

In This Issue:

1. APRIL welcomes new baby Sumatran elephant to Flying Squad
2. RAPP signs MoU with BTN Syariah to aid SMEs
3. An interview with Darlius Kardi, SME Programme Partner
4. Sweet harvest
5. Green partners
6. RAPP wins again
7. APRIL SSYMB wins Outstanding Enterprise Award in the first Chinese "Cai Lun" Awards

What is an "Elephant Flying Squad?"

An Elephant Flying Squad is a team of trained elephants who were originally from the wild. The term "Flying Squad" was coined by the World Wide Fund for Nature (WWF). These elephants are trained and used to mitigate human-animal conflicts, which arises when wild elephants encroach into communities in search of food. These conflicts frequently result in either the elephants getting killed, or villagers hurt and their properties damaged.

In 2004, WWF introduced the first Elephant Flying Squad to Riau Province in central Sumatra, in a village near the newly established Tesso Nilo National Park. It was a way to bring short-term relief to the intense conflict between the people and elephants there, and to create support for elephant conservation among hard-hit communities.

APRIL welcomes new baby Sumatran elephant to Flying Squad



➤ *Baby Carmen was born in APRIL's custody on 5 January 2009, making her the fifth member of our conflict mitigation team of elephants.*

APRIL's own Elephant Flying Squad welcomed the birth of its first female baby Sumatran elephant (*Elephas Maximus Sumatranus*) named "Carmen". The Elephant Flying Squad in the Ukui Estate of Riau, Indonesia, is a team

of trained elephants and pawangs (trainers) whose efforts are focused on preventing rampaging wild elephants from raiding village crops.

Carmen's mother, Merry, a 20-year old Sumatran elephant, gave birth at 3am on 5 January 2009, making Carmen the first baby elephant to be born in APRIL's custody. Baby Carmen weighed about 80kg at birth, and was 84 cm tall.

Dr Neil Franklin, APRIL's Sustainability Director, said, "The arrival of this baby elephant is testimony to the optimum conditions which we maintain our teams."

APRIL now hosts two Elephant Flying Squads – the first was established in 2005 in collaboration with the WWF and the Natural Resources Conservation Agency under the Indonesian Forestry Department. The second, under APRIL's management, was established in 2007, with three females and one male elephant.

RAPP signs MoU with BTN Syariah to aid SMEs

PT Riau Andalan Pulp and Paper (RAPP) has always believed that what is Good for the Planet, is Good for the People, and ultimately, Good for Business.

To this end, the Company will continue to make effective contributions to the community through its empowerment programmes. One such programme is "outsourcing", where local entrepreneurs are encouraged to run small and medium enterprises to support our operations.

This RAPP-initiated programme not only provides work for the SMEs, it also assists by facilitating financing through bridging partnerships with banking institutions. One such supporting financial institution is Bank Tabungan Negara (BTN) Syariah of Pekanbaru.

A Memorandum of Understanding (MoU) was signed last July between RAPP and BTN Syariah of Pekanbaru for the "Partnership Development and Guidance Programme for Micro, Small, Medium Enterprises and Cooperation". This alliance will see the bank providing working capital and investment for the local entrepreneurs under this Programme.

According to Thomas Handoko, Director of RAPP, "This cooperation is part of our continued commitment to the community within our sphere of operations. To date, almost 250,000 people are supported by livelihoods created by our operations in Riau."

Director of BTN Syariah of Pekanbaru, Mr Saut Pardede, said in support of this programme, "BTN Syariah is committed to supporting and developing activities of SMEs in this region. In tandem with this, we believe that this alliance with RAPP will truly benefit the participants of this programme."

Amru Mahalli, RAPP's CSR director provided some background to the relationship with BTN Syariah of Pekanbaru. He said, "By the end of 2008, BTN Syariah will distribute a total of Rp 17 million worth of working capital to programme participants. Of this total amount, some Rp 3 million has already been distributed for activities such as the provision of school buses in some sectors of RAPP's Industrial Forestry, and as working capital for the Cooperation for Loan and Savings (Koperasi Simpan Pinjam or KSP).

The MoU signing ceremony was hosted at an event attended by the management from both RAPP, BTN Syariah and partners of RAPP's SME programme in July 2008.



► The MoU was signed by Thomas Handoko (left) and Saut Pardede, with witnesses from Riaupulp and BTN Syariah of Pekanbaru and partners of RAPP's SME Programme.

An interview with Darlius Kardi, SME Programme Partner

Hard work and determination are the most important attributes for success. This is the motto of Darlius Kardi, one of the partners from RAPP's SME Programme.

Before participating in this scheme, Kardi's monthly income as a contract worker was only about Rp 420,000. But, participating in the SME programme, his remuneration has increased about seven fold to Rp 31 million per month. His hard work has certainly paved the way from an uncertain future, to that of a successful entrepreneur.

The father of two children received his education in *Sekolah Pertanian Menengah Atas* (Agriculture Vocational High School) in Marpoyan, Pekanbaru. After his graduation, Kardi was employed as a non-permanent staff at the local agricultural extension of Inhu District in 1987. At that time, he and his family were able to survive on his Rp 420,000 monthly income.

It took ten years for his monthly income to reach Rp 675,000. However, even with the increased salary, this was not sufficient for him to support his family. Eventually in late 2002, Kardi decided to look for alternative ways to improve his quality of life.

Kardi had recognised a promising opportunity offered by RAPP. That year, he took up the challenge and accepted RAPP's aid to start a new business – *CV Putra Danau Perkasa*, as a contracted service supplier, transporting peat moss from Langgam, Pelalawan District to RAPP's Nursery in Cerenti Estate of Kuansing District.

From the start of this new business, Kardi was already earning Rp 2 million per month. In late 2006, Kardi's business grew quickly after garnering a new contract for road watering. Furthermore, he was also trusted by RAPP to handle the transportation of sand and stone, as well as to manage the school bus service ferrying students from schools around RAPP's Pelalawan Estate.

Kardi is assisted by seven employees from his homeland and Sentajo village, and each of his employees earns a monthly income of Rp 1.5 million.

Kardi's entrepreneurial success has largely been credited to Bank Syariah Mandiri, which provided the financial support of working capital to advance his business through providing Rp 28 million to finance a school bus.

Darlius Kardi and his wife presented with a "key" to mark the launch of his school bus service after the MoU ceremony between RAPP and Bank Tabungan Negara Syariah of Pekanbaru. ◀

Amid his busy work life as an entrepreneur, Kardi will still take time out for community activities. He frequently participates as a prayer leader and has also bequeathed his own land for a *musholla* (Islamic praying place), a building now named Baitul Rahman Musholla.

Kardi is thankful for the support provided by RAPP. "My business has flourished under RAPP's SME Programme. Through the Company's mediation, I was able to obtain working capital credit from the bank", Darlius said. Other non-financial service support he received included training, counselling and management guidance.

Kardi was pleased to say, "As a beneficiary who has seen tangible results, I hope that RAPP's commitment towards the empowerment of local entrepreneurs will continue, for the betterment of both the people and the economy."



Sweet harvest



► Sweet returns on investment – RAPP's participating farmers with their bountiful harvest in July this year

The returns on our investment in corporate social responsibility programmes (CSR) have never been sweeter – if this harvest is any indication.

The Farmer's Group, Mekar Sari, an RAPP-fostered team drew in a bountiful harvest of watermelons last July. Under this programme, the farmers were provided with assistance in improving farming methods. The ultimate objective was to empower this group of farmers to engage in a sustainable means of livelihood, and to cultivate self-reliance through entrepreneurship.

To mark this day of bounty, the harvest was attended by Pelalawan's Regency Head of Agriculture, hosted by RAPP's CSR Director Amru Mahalli.

RAPP established its Integrated Farming System programmes in 1999, and, as at end 2007, has established farming communities in 104 villages throughout the six regencies in the Riau Province. The programme has benefitted about 4,300 farmers over a total cultivated land area of 2,275 hectares.

Green partners

As another initiative of RAPP's "Go Green with Riaupulp" campaign, the Company has roped in the Indonesian Air Force as a green partner. The Indonesian Air Force collaborated with RAPP to organise a tree planting ceremony to plant 1,500 trees across the Pekanbaru Airbase. The ceremony was held at the airbase's golf course and was graced by the Airbase Commander Flight Colonel Dodi Sutrisno.

The "Go Green" programme strives to conserve the ecological environment within and beyond the company's operational areas. Since its establishment, RAPP has planted thousands of trees through collaborations with the Indonesian government, universities in Riau, and the Pekanbaru Airbase.



► Airbase Commander Flight Colonel Dodi Sutrisno joins in the green movement.

RAPP wins again

RAPP has received the Millennium Development Goal (MDG) award for efforts in reducing child mortality. This award was organised by Metro TV in October last year. This accolade follows last year's nomination for the eradication of poverty and hunger.

The award ceremony was hosted in Jakarta, and graced by several dignitaries like the Minister of National Development Planning, Mr Paskah Suzetta, Minister of Environment, Mr Rahmat Witoelar, Former UN Special Ambassador for MDG Mrs Erna Witoelar and many others.

RAPP remains committed to its role in contributing to the MDG programmes, despite facing challenges raised by the global financial crisis.



➤ RAPP's CSR Director, Amru Mahali (right) was at the ceremony to receive the award from Wisnu Hadi, managing director of Metro TV.

About the Millennium Development Goals

At the Millennium Summit in September 2000, the largest gathering of world leaders in history adopted the UN Millennium Declaration, committing their nations to a new global partnership to reduce extreme poverty and setting out a series of time-bound targets, with a deadline of 2015 that have become known as the Millennium Development Goals, namely:

1. Eradicate extreme hunger and poverty
2. Achieve universal primary education
3. Promote gender equality and empower women
4. Reduce child mortality
5. Improve maternal health
6. Combat HIV/AIDS, malaria and other diseases
7. Ensure environmental sustainability
8. Develop a global partnership for development

APRIL SSYMB wins Outstanding Enterprise Award in the first Chinese "Cai Lun" Awards

In conjunction with the commemoration of 30 years of reform and the inaugural meeting on the development of the Chinese Paper industry in Beijing, the China Paper Industry Chamber of Commerce organised the first Chinese "Cai Lun" awards ceremony, held in Beijing on 22 - 23 September 2008. APRIL SSYMB won the top honour – the "Outstanding Enterprise" award, amongst seven other influential companies from the industry.

After a round of nomination, selection, and appraisal by specialists and overall evaluation of strict procedures by the Committee of Experts, APRIL SSYMB, by virtue of its size, management, integrity, environmental protection, social responsibility, and development plans, was conferred the "Outstanding Enterprise" award in the first Chinese "Cai Lun" Awards. Experts believed that APRIL SSYMB is at the forefront of the industry because of its performance in recent years in terms of production volumes, sales, profits, assets and other indicators, and that it is an important influence on China's paper industry.

The business employs state-of-the-art technology and equipment, professional management, sound operations, robust risk management, and good development prospects; a high degree of visibility and influence, integrity, strong sense of self-discipline, good social image; a strong sense of environmental protection and capability; enthusiasm about public welfare and a strong sense of responsibility in leading health developments to fulfill their social responsibilities.

Experts also acknowledged that APRIL SSYMB's advanced developments serve as a leading benchmark for the industry, and has an impact on the development of a fast-growing Chinese paper industry.



➤ APRIL was one of the recipients of the first Chinese "Cai Lun" awards in Beijing

The CSR Update is produced by the APRIL Corporate Communications Department.

For more information, please contact the Corporate Communications Department at tel: +65 6216 9372 or email: info@aprilasia.com