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APRIL GROUP: Communication on Progress

President's Statement Expressing Continued Support for the UN Global Compact Principles

APRIL Group commits to voluntarily advancing the ten principles of the UN Global Compact as they apply to our operations. We will express this commitment in our corporate strategy, business culture and day-to-day activities as they relate to the four issue areas: human rights, labor, environment and anti-corruption.

Specifically, we will demonstrate our commitment in the following ways:

- APRIL Group's Sustainable Forest Management Policy (SFMP) guides how we work toward delivering sustainable development across our operations through the implementation of social, environmental and economic best practices. These efforts are further guided by our founder's business philosophy that dictates that everything we do must be 'good for the community, good for the country and good for the company.'
- In the interest of transparency and to communicate progress as well as the challenges experienced in the implementation of our SFMP, APRIL Group commits to the continued periodic publication of an independently verified Sustainability Report in line with GRI standards. We have been publishing our Sustainability Report since 2002, making us the first in the region to do so.
- We will continue to place high priority on poverty alleviation and job creation, especially in rural areas where it is most needed. Local economic growth initiatives that contribute to community empowerment have proven an effective landscape protection strategy, alleviating a core driver of deforestation.
- We will continue to emphasize on our commitment to forest conservation and peatland restoration in line with a holistic landscape approach that incorporates and balances the needs of the community, the environment and sustainable business.

Sincerely,

A handwritten signature in blue ink, appearing to read "Praveen Singhavi". The signature is stylized and fluid.

Praveen Singhavi
President
APRIL Group

APRIL Group's Commitment to Human Rights Principles

UN Global Compact Principles	APRIL Group Policy, Actions and Outcomes
<p>Human Rights</p> <p>1. Business should support and respect the protection of internationally proclaimed human rights; and</p> <p>2. Make sure that they are not complicit in human rights abuses</p>	<p>Policy</p> <p>APRIL Group refers to and respects the Universal Declaration of Human Rights, national laws and ratified international treaties on human rights and indigenous peoples. Our goal is to be a good and responsible neighbor to the local, national and global community.</p> <p>This commitment is embedded in APRIL Group's Sustainable Forest Management Policy 2.0, which is overseen by an independent Stakeholder Advisory Committee (SAC), with all SAC meeting minutes and reports published.</p> <p>Actions</p> <p>1. We engage and align closely with neighbouring communities, central and local government, NGOs and civil society groups and other related stakeholders to mitigate and address any issues arising in relation to our operations, under the purview of the SAC.</p> <p>2. We implement Free, Prior, Informed Consent (FPIC) principles in dealing with the communities.</p> <p>3. We adhere to all relevant Indonesian laws and regulations while prioritising dialogue or consensus-based conflict resolution processes.</p> <p>Outcomes</p> <p>1. Policy follow-through has resulted in cases where APRIL has had to suspend operations indefinitely and extending operations work-plan deadline to ensure lawful, equitable and long-term solution to issues.</p> <p>2. We meet regularly with community leaders and NGOs to share information and receive feedback, with meeting minutes published online on APRILDialog.com.</p> <p>3. We have a working Grievance mechanism in place, overseen by the SAC.</p>
<p>Labour</p> <p>3. Business should uphold the freedom of association and the effective recognition of the right to collective bargaining</p> <p>4. The elimination of all forms of forced and compulsory labor</p>	<p>Policy</p> <p>APRIL commits to provide a safe, conducive and productive work environment across its supply chain for all employees including contractors and sub-contractors.</p> <p>Actions</p> <p>1. We respect the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.</p>

<p>5. The effective abolition of child labor</p> <p>6. The elimination of discrimination in respect of employment occupation</p>	<p>2. Our recruitment practices meet all legal requirements and cultural practices, including the proactive recruitment of qualified people from local communities.</p> <p>3. We respect Freedom of Association and diversity within workforce.</p> <p>4. Child labor is strictly prohibited throughout APRIL Group and its supply chain.</p> <p>5. Workplace safety is a top priority. We implement stringent preventive measures with Hazard Identification, Risk Assessments and Determining Control (HIDRADC) systems incorporated into our Occupational Health and Safety Management Systems (OHSMS).</p> <p>Outcomes</p> <p>1. APRIL Group employees are members of trade and labor unions, namely the Forestry Workers Union (69%) and the Indonesian Pulp and Paper Workers Federation (85%).</p> <p>2. The diverse background and nationalities of employees is viewed as a competitive advantage, with 15 different nationalities working across the company.</p> <p>3. A merit-based career advancement path and training are available to all employees.</p>
<p>Environment</p> <p>7. Business should support a precautionary approach to environmental challenges</p> <p>8. Undertake initiatives to promote greater environmental responsibility</p> <p>9. Encourage the development and diffusion of environmentally friendly technologies</p>	<p>Policy</p> <p>APRIL Groups' Sustainable Forest Management Policy commits the company and its suppliers to manage its licensed forest concession areas sustainably, eliminate deforestation from its supply chain, and to protect forest landscapes on peatland.</p> <p>Actions</p> <p>1. We have implemented Sustainable Forest Management Policy with regular, independent oversight by the Stakeholder Advisory Committee (SAC), and independent verification by KPMG.</p> <p>2. We identify and protect High Conservation Value Forest (HCVF) and High Carbon Stock areas within our concessions.</p> <p>3. We implement restoration and conservation at a landscape-level and have a 1-for-1 goal where we conserve one hectare for every hectare planted. We are currently at 70 percent of target which we aim to reach by 2020.</p>

4. We have a No-burn policy in place since 1994 and have invested some \$6million in international standard fire suppression equipment and technical expertise. In 2015 we launched a multi-stakeholder, community-level fire prevention program to prevent the recurrence of land and forest fire in Riau province.

5. We employ best practice landscape management on peatlands and are in the process of setting up a Peat Expert Working Group to review and advise on our approach and practices.

6. We work to continuously improve material and energy efficiency across our supply chain, utilizing renewable energy sources.

7. We work towards increasing our carbon sequestration through conservation and ecosystem restoration.

8. We have achieved national and international certification for manufacturing and forestry operations.

Outcomes

1. We voluntarily protect and conserve 250,000 hectares of High Conservation Value Forest (HCVF) within our licensed forest concession areas.

2. We have expanded our eco-restoration project area to 70,000 hectares of ecologically important peat forest situated in Kampar Peninsula.

3. We have four unit recovery boilers at our mill which generate 82% of our energy requirements from biomass, of which 71.3% comes from black liquor (by-product of Kraft pulp making).

4. APRIL mill has an on-site wastewater treatment facility and treats about 280,000 m3 of effluent per day. Suspended solids are removed and recovered for use in the power boiler.

5. In 2014, APRIL was awarded a Blue rating by the Indonesia's Program for Pollution Control, Evaluation and Rating (PROPER) from the Ministry of Environment, recognizing full compliance with Indonesian environmental regulations.

6. National certification: Sustainable Production Forest Management and Timber Legality Verification (PHPL-SVLK) certification for all its manufacturing facilities and forestry operations

	<p>7. We have been awarded international certification including Programme for the Endorsement of Forest Certification (PEFC) for Sustainable Forest Management Policy and Chain-of-Custody, ensuring that all raw materials processed in the mill is from legal and non-controversial sources.</p>
<p>Anti-Corruption 10. Business should work against corruption in all its forms, including extortion and bribery.</p>	<p>Policy APRIL Group upholds good corporate governance. It does not condone any corrupt practices internally or in its interactions with external parties.</p> <p>Actions</p> <ol style="list-style-type: none"> 1. We have zero tolerance for the use of violence, intimidation or bribery. 2. APRIL Group complies with all prevailing laws and regulations, including the Indonesian Corruption Eradication Law, and requires all its suppliers to do so. 3. We have an established compliance and internal audit mechanism. <p>Outcomes APRIL Group has not been implicated in any corruption cases.</p>