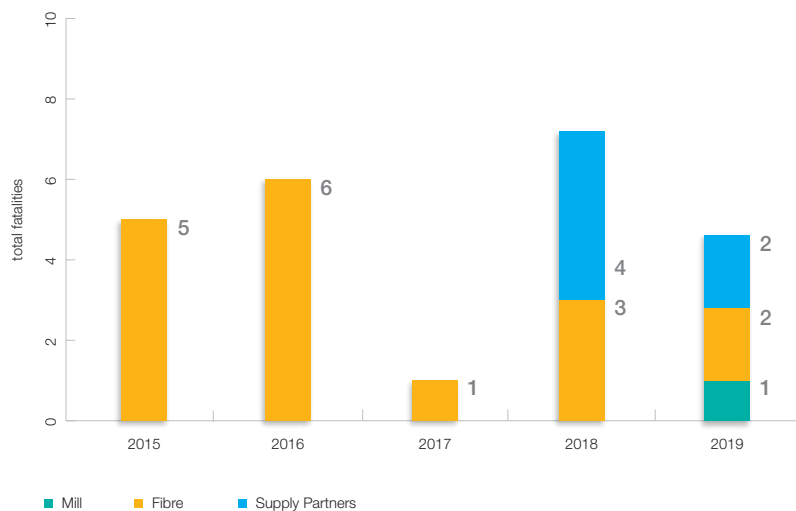
- Ensure proper training and briefing to all employees, new hires and contract workers on OHS principles and work procedures for their specific tasks.
- Strengthen inspection programs, such as safety observation programs, non-conformance reports and violation tickets, to prevent and correct unsafe behavior.
- Conduct regular meetings on OHS issues with top management and department heads.

Occupational Health and Safety Certifications



Workplace fatalities

The company regrets to report that five fatalities occurred across APRIL's forestry operations in 2019. Two of these occurred on PT RAPP estates, two on supply partner concessions areas, and one in the Pangkalan Kerinci mill complex. All incidents were investigated by the company's Occupational Health and Safety unit and reported to the relevant provincial and government authorities. In all cases, comprehensive reviews were carried out to determine recommendations that could be made to put in place enhanced safety and training systems for estate managers and personnel.



GRI Content Index

General Requirements

GRI Disclosure	Requirements	Section	Page
Organizational Profile			
Disclosure 102-1	Name of the organization	About APRIL	05
Disclosure 102-2	Activities, brands, products, and services	About APRIL	05
Disclosure 102-3	Location of headquarters	About APRIL	06
Disclosure 102-4	Location of operations	About APRIL	06
Disclosure 102-5	Ownership and legal form	About APRIL	06
Disclosure 102-6	Markets served	About APRIL	09
Disclosure 102-7	Scale of the organization	About APRIL	09, disclosure of net sales and total capitalization is omitted due to confidentiality constraints
Disclosure 102-8	Information on employees and other workers	Developing Our People	67
Disclosure 102-9	Supply chain	About APRIL	33
Disclosure 102-10	Significant changes to the organization and its supply chain	About APRIL	08-09 (interactive map of our operations can be found on our APRIL dashboard). Disclosure for changes in share capital structure and other capital formation, maintenance, and alteration operations is omitted due to confidentiality constraints
Disclosure 102-11	Precautionary Principle or approach	About APRIL	13
Disclosure 102-12	External initiatives	Stakeholder Engagement and Materiality	16
Disclosure 102-13	Membership of associations	Stakeholder Engagement and Materiality	21
Strategy			
Disclosure 102-14	Statement from senior decision-maker	President's Message	02
Ethics and Integrity			
Disclosure 102-16	Values, principles, standards, and norms of behavior	About APRIL	07
Governance			
Disclosure 102-18	Governance structure	Sustainability Governance	12
Stakeholder Engagement			
Disclosure 102-40	List of stakeholder groups	Stakeholder Engagement and Materiality	16
Disclosure 102-41	Collective bargaining agreements	Developing Our People	67 (exact percentage will be reported in future reports)

GRI Disclosure	Requirements	Section	Page
Disclosure 102-42	Identifying and selecting stakeholders	Stakeholder Engagement and Materiality	16
Disclosure 102-43	Approach to stakeholder engagement	Stakeholder Engagement and Materiality	16
Disclosure 102-44	Key topics and concerns raised	Stakeholder Engagement and Materiality	17-19
Reporting Practice			
Disclosure 102-45	Entities included in the consolidated financial statements	About This Report	Organization's consolidated financial statements are not publicly available. This disclosure is omitted due to confidentiality constraints
Disclosure 102-46	Defining report content and topic Boundaries	About This Report	05
Disclosure 102-47	List of material topics	Stakeholder Engagement and Materiality	21-23
Disclosure 102-48	Restatements of information	About This Report	There are no restatements of information given in previous reports
Disclosure 102-49	Changes in reporting	About This Report	There have not been any changes from previous reporting periods in the list of material topics and topic boundaries
Disclosure 102-50	Reporting period	About This Report	05
Disclosure 102-51	Date of most recent report	About This Report	05
Disclosure 102-52	Reporting cycle	About This Report	05
Disclosure 102-53	Contact point for questions regarding the report	About This Report	05
Disclosure 102-54	Claims of reporting in accordance with the GRI Standards	About This Report	05
Disclosure 102-55	GRI content index	GRI Content Index	70-74
Disclosure 102-56	External assurance	Assurance Statement	80

Topic-Specific Disclosure

GRI Standards	Disclosures	Requirements	Section	Page
Management approach	103-1	Explanation of material topic and boundary	Conservation and Restoration	37-42
	103-2	The management approach and its components		
	103-4	Evaluation of the management approach		
Biodiversity and habitat conservation	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Conservation and Restoration	39
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Conservation and Restoration	42
Management approach	103-1	Explanation of material topic and boundary	Responsible Fiber Sourcing	33-36
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach		
Supplier environmental assessment	308-1	New suppliers that were screened using environmental criteria	Responsible Fiber Sourcing	33
Management approach	103-1	Explanation of material topic and boundary	Responsible Fiber Sourcing	33-36
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach		
Supplier social assessment	414-1	New suppliers that were screened using social criteria	Responsible Fiber Sourcing	33
Management approach	103-1	Explanation of material topic and boundary	Responsible Manufacturing	45-47
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach		
Materials	301-1	Materials used by weight or volume	Responsible Manufacturing	48-50
	301-2	Recycled input materials used	Responsible Manufacturing	48-50
Management approach	103-1	Explanation of material topic and boundary	Responsible Manufacturing	47
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach		
Energy	302-1	Energy consumption within the organization	Responsible Manufacturing	51-52
Management approach	103-1	Explanation of material topic and boundary	Responsible Manufacturing	47-59
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach		

GRI Standards	Disclosures	Requirements	Section	Page
Air emissions	305-1	Direct (Scope 1) GHG emissions	Responsible Manufacturing*	53
	305-4	GHG emissions intensity	Responsible Manufacturing	53
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Responsible Manufacturing	57-58
Management approach	103-1	Explanation of material topic and boundary	Responsible Manufacturing	47-59
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach		
Water and effluents	303-1	Interactions with water as a shared resource	Responsible Manufacturing	53-56
	303-2	Management of water discharge-related impacts	Responsible Manufacturing	53-56
	303-3	Water withdrawal	Responsible Manufacturing	53-56
	303-4	Water discharge	Responsible Manufacturing	53-56
	303-5	Water consumption	Responsible Manufacturing	53-56
Management approach	103-1	Explanation of material topic and boundary	Responsible Manufacturing	58-59
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach		
Effluents and waste	306-1	Water discharge by quality and destination	Responsible Manufacturing	53-56
	306-2	Waste by type and disposal method	Responsible Manufacturing	59
Management approach	103-1	Explanation of material topic and boundary	Supporting Local Livelihoods and Society	62-66
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach		
Local communities	413-1	Operations with local community engagement, impact assessments, and development programs	Supporting Local Livelihoods and Society	62-66
Management approach	103-1	Explanation of material topic and boundary	Supporting Local Livelihoods and Society	62-66
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach		
Indirect economic impacts	203-1	Infrastructure investments and services supported	Supporting Local Livelihoods and Society	62-66
	203-2	Significant indirect economic impacts	Supporting Local Livelihoods and Society	62

*Mill GHG emissions includes the following gases: CO₂, N₂O, CH₄

GRI Standards	Disclosures	Requirements	Section	Page
Management approach	103-1	Explanation of material topic and boundary	Developing Our People	67-71
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach		
Training and education	404-1	Average hours of training per year per employee	Developing Our People	68
	404-2	Programs for upgrading employee skills and transition assistance programs	Developing Our People	68
	404-3	Percentage of employees receiving regular performance and career development reviews	Developing Our People	68
Management approach	103-1	Explanation of material topic and boundary	Developing Our People	67-71
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach		
Occupational health and safety	403-1	Occupational health and safety management system	Developing Our People	71
	403-9	Work-related injuries	Developing Our People	71
Management approach	103-1	Explanation of material topic and boundary	Developing Our People	67-71
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach		
Employment	202-2	Proportion of senior management hired from the local community	Developing Our People	67
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Developing Our People	67-71
Management approach	103-1	Explanation of material topic and boundary	Sustainable Management of Forest Plantation	26-32
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach		
Environmental compliance	307-1	Non-compliance with environmental laws and regulations	Sustainable Management of Forest Plantation & Responsible Manufacturing	26-32, 48
Management approach	103-1	Explanation of material topic and boundary	Sustainable Management of Forest Plantation	26-32
	103-2	The management approach and its components		
	103-3	Evaluation of the management approach		
Socio-economic compliance	419-1	Non-compliance with laws and regulations in the social and economic area	Sustainable Management of Forest Plantation & Responsible Manufacturing	26-32, 48

Glossary

Term	Definition
Acacia crassiparva and Acacia mangium	Two species of Acacia, characterised by fastgrowing and good pulping qualities. APRIL plants Acacia crassiparva on peatlands and Acacia mangium on dry, mineral soils.
ADT	Air Dry Tonne, Marketable pulp (air dried) which contains 10% water.
AOX	Adsorbable organically bound halogens (AOX) are a group of chemicals that can be adsorbed from water onto activated carbon. AOX expresses the total concentration of chlorine bound to organic compounds in wastewater. It measures all chlorine compounds both harmful and harmless.
Biodiversity	Total diversity or variation of life within a given ecosystem.
Biofuel	Biofuel is based on raw material derived from living organisms and therefore is classified as a renewable source.
BOD	Biological oxygen demand. A measure of the amount of oxygen that bacteria will consume while decomposing biologically available organic matter. BOD is a measure of the degree of organic pollution in water. Also see "COD".
Carbon footprint	A measure of the total amount of carbon dioxide (CO ₂), nitrous oxide (N ₂ O) and methane (CH ₄) emissions of a defined population, system or activity, considering all relevant sources, sinks and storage within the spatial and temporal boundary of the population, system or activity of interest. Calculated as carbon dioxide equivalent (CO ₂ e) using the relevant 100-year global warming potential (GWP100).
COD	Chemical oxygen demand. COD does not differentiate between biologically available and inert organic matter, and therefore a measure of the total quantity of oxygen required to oxidize all organic matter into carbon dioxide and water.
CoC	Chain of Custody, involves monitoring, tracing and documenting the flow of fiber from the plantation to the mill.
Concession	General term for licenses where plantation forests are established for the production of pulp and paper products.
Eucalyptus	A large family of trees, common in Australia. Certain species, like the Eucalyptus pellita, are native to Indonesia. APRIL Indonesia is currently expanding its use of Eucalyptus on dry, mineral soils.
Fiber	Fiber from plantation forests.
FPIC	Free, prior, informed consent, a form of bottom-up participation and consultation with local/indigenous communities prior to the beginning of development at a particular area.
FFVP	Fire Free Village Programme
FFA	Fire Free Alliance
Grievance mechanism	Grievance mechanism introduced in August 2016 that applies to the settlement or resolution of grievances relating to the implementation of SFMP 2.0 within APRIL and suppliers' operations, recognizing the principle of Free, Prior, Informed Consent (FPIC) as a starting point.
GJ	Gigajoule, a unit of energy equal to one billion joules.
GHG	Greenhouse gas. Gases such as carbon dioxide, nitrous oxide and methane that absorb and re-emit thermal radiation (heat).
GRI	Global Reporting Initiative
Hectare (Ha)	Metric unit of area that is equivalent to 10,000 square metres or 2.417 acres.
HCS	High Carbon Stock assessment
HCV/HCVF	High Conservation Value Forest assessment that comprises six HCV values: HCV 1 Species diversity, HCV 2 Landscape-level ecosystems and mosaics, HCV 3 Ecosystems and habitats, HCV 4 Ecosystem services, HCV 5 Community needs, HCV 6 Cultural values.

Term	Definition
ISO	The International Organisation for Standardisation is a worldwide federation of national standards bodies, representing more than 140 countries. ISO is a non- governmental organisation established in 1947, to promote the development of standardisation and related activities globally.
IUCN	The International Union for Conservation of Nature is the world's oldest and largest global environmental network– a democratic membership union with more than 1,000 government and NGO member organisations, and almost 11,000 volunteer scientists in more than 160 countries. The organisation helps the world find pragmatic solutions to the most pressing environment and development challenges. It supports scientific research, manages field projects all over the world and brings governments, non-government organisations, United Nations agencies, companies and local communities together to develop and implement policy, laws and best practice.
IFCC	Indonesian Forestry Certification Cooperation is the national PEFC-endorsed forest certification system in Indonesia.
IFS	Integrated Farming System: Initiated in 1999, this initiative is to enable farmers achieve greater diversification, efficiencies and yields. The main activities of the programme include training and, providing ongoing technical and agricultural support to farmers.
Kerinci	Location in Riau Province, Sumatra, Indonesia. Home to APRIL's Indonesia operations.
Kraft	Kraft process (also known as sulphate pulping process). This process is versatile, allowing most types of wood to be used as raw material. Unbleached kraft pulp is brown in colour, and its uses include brown sack paper and bags. For use as printing or writing papers, it needs to be bleached.
Kampar Peninsula	The Kampar Peninsula is situated in the province of Riau, on the east coast of central Sumatra in Indonesia. It is delimited by sea in the north and east, by Kampar River in the south and the Kutup River in the west.
Land dispute	Land in Indonesia is predominantly state-owned. The right to use the land is given to certain companies and individuals under licensed concessions for which fees or royalties are payable. A major exemption to this is traditional village land, usually small plots on which villagers grow subsistence and cash crops. Disputes may arise through overlapping claims to the same land, or through lack of provable land titles (i.e. encroachment) and questionable recognition of traditional rights.
LTIFR	Lost Time Injury Frequency Rates
MHW	Mixed hardwood
Multi stakeholder forum	Multi stakeholder forum or <i>rembuk desa</i> is a consultation forums between community and APRIL representatives to discuss the type of in-kind social infrastructure assistance needed at a particular area.
New development	New development is the clearing of previously uncleared land for planting or building of infrastructure.
NOx	Nitrogen oxides such as nitric oxide and nitrogen dioxide, (NO and NO ₂).
Occupational Health and Safety certification	Defined as SMK3 certification as required by Indonesian law or an equivalent certification for those suppliers operating outside Indonesia.
PIMS	Plantation Information Management System is a software utilized by APRIL, using Geographic Information Systems software linked to databases on plantation stock, inventory, operational status, work-orders and costs.
Pulp	Cellulose fibers used in the production of paper, tissue and board. Can be derived from hard-woods, softwoods and plant fibers.
Petajoule	A unit of energy equal to 10 ¹⁵ joules.

Term	Definition
Peatland	Areas of land with naturally formed layers of peat. Peat is dead organic (vegetative) material that has accumulated over thousands of years due to a combination of permanent water saturation, low oxygen levels and high acidity. Peat consists of 90% water and 10% plant material. Peatlands vary widely because of regional and local differences in soils, topography, climate, hydrology, water chemistry, vegetation, and other factors, including human disturbance.
RKU	<i>Rencana Kerja Usaha</i> or General Working Plan, is a 10-year workplan document that includes information on working location, spatial planning and area management, production sustainability, environmental protection and social condition. This document is submitted by concession license holders to the Ministry of Environment and Forestry.
RKT	<i>Rencana Kerja Tahunan</i> or Annual Work Plan, is a document that details the activities as stated in the RKU document.
Riparian	Relating to the immediate surrounding area of a natural watercourse. This includes vegetation as well as the soil.
Road built	Road built by APRIL or supply partner for community's use.
SDGs	The United Nations Sustainable Development Goals are a universal set of goals, targets and indicators that UN member states are expected to use to frame their agenda over the next 15 years to end all forms of poverty, fight inequalities and tackle climate change, while ensuring that no one is left behind.
SOx	Sulphur oxides such as sulphur monoxide, sulphur dioxide and sulphur trioxide (SO, SO ₂ , SO ₃).
SFMP 2.0	Sustainable Forest Management Policy 2.0
Social infrastructure projects:	Social infrastructure projects: The building of schools, community halls, roads, bridges, education and health support, religious and sports facilities.
• Completed	Completed: Social infrastructure projects completed within the reporting period.
• Materials provided	Materials provided: Provision of materials for social infrastructure projects.
SMEs	Small and Medium Enterprises; companies or individuals with business revenue of less than Rp500 million per month with formal, clearly defined agreement to supply goods and/or services to APRIL.
SMK3	<i>Sistem Manajemen Keselamatan dan Kesehatan Kerja</i> or Health and Safety management system as set out in Indonesia's Ministry of Manpower Regulation 50/2012.
TRIR	Total Recordable Incident Rate
TSS	Total Suspended Solids, measure of the level of solids in waste water to determine quality.
TRS	Total Reduced Sulphur are compounds released from both natural and industrial sources that produce offensive odors, but not normally considered a health hazard.
UNGC	United Nations Global Compact, one of the largest voluntary corporate citizenship initiatives, consists of 10 principles covering human rights, fair labour, environmental protection and anti-corruption. Established in July 2000, it seeks to promote responsible corporate citizenship by providing a framework for businesses to follow in response to the challenges of globalisation.
Water withdrawn	Sum of all water drawn from Kampar River for any use over the course of the reporting period.
Water consumption for pulp and paper	Includes water used as an input for the pulp and paper production process which includes denim dan soft water used in the pulp mill. Excludes water consumption for the power plant, town site, evaporation losses and water sold with product.
Water discharges	Sum of all effluent, used water and unused water released into Kampar River at the effluent treatment plant which is the defined discharge point.

KPMG

Assurance Statement

Independent Limited Assurance Report

To the management of APRIL Group:

We have been engaged by the management of APRIL Group ('APRIL') to undertake a limited assurance engagement on certain performance information disclosed in the Sustainability Report (the 'Report') for the period covering January 1 – December 31, 2019.

Subject Matter and Applicable Criteria

The scope of our limited assurance engagement, as agreed with management, comprises the performance information (the 'Subject Matter Information') described in Table A.

The Subject Matter Information, contained within the Report, have been determined by management on the basis of APRIL's assessment of the material issues contributing to APRIL's sustainability performance and that most impact and influence their stakeholders.

Table A: Subject Matter Information

No.	Subject Matter Information	Applicable Criteria	Assurance Standard
1.	The Entity's claim that "this report has been prepared in accordance with the GRI Standards – core option". (page 5)	Global Reporting Initiative's Sustainability Reporting Standards ("GRI Standards")	ISAE 3000
2.	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas: <ul style="list-style-type: none"> Intact Forest Landscape and Protected Area map (page 39) 	GRI Standards - GRI 304-1	ISAE 3000
3.	Direct (Scope 1) greenhouse gas ('GHG') emissions: <ul style="list-style-type: none"> Scope 1 GHG emissions from the mill complex of 2,094,481 tonnes CO₂e (page 53) 	Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, Revised Edition (the 'GHG Protocol') GRI Standards - GRI 305-1	ISAE 3410
4.	Waste by type and disposal method: <ul style="list-style-type: none"> 246,177 bone dried tonnes of hazardous waste from production activities (page 59) 663 tonnes of hazardous waste from non-production activities (page 59) 100,725 tonnes of non-hazardous waste produced (page 59) 	GRI Standards - GRI 306-2	ISAE 3000
5.	Percentage of fibre covered by legality certification: <ul style="list-style-type: none"> "All fiber sourced from PT RAPP plantations is covered by timber legality certification including IFCC-PEFC or SVLK" (page 35) "All fiber supplied by supply partners is IFCC-PEFC or VLK certified" (page 35) "All fiber supplied by the open market suppliers is certified with IFCC-PEFC, VLK or FSC-Controlled Wood in the case of one supplier from Malaysia" (page 35) 	APRIL's own internal guidelines and definitions for sustainability reporting	ISAE 3000

No.	Subject Matter Information	Applicable Criteria	Assurance Standard
6.	Ratio of conservation and restoration area to total plantation area: <ul style="list-style-type: none"> Conservation and Restoration vs. Plantation area: 82% (page 8) 	APRIL's own internal guidelines and definitions for sustainability reporting	ISAE 3000
7.	Hectares of APRIL and Supply Partner concessions currently inactive due to unresolved land disputes: <ul style="list-style-type: none"> Area inactive due to unresolved land disputes as of December 31, 2019 - 102,953 hectares (page 32) 	APRIL's own internal guidelines and definitions for sustainability reporting	ISAE 3000

There are no mandatory requirements for the preparation, publication or review of sustainability performance metrics. As such, APRIL applies the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (Revised Edition), the Global Reporting Initiative's Sustainability Reporting Standards and its own internal reporting guidelines and definitions (found in the Glossary section of the Report) for sustainability reporting (together, the "Applicable Criteria") in preparing the Subject Matter.

APRIL's responsibilities

Management is responsible for the preparation and presentation of the Subject Matter Information in accordance with the Applicable Criteria current as at the date of our report. Management is also responsible for determining APRIL's objectives in respect of sustainability performance and reporting, including the identification of stakeholders and material issues, and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

Our responsibility and professional requirements

Our responsibility in relation to the Subject Matter Information is to perform a limited assurance engagement and to express a conclusion based on the work performed. We conducted our engagement in accordance with International Standard on Assurance Engagements ('ISAE') 3000 (Revised) *Assurance Engagements other than Audits or Reviews of Historical Financial Information* and ISAE 3410 *Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board. ISAE 3000 and ISAE 3410 require that we plan and perform our procedures to obtain the stated level of assurance, in accordance with the applicable criteria.

Assurance approach

We planned and performed our work to obtain all of the evidence, information and explanations we considered necessary in order to form our conclusion as set out below. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of performance information for the Subject Matter

Information, and applying analytical and other evidence gathering procedures, as appropriate. Our procedures included:

- Inquiries of management to gain an understanding of APRIL's processes for determining the material issues;
- Inquiries with relevant staff at the corporate and concession level as well as fiber suppliers to understand the data collection and reporting processes for the Subject Matter Information,
- Where relevant, performing walkthroughs to evaluate the design of internal controls relating to data collection and reporting of the Subject Matter Information;
- Comparing the reported data for the Subject Matter Information to underlying data sources on a sample basis, including comparison of site conditions at the concession level to reported data for a sub-sample of the data;
- Completing a mill site visit to assess the completeness of greenhouse gas emission sources, sinks and reservoirs;
- Inquiries regarding key assumptions and the re-performance of calculations on a sample basis; and,
- Reviewing the performance information for the Subject Matter Information presented in the Report to determine whether it is consistent with our overall knowledge of, and experience with, the sustainability performance of APRIL.

The extent of evidence gathering procedures performed in a limited assurance engagement is less than that for a reasonable assurance engagement, and therefore a lower level of assurance is obtained.

Independence, quality control and competence

We have complied with the relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies *International Standard on Quality Control 1* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The engagement was conducted by a multidisciplinary team which included professionals with suitable skills and experience in both assurance and in the applicable subject matter including environmental, social, and governance aspects.

Disclaimer of conclusion - Subject Matter Information 6-7 in Table A

As a result of travel restrictions associated with the COVID-19 pandemic, we were unable to access a sufficient number of forest operations sites to gather field evidence regarding the completeness and accuracy of disclosures related to the following Subject Matter Information:

- Ratio of conservation and restoration area to total plantation area
- Hectares of APRIL and Supply Partner concessions currently inactive due to unresolved land disputes

As a result, we have not been able to gather sufficient and appropriate evidence to form our conclusions with respect to Subject Matter Information 6-7. Accordingly, we do not express a conclusion on Subject Matter Information 6-7.

Conclusion - Subject Matter Information 1-5 in Table A

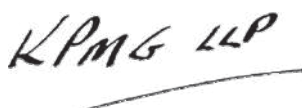
Based on the procedures performed, nothing has come to our attention that causes us to believe that for the period from January 1, 2019 to December 31, 2019, the data for following Subject Matter Information have not been prepared and presented, in all material respects, in accordance with the Applicable Criteria, current as at the date of our report:

- The Entity's claim that "this report has been prepared in accordance with the GRI Standards – core option"
- Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas
- Direct (Scope 1) greenhouse gas ('GHG') emissions - Scope 1 GHG emissions from the mill complex
- Waste by type and disposal method
- Percentage of fibre covered by legality certification

Emphasis of matter

Without qualifying our conclusion above, we draw attention to the statement on page 5 of the Sustainability Report, which indicates that a separate "SFMP 2.0 Report" will be prepared for APRIL's Stakeholder Advisory Committee on APRIL's implementation of its Sustainable Forest Management Policy 2.0 once the restrictions on field access associated with the COVID-19 pandemic have been lifted. In the absence of a pandemic, the SFMP 2.0 Report would have been completed concurrently with the Sustainability Report.

The SFMP 2.0 Report will include independent limited assurance over a number of the indicators already disclosed in the Sustainability Report over which assurance has not been provided here, including Subject Matter Information 6-7 in Table A. As additional sources of evidence (in particular, evidence collected through field inspection) will be available for the SFMP 2.0 Report, it is possible that some changes may occur in reported indicator data as a result.

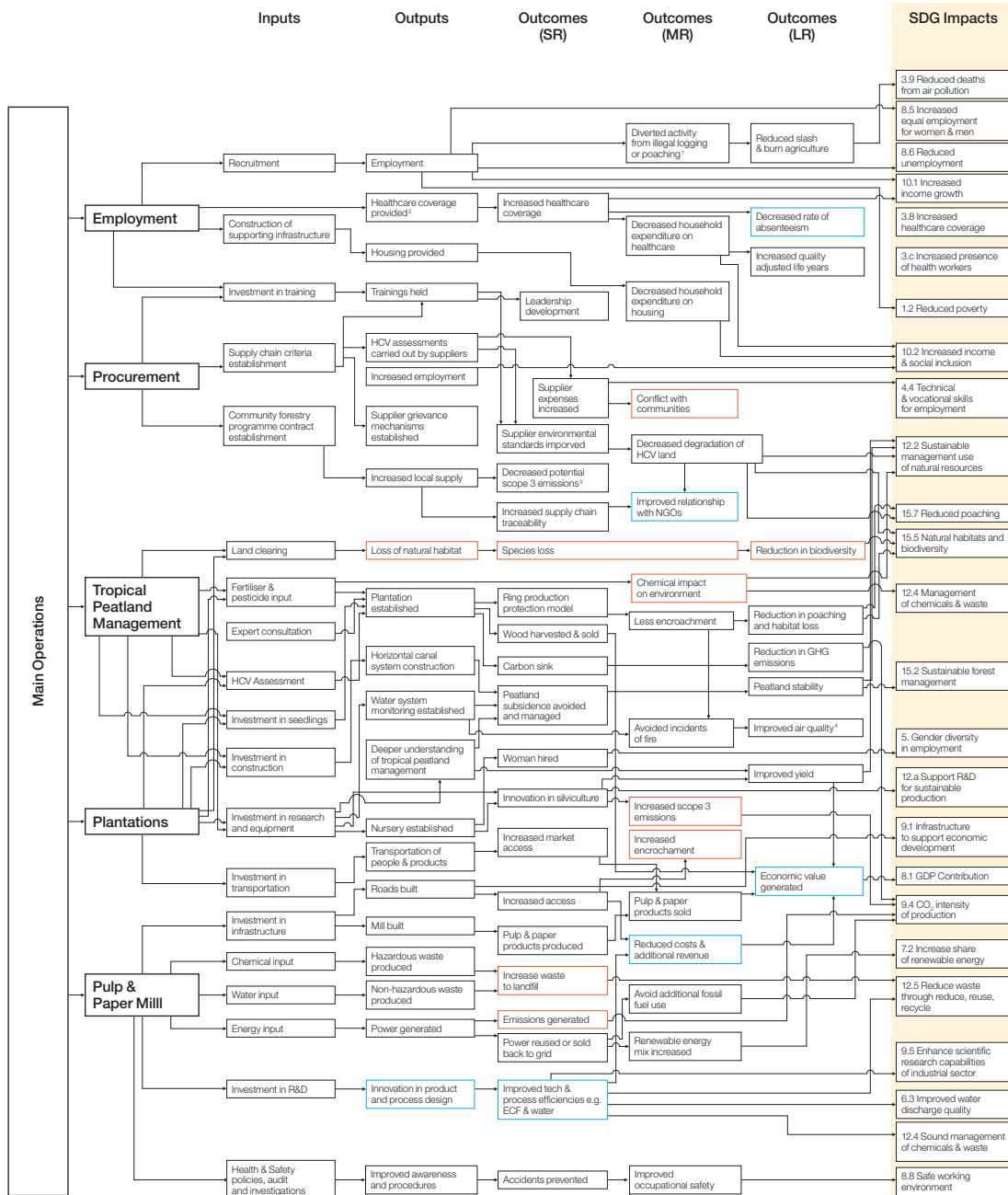


Chartered Professional Accountants
Vancouver, Canada
July 13, 2020

Appendices

Appendix 1 - SDG Impact Pathway

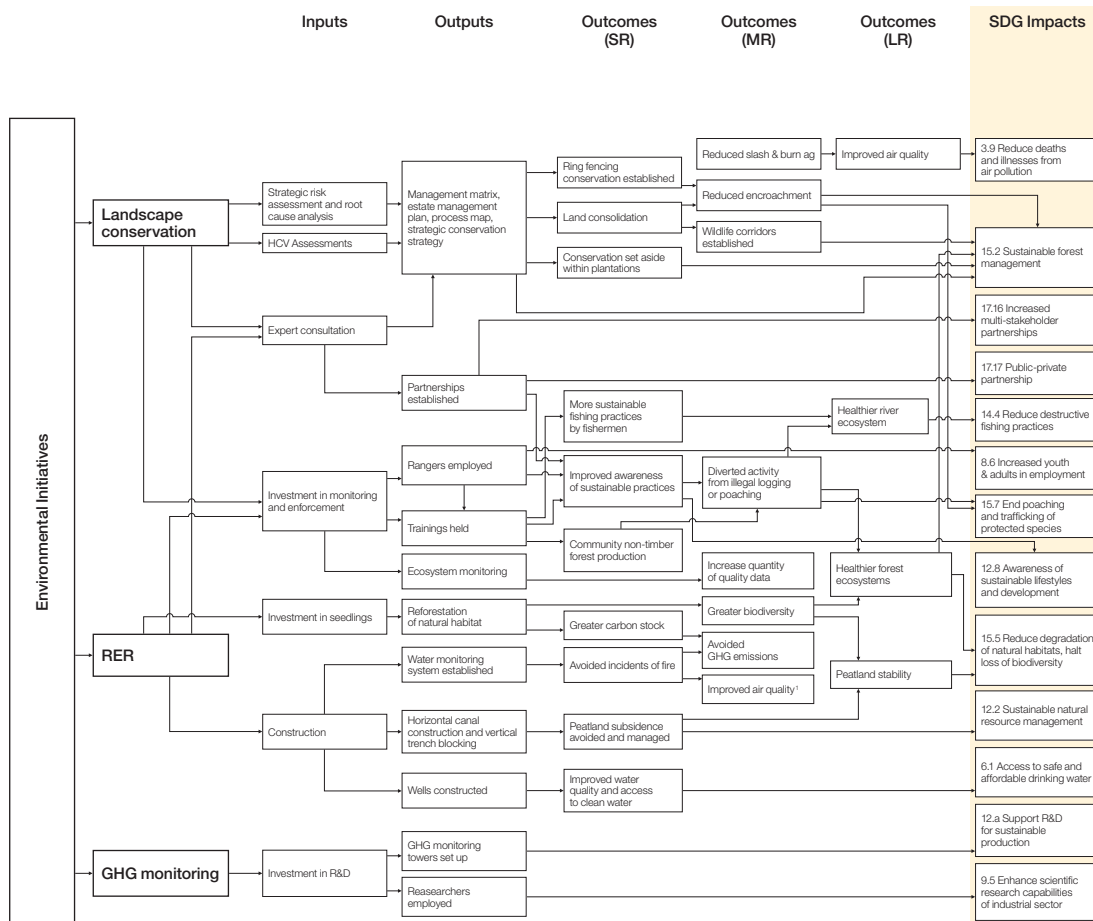
Main Operations Pathway Map



Footnotes:
 1: Diverted illegal logging and poaching leads to SDG 5.7
 2: Health coverage provided leads to SDG 3.c
 3: Decreased scope 3 emissions leads to SDG 9.4
 4: Improved air quality leads to SDG 3.9

PwC Singapore: The pathways provide an overall indication of the desired outputs, outcomes and impacts that may arise from the different activities and do not detail all the intermediate effects that may occur during the process. They are not an assessment of the actual positive/negative impact created. This diagram has been prepared solely for APRIL's internal use and benefit in accordance with the Agreement between us, and is not intended to nor may it be relied upon by any other party. To the fullest extent permitted by law, PricewaterhouseCoopers Risk Services Pte Ltd does not accept or assume liability or responsibility to anyone other than APRIL for our work or this diagram.

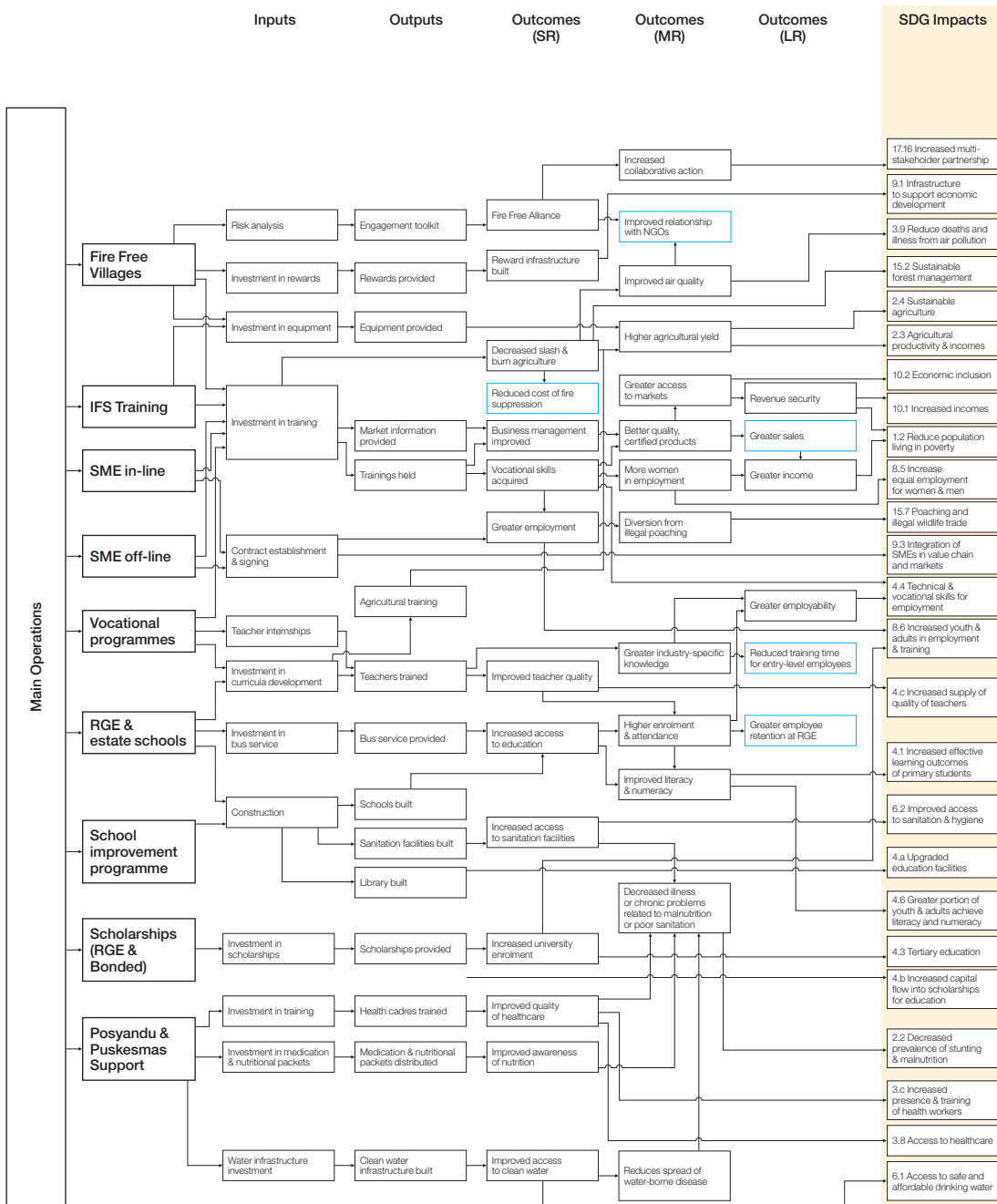
Environmental Initiatives Pathway Map



Footnotes:
 Future impacts not included
 1: Improved air quality leads to SDG 3.9

PwC Singapore: The pathways provide an overall indication of the desired outputs, outcomes and impacts that may arise from the different activities and do not detail all the intermediate effects that may occur during the process. They are not an assessment of the actual positive/negative impact created. This diagram has been prepared solely for APRIL's internal use and benefit in accordance with the Agreement between us, and is not intended to nor may it be relied upon by any other party. To the fullest extent permitted by law, PricewaterhouseCoopers Risk Services Pte Ltd does not accept or assume liability or responsibility to anyone other than APRIL for our work or this diagram.

Community Initiatives Pathway Map



PwC Singapore: The pathways provide an overall indication of the desired outputs, outcomes and impacts that may arise from the different activities and do not detail all the intermediate effects that may occur during the process. They are not an assessment of the actual positive/negative impact created. This diagram has been prepared solely for APRIL's internal use and benefit in accordance with the Agreement between us, and is not intended to nor may it be relied upon by any other party. To the fullest extent permitted by law, PricewaterhouseCoopers Risk Services Pte Ltd does not accept or assume liability or responsibility to anyone other than APRIL for our work or this diagram.

Appendix 2 - Selected SDG targets for Impact Measurement

Based on the pathway mapping, APRIL selected eight targets as a pilot phase of impact quantification. The targets were selected based on the factors explained below.

1. The particular relevance and importance to APRIL given the scale of investment or materiality of the contributing activities. Thus, more significance was given to impacts arising APRIL's main operations and the larger programs
2. The balance across core, catalytic and contributed priority goals as well as between social and environmental SDGs
3. Data availability as well as ease and robustness of quantification

The first set of selected goals and targets are shown below:



1.2: By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions



3.8: Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all



4.1: By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes

4.4: By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship



7.2: By 2030, increase substantially the share of renewable energy in the global energy mix



12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse



15.2: By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally

15.5: Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species

Appendix 3 - Certifications

National Certification	International Certification
<p>Sustainable Plantation Forest Management (SPFM): Since 2006, Riau Andalan Pulp & Paper (RAPP), the operations unit of APRIL Group, has been certified for SPFM, under the Indonesian Ecolabel Institute (LEI) standards.</p>	<p>ISO 45001 & ISO 14001: APRIL Group's operations in Riau Province, Indonesia are certified under ISO 45001 (Safety Management Systems), ISO 9001 (Quality Management Systems), and ISO 14001 (Environment Management Systems).</p>
<p>Sustainable Production Forest Management (PHPL) certified by Ministry of Forestry: RAPP holds PHPL certification, a mandatory certification for all Indonesian forestry companies. This certification ensures RAPP's compliance with production, ecological, and social requirements set by the Government of Indonesia.</p>	<p>PEFC-CoC: Since 2010, APRIL Group's production facilities have been certified under the Programme for the Endorsement of Forest Certification (PEFC) Chain of Custody (CoC) standards, ensuring that all raw materials coming into the mill are from non-controversial sources.</p>
<p>Timber Legality Verification (SVLK): The SVLK system was jointly developed by the Indonesian Ministry of Forestry and the European Union (EU) to meet the anti illegal logging laws and requirements. Our products are accompanied by V-Legal document to certify the legality of the fiber from which the pulp and paper was produced. The V-Legal document has functioned as FLEGT license since 15th November 2016.</p>	<p>PEFC-Sustainable Forest Management (SFM): In 2015, more than 300,000 hectares of concession are certified under PEFC-SFM. This certification recognizes forestry operations that maintain forest's ecological, social and economic values.---Correct</p>
<p>Occupational Health and Safety Management System: SMK3 based on Government Regulation No. 50/2012 for mill and forestry sector; a mandatory certification by the Government of Indonesia.</p>	<p>ISEGA Germany, Certificate of Compliance: For paper that is safe for food packaging use.</p>
<p>National Standard of Indonesia (SNI): Certification for paper products. SNI labeling ascertains that the prescribed quality product specification is met.</p>	<p>Singapore Green Label – for paper products: PaperOne™ product has maintained this certifications since 2013, issued by the Singapore Environmental Council (SEC).</p>
<p>Indonesia Eco Label for paper product: Ensuring that product is produced in line with environmental best practice standards.</p>	<p>ISO 50001: APRIL Group's operations & APR in Riau Province, Indonesia are certified under ISO 50001 (The Energy Management Systems).</p>
<p>Certificate of Authorized Economic Operator (AEO): In 2016, the pulp and paper company under APRIL group received AEO certification for International trade related facilities issued by the World Customs Organization (WCO).</p>	<p>EU Ecolabel: The label is awarded to products and services meeting high environmental standards throughout their life-cycle: from raw material extraction, to production, distribution and disposal.</p>

Indonesia

Jl. M.H. Thamrin No. 31
Jakarta 10230
T. +62 21 31930134
F. +62 21 3144604

Jl. Lintas Timur, Pangkalan Kerinci Kota
Pangkalan Kerinci, Kabupaten Pelalawan
Riau 28654
T. +62 761 491000

Singapore

80 Raffles Place, #50-01
UOB Plaza 1, Singapore 048624
T. +65 62169318
F. +65 65380020

www.aprilasia.com

