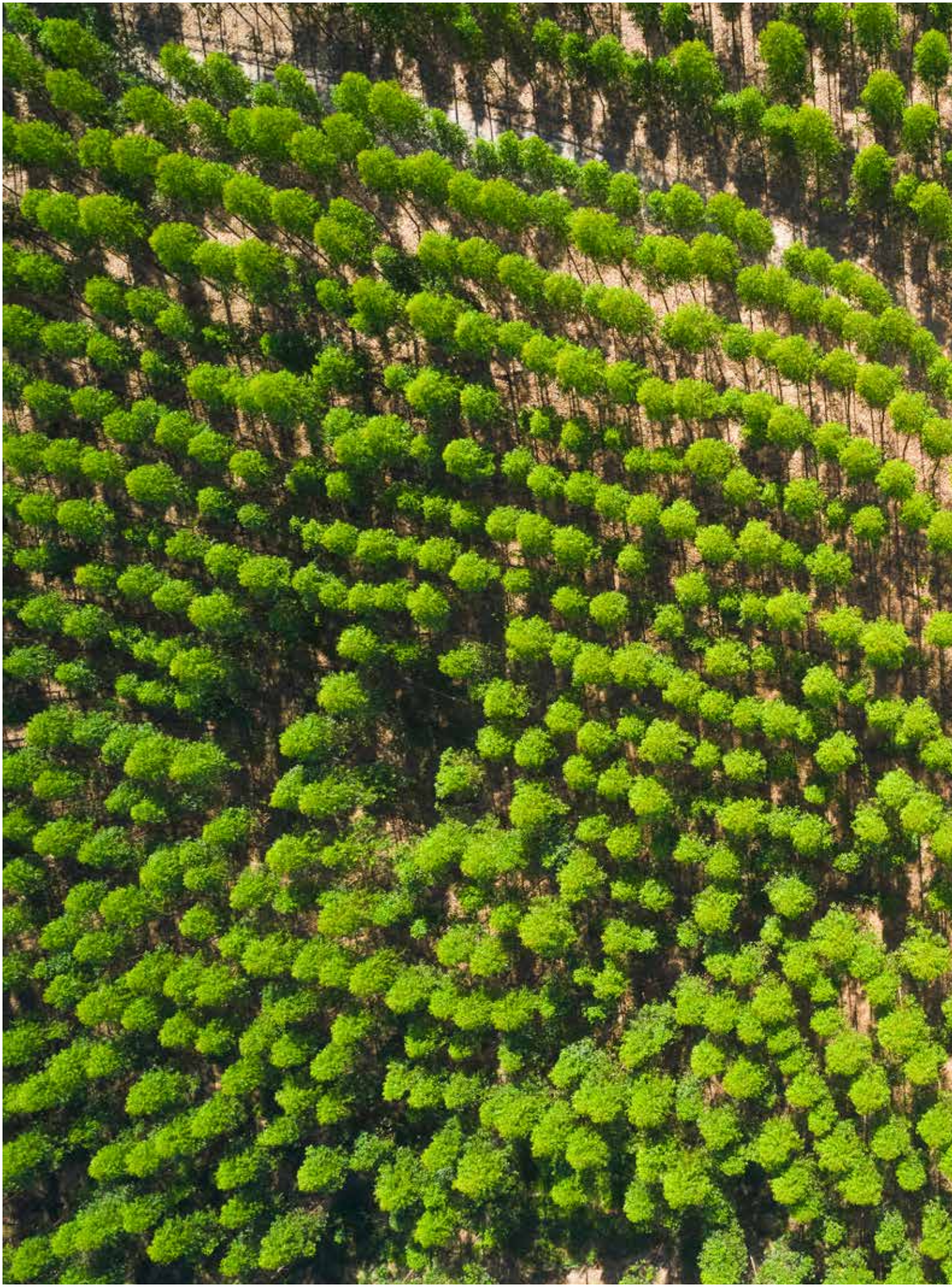
APRIL

Sustainability Report 2020

Towards Positive Impacts

APRIL 2030



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MESSAGE FROM THE PRESIDENT

The launch of our APRIL2030 commitments to be climate positive, champion thriving landscapes, ensure inclusive progress and grow sustainably as a business marked another major step forward for our company.

While 2020 was a year like no other as communities, companies and countries wrestled with the ongoing impacts of the COVID-19 pandemic, APRIL Group joined others in the global community in doubling down on its commitments to sustainable business to achieve a positive impact on climate, nature and people over the next decade.

The launch of our APRIL2030 commitments to be climate positive, champion thriving landscapes, ensure inclusive progress and grow sustainably as a business marked another major step forward for our company. It demonstrates that Asia-based, bio economy companies can be at the vanguard of global efforts to move the planet toward more sustainable outcomes for the benefit of generations to come.

While APRIL2030 was an important milestone, our key priority in 2020 was the health and welfare of our employees and their dependents, as well as the people and communities we interact with, in the face of the pandemic. In March 2020, we adopted a number of precautionary safety and wellbeing measures and implemented our business continuity plan to keep people safe. This included travel restrictions, contact tracing and quarantine protocols, health checks, distribution of masks and employee and community education campaigns.

A special taskforce established by the company worked to mitigate the risk of any transmission of the virus in operational and company residential sites and new ways of working were adopted company-wide, including work-from-home, separate teams and the use of virtual platforms for meetings and other interactions. Direct contact with communities and some work activities in the field were appropriately postponed or limited. With these measures in place, the impact of the pandemic on the delivery of our sustainability commitments was minimised, while our operational performance was largely unaffected.

More positively, the launch of our APRIL2030 commitments was followed by reports from the Indonesian Government that the deforestation rate in Indonesia in 2020 decreased by 75% over the 2019 rate, reaching a historic low since government monitoring began in 1990. We believe this is another positive signal that development and growth can be decoupled from deforestation.

Importantly, the 18 targets set under APRIL2030 are each supported by clear roadmaps for implementation and indicators that can be tracked to monitor and report on progress. The development of the targets was undertaken through a whole-of-company effort over two years to ensure they will be impactful.

Supporting our commitments, we also embarked on a number of immediate key initiatives which build on our ongoing conservation, restoration and other landscape management activities.

These include supporting wildlife protection in Indonesia in collaboration with the Wildlife Conservation Society, the establishment of a Tropical Peatland Science Research Hub within our Riau Ecosystem Restoration (RER) program, and boosting our move to use more renewable clean energy with the installation of 20MW solar panels, which when completed will be one of the largest private sector solar panel installations in Indonesia to date.

Reflecting our production-protection approach, we have assured funding for our conservation initiatives by committing that $1 for every tonne of plantation fiber supplied to the mill will go to conservation programs, both our own and those in partnership with other conservation organisations in Indonesia. As we grow sustainably as a business, so too will our investment in nature. From experience, we know that conservation requires long term, secured and consistent funding.

During the year, APRIL Group also joined the Science Based Targets initiative (SBTi) to ensure that our transition to a lower-carbon company is aligned with climate science. This builds on a science-based approach to fiber operations, including R&D which, over several years, has been instrumental in increasing the fiber yield from our plantations. This work has resulted in a remarkable 29% increase in our fiber yield over the previous three years from the same plantations, putting us well on the path to achieving our target of a 50% gain in fiber plantation productivity by 2030.

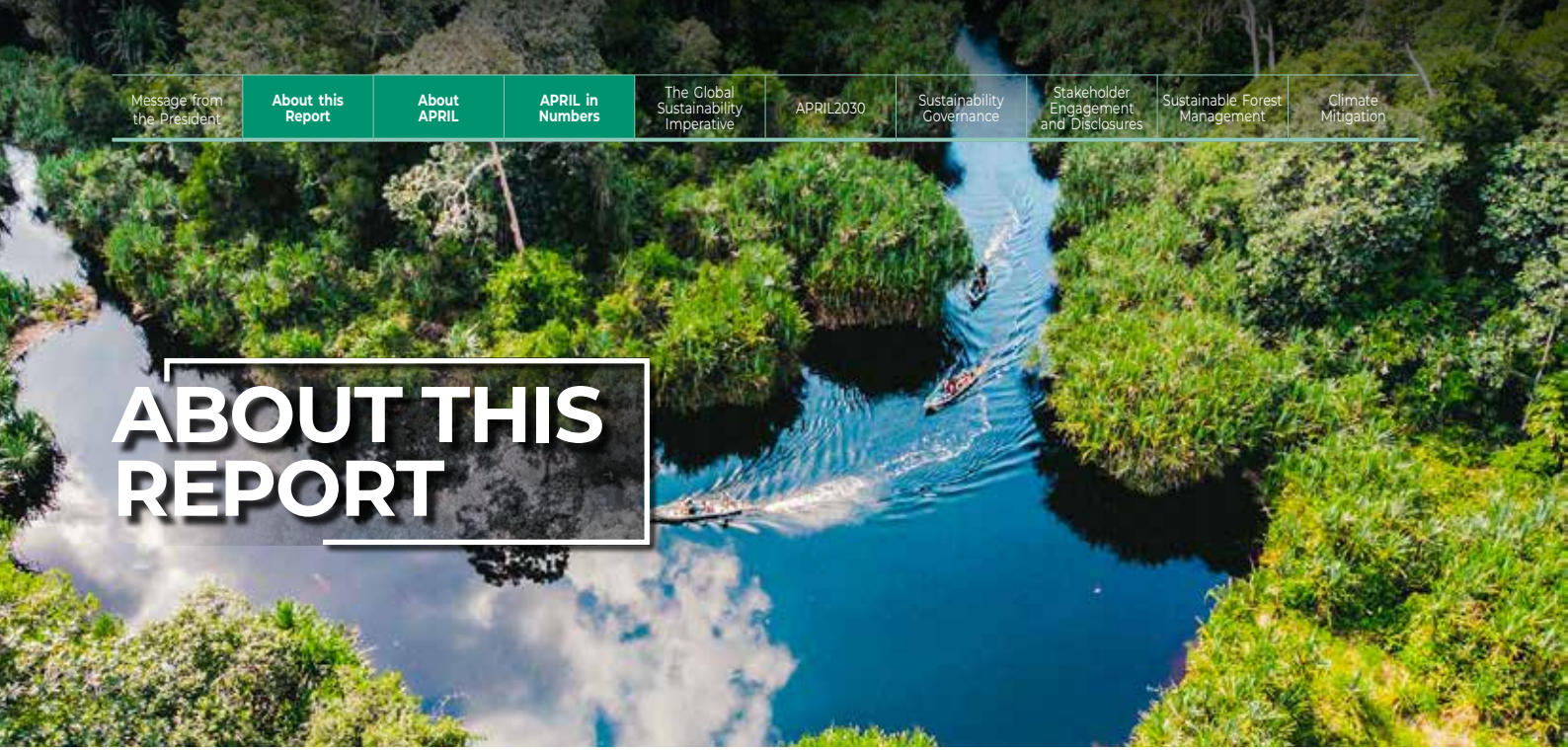
While in-person meetings were curtailed due to the pandemic, APRIL Group continued to benefit from the guidance and oversight of our independent Stakeholder Advisory Committee (SAC), which gained two new expert members during the year, and the Independent Peat Expert Working Group (IPEWG), both of which were consulted on our APRIL2030 commitments.

As in previous years, the SAC appointed KPMG Performance Registrar Inc. to conduct a limited assurance engagement over APRIL's implementation of our Sustainable Forest Management Policy 2.0 (SFMP). This policy continues to be a key pillar of the company's sustainability approach in committing to no deforestation, no new developments on forested peatland and the adoption of Free, Prior, Informed Consent principles in our dealings with communities.

In 2020, there was continued adherence to our SFMP 2.0 commitments, no new plantation development by APRIL and our open market suppliers, and continuing low levels of fire in our concessions.

Despite the unique challenges and risks posed by the pandemic, in many respects 2020 was a milestone year for APRIL, one where we built on continued implementation of our SFMP 2.0 by defining our business and sustainability agenda for the next decade through our APRIL2030 commitments. It is my sincere hope that our people and our stakeholders remain safe in the year ahead as we work hard to turn our ambitious sustainability targets into reality.

Praveen Singhavi
President, APRIL



ABOUT THIS REPORT

SCOPE AND BOUNDARY

APRIL Group's 2020 Sustainability Report is the 12th that the company has published since 2002 and its fourth yearly report since 2017. Previous Sustainability Reports are archived at www.aprilasia.com.

The 2020 Sustainability Report covers the sustainability performance of the 11 entities that comprise APRIL Group, as well as supply partners that have long-term agreements with the company over the period from 1 January 2020 to 31 December 2020. Select data is also reported for open market suppliers, where available.

REPORTING FRAMEWORK

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core Option and therefore covers topics defined by a materiality assessment carried out in consultation with internal and external stakeholders.

ASSURANCE SCOPE

APRIL engaged KPMG LLP to provide limited assurance over selected subject matter information. See page 99 for a copy of the assurance report.

CONTACT

We welcome all feedback and suggestions to help us improve the value of information and the overall quality of our Sustainability Report. Please email your views and inquiries to sustainability@aprilasia.com.

ABOUT APRIL

APRIL Group (Asia Pacific Resources International Limited) is a leading producer of fiber, pulp and paper, with forestry 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). RGE is an integrated, resource-based industrial group with commercial interests in paper, palm oil, construction and energy, property and asset management.

APRIL Group began plantation forestry development in Sumatra's Riau province and mill construction at Pelalawan Kerinci from 1993. Commercial pulp production commenced in 1995, followed by commercial paper production in 1998.

The 2008 completion of its Pulp Line 3 made Riau home to the largest integrated pulp and paper mill in the world at the time, with a current production capacity of 2.8 million tonnes per annum. The certified ISO 9001 and ISO 14001 mills to support self-sufficient energy generation.

The company launched and commenced implementation of its Sustainable Forest Management Policy (SFMP) in 2014 and SFMP 2.0 in 2015, which continues to be central to APRIL's sustainability commitments. In November 2020, the company launched further commitments to make a positive impact on climate, nature and people under its decade-long APRIL2030 commitments.

APRIL IN NUMBERS

As at December 2020

LANDSCAPES

448,632 ha
Plantation Area

364,996 ha
Conservation and Restoration Area

31,867 ha
allocated for **livelihood plantations**

693,187 ha
of community area covered by **APRIL'S Fire Free Village Program**

81%
towards the achievement of it's **1-for-1 ratio** to conserve or restore one hectare of forest for every hectare of plantation

89%
of APRIL's total concession area carries **PEFC certification**

WOOD AND OTHER INPUTS

11,098,933 tonnes
of **wood fiber** delivered to our integrated **pulp and paper mill** in Pangkalan Kerinci, Riau

100%
of wood fiber covered by **wood legality certification (PEFC, SVLK, PHPL, FSC)**

80.2%
of **mill's energy demand** come from renewable **energy** sources

82%
of the **total water withdrawn** was **treated and returned to the source**

3.32 TeraJoules
of **electricity** consumed for pulp & paper production

OUTPUT

2,194,238 tCO_2e
of Mill Scope 1 GHG emission

Products sold to **70 countries**

90% of **pulp**

75% of **paper**

to Asia Pacific with the remainder exported to Europe, Middle East and Africa

2,697,037 tonnes
of **pulp produced**

1,113,925 tonnes
of **paper produced**

PEOPLE

8,592
employees

22,174
contractors

APRIL provided
407
Educational Scholarships
covering primary to university level

2,275
Fire Fighters
employed, including 480 fire fighters from **local community**

THE GLOBAL SUSTAINABILITY IMPERATIVE

The 2019 Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) Global Assessment Report warned that nature loss is accelerating at an unprecedented rate. Nearly one million species are at risk of extinction from human activities and 75% of the land surface has been significantly altered by human actions, with severe impacts on livelihoods, economies, food security, health and quality of life worldwide.

Forests are home to 80% of the world's terrestrial biodiversity. However, between 1970 and 2014, the vertebrate animal populations of the world's forests decreased by 53%. This loss puts economies at risk. According to the World Economic Forum, more than half the world's total GDP – US$44 trillion – is moderately or highly dependent on nature and its services and, as a result, exposed to risks from nature loss.

There has been a profound realisation that the health of society is deeply connected to the health of nature and the many services it provides. The spread and emergence of zoonotic diseases such as COVID-19 is yet another indicator of the accelerating pressure on natural systems.

RISK MANAGEMENT

In 2020, the Global Risks Perception Survey, completed by over 650 members of the World Economic Forum's diverse leadership communities, showed that environmental concerns dominate the top long-term risks by likelihood. Climate change and related environmental issues are among the top five risks identified. The potential for climate action failure was identified as the most impactful long-term risk.

As competition for land use grows across agriculture, forestry, community usage, conservation and restoration, energy and other sectors, forests are at risk. Forests are key carbon sinks as tropical forests alone store seven times more carbon than humanity emits every year and draw down as much as approximately 1.8 gigatonnes of carbon annually.

SOLUTIONS

The delayed UN Climate Change Conference COP26 in November 2021 will be a pivotal moment for the world to commit to accelerate investments in the transition to a low carbon global economy. 10 billion tonnes of CO_2 emissions reductions and removals from land use sector will be required annually through to 2030 to meet Paris Accord climate targets and investment in the sustainable land use sector is needed to achieve it.

Forests and responsible forestry offer sustainable solutions for people and the planet through reducing atmospheric carbon when appropriately managed and monitored while providing land based climate change mitigation including conservation of nature, responsible forestry and restoration of degraded land and are classified as Natural Climate Solutions (NCS).

It is estimated that such Natural Climate Solutions can contribute more than 30% of the required solution to climate change through to 2030. In particular, investing in responsible forestry and innovating in restoration and reforestation to create sustainable climate landscapes can have a significant positive impact.

As part of the solution, companies that own and manage land can implement long-term sustainable agricultural and forestry practices that avoid deforestation while engaging in restoration efforts. They also have the opportunity either to sequester CO_2 within their own supply chains – in the form of insetting – or to produce carbon credits for use.

This can be achieved by a) protecting forests and natural ecosystems from degradation or conversion to agriculture, which is emission avoidance, b) improving management of agriculture and forestry production systems for additional carbon sequestration, and c) restoring degraded lands, such as forests and peatlands, with natural vegetation or commercial crops to scale up carbon removal.

CIRCULAR BIOECONOMY

Another solution is transition to a new economic system based on extending the use of resources to a maximum, via a circular economy. At its core this applies a "take/recycle-make-reuse/recycle" principle. Replacing the use of non-renewable resources with renewable resources in production processes, while ensuring that the new resources used can be regenerated by earth in a sustainable manner, is a path many companies are now engaged upon. Transition toward a circular bioeconomy is crucial to solving pressing societal issues, ensuring companies have the required resources to produce goods and services and continue to create value in the long-term.

The forestry sector can supply the bioeconomy with the biomass needed as inputs. In the circular bioeconomy, biomass is used to produce a broad range of goods and services, and at their end-of-use, these products are reused and recycled.

ROLE OF THE PRIVATE SECTOR

The private sector has a critical role in helping to drive the global sustainability agenda and the adoption of the necessary solutions. 2020 saw a range of prominent multinational organisations, such as Unilever, Microsoft and PepsiCo, as well as number of international pulp paper companies, announce ambitious targets to reduce emissions and advance their overall sustainability goals over the coming decade. The UK-based Energy and Climate Energy Unit has reported that 21% of the world's largest public companies have now committed to net zero targets.

APRIL became part of this growing momentum with the launch of its own long term sustainability targets and commitments (see APRIL2030 on page 8).

APRIL was one of the first Southeast Asian resources companies to announce a comprehensive series of targets to address climate change and support the achievement of the UN Sustainable Development Goals.

MANAGING THE IMPACT OF COVID-19

In March 2020, following the onset of the COVID-19 pandemic, APRIL put in place a range of precautionary measures to protect the wellbeing and safety of employees and stakeholders, including implementation of a Business Continuity Plan. The measures, which remain in place, include travel restrictions, contact tracing and quarantine, temperature checks, distribution of masks, and health promotion campaigns.

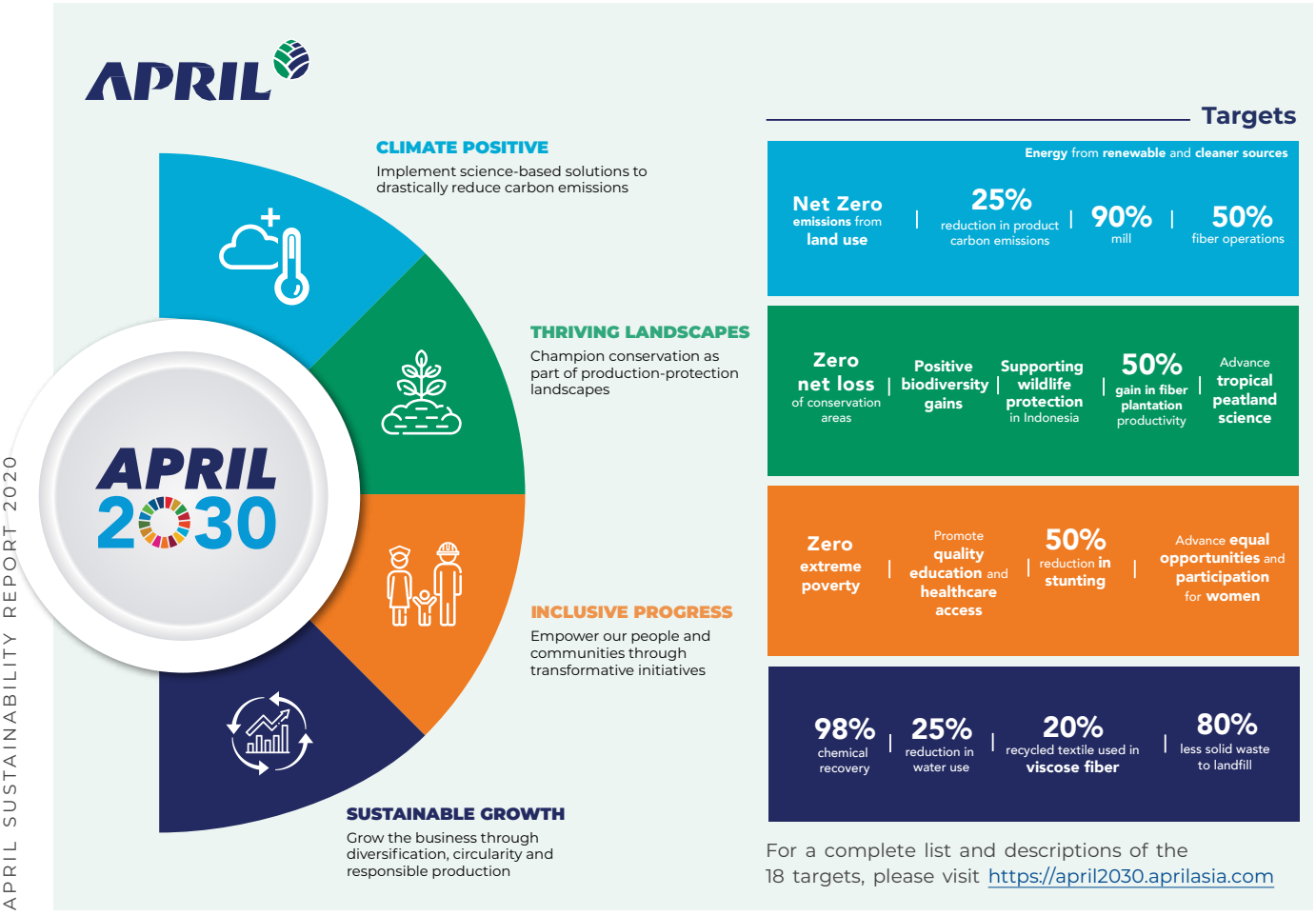
The company also established a special task force as an internal body to mitigate COVID-19 transmission risk within the company's operational and residential areas, resulting in the implementation of work from home protocols, the division of work groups, and increased use of virtual meetings.

APRIL continues to conduct strict mandatory tracing of people who have interacted with or had direct contact with those who have tested positive to COVID-19 and provides examinations or swab tests for emplyees and their families.

The result has been that the company continues to operate productively throughout the pandemic period meeting the needs of employees, local communities and customers. APRIL's primary focus during the pandemic has been on the physical and emotional wellbeing of employees and contractors and their dependents, as well as the communities in which the company operates.

APRIL2030

In November 2020, APRIL launched its APRIL2030 strategy and commitments, which sets ambitious but achievable targets to deliver a positive impact on climate, nature and people, while growing the business sustainably over the next decade to 2030.



For a complete list and descriptions of the 18 targets, please visit https://april2030.aprilasia.com

APRIL2030 builds on the company's SFMP 2.0 and on the progress made in its implementation since 2015.

Several immediate strategic initiatives were also launched in 2020 under APRIL2030 which include:

- Signing up to the **Science Based Targets initiative (SBTi)** to ensure that its carbon emissions reduction targets are aligned with climate science.
- Installation of **20MW solar panels** at its operations in Kerinci as a key part of the company's shift to renewable energy sources. When completed it will be one of the largest private sector solar power installations in Indonesia.

- **Participating in Business for Nature**, along with more than 560 companies around the world to urge for collective action and ambitious nature policies.
- Establishment of a new **Tropical Peatland Science Hub** at the RER Eco-Research Camp on Riau's Kampar Peninsula that will serve as a hub for national and international scientists and academics and for stakeholders who wish to experience ecosystem restoration work on the ground.
- Supporting **wildlife protection from illegal trade** through cooperation with Wildlife Conservation Society (WCS) in Indonesia, in support of the Indonesian Government's biodiversity goal. This is in addition to the ongoing collaboration with long-time partner Fauna and Flora International on the Riau Ecosystem Restoration (RER) initiative.

APRIL2030 supports the achievement of the United Nations Sustainable Development Goals (SDGs) at a national level in Indonesia and, more importantly, at a community or village level in the province of Riau. All of the APRIL2030 commitments were designed with targets and metrics to ensure that progress can be measured regularly.

The SDGs have provided APRIL with a global framework to align its sustainability commitments and strategies with the global development agenda, while also helping the company to strategically focus its resources and programs where the need is greatest. Since 2017, APRIL has worked with PwC Singapore to assess the impact of its business activities using the Goals as a framework. The assessment, which was completed in 2019, showed that the outputs and outcomes of APRIL's business activities contribute to 41 SDG targets.

Further information on the alignment between APRIL2030 targets and the SDGs can be found at: https://april2030.aprilasia.com/

SUSTAINABILITY GOVERNANCE

LEADERSHIP

APRIL Group is a privately owned company with well defined governance processes. It upholds strict corporate governance and ethical business standards and various governance requirements must also be complied with by companies in APRIL's wider supply chain. These standards include provisions for fair and non-discriminatory engagement with stakeholders, and avoidance of conflict of interest and corrupt practices.

APRIL SUSTAINABILITY GOVERNANCE

In 2020, APRIL's leadership engaged with a number of groups to provide updates on its APRIL2030 strategy. 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.

INDEPENDENT ADVISORY GROUPS

APRIL works with a number of advisory groups comprised of Indonesian and international experts, which provide valued input on the implementation of the company's sustainability commitments and its operations on peatland.

STAKEHOLDER ADVISORY COMMITTEE

The Stakeholder Advisory Committee (SAC) is an independent group of eminent forestry and social experts. Set up in January 2014, the SAC oversees the implementation of APRIL Group's SFMP 2.0 commitments and, as part of its mandate, appoints an independent verification auditor to monitor APRIL Group's progress towards meeting these commitments. KPMG Performance Registrar Inc. (KPMG PRI) is the current assurance provider and reports annually to the SAC on the findings of its assessment.

During 2020 the SAC provided views and recommendations on the targets and commitments contained within APRIL2030; and the continuing implementation of APRIL's SFMP 2.0 commitments. Further details on the outcomes of the discussions can be found on the APRIL sustainability dashboard.

INDEPENDENT PEAT EXPERT WORKING GROUP

The Independent Peat Expert Working Group (IPEWG) was established to provide guidance to APRIL on how to implement its peatland roadmap, as part of its SFMP 2.0 commitments. The Group is comprised of a number of distinguished national and international peatland scientists. The IPEWG meets regularly to provide advice and inputs on how APRIL can best manage its peatland concessions in a responsible manner.

The third two-year phase of the IPEWG began in 2020. This included a review of the past four years of the Group's activities, to identify opportunities moving forward, inputs into the peatland-related components of APRIL's 2030 strategy, and recommendations regarding ongoing trials in hydrology (lysimeter and water table trials). Discussions during meetings continued to be robust with members providing feedback and suggestions for operations as well as several upcoming scientific papers. Given pandemic restrictions, several initiatives such as engaging the greater community to share insights and perspectives in best peatland management were postponed until conditions improve.

RESTORASI EKOSISTEM RIAU ADVISORY BOARD

Set up in 2013, Restorasi Ekosistem Riau (RER) is one of the largest ecosystem restoration programs in South East Asia and consists of more than 150,000 hectares of peatland landscapes on the Kampar Peninsula, in east Sumatra, Indonesia. RER receives guidance and insights from an advisory board, which includes Indonesian and international experts on conservation, wildlife protection and peatland management.

The advisory board met in November 2020. As well as providing feedback on progress achieved, the board also gave recommendations on the implementation of the company's APRIL2030 strategy, particularly the Thriving Landscapes commitment area.

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, organisational development and operational matters.

The Executive Management Committee during the year in review consists of:

The Executive Management Committee oversees the implementation of the company's risk management policies, 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 seeks to ensure that management and staff understand the need to identify, assess, prioritise and manage risk and loss prevention.

SUSTAINABLE FOREST MANAGEMENT POLICY (SFMP) 2.0

APRIL's Sustainable Forest Management Policy (SFMP) 2.0 was established in 2015 and continues to be the cornerstone of the company's sustainability commitments. SFMP 2.0 guides the implementation of APRIL's s sustainable forest management practices and business operations. SFMP 2.0 applies to APRIL and current and future fiber suppliers, as well as any future acquisitions or partnerships.

The sustainability operations team oversees the ongoing implementation of the SFMP 2.0. The role is to guide the implementation of the SFMP in operational practice including monitoring, auditing and developing operational procedures to support the effective implementation of the commitments.

These activities take place in collaboration with personnel from other areas of the company, including mill operations, production, planning, and estate management, amongst others. The team also updates the Policy with operational best practice and guidance from other internal and external stakeholders from time to time.

The Sustainability team's key priorities are to: ensure APRIL's suppliers align with its policy commitments; maintain monitoring and reporting procedures; ensure that current certifications are maintained and work to incorporate new standards; develop forest protection and conservation programs; and to maintain and develop relationships with internal and external stakeholders.

RISK MANAGEMENT

The Executive Committee recognises the importance of addressing climate imperatives and undertakes an ongoing review of relevant climate-related risks and opportunities. APRIL's Executive Committee is responsible for strategy and monitoring performance of implementation and monitoring of the company's work plan and for strategy development on an ongoing basis.

APRIL's management system undertakes the ongoing identification of environmental, social and governance risks and provides the operational controls to manage the risks. Operational controls include applying responsible forest management practices to achieve high quality, third-party forest management certification for all production forestry.

APRIL also adheres to a range of standards to help manage risks. These include: quality management standards to reduce product failures; environmental management standards to mitigate environmental impacts and reduce waste; health and safety standards to help reduce accidents in the workplace; and energy management standards to manage energy consumption.

Specific standards include ISO 14001, which specifies the requirements for an environmental management system that an organisation can use to enhance its environmental performance. This helps an organisation achieve the intended outcomes of its environmental management system. Another standard is ISO 9001, which specifies the requirements for a quality management system to demonstrate an organisation's ability to consistently provide products and services that meet customer and applicable statutory and regulatory requirements.

ETHICS AND INTEGRITY

APRIL upholds the RGE Code of Conduct which outlines the company's guidance on how to embrace and demonstrate RGE Core Values in fulfilling individual roles and responsibilities. The code embodies the commitment to upholding ethical and professional business practices, as well as complying with applicable legal and organisational requirements.

The code defines the responsibility and expectations for employees and leaders who are all responsible for applying and complying with its provisions. The code guides employees on the way to pursue goals, and the the behaviours and the commitments to continue earning the trust of our communities and customers.

All employees must adhere to the code and are responsible - individually and collectively - for how APRIL does business. The code provides a set of rules outlining norms and proper practices. These rules guide the business conduct through policies, standards and guidelines covering corporate responsibility to honour human rights, rules on political donations and activities to protect the interests of the company and its employees, dealing with any relationships which may be a conflict of interest with company practice and standards.

The code importantly includes provisions in relation to honesty, integrity and fairness in business dealings with suppliers and potential suppliers. The code requires fair and equitable procurement processes and it is important that potential suppliers are clearly informed of expectations and business requirements. Suppliers are required to adhere to the Code of Procurement Ethics (COPE).

All reports about the breach of the Code of Conduct are treated promptly, fairly, transparently and in a professional manner

Any misconduct or malpractice within the company or suspected fraud and/or theft can be reported through the confidential whistle blowing reporting hotline and or whistleblowing confidential email. All reports about the breach of the Code of Conduct are treated seriously, promptly, fairly and in a professional manner. Anyone who reports misconduct, including whistleblowers, will have their identity and the information they shared protected and kept confidential.

All reports of misconduct will undergo an initial review and may trigger an investigation process when appropriate. The investigation process will involve the relevant panels and experts depending on severity of the issue to determine the appropriate course of action. Knowledge of and participation in such investigation will remain confidential to help safeguard the integrity of the investigation and protect witnesses. Possible outcomes of a breach of the Code may include remedial (i.e. non-disciplinary and corrective) managerial action and or disciplinary action.

LEGAL SANCTIONS

In December 2017, APRIL's received a sanction from the Ministry of Environment and Forestry (MoEF), resulting in a temporary stop of operational activities. APRIL developed and implemented corrective actions to respond to the sanction, which were subject to review by the assigned authority. As a result, the sanction was revoked in December 2020.

APRIL received a sanction from MoEF in early 2020 due to a forest fire in one of its concession areas. In response, APRIL developed a peat restoration plan for the area in question. That plan is currently under review by the assigned authority and APRIL will follow the process according to the authority's directives.

APRIL is committed to full compliance with regulations and laws in all jurisdictions in which it operates. As a large multinational company, the company understands the need to continuously reviews its operating procedures to ensure continued compliance with all applicable laws and regulations, not just those that pertain to the environmental or social development aspects of its operations.

GRIEVANCE PROCESS

APRIL Group has established a grievance resolution mechanism that is open to its employees as well as the local community. The grievance mechanism with resolution procedures is accessible and open to all stakeholders who may be adversely impacted by the Company for raising any concerns or complaints or issues related to APRIL Group's operations and those of its suppliers.

The grievance mechanism includes a set of procedures, methodology and structure for APRIL Group to resolve complaints and conflicts in a timely manner. Independent evaluators and investigators will be involved, if needed, to find a resolution.

Grievances may at times require lengthy processes of mediation and enquiry amongst various stakeholders and in cases may require the application of a flexible approach. As such, timelines for key stages of the grievance process may need adjustment according to various scenarios. A grievance committee which includes representatives from the company and independent parties is established whose role it is to make decisions and approve resolution plans.

The company raises awareness and informs local communities and stakeholders of the channels open to raise concerns and disputes throughout the year. At an operational level through community engagement, local communities have the opportunity to raise concerns with Company representatives. These concerns are logged and addressed through relevant processes.

APRIL welcomes any potential concerns to be raised related to forestry practices, business-related human rights, community impacts and manufacturing processes, and complainants are free to choose any of the available channels they wish to use. Various channels are available and accessible to all external individuals and communities who may be adversely impacted by the Company to raise complaints or concerns, including about human rights issues related to the Company. These include email, telephone, in writing and online.

Grievances are also accepted by third parties on behalf of a complainant in either English and or Bahasa Indonesia and complainants may freely seek expert advice during the grievance resolution and or remediation process. Once a potential grievance is received and assessed, further action may be required to verify the concern and if confirmed, an agreeable action plan will be designed in consultation with concerned parties to resolve the grievance through selected/agreed remediation processes.

In resolving grievances, APRIL prioritises consultative methods centered on engagement and dialogues.

The company provides progress updates to stakeholders, tracking of grievance progress and manages any follow-up action where necessary. As part of continuous improvement, the grievance resolution procedure is reviewed annually incorporating lessons learned and ensuring the mechanism and procedures remain effective and relevant.

The Grievance processing unit records and processes all grievances for the grievance committee. This unit maintains an up to date grievance register with all records available indicating documented timing and status of response. The implementation of the grievance process and methodologies are assessed annually as part of the SFMP 2.0 implementation.

A separate procedure is in place on land dispute resolution, which provides the framework for the handling of disputes specifically related to land claims and illegal encroachment. This applies to disagreement over the ownership, tenure, management and use of a specific area inside the company's concession area.

APRIL welcomes any potential concerns to be raised related to its operations

STAKEHOLDER ENGAGEMENT AND DISCLOSURES


APRIL
APRIL

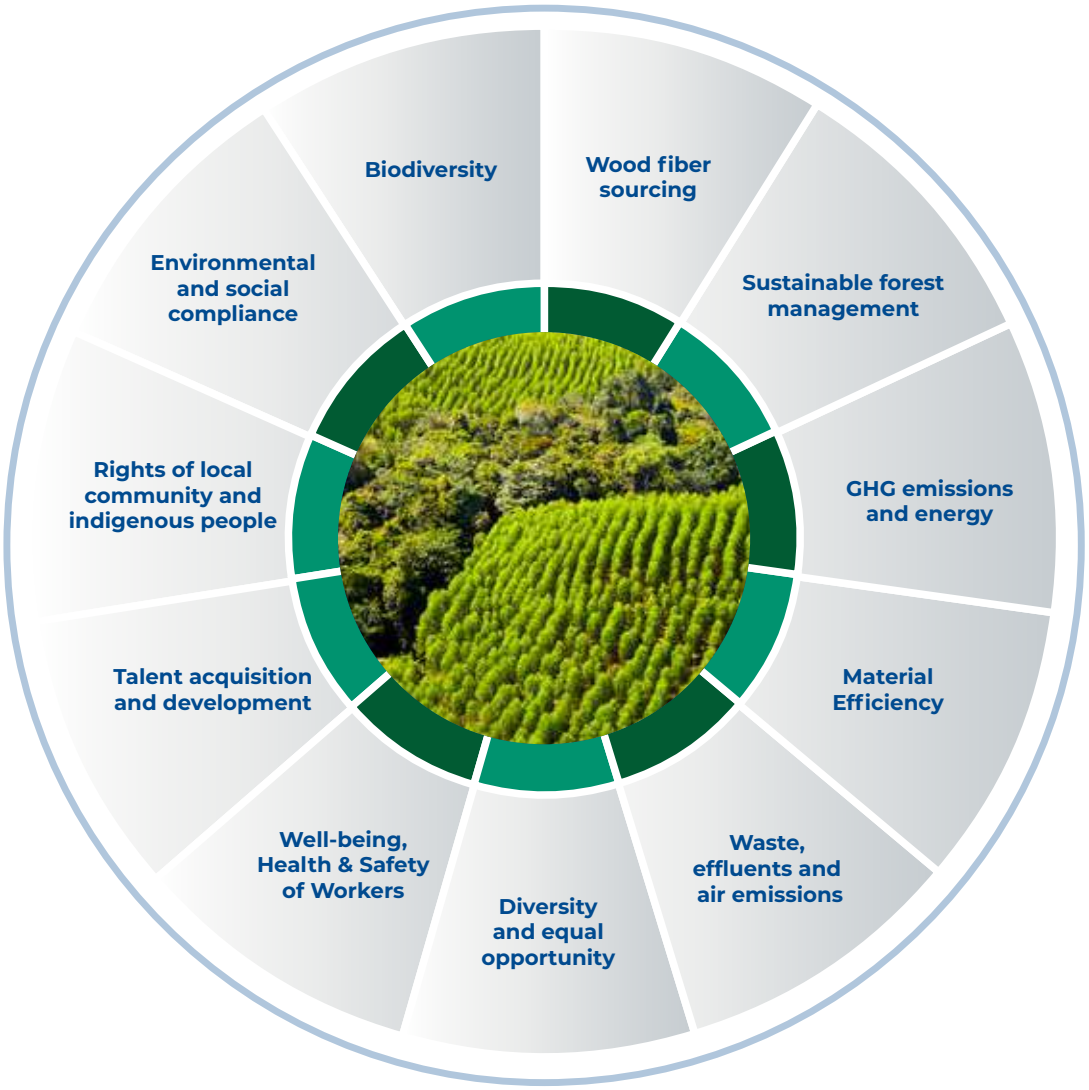
Consistent and effective stakeholder engagement is essential to the implementation of APRIL's sustainability commitments, as well as building and maintaining trust with a diverse community of stakeholders.

MATERIALITY

APRIL carries out a materiality assessment to define the content and boundary of its sustainability reporting and disclosure. The assessment is based on the inputs from relevant stakeholders, both internal and external, as it aims to identify the topics that generate significant environmental, social and economic impacts as well as those that can significantly influence the stakeholders' views towards APRIL.

From our engagement with stakeholders during the reporting year, a comprehensive review was done of all documentation to produce an initial list of material topics. This initial review includes identification of sustainability trends emerging at global, regional, and national level that are relevant to forestry sector, as they are deemed to reflect broader societal expectations over forestry-based companies such as APRIL.

A further review by APRIL management was done to prioritise the initial list of topics, according to their relevance to APRIL's business and operating context. A final material topic list was then produced, comprised of 11 topics on environmental, social, and governance. This materiality assessment informed the process for defining the report content and boundaries for the 2020 Sustainability Report.



STAKEHOLDER ENGAGEMENT STRATEGY

APRIL recognises that there is a diverse, broad group of stakeholders whom have an interest in our activities. Engagement strategy focuses on NGOs, civil society, development agencies, research and membership based organisations and alliances.

Corporate disclosure tools are recognised by society and disclosure platforms are integrated into the strategy. Engagement themes focus on issues of materiality as identified by APRIL and prioritised by stakeholders.

APRIL's stakeholder engagement framework has the following objectives:

- To actively engage and improve our visibility to key stakeholders.
- To enhance our reputation in responsible and sustainable forest management practices.
- To build strong and effective relationships to move towards collaborative partnerships.
- To inform stakeholders in a balanced, objective and accurate manner.

This is underpinned by a commitment to be transparent, accountable and ethical, in order to build trust and credibility among our stakeholders.

In 2020, APRIL maintained engagement with a wide range of local, national and international stakeholders. APRIL actively engages with stakeholders through a range of channels, from bilateral meetings and virtual forums, to scheduled meetings with its independent advisory boards. APRIL cooperates closely with a number of NGOs on key initiatives such as its partnership with Fauna and Flora International and social NGO BIDARA on the management of the flagship ecosystem restoration program, Restorasi Ekosistem Riau.

We solicit feedback from our stakeholders on a range of sustainability topics, in order to incorporate their interests into the shaping and improving of our sustainability strategy and its implementation. We also respond to questions or concerns from stakeholders, while also sharing updates on specific topics related to APRIL's operations. To liaise with different stakeholders, we deploy a range of engagement channels (see chart below).

Stakeholder groups	Reasons for engagement	Channels of engagement	Topics covered
Local and national Government	APRIL engages with central and state bodies around regulatory compliance, reporting and monitoring to support sustainability and development goals and provide updates on relevant policies and implementation.	• Virtual 1-to-1 meetings • Multi-stakeholder forums • APRIL website Sustainability Report Sustainability Dashboard	• Support for SDGs • Compliance with regulations • Support for specific community initiatives
Communities	The company engages closely with communities in the areas where it operates to determine their needs and provide support for social, educational and health initiatives.	• Community development programs • Grievance mechanism • Consultation with community leaders and outreach programs • Community forestry schemes • Multi-stakeholder forums	• Community needs • Land tenure • Company support for community programs • Updates on sustainability commitments • Fire prevention
Customers	APRIL provides frequent updates on its sustainability commitments to customers around the world.	• Industry groups • Presentations and meetings • Sustainability Report • Social media • Sustainability Dashboard	• Status of sustainability commitments • APRIL2030 targets and implementation

Stakeholder groups	Reasons for engagement	Channels of engagement	Topics covered
Industry associations	APRIL works with national and international industry groups to share updates on best practice and provide inputs on current issues.	• Virtual committee meetings • Virtual forums and discussions • Direct engagement and one-to-one meetings • Sustainability Dashboard	• Alignment with SDGs • Status of sustainability commitments • APRIL2030 strategy
NGOs	APRIL engages in constructive dialogue with a range of NGOs to address issues of mutual concern and interest.	• Virtual forums • Direct engagement and dialogue • Q&A updates • APRIL website • Sustainability Dashboard • Sustainability Report	• Forest management • APRIL2030 strategy • Supplier compliance • Land claims • Fire incidents • Tax compliance
Wood Suppliers	The company actively engages with supply partners to maintain compliance with our SFMP 2.0.	• Virtual training sessions and discussions on SFMP 2.0 compliance • Virtual 1-to-1 communications	• Updates on SOPs • APRIL2030 strategy
Business partners	The company works closely with banks and other commercial partners to ensure they are briefed on APRIL's sustainability policies.	• Virtual 1-to-1 meeting • Q&A updates • APRIL Dialog • Publications (e.g.: Sustainability Report) • Sustainability Dashboard	• Historical issues • APRIL2030 strategy • Status of sustainability commitments
Academics and researchers	APRIL liaises with academics from around the world to provide updates on scientific and research initiatives.	• Virtual 1-to-1 meeting • Virtual forums and events • Sustainability Report Sustainability Dashboard	• Updates on research programs • GHG flux monitoring • Status of sustainability commitments
Employees	As one of the largest employers in Riau province, APRIL seeks to ensure the wellbeing of employees and contractors while providing opportunities for professional development.	• Annual appraisals • Town hall meetings • Trade union meetings Digital channels/signage • Celebration of major festivals • HR training	• Training programs Updates on operational developments • Health and safety reminders • Updates on sustainability commitments
Media	APRIL engages with a range of international and national media to provide updates on specific issues and aspects of our operations.	• Briefings with leaders/ subject matter experts • Written responses to questions	• Supplier compliance Land claims • NGO commentary • Fire management and prevention • Tax compliance

ENGAGEMENT WITH FOREST STEWARDSHIP COUNCIL®

Following its disassociation from FSC® in 2013, APRIL approached FSC® and expressed its willingness to comply with the FSC® Policy for Association and work towards regaining FSC® certification by first ending its disassociation. Based on readiness evaluation of APRIL's Sustainable Forest Management Policy (SFMP) 2.0 and its stakeholder engagement in 2016 and 2017, FSC® concluded that APRIL is showing commitment, policy and progress at a high level and thus agreed to enter into a formal dialogue with APRIL.

In 2020, FSC® finalised a baseline analysis of APRIL with the purpose of assessing the extent of any potential past environmental and social harm or damage caused by APRIL's operations in Indonesia. This was the first ever baseline analysis FSC® commissioned. The baseline therefore provides a basis for establishing the thresholds for the conditions for the process of ending disassociation with APRIL, often referred to as the "roadmap to ending disassociation".

FSC® engaged an independent consultant, Forest Finest Consulting (FFC), to undertake the baseline analysis on APRIL Group and its Supply Partners for the period between 1994 to 2019. FFC gathered detailed data related to the establishment of APRIL's and its supply partners' concessions, including quantification of conversion, estimation of potential damage and loss of HCVs and quantification of buildings and settlements. The baseline analysis also provides an overview of the allegations of the original complaint and other potential violations of the Policy for Association since 2013 and identified improvement measures implemented by APRIL.

APRIL publicly acknowledged the impact of its operations since 1993, including the associated potential environmental and social harms, in Riau, Indonesia where it operates, as identified and estimated through the baseline assessment.

APRIL Group is committed to fully and sincerely engage in the process of remediation and ending disassociation with FSC®. APRIL also acknowledges the valuable role and inputs of the stakeholders in this process and will maintain an open and constructive approach to these.

APRIL recognises that trust-building especially with stakeholders is an ongoing process and APRIL seeks to improve and/or strengthen its relationships with stakeholders through increased transparency, constructive engagement and further progress on the delivery of its commitments.

APRIL reaffirms its commitment to fully engage and cooperate with FSC® and relevant stakeholders in a constructive and robust process of ending APRIL's disassociation. FSC® stated in November 2020 that it "...welcomes the acknowledgement of environmental and social harm from the APRIL Group and the commitment to fully and sincerely engage in the process of remediation. This is highly significant for the forests of Indonesia and the people who depend on them." The baseline public summary and the acknowledgement letter by APRIL are published on FSC® website.

DISCLOSURES

In recent years, there has been a steadily increasing level of acknowledgement of the importance of sustainability reporting and disclosures in both the public and private sectors. As part of its commitment to transparency and to continuously enhancing trust among stakeholders, APRIL participates in a number of disclosure platforms to demonstrate its openness to scrutiny and improvements. These disclosures also allow the company to benchmark its operations and sustainability commitments against global best practices, and contribute to the ongoing refinement of the company's overall sustainability strategy.

2020 SCORE: B- (MANAGEMENT LEVEL)
For CDP Forest Questionnaire

2020 SCORE: 62.9%
Ranked 9th out of 100 companies assessed

The company makes an annual submission to the CDP), formerly the Carbon Disclosure Project, which assesses how companies manage and monitor what type of risks that are associated with its forest commodities (i.e. timber and pulp for APRIL). Similarly, APRIL is included in the annual Sustainability Policy Transparency Toolkit – or SPOTT – assessment, which is run by the UK-based Zoological Society of London (ZSL). The SPOTT assessment, which is based on publicly available information, scores tropical forestry, palm oil and natural rubber companies annually against over 100 sector-specific indicators to benchmark progress over time.

ASSOCIATIONS AND MEMBERSHIPS

APRIL Group participates in membership associations and networks that are aligned with its material topics. This participation supports its strategy by providing opportunities to both share lessons learned and stay abreast of related trends and policy issues. For example, APRIL is a signatory of the United Nations Global Compact Ten Principles and, more recently, of the We Mean Business Coalition, a global non-profit coalition that works with leading businesses to drive action on climate change.

To support the sharing of best practices across different industry sectors and in the wider region, APRIL also engages with external platforms and alliances, such as the Fire Free Alliance, which was founded by APRIL and includes Sime Darby, IOI, Asian Agri, Musim Mas, Wilmar, and PM Haze.

The FFA allows parties to share updates on effective interventions and techniques in a trusted and open way. Understanding processes that have been successfully implemented in other community or landscape contexts is a critical part of the evolution of these platforms and important to scaling solutions.

The company also cooperates with local communities across Riau on the implementation of its Fire Free Village Program, while it also works closely with NGO partners on the operational management of its flagship ecosystem restoration program, Restorasi Ekosistem Riau.

COLLABORATION WITH RESEARCH ORGANISATION

The RGE-FABI Tree Health Programme (RGE-FABI THP) was established in 2018 as a collaborative venture between RGE and the Forestry and Agricultural Biotechnology Institute (FABI) at the University of Pretoria. This partnership addresses challenges posed by pests and diseases to RGE's forestry operations in Indonesia and Brazil. The initiative involves FABI researchers working in partnership with APRIL and sister company, Brazil-based Bracell Limited.

Insect pests and diseases are emerging as one of the most important threats to plantation forestry globally. This situation presents significant challenges for all forestry companies. The RGE-FABI THP recognises FABI's capacity as the largest single group of scientists working on tree health globally. The research conducted by the FABI tree health team is broad including trees in natural ecosystems and planted forests. But its core focus is on reducing the impact of insect pests and pathogens in plantations of mainly non-native trees such as species of Eucalyptus, Acacia and Pinus.

SCIENCE BASED TARGETS

In 2020, APRIL signed up to the corporate engagement program of the Science Based Target Network (SBTN), one of the first forest product organisations to have joined. This means that it will work with other organisations over the next two years to help develop science-based targets for nature by collectively creating methods, tools, and guidance that draw on shared experiences.

WORLD BUSINESS COUNCIL FOR SUSTAINABLE DEVELOPMENT

APRIL continues to be a member of the World Business Council for Sustainable Development (WBCSD) and actively participated in two working groups - Natural Climate Solutions and Factor 10, the WBCSD's circular economy program:

The **Natural Climate Solutions** (NCS) working group's objective is to address barriers to private sector investment in NCS. APRIL recognises the important role that NCS play to store carbon and other greenhouse gases by enhancing, restoring or protecting natural sinks – such as wetlands and peatlands - or by reducing emissions from land-use change.

Globally, there is no standard method for companies to account for and set targets for emissions from agriculture, forestry and other land uses. APRIL actively participated in the Green House Gas (GHG) Protocol together with the World Resources Institute and other companies to develop updated and improved GHG protocol guidance for the land sector.

This will provide for corporate level reporting guidance across land use and management, land use change, carbon dioxide removals and storage including biogenic products across the value chain. This work will inform APRIL mitigation strategies, track performance to set targets and report progress while overall supporting the Paris Agreement goal of balancing emissions and removals globally by mid-century.

The **Factor10** circular economy program brings companies together to reinvent how business finds, uses, and disposes of the resources and materials that make up global trade. The work here focuses on bridging the gap between theory and practice to help companies identify and remove barriers and create scalable solutions. APRIL has been a member of this program with 15 other leading organisations since 2019 and is a signatory to the published CEO Guide to the Circular Bioeconomy. The CEO Guide contains key high-level insights on bioeconomy to give business leaders a better understanding of the topic and the business opportunities it offers including a call for more companies to integrate circularity when using biological resources.

BUSINESS FOR NATURE

Building on the success of the Science Based Targets initiative (SBTi) for climate, these new methods will integrate targets across land, biodiversity, freshwater and ocean, as well as allow end-users to know if they are doing enough of the right actions to address their full value-chain impacts.

APRIL Group joined 560 other companies by signing up to the Business for Nature global coalition, bringing together influential organisations and forward thinking businesses to urge for collective action and ambitious nature policies. Thriving businesses such as APRIL rely on nature, and these natural resources and ecosystems if not managed responsibly could be under huge strain.

National Association

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

International Membership

- High Conservation Value Network
- United Nations Global Compact
- Global Compact Network Singapore
- World Business Council for Sustainable Development
- Tropical Forest Alliance 2020
- Programme for the Endorsement of Forest Certification
- Fire Free Alliance
- Textile Exchange

Signatory

- UN Global Compact Ten Principles
- We Mean Business Coalition
- Science Based Target Network
- Business for Nature

SUSTAINABLE FOREST MANAGEMENT

Managing Our Concessions

1,047,182 Ha
Total land concessions, comprised of:

448,632 Ha
planted area
(43% of total concessions)

364,996 Ha
conservation and restoration area
(35% of total concessions)

APRIL's concession areas include forestry plantations, conservation areas, areas for community use, infrastructure and unused areas.

Land use is determined following High Conservation Value (HCV) assessments which delineate conservation areas and areas of non-high conservation values for plantation development and other uses. Land use is conducted on whole-of-landscape basis.

APRIL's total land concessions comprise 1,047,182 ha, which includes 448,632 ha of plantation, 364,996 ha of conservation and restoration, with the remainder for community and other uses. This means that APRIL has met 81% of its 1-for-1 commitment, where the company has pledged to conserve or protect one hectare for every hectare of plantation.

APRIL's forestry plantations primarily comprise two main species: *acacia mangium* and *crassicarpa* and *eucalyptus*.

APRIL's nursery operations are responsible for the planting of approximately 200 million new saplings per year across owned and supplier concessions.

CERTIFICATION

Certification is part of APRIL Group's commitment to continuous improvement and product and process assurance for stakeholders. APRIL currently holds a diverse portfolio of recognised credible international independent third party certifications that provide assurance; from the efficiency, quality and sustainability of its mill and forestry plantation operations to the quality, consistency, compliance and origins of its end products.

In 2006, APRIL forestry plantations were certified for Sustainable Plantation Forest Management (SPFM) under the Indonesian Ecolabel Institute's (LEI) standards. It was successfully re-certified under SPFM-LEI in 2011.

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 supplied from legal and non-controversial sources. The PEFC/IFCC Sustainable Forest Management standard lays out the national standard requirements for sustainable forest management in Indonesia. As of 31 December 2020, all of APRIL's concessions that qualify for PEFC, a total of more than 720 000 ha, have been certified. This accounts for 89.23% of APRIL's total concession areas, noting that PEFC certification applies to plantations developed prior to 2011.

89%
of APRIL's total concession areas carry
PEFC certification

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

The verification reports by KPMG PRI transparently assure the progress that APRIL has made in delivering on its SFMP 2.0 commitments. These reports also identify opportunities for improvement and are published on the company's Sustainability Dashboard.

SITE PRODUCTIVITY

Silviculture practices are implemented to control the growth and composition of of forest areas are implemented to ensure that the productivity and yield of plantations is optimised and sustained. This goal is further supported by conduct and application of scientific research and development, especially in terms of pest and disease control, and increasing yield.

Through a combination of sustainable intensification, land optimisation and precision silviculture practices, APRIL has achieved productivity gains of 29% increase in wood fiber yields/mean annual increment (MAI) over the last three years. More than 60% of the plantation area is now on the higher end of its productivity range.

The company continues to invest heavily in research on soil management to find the right characteristics that enable optimum seedling survival across various field conditions. This includes micro planning to reduce soil compaction and erosion. Site-specific fertilisers are applied for optimal nutrition of the plant. Spacing and weed control are applied to optimise tree growth and stand productivity.

A structured tree breeding program is implemented for Eucalyptus and Acacia species. 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.

RESEARCH AND DEVELOPMENT

APRIL operates a centralised research and development facility comprising three laboratories which is responsible for forestry research and central nursery management.

The company continues to invest heavily in research on soil management to find the right characteristics that enable optimum seedling survival across various field conditions.

The R&D department's core focus is on improving tree growth and productivity in order to achieve higher yielding plantation forests from the same area of land. This is done through continuous research on genetic materials that provide higher pulp yield, better pulping properties, consume less energy, and are more resilient to the threats posed by pests and disease.

Another important focus is how sites are selected to match the species and clones and properly prepared to provide good growing conditions. 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.

APRIL 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 to study wood properties and fiber yield, controlled pollination to further improve certain tree traits, and tissue culture to obtain a sufficient number of genetically superior clonal planting materials.

The R&D department comprises more than 200 people including specialists in forestry, agriculture, biometry and biological sciences. Major research programs include:

Tree improvement research focused on the continuous genetic improvement of planting materials to yield higher volume, good stem form, better wood properties, wider genetic diversity and lower susceptibility to pest and diseases.

Wood properties research focused on studying fiber properties and the variations among genetic materials and ages to support genetic selection and rotation.

Plantation management improvement research focused on cost competitive silvicultural practices for specific sites, families and clones providing recommendations for efficient use of resources.

Soil science research to survey and map soil across all forestry business units and an in-depth study on the relationship between edaphic factors with stand productivity and the efficient use of fertilisers. Factors affecting long term site sustainability and productivity are also studied.

Plant health research focused on developing integrated pest and disease management with an emphasis on effective monitoring systems, the development of biological control strategies and efficient use of chemical control. An important component of the management approach is the implementation of silvicultur practices that reduce plant stress and the susceptibility of plants to pests and diseases. For the selection of tolerant material, a screening facility has been established where over 10,000 plants can be tested each year.

In 2019, APRIL began the implementation of a new mechanised approach to harvesting in its forestry plantations. The mechanisation involves the implementation of the cut-to-length system, where trees are harvested, with equipment developed for the purpose, which makes the harvesting process more efficient and a safer working environment

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 department has a bio-molecular laboratory that supports the selection of fast growing, good fiber properties and resistant genetic materials through DNA marking and finger printing as part of the breeding and deployment program. The laboratory also identifies pests and diseases that affect nurseries and plantations that are difficult to identify and distinguish through conventional morphological methods.

Challenges that the team sought to address in 2020 included understanding productivity variations of plantation among clones and sites (including soils and other environmental factors) and their correlation to each other. Pest dynamics and behaviour in the field were also identified as an aspect that requires further indepth study. These require long term research to deliver reliable results.

In 2020, R&D teams drove the deployment and allocation of genetic materials to be planted for both commercial and pre-commercial genetic materials. R&D also guided operations on the application of fertiliser, spacing, singling/pruning, pest and weed control matching to individual sites. The R&D teams also visited low performing plantation areas and recommended corrective actions.

MECHANISATION

In 2019, the company began the implementation of a new mechanised approach to harvesting in its plantations. The new approach involves the implementation of the cut-to-length system, where trees are harvested on plantation areas, with equipment developed for the purpose, which makes the harvesting process more efficient and safe working conditions in ergonomically designed machinery.

The cut-to-length system uses mechanised harvesters, forwarders and sledges. The harvester fells, debarks and cuts each tree into logs and stacks them in 6-meter lengths in the forest. All slash material (e.g.: barks, branches, leaves, non-merchantable wood) are spread out inside the area where the harvesting is taking place.

The forwarder follows to pick up the logs and stack them at the roadside of the compartment for later loading to the trucks.

All staff and operators for this process are APRIL employees and machinery is maintained under a full maintenance contract.

The benefits of the new approach include improved wood delivery quality in terms of the percentage of debarked wood and reduced wood waste, increased machinery efficiency and decreased operational costs. These improvements also provide a benchmark for the company's contractors. Importantly, the new mechanised approach using ergonomically designed machinery minimises safety risks by reducing the level of manual operations.

From an environmental perspective, the mechanisation of harvesting minimise the environmental impact as the cut-to-length system helps to keep organic matter spread across field areas, which improves soil nutrition and limits soil erosion, This approach helps to optimise productivity while adhering to sustainability commitments, in line with the company's strategy to improve the yield.

Responsible wood fiber sourcing

APRIL only sources wood from responsible sources which are from certified and/or controlled sources. The company's SFMP 2.0 explicitly requires the company and its suppliers to ensure no deforestation within its supply chain and to protect the forest and peatland landscapes in which it operates, including the rights of communities, traditional and indigenous people.

This due diligence process is based on responsible wood sourcing criteria which include the regulatory frameworks of wood legality verification system *(Sistem Verifikasi Legalitas Kayu/SVLK)* and credible internationally recognised third party forest certification systems.

FIBER SUPPLY SOURCES

APRIL Group uses fiber supply from three sources – it's own forest plantations, from supply partners and from open market suppliers. APRIL Group knows the origin of all of the wood fiber it procures and ensures it all comes from responsible sources through sustainable forest management and legality certifications.

In 2020, APRIL received a total wood fiber supply of 11,098,933 tonnes, and is covered by timber legality certification, including IFCC-PEFC, PHPL, and SVLK.

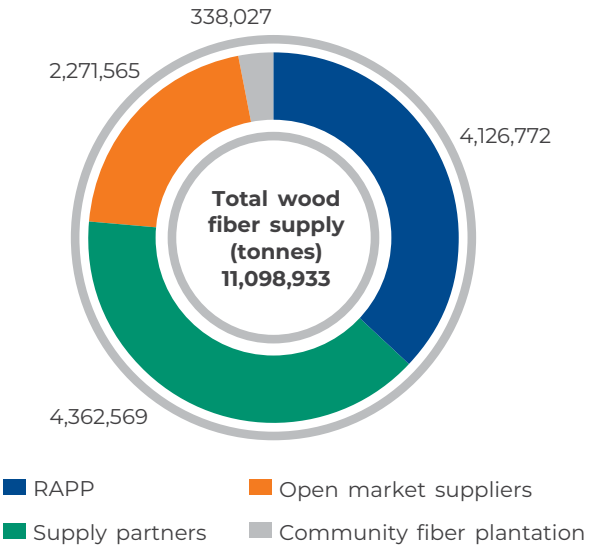
Compliance to *Sistem Verifikasi dan Legalitas Kayu* (SVLK/Wood verification and legality system) means that the company only use legal timber, where the origin of wood, logging permits, logging systems and procedures, administration and transportation, circumcision, and trade or transfer practices meet all requirements as stipulated in applicable Indonesia's laws and regulations.

Compliance to *Pengelolaan Hutan Produksi Lestari* (PHPL/Sustainable Forest Production Management), which is a mandatory requirement by the Government of Indonesia, means that the plantation is managed according to three principles: sustainability of forest products, preservation of potential forest products, and sustainability of forest resources.

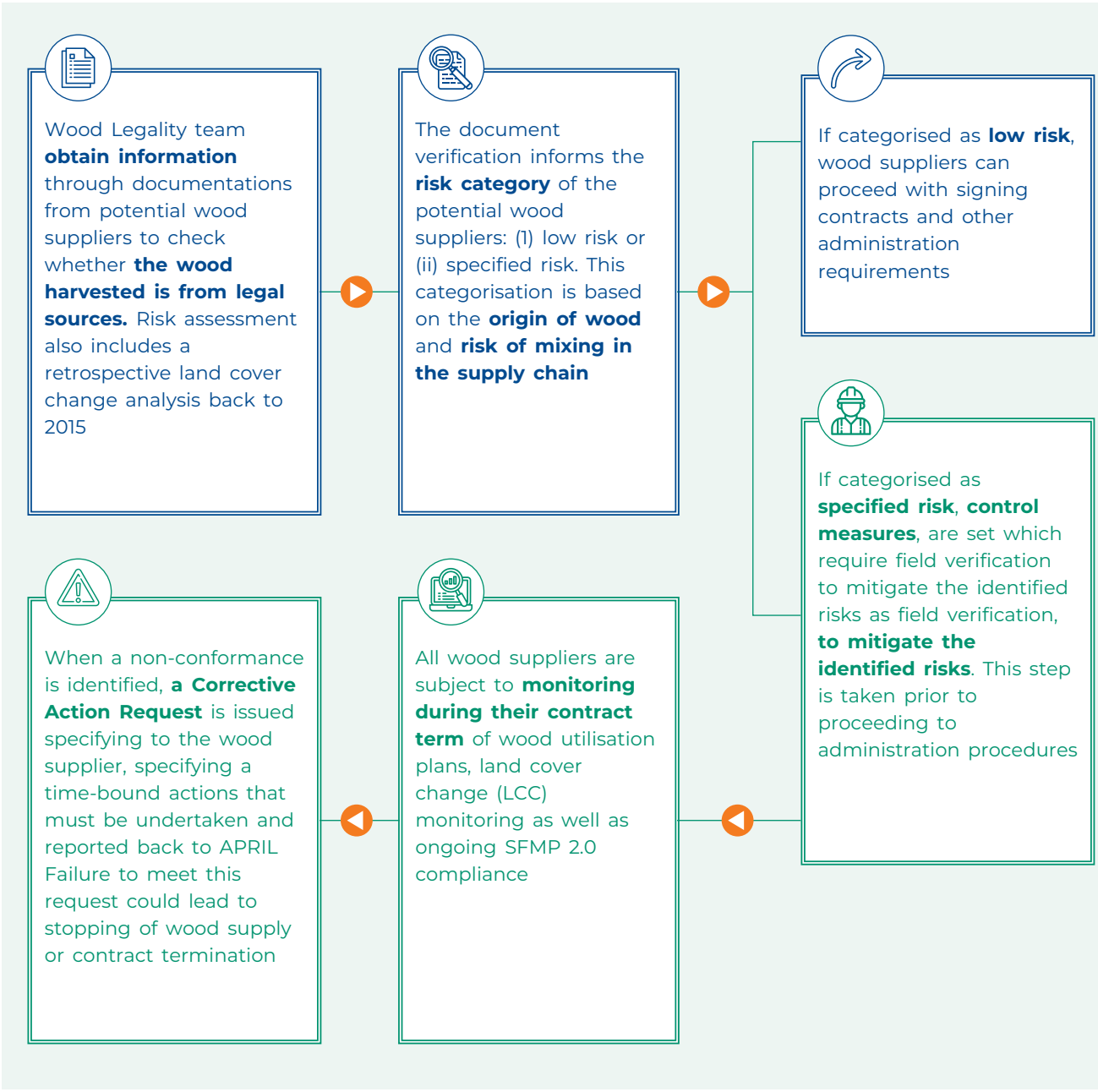
Open market suppliers provided about 20% of total supply. Around 3% of the total fiber supply comes from community forest plantations.

All of APRIL Group's fiber suppliers are subject to a due diligence process prior to and during the contract term to ensure their compliance with the company's SFMP 2.0.

APRIL Group purchased a total of 49,397 tons of pulp from external sources during 2020, which accounts for approximately 2% of total pulp, which was sourced from suppliers in Finland, Germany and Sweden, which are either PEFC or FSC certified.



SUPPLIERS DUE DILIGENCE



The due diligence procedure starts from the review of the harvesting area where the wood is sourced and the provision of relevant documentation.

The due diligence comprises of requirements related to legality of the entities, of the plantation forests, compliance to environmental regulations and to employment regulations and traceability, ensuring that the wood suppliers provide legally harvested plantation wood to APRIL.

Through its due diligence system, APRIL Group ensures that all fiber that originates from external sources comes from sustainably-managed forest plantations and complies with relevant national and international regulations and standards

The process thoroughly checks suppliers' compliance to APRIL's SFMP 2.0, such as identifying and managing HCV and HCS areas and respecting rights of communities and traditional people. Suppliers' due diligence is conducted through document review and field inspection, and is commissioned prior to contracts being signed and during the contract terms. Field inspections were limited in 2020, however, because of the impact of the pandemic and resulting restrictions on personal interaction. The team sought to engage with suppliers remotely (e.g.: through virtual meetings) instead.

There were no new suppliers in 2020 but all existing suppliers were subject to ongoing due diligence reviews and, should there be any new suppliers, they would be subject to the supplier due diligence procedure as described above.

APRIL Group has significantly increased the level of engagement with its open market suppliers, with clearer communication processes and better information flows.

LAND COVER CHANGE MONITORING

Land cover change monitoring allows oversight of all activities related to land cover and land use in APRIL Group and its suppliers land areas. The process involves comparing detailed satellite images taken at different times to identify change over that timeframe. LCC monitoring helps in APRIL's efforts to protect forest areas, both production and conservation and restoration areas, from unauthorised or illegal resource use, settlement and other illegal activities.

A dedicated team of remote sensing analysts gather information and identify changes every 16 days. This effectively means that an experienced and skilled technician can identify deforestation activities down to a single large tree.

Once land cover change is identified and recorded, the next step is for a field team to assess and verify the situation on the ground. Natural forests are dynamic systems with new trees growing while older ones age and decay, so distinguishing forest cover change linked to encroachment and other illegal activity as opposed to the natural process is necessary.

The field team can locate the area using GPS and proceed to investigate it on-foot or via drones. They collect evidence on what caused the change and report back. If the land change is deemed to be caused by illegal forest clearance, local estate teams take immediate action, including lodging a report with police authorities, fencing off the area, and working to ensure that there is no additional damage. This work extends to all APRIL supply partners.

FOREST PROTECTION

APRIL Group implements measures such as land cover change monitoring, security patrols, community engagement and boundary demarcation to protect forest areas, including plantation, conservation and restoration area, from unauthorised or illegal activities.

APRIL Group concession boundaries are demarcated according to regulatory requirements which includes demarcation of conservation forest areas.

APRIL regularly engages with local communities and employees, including contractors, to ensure that all parties are aware of the concession area and what constitutes legal and illegal activities. For example, it is forbidden for individuals to harvest plantation trees for their own use or to plant crops in place of plantation trees.

APRIL Group's team conducts daily patrols and logs any illegal activity or activity not within the company's policies. If any illegal or inappropriate activity is identified, the team records the name of the party conducting the activity and the GPS coordinates of the activity then reports to the Head of Operations of the concession area, before sending to the policy department. In the event of an emergency situation such as fire, natural disasters or illegal encroachment, an Emergency Response Team (ERT) is deployed. Breaches of law or regulations are also reported to the relevant authorities.

REDUCING LAND ENCROACHMENT

APRIL Group has a long history of engagement and support to local communities through a range of livelihood, capacity building, social infrastructure, education and community forestry initiatives. We actively work to resolve land claims and encroachment through a Land Dispute Resolution Procedure, which guides the settlement and resolution of disputes, regardless of how long it may take to achieve a resolution. This mechanism is supported by our participation in multi-stakeholder forums

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.

As of December 2020, there was a total area of 22,985 hectares that are currently inactive due to unresolved land disputes. This compares to 28,249 inactive hectares in 2019. Supply partners recorded 65,377 hectares of inactive concession area due to unresolved disputes, down from 74,704 hectares when compared to 2019. This progress is the result of work carried out to comprehensively update records of community land claims, with a focus on unresolved historical cases.

PEST AND DISEASE CONTROL

APRIL Group undertakes continuous monitoring of pests and diseases in nurseries and plantations as a preventive measure and implements an integrated pest management program to minimise the use of chemical pesticides.

An intensive research program is deployed to understand the pests and diseases that affect tree growth in nurseries and plantations. This includes the analysis of media, water, and the tubes and trays used in nurseries. Other diagnostic tools allow cost-effective and rapid identification of plant pathogens that affect tree growth in nurseries and plantations. This information is used in the screening of plant materials to help determine their tolerance to pests and disease.

Once pest or diseases are detected above a threshold, operational teams apply the recommended approach from the research and development team that is consistent with the integrated pest management program in line with existing standard operating procedures. This may include the use of biological control agents or application of chemical controls.

An important component of the management approach is the implementation of cultural practices that reduce plant stress and the susceptibility of plants to pests and diseases. For the selection of tolerant material, a screening facility has been established where over 10,000 plants can be tested each year.

An APRIL employee working on pest and disease control in one of the company's concession areas

Fire Management

Two of the 2,275 fire fighters that APRIL has at its disposal working to address a fire incident

Fire is a key threat to the landscape, environment and communities in Indonesia. Smoke haze can have a catastrophic impact on human health in Indonesia and neighbouring countries.

APRIL Group has had a strict 'No Burn' policy since 1993 and continues to support the Indonesian Government, local communities and other stakeholders in addressing the incident of and risks posed by fires.

APRIL's approach to fire management consists of four key elements, fire prevention; fire preparation; fire suppression and fire recovery. Together these elements form a comprehensive fire management approach with advanced and comprehensive fire prevention and suppression capabilities in the region.

APRIL declares an annual Fire Danger Period from 1 July to 30 September. This is an important awareness raising tool in its broader fire management approach, which is specifically focused on reducing the incidence and impact of fires and haze. Fire prevention is critical and the company's flagship Fire Free Village Program (FFVP) works closely with local communities to replace the need for fire as a land management tool which plays an important role in reducing the risk of fire to surrounding areas.

APRIL Group continues to invest in fire suppression resources and the use of satellite hotspot monitoring from two NASA-based systems – the Moderate Resolution Imaging Spectroradiometer (Modis) and National Oceanic and Atmospheric Administration (NOAA) monitoring technologies - that indicate thermal anomalies within a 1.1km^2 area. These complement the spotting capabilities of the fire monitoring towers and closed-circuit television cameras.

As of December 2020, the company has 2,275 fire fighters at its disposal. This is comprised of 1,156 initial attack fire fighters, who are the first to be assigned to manage fire incidents, 640 secondary or backup fire fighters, and 480 local community fire fighters.

Three 30-metre fire monitoring towers, 50 18-meter towers and 50 65-meter CCTV towers keep watch for fires across the landscape. As a pre-emptive measure, APRIL Group's resources also respond to fires up to three kilometers outside its concessions and support the fire suppression activities carried out by local Government authorities.

During 2020, five fire incidents were reported within APRIL Group's concessions, which is a reduction when compared with previous years.

Peatland Management

The company will continue to advance tropical peatland science as a key target under its APRIL2030 commitments

APRIL Group has invested heavily in science to guide its peatland management practices

A total of 244,551 hectares of APRIL Group's forestry plantation concessions are on peatland – and the company has committed to manage peatland areas responsibly. All company activities on peatland including data collection, measurement and analysis, follow scientific protocols and standards.

Evidence shows responsible management of production peatland landscapes is crucial. APRIL Group has invested heavily in science to guide its peatland management practices. The company will continue to advance tropical peatland science as a key target under its APRIL2030 commitments. Key activities that APRIL carries out as part of its commitment to responsible peatland management include the measuring of land-based GHG emissions through the flux towers, managing water tables and subsidence, and ongoing research which informs the continuing evolution of peatland management practices.

It is acknowledged that there are greenhouse gas emissions from peatland operations, so in recent years APRIL Group has been generating primary data using the latest technology, which is then analysed to produce science-based reference materials.
For example, in March 2020, a scientific research project into greenhouse gas emissions on tropical peatland landscapes, supported by APRIL Group, published its initial findings on methane (CH_4) gas emissions in Riau. 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 measurement of methane emissions was carried out using the eddy covariance technique, drawing on data from two flux towers situated in plantation and natural forest areas. The eddy covariance technique is designed to calculate the net exchange or the balance between the removals and emission of methane between ecosystems and the earth's atmosphere.

RESEARCH AND MONITORING

Peatlands cover only about three per cent of the planet's land, but account for nearly half the world's wetlands. Peatlands also store twice as much carbon as all the world's forests. This means that continued research is critical to better understand the unique characterics of peatland landscapes. APRIL carries out a number of ongoing research programs, which directly contribute to continued enhancements of the company's operations on peatland.

Transpiration measurements from acacia plantations

Transpiration represents the vegetation-mediated water loss from land. It is a key process in the water cycle in tropical peatland, which may significantly influence groundwater levels particularly in dry season. However, given its significance, the understanding of transpiration rate, its spatiotemporal dynamics, and the controlling factors in tropical peatlands are still constrained by limited data.

In 2020, APRIL Group commenced measurements of transpiration from acacia plantations using an in-situ xylem sap flow meter within the lysimeter at different groundwater levels.

The measurement will continue until the end of the plantation rotation in 2023. This study aims to improve the understanding of the relative contribution of transpiration to the total water balance at different groundwater levels. Ongoing measurement of above and below-ground biomass growth and hydrological modeling work will advance the knowledge of plant-water interaction from tropical peatland ecosystems.

Water table and lysimeter trials

Two trials were set-up in 2019 to investigate the hydrological processes from high temporal resolution measurements, to quantify the effects of groundwater table on tree growth and water use and to parameterise a hydrological model to facilitate understanding of local-scale hydrological processes.

These two trials differ in terms of management of groundwater. The water table trial follows operational water management practices, whereas the lysimeter plots are controlled using an artificial recharge-discharge mechanism. The lysimeter plots represent the largest undisturbed groundwater lysimeter experiment conducted to date.

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 and 80 centimeters. The initial results from these trials were discussed during IPEWG meetings in 2020 and were presented at the American Geophysical Union (AGU) Fall Online Meeting in December 2020.

Landscape scale hydrological modelling

A physically based and spatially distributed hydrological model was employed to understand the landscape scale hydrological processes in Pulau Padang, a peat dominated island in the eastern coast of Sumatra, Indonesia. The model was built based on high resolution topographic data and a comprehensive data set from field measurements.

The study aims to quantify the major hydrological processes in this tropical peatland ecosystem and evaluate the land cover change impact on tropical peatland hydrology. The results from this study are scheduled to be published in 2022. The findings are intended to support the development of best practice management schemes, which are essential to advancing responsible peatland management. APRIL Group presented the experimental set-up and preliminary findings of this study at the European Geoscience Union Online conference in May 2020.

Measurement of nitrous oxide emissions

To complement the ongoing measurements of the net ecosystem exchanges of CO_2 and methane in peatland areas using the eddy covariance technique, APRIL Group began measuring nitrous oxide (N_2O) emissions in 2020. Nitrous oxide is one of the potent greenhouse gases with a global warming potential of 265 *(Reference: Myhre, G. et al. in Climate Change 2013 (eds Stocker, T. F. et al.) 659–740 (Cambridge University Press, Cambridge, UK and New York, USA, 2013))*. The sampling strategy includes measurements of N_2O emissions using a manual soil flux chamber technique from different land use profiles on the Kampar Peninsula, namely: a natural peat forest, a plantation forest area on peatland *(acacia crassicarpa)*, and a mixed land-use area.

CLIMATE MITIGATION

In addition to GHG impacts, land-use generates biophysical impacts that affect the climate by altering water and energy exchange between the land and the atmosphere and provides important ecosystem goods and services such as air and water filtration, nutrient cycling, habitat for biodiversity and climate resilience.

APRIL Group is actively participating and contributing to the Greenhouse Gas (GHG) Protocol together with World Resources Institute (WRI) and WBCSD to develop updated and improved GHG protocol guidance on the land sector and removals

With nearly a quarter of global GHG emissions coming from agriculture, forestry and other land use, it is important for land-intensive companies to set science-based targets for GHG emissions reductions. Forestry can be a leading sector in the transition to a sustainable future. There is a deep connection between the forestry sector and climate change with responsible forestry and natural climate solutions both essential to any climate mitigation pathway that can achieve the goals of the Paris Agreement.

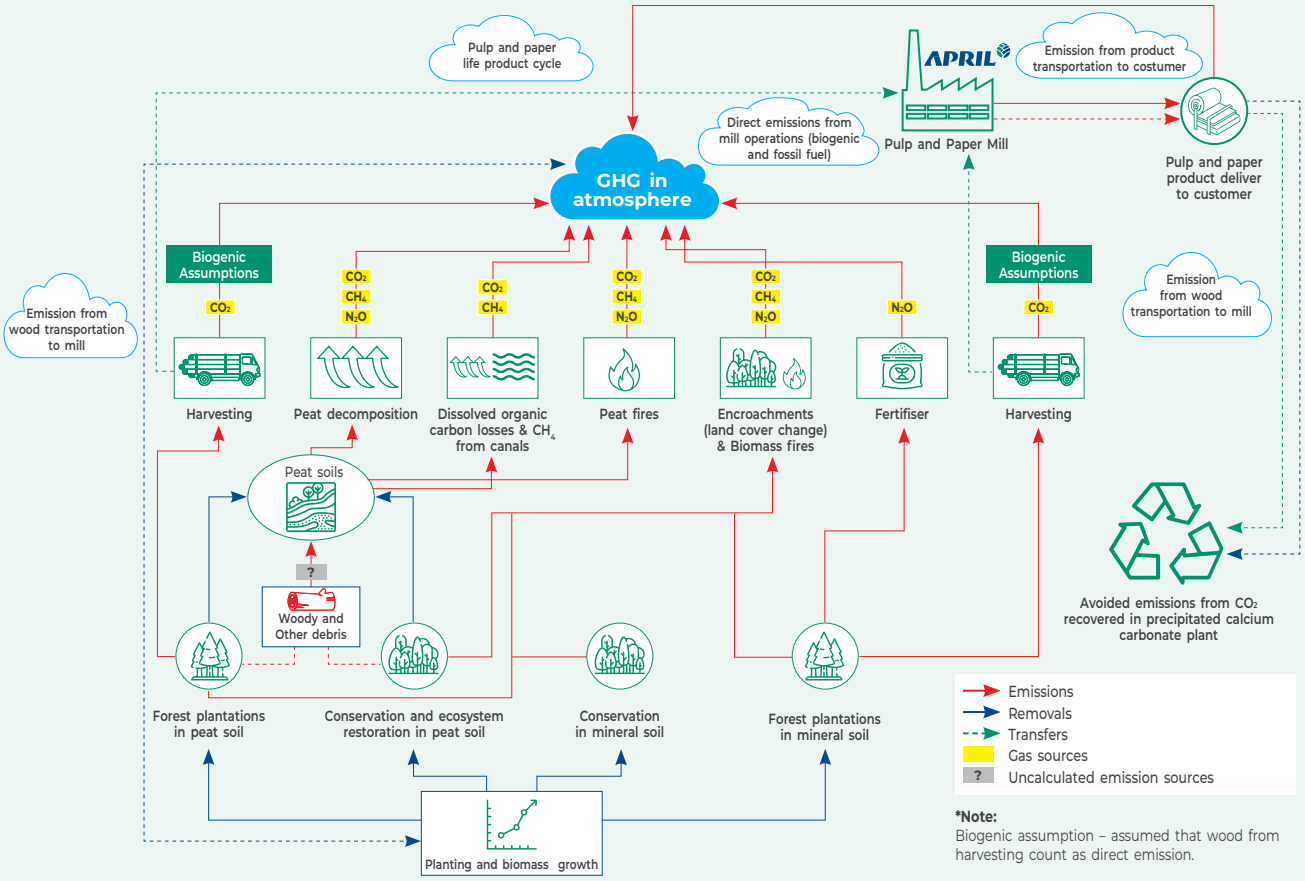
Many companies with land-intensive operations have committed to or set targets through the Science Based Targets initiative (SBTi) and may be reporting their emissions publicly. However, few account for AFOLU emissions or removals in their targets or disclosures.

Land-based mitigation measures largely fall into four categories: reduced land-use change, carbon dioxide removals (CDR) through enhanced carbon sinks, reduced agricultural emissions, and reduced overall production through demand shifts. Reducing the conversion and degradation of natural ecosystems is an important land-based measure because of its large climate mitigation effect from avoided emissions, continued sequestration and biophysical effects, and the many co-benefits from ecosystem services provided by intact forests.

Land-based mitigation measures largely fall into four categories:

- Reduced land use change
- Reduced agricultural emissions
- Reduced overall production
- Carbon dioxide removals through enhanced carbon sinks

The land sector commonly referred to, as ‘agriculture, forestry, and other land uses’ (AFOLU) is responsible for about 25% of net anthropogenic greenhouse gas (GHG) emissions globally. Although the AFOLU sector generates considerable emissions, the residual terrestrial sink – the apparent accumulation of carbon on land necessary to balance the global carbon budget – currently sequesters about 30% of annual anthropogenic emissions, making land vitally important. Source: SRCCL IPCC (2019).



GHG emissions from APRIL consist of direct and indirect emissions. The direct emissions come from mill facilities, from sources including stationary combustion (e.g.: power boilers), mobile combustion (e.g. cars), process emission and waste management. Land sector emissions come from mechanical and non-mechanical emissions from fiber operations.

A key barrier is the lack of available standards, guidance and methods. APRIL Group is actively participating and contributing to the Greenhouse Gas (GHG) Protocol together with World Resources Institute (WRI) and WBCSD to develop updated and improved GHG protocol guidance on the land sector and removals. This advancement is critical to demonstrate the true contribution of the forestry sector and nature based investments to climate change mitigation.

APRIL Group has had measures in place since 2015 through the SFMP2.0 such as no deforestation, no new development on forested peatland, fire prevention and a number of other commitments that contribute to emissions mitigation (e.g.: forest ecosystem restoration; sustainable forest management, best practice in use of agricultural soils).

The APRIL2030 strategy includes an explicit commitment to being Climate Positive, with the target of achieving net zero emissions from land use by 2030.

Mitigation actions being taken include reducing emissions from forest degradation fire prevention activities and programs and supporting collaboration to conserve protected areas, resolve land tenure issues and improve supply chain transparency.

Carbon removal measures and/or carbon sink enhancements include restoring forests and unmanaged peatlands through investment in restoration, and enhancing forest management through improved plantations, forest fire management and certifications.

Research and development that support climate risk management includes modelling localised impacts on plantation forest growth and wood characteristics and creating silvicultural strategies that support more resilient forest management.

FORESTS AND THE CARBON CYCLE

As trees grow, they take in carbon dioxide via photosynthesis, releasing oxygen and storing carbon in their biomass. Plantation forests that are managed responsibly can be climate-positive in terms of sequestration and storage of carbon over time. As trees are harvested, replanting and growth of young stands create a carbon balance across the landscape.

Harvested wood materials also retain carbon, which can be stored in a range of end products, and other materials, such as paper products, can be recycled as part of the circular bioeconomy. An important contribution from responsible plantation forestry practices is the carbon removals and enhancement which takes place in the natural areas under protection and ecosystems such as peatlands being restored.

CALCULATING CARBON FOOTPRINT

Indonesia acknowledges the urgency to reduce greenhouse gas (GHG) emissions including from 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 organisational objectives to reduce GHG emissions and the risk that climate change may bring, APRIL Group has put in place measures to monitor, track and internally report its GHG emissions as part of its commitment to continuously reduce its carbon emissions.

While reporting of the GHG emissions from APRIL's mill in Pangkalan Kerinci has been in place for a number of years (see Mill Greenhouse Gas Emissions on page 59), APRIL also undertook GHG emission inventory along its value chain during 2019 to establish a baseline year. The GHG inventory follows the GHG Protocols Corporate Standards and GHG Protocol Agricultural Guidance authored by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI).

The largest source of APRIL Group's organisational GHG inventory (Scope 1 and Scope 2) land use change emissions while the second largest source of is from stationary sources.

APRIL has calculated Scope 3 emissions that occur in the value chain. Categories include purchased goods and services; open market supplier land use change; capital goods; fuel and energy-related activities; upstream transportation and distribution; business travel; employee commuting; upstream leased assets; downstream transportation and distribution; processing, use and end-of-life treatment of sold products.

APRIL's progress in calculating its carbon footprint has helped to specifically map out the main components of its Scope 1 and Scope 3 emissions. The initial quantification will guide the company to identify components where emissions can be reduced to achieve the emissions and renewable energy-related targets in the APRIL2030 strategy.

APRIL is reviewing the initial calculations of the full organisational GHG emission inventory which used IPCC factors against the data obtained from direct measurement through the GHG flux tower project. APRIL will continue to review and learn from this data to refine its calculations before reporting further.

GHG FLUX TOWER PROJECT

APRIL Group 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 for different land use profiles: a natural peat forest, a plantation forest area on peatland (acacia crassicarpa) and mineral soil, and a mixed land-use area.

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.

The direct measurement of GHGs using the flux towers is significantly improving the understanding of land use emissions and reducing uncertainty associated with emissions and sequestration estimates.

One of the four flux towers, which are used for the measurement of GHGs, on APRIL's, concession areas

CONSERVATION AND RESTORATION

Forest conservation and restoration are key components of APRIL Group's production-protection model, where plantation forestry works to protect forest areas while providing the financial and technical resources to support the management of conservation and restoration areas.

This model is guided by APRIL Group's SFMP 2.0 commitments to no deforestation, no new development on forested peatland, forest conservation and the responsible management of forest, in line with the company's 1-for-1 commitment to conserve one hectare of forest for every hectare of commercial plantation forest.

APRIL's commitment to conservation is also underpinned by its APRIL2030 strategy, which includes specific targets in this area; namely, to ensure zero net loss of conservation and restoration area and to support our investment in landscape conservation through funding of 1USD per tonne of plantation fiber supply per year.

As at December 2020, APRIL Group conserves, restores and protects 364,462 hectares of forest, which includes 150,693 hectares of peatland swamp forest as part of the Restorasi Ekosistem Riau program.

The completion by the company of the mandatory environmental impact assessments (EIA or Amdal), which identifies the social and environmental elements of APRIL's operarations that need to be managed and monitored, is taken into account in formulating the company's conservation management approach. The conservation team then devises conservation programs that can be applied to its concessions. These also consider the potential conservation value of the surrounding areas up to five kilometres from the concession boundaries.

Regular communication via village meetings, board signage, or other channels is also implemented to keep communities updated on plans for the management of conservation areas. APRIL recognises it is crucial to collaborate with communities to protect conservation areas from illegal activities and encroachment.

A Changeable Hawk Eagle *(nisaetus cirrhatus)* pictured in one of APRIL's concession areas

The company's conservation teams carry out regular patrols across concession areas to identify encroachment activity including illegal logging or mining, poaching, and fire incidents

The combination of HCV and EIA assessments is the basis for the company's standard operating procedures for conservation management and monitoring. The conservation 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 incidents. The team also carries out frequent training sessions in relation to the conservation of specific species such as Sumatran Tigers and elephants.

In 2020, the key priorities for the conservation team included zero encroachment and illegal logging, continued cooperation with internal and external stakeholders, the implementation of restoration in areas identified as damaged, and ensuring medical check ups for the Elephant Flying Squad in consultation with the BBKSDA.

Key activities in 2020 included ongoing outreach to workers, contractors and the community regarding protected areas, regular patrols and joint patrols together with external parties, such as village officials, law enforcement personnel, and related agencies. The teams also focused on tightening access in and out of concessions, executing snare sweep operations to protect wildlife and the production of natural saplings in the estate's natural tillers nursery.

Last year, the team carried out the first comprehensive biodiversity survey across some concessions. A total of 241 animal species and 273 plant species were recorded across the company's concessions. This included 13 plant and animal species that are classified by the IUCN as 'endangered' (see more details in Sustainability Figures section).

CONSERVATION FOREST MANAGEMENT FRAMEWORK

The Conservation Forest Management Framework (CFMF) was developed by APRIL Group in 2018 as an inclusive framework to protect, restore and enhance identified conservation values and to address the company's conservation commitments.

In consultation with internal and external stakeholders, the Framework was designed to create a standardised process for forest conservation across APRIL Group's concessions. Through this approach, the CFMF profiles areas for conservation intervention and provides guidance modules and capacity development for estate based environment teams. It also helps communities to support conservation management and monitoring.

To date, the team has observed that the most significant impact on remaining areas of natural forest is from expanding agriculture. As a result, the teams focus on areas where there are still viable areas of primary forest to be conserved and work directly with these communities to develop voluntary conservation agreements and to help ensure that current agricultural practices are efficient and profitable.

The initial development of the framework began in 2019, through review of more than a dozen international and national spatial datasets related to biodiversity and ecosystem. The spatial datasets used included the National Protected Areas and the Intact Forest Landscape datasets as well as forest type and species distribution.

The community engagement phase of the CFMF began in 2019, with forest community conservation workshops conducted in 21 villages. The community engagement process was developed in 2020 in collaboration with Earthworm Foundation, who undertook a scoping visit across four village locations to better understand the impact of current community interventions and guidance on how these could be improved. The COVID-19 pandemic significantly limited further engagement with local communities in 2020.

The Framework has three core components:

01
Estate level planning: developing operational estate based Conservation Plans. This includes a formal community participatory mapping phase and ongoing engagement with community partners to develop conservation agreements

02
Landscape level planning: the process of creating four biogeographic region plans to include Riau based suppliers

02
Technical capability: providing technical guidance and capacity development to staff, suppliers and other stakeholders, as required

CASE STUDY:

RESTORASI EKOSISTEM RIAU

Established in 2013, RER consists of five ecosystem restoration (ERC) concessions granted by the Ministry of Environment and Forestry for a 60-year period spread across two ecologically diverse landscapes in Riau Province, Sumatra.

The first is located on peat swamp forest on the Kampar Peninsula with a total area of 130,095 hectares, and the other is on Padang Island covering an area of 20,599 hectares. In total, the RER program is responsible for the restoration and conservation of a combined landscape almost the size of greater London.

The RER area is part of broader Kampar Peninsula and Padang Island landscapes that also include APRIL-managed plantations, communities of more than 40,000 people, and government-managed conservation forests. It is also habitat to diverse species.

To manage the needs of this diverse group of stakeholders, RER employs an integrated production-protection approach to guide its management of the landscape.

This integrated approach is based on the location of productive fiber plantations located on the perimeter of RER, which work to protect the interior peat swamp forest and peat domes. These productive acacia plantations create a buffer zone that reduces human encroachment, illegal logging and fires. while the plantation ring provides a renewable fiber resource to produce added-value products such as pulp, paper and viscose that generate economic returns and provides employment opportunities.

This has proven to be a reliable, consistent and effective approach to support restoration in Indonesia, especially given the significant financial and technical resources required to maintain the program over time.

Highlights of 2020 included a further increase in the number of newly identified plant and animal species, as well as continued research into the area's biodiversity.

A total of 823 plant and animal species have now been identified inside the RER area as of 31 December 2020, up from 797 at the end of the previous year. This included 76 mammal species, 308 bird species, 101 species of herpetofauna and 192 species of plants. Many of these are of conservation concern, with 66 listed on the IUCN Red List as being vulnerable (39), endangered (17) or critically endangered (10).

In December 2020, the RER teams also took part in the Ministry of Environment and Forestry's initiative to return a Sumatran tiger, named Corina, into the wild. The RER restoration area became the location of Corina's release after a series of studies taking into account the forest's natural condition, including the presence of prey species, and active protection efforts.

RER began with the protection and restoration of 20,000 hectares of peat forest on the Kampar Peninsula. At COP 21 in Paris in 2015, APRIL Group announced the programme's expansion to 150,000 hectares and committed US$100 million to support and secure its long-term conservation and restoration for an initial 10-year period. Now, RER is one of the largest private sector-funded peatland restoration initiatives in Southeast Asia.

RER works with the surrounding communities that utilise the forests to ensure the success of RER's restoration activities. RER together with APRIL group collaborate with these communities to utilise the forest in an ecologically-friendly manner by providing training, while at the same time providing an incentive for improved livelihood opportunities to reduce potential threats to the forest.

RER benefits from mutually reinforcing partnerships with Fauna and Flora International (FFI), BIDARA, Laskar Alam, and APRIL Group. Each partner brings essential expertise in managing the landscape and knowledge of the local communities that depend on the forests.

FFI serves as a technical partner in support of RER's science-based restoration approach and through climate, community or biodiversity assessments. FFI has built a strong footing in integrating innovative methods with social needs to produce sustainable conservation outcomes since 1903. RER has benefitted greatly from FFI's work, including the initiation of a baseline survey of biodiversity, carbon and local community needs. FFI has also shared valuable expertise and knowledge on carbon markets and landscape planning.

BIDARA works to strengthen community social capital initiatives within rural communities in the Kampar Peninsula. Its efforts focus on advancing human resources and environment development within the communities they work with. Laskar Alam helps educate communities in Padang Island on how to implement sustainable farming and fisheries.

RESPONSIBLE MANUFACTURING


APRIL
APRIL

APRIL Group manages its production facilities to boost productivity and operational efficiency, while also seeking to continuously mitigate against any potentially adverse impacts on the environment and surrounding communities. The company invests significant resources in continuous operational improvement to promote greater efficiencies in its use of resources.

Since 2003, APRIL has been certified to the ISO 14001 Environmental Management System standard. The implementation of an internationally recognised management system demonstrates that the management of our operations' impact on the environment is a key priority. This acts as a framework for the required monitoring and compliance protocols. In addition. ISO 1400 provides guidance for the mill environment team to target continuous improvements in monitoring and compliance.

Environmental monitoring of manufacturing operations is based on a mandatory Environmental Impact Assessment (EIA), which is drawn up in line with local and national regulations and reported to the Government of Indonesia. Operational teams conduct the monitoring of waste, air emissions and water management. The mill environment team handles further data consolidation and analysis.

The mill environment team also helps coordinate all environmental related activities including licensing or permit applications, audits, pollution prevention initiatives, solid waste management and chemical management.

The team works closely with key departments responsible for specific environment operation, such as waste management, waste water treatment, air and energy management, and reports regularly to senior leadership, including the board, the President and the Chief Operations Officer.

Monitoring data are recorded in the company's internal record systems. This data is regularly reported to provincial and district environmental agencies. Compliance with third-party certifications is also used to monitor environmental performance and identify opportunities for improvement.

In 2020, the company's main priorities, in terms of increasing resource efficiency, focused on reducing dependency on landfill for hazardous solid industrial waste, reducing overall energy consumption in line with an energy management plan, increasing the utilisation of solid waste as a fuel substitute, the utilisation of fly-ash as road subgrade and investigative trials for the recooking of brown fiber for re-use.

The implementation of an internationally recognised management system demonstrates that the management of our operations' impact on the environment is a key priority

MATERIAL EFFICIENCY

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 2020, the company produced a total of 2,697,037 tonnes of pulp and 1,113,925 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).

APRIL implements manufacturing best practices at its production facilities to maximise the value and utility of raw materials, both renewable and non-renewable, and to reuse by-products that would otherwise end up as waste for disposal. This is part of the company's efforts to address the global issue of inefficient resource use.

In 2020, pulp production consumed 82.4 million tonnes of renewable materials and 245,578 tonnes of non-renewable materials. Compared to 2019, the use of both renewable and non-renewable materials in pulp production increased, primarily driven by the overall increase in production volumes.

Paper production consumed 8.793 million tons of renewable materials, a decrease from 9.25 million tons in 2019 and 9.55 million tons in 2018, due to continuing efficiencies achieved in the production process. The consumption of non-renewable materials was 96,508 tonnes in 2020, down from 99,000 tons in 2019.

Production activities generate various byproducts and residuals. Some, such as carbon dioxide, bark, and black liquor, are passed through recovery processes and deployed to increase material use efficiency while minimising waste generation. Others, like sodium hypochlorite, are sold.

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 64,070 tonnes of emitted CO_2 was used by the PCC plant to produce precipitated calcium carbonate in 2020. This was an increase from 2019, where the plant consumed 55,190 tonnes of emitted CO_2 for PCC production.

Pulp production generates black liquor as byproduct. This is 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 2020, 5,412,205 tons of black liquor was recovered as biofuel, up from 5,022,340 tons in 2019, achieved largely through improved process efficiencies. A total of 12,170 tons of methanol was recovered as biofuel, down from 15,023 tons in 2019. This drop resulted from several limitations of the existing methanol plant. A new methanol plant was commissioned at the end of 2020 and its full impact will be monitored closely by the mill environment team.

Other fuel sources include bark, palm husks and sludge as a renewable energy source for the production facility. In 2020, a combined 1,308,252 tonnes of bark, palm husk and sludge were used as fuel for energy.

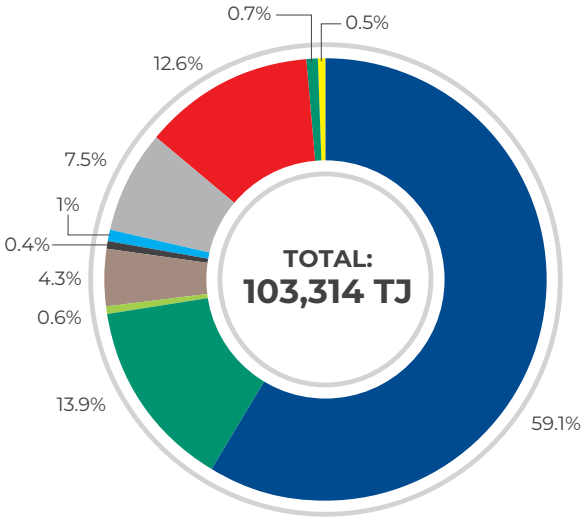
ENERGY PRODUCTION AND CONSUMPTION

APRIL Group produces its own energy from renewable and non-renewable resources and continuously prioritises innovations and initiatives to increase its energy efficiency.

Total energy consumption for pulp and paper production in 2020 was sourced from:

Renewable Energy

80.2%



Renewable energy 80.2%

- Black Liquor 59.1%
- Bark 13.9%
- Sludge 0.6%
- Palm Husks 4.3%
- Methanol 0.4%
- Screen Reject 1%

Non-renewable energy 19.8%

- Natural Gas 7.5%
- Coal 12.6%
- Diesel 0.7%
- MFO 0.5%

Of its total energy consumption for pulp and paper production in 2020, 80.2% was sourced from renewable energy sources, mostly from black liquor (61.3%) and bark (14%). Electricity consumption fell slightly in 2020, compared to the previous year, due to investment in energy efficient technologies, especially in paper production.

The power plant team manages 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 optimising energy efficiency using internal tools and certified environmental and energy management systems.

As part of its APRIL2030 commitments to reduce its carbon emissions and kick off the company's shift to renewable energy sources, APRIL Group will commence development in 2021 of the installation of 20MW solar panels at its operational site in Kerinci is scheduled to be completed in 2025.

WATER AND EFFLUENTS

Water is required for the pulp and paper production process, resulting in the withdrawal and consumption of large quantities of water from the Kampar river near its operations. APRIL has specific targets for the efficient use and reuse of water and the management of waste water through its commitment to the continuous improvement, or Kaizen method. These objectives include reducing over time the requirement for water intake from the Kampar and the effective reduction of treated waste water discharge to the river.

APRIL's mill has calibrated water flow meters at a number of 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.

WITHDRAWAL AND CONSUMPTION

APRIL is licensed to withdraw water from the nearby river to support its production processes. The river is also used by the surrounding communities for water supply, transportation, and fisheries. In 2020, the total water withdrawal was 117,314,041 m^3. In total, about 82% of the water withdrawn was treated and returned to the Kampar River.

Of the total water withdrawal, 79,146,193 m^3 was used in the production of pulp and paper, up from 74,282,738 m^3 in 2019, largely due to increased production. The paper and power businesses reduced water consumption by 6% and 10% respectively. Pulp production used 8% more water due to increased production and the further optimisation of certain production facilities.

APRIL recently installed a water pre-treatment facility that processes withdrawn water, including clarification and filtration processes. Optimising 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.

APRIL operates an integrated waste water treatment plant that processes up to **280,000 m³** of effluent every day

WASTE WATER MANAGEMENT

Water used in the pulp and paper production process contains biological and chemical elements. This means the water must be treated before it is discharged back into the Kampar River. 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 through the ongoing 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 and monitoring the treatment plant's performance. The 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 Group 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.

APRIL discharged 31.6 m³/adt of waste water back to the Kampar River in 2020, well below the allowable threshold of 85 m³/adt set by environmental regulations. In 2020, APRIL maintained the concentration of its waste water levels, including BOD, COD, and TSS, to be well below the regulatory threshold.

In 2020, the mill operations team completed the installation of a treated waste water online monitoring system, as required by regulations. This is directly connected to the MOEF server in Jakarta for real time waste water quality monitoring.

The MOEF had listed in 2018 the installation and operation of the online monitoring system in Article 14 of the Regulation of the Minister of Environment and Forestry Number P.93/MENLHK/SETJEN/KUM.1/8/2018 and P.80/MENLHK/SETJEN/KUM.1/10/2019 concerning Continuous Monitoring of Waste Water Quality and gave all businesses and activities two years to comply.

The range of parameters monitored is set according to industry type and is listed in the aforementioned regulation. In addition regulation P.93 requires that all such systems be calibrated annually by an SNI ISO accredited and approved laboratory. The system can accurately measure COD, TSS, pH, flow rate and volume.

MILL GREENHOUSE GAS EMISSIONS

The calculation of APRIL's mill GHG emissions profile is done using a sector-specific tool developed by the National Council for Air and Stream Improvement and International Council of Forest and Paper Associations and the GHG protocol. The GHG protocol was developed by the World Resources Institute and World Business Council for Sustainable Development.

APRIL uses the operational control approach for calculating emissions and it reports emissions in CO_2 equivalent for CO_2, CH_4 and N_2O gases.

The sources of mill Scope 1 GHG emissions are the emissions that are directly controlled or owned by an organisation. The measurement starts with the identification of the emission sources including stationary – fossil fuel combustion; stationary – biomass combustion (non CO_2 emission); transportation and mobile combustion; waste management; make-up chemicals; CO_2 removal from PCC plant.

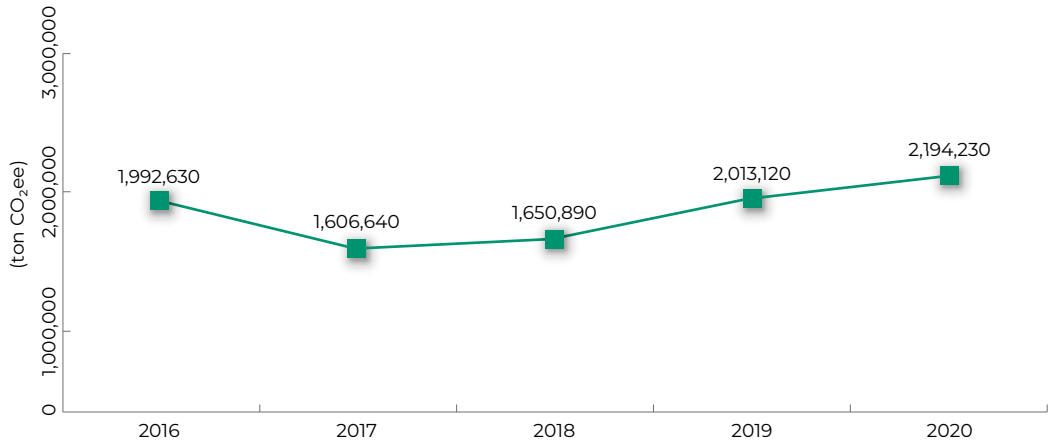
In 2020, the Scope 1 direct (gate-gate) GHG emissions from the mill complex was 2,194,238 tonnes of CO_2 equivalents, up from 2,094,481 tonnes in 2019. The increase in Scope 1 emissions potentially relates to an 86% decrease in natural gas consumption, a much lower carbon emitter, and a 20% increase in coal use.

The biogenic CO_2 emissions from biomass combustion in mill were approximately 8,156,340 tCO_2. The GHG intensity for pulp production and paper production were at 0.55 tCO_2 e/adt pulp and 0.87 tCO_2 e/tonne paper, respectively. The company does not have Scope 2 emissions as it does not purchase electricity, heat or steam.

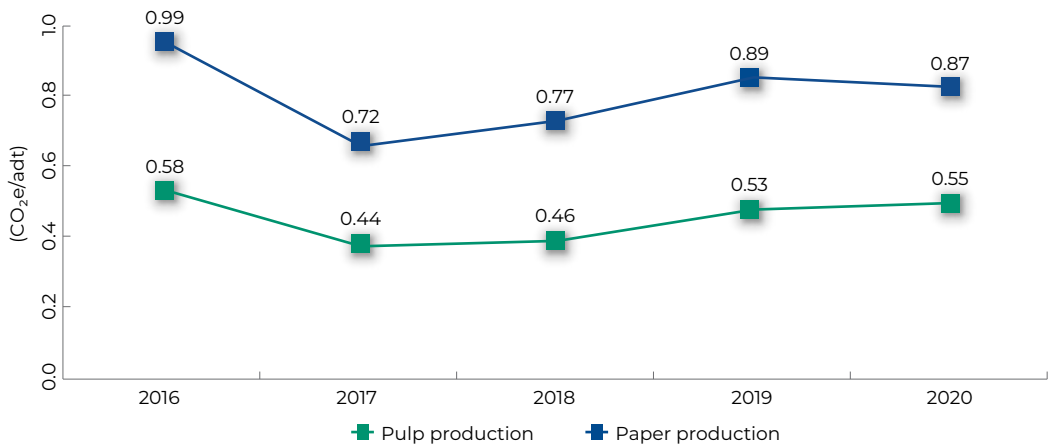
The data from the monitoring will inform the company's energy management strategy, as it seeks to increase its overall use of energy from renewable sources, in line with its long term APRIL2030 strategy.

Scope 1 GHG emission (Mill)

Total Mill Scope 1 GHG emissions



Total Mill Scope 1 GHG emissions intensity



Air emissions from APRIL Group's mill were made up of 2,597 tons of total particulate, down **2.29%** from the previous year and **5,901 tons** of NOx, **3,221 tons** of SOx

AIR EMISSIONS

Several activities in the pulp and paper production process result in air pollutants that require careful management. The loading and processing of wood logs in the woodyard and chip screen, and power boiler processes, are 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 NOx, SO2 and TSS and their active management is a priority.

Continued investment in technologies ensures that air emissions generated by production activities do not have a negative impact on the environment. The company also carries out regular air emissions monitoring using Continuous Emissions Monitoring Systems (CEMS) against several air pollutant parameters as stipulated in the Ministry of Environment Decree No. 13 of 1995 on Air Emission Standards.

The mill operations department conducts 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 2020, air emissions from APRIL Group's mill were made up of 2,597 tons of total particulate, down 2.29% from the previous year and 5,901 tons of NOx, 3,221 tons of SOx.

SOLID WASTE

APRIL maximises the use of materials and seeks to reduce waste generation to limit waste disposal to landfill. APRIL's solid waste management plan is executed in line with national regulations.

Through this process, solid waste is classified as either hazardous waste or non-hazardous waste. Once characterised, different types of solid waste undergo different methods of transportation, storage, utilisation and disposal, in line with regulations. 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 Group 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.

In 2020, the company obtained a waste water treatment plant (WWTP) sludge utilisation permit allowing the company to use the effluent sludge as fuel substitution in its power boiler to generate steam and electricity.

Waste-to-energy is an effective and sustainable waste management practice that reduces dependency on landfill and on non-renewable resources like coal. The sludge used as fuel substitute consists mainly of fibre solid material resulting from clarifying pulp and paper mill effluent.

After mechanical dewatering the fibre yields a high calorific value and can be burned using existing boiler technology.

HAZARDOUS WASTE

Several parameters are used to understand the nature of 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 the surrounding environment. The facility is equipped with pipes to collect any leachate.

APRIL Group 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 2020, the company generated 259,716 tonnes of hazardous waste from production activities, up from 246,177 tonnes, which was disposed of in landfill. The 691 tonnes of hazardous waste from non-production activities generated was handled by a licensed third-party for transportation and disposal.

NON-HAZARDOUS WASTE

APRIL Group adopts a range of approaches for non-hazardous waste management, including the reuse of some elements of non-hazardous waste. Bottom ash is utilised for road subbase and is directly transported to the application area without needing any temporary storage, while brown fiber is first stored temporarily at a brown fiber storage facility before being utilised as fuel in the mill's power boiler.

The waste management team measures and records the waste that is used either in the landfill logbook, plantation logbook or transport daily report. White fiber and non-hazardous waste from non-production activities are handled by an accredited third-party for transportation outside Pangkalan Kerinci complex and final disposal. This waste is measured at a weigh-bridge for monitoring and reporting.

The total amount of non-hazardous waste produced in 2020 was 57,418 tonnes. Of this, 55,226 tonnes were re-used and the remainder was handled by an accredited third-party service provider for disposal.

SUPPORTING LOCAL LIVELIHOODS AND SOCIETY


APRIL

A mother with her infant (right) being updated on maternal healthcare campaigns supported by APRIL's community development team

The community development (CD) team measures APRIL Group's performance against its commitments to local communities on an annual basis. The company implements CD programs across three main areas:

- Education
- Empowerment
- Enhancement

As a major employer in Riau province, APRIL is responsible for contributing to the social and economic development of the communities in which it operates, by helping to alleviate poverty and improve economic wellbeing. The community development program is one example of APRIL's demonstration of its commitment to respect tights of communities, as embedded in its SFMP 2.0 policy.

COMMUNITY ENGAGEMENT

Engaging with the community in and around APRIL's operational areas is an integral part of the company's day-to-day operations. APRIL recognises that the surrounding community is essentially a stakeholder group that is directly affected by our forestry operations. In line with our commitment to respect the rights of communities, as well as to implement Free, Prior, Informed Consent (FPIC) principles, we provide opportunities for local communities to share their inputs, feedback, and concerns regarding APRIL's operations. This engagement shapes our overall management system, ensuring that negative impacts are avoided and positive impacts to community and environment are generated, where possible.

Community engagement is embedded across operational activities, from the operations of the plantation forest and management of the conservation forest, to programs for supporting communities' livelihoods. The company's social capital team invites local community stakeholders to any consultations that the company conducts, as they may be affected by APRIL's operational activities, or interested in the company's activities.

APRIL conducts annual consultations with the communities around its concession areas to discuss the company's Annual Work Plan. At this time, APRIL inform the communities of the specific plantation sites where operational activities will take place in the coming year and get feedback from the communities prior to commencing the activity.

Planning and evaluation of Community Development programs also relies heavily on community engagement. Getting inputs from communities regarding their needs is the cornerstone is essential to ensure the programs are effective and support intervention to develop and empower the community. After a period of implementation, the CD team consult with the communities to get their views, which subsequently become the basis for evaluating the overall effectiveness of the CD programs.

The community development (CD) team measures APRIL Group's performance against its commitments to local communities on an annual basis. The company implements CD programs across three main areas: education (school improvements, vocational training, scholarships); empowerment (training for farmers, agriculture support); and enhancement (social infrastructure projects, healthcare support).

In 2020, the company's CD programs were inevitably impacted by the pandemic, with restrictions imposed on meetings, outreach to communities and learning activities in classrooms. At the start of the year, the CD team's priorities included a new distance learning in education program, as well as family planning and health services focused on children under five and expectant mothers.

However, the pandemic, and the resulting economic and social situation in the community, drove a major shift in focus. The CD team reallocated 25% of its budget to provide support for the affected communities. A Basic Food Program was set up, with nutrition packages provided to families with small babies and expectant mothers. Communities were also briefed on daily hygiene recommendations to help limit the spread of the virus. From an educational perspective, learning processes in classrooms could not be carried out due to the closure of schools. The CD teams helped schools and communities to shift from class-based lessons to remote learning.

On a long-term level, the company bolstered its commitments to the communities through the launch of its APRIL2030 strategy. Specifically, the Inclusive Progress pillar of the strategy includes targets to empower its people and communities through transformative initiatives in healthcare, education and gender inclusion.

Key among them is the target to eradicate extreme poverty in its communities while boosting education and universal access to essential and affordable healthcare. The company plans to focus on reducing the prevalence of stunting by 50% among children below five years of age in Riau Province.

As of December 2020, APRIL and its suppliers had carried out three social impact assessment to identify, map and analyse the social impact of forest management activities. The assessments are required by voluntary sustainable forest management certification schemes, such as the PEFC and FSC. A key objective of the assessments was to ascertain the extent to which existing operational activities and social intervention efforts are aligned with the SFMP 2.0 principles, and to determine their contribution of the UN SDGs.

The assessment process is carried out by measuring and mapping the impact of operational activities and community empowerment programs, and community activities that impact on the company. The assessments will result in recommendations for improving the Community Development programs carried out by APRIL and its suppliers, especially in terms of operational policies that relate to local communities and other relevant stakeholders. The recommendations, to be drawn up in 2021, will be classified as short term (1-2 years), medium term (3-5 years) and long term (more than 5 years).

SOCIAL INFRASTRUCTURE

Despite a curtailed level of engagement as result of the pandemic, APRIL group continued to provide support for social infrastructure, including 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. APRIL'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 ten social infrastructure projects were completed in 2020, down from 15 in 2019, with the drop due to restrictions on outreach caused by the pandemic.

FIRE FREE VILLAGE PROGRAM

APRIL Group established the Fire Free Village Program (FFVP) in 2015 as a means of collaborating with NGOs, government and local authorities to promote community fire prevention through education and capacity building at a community level. The FFVP is aligned with the company's commitment to fire prevention and its no burn policy. The program team work in close consultation with local communities to address the underlying causes of fires through socialisation, education and increased awareness of the impacts of unmanaged burning and smoke haze.

The pandemic resulted in teams having to restrict engagement with communities in 2020, in line with social distancing regulations. However, the team sought to main a level of outreach, within the parameters of the three components of the program. The components of the FFVP are as follows:

FIRE AWARE COMMUNITIES (FAC):

A socialisation program among communities about the impact of haze from forest and land fires. In 2020, socialisation activities included Fire Free Goes to School in 56 schools, and Fire Free Goes to Market in 20 communities. Due to pandemic restrictions, the FFVP team were unable to hold the popular Fire Free Goes to the Movies gatherings. By comparison, in 2019, socialisation 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.

FIRE FREE VILLAGES (FFV):

A 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 2020, there were three villages involved in the full FFV component, compared to nine in 2019. In 2020, two of the three villages had no burnt area and received the full reward, compared to three of the nine villages in 2019. Last year, one village received half the reward for fires less than two hectares, compared to five villages receiving them same award in 2019.

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. 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. In 2020, there were nine villages involved in the FRC component, the same number as the previous year.

The FFVP works in close collaboration with local NGOs, District, Provincial and National Government, and local agencies like the police, military and the Disaster Management Agency. As at December 31, 2020, the total land area covered by the FFVP – through partnerships with 33 villages – was 693,187 hectares.

FFVP team members speaking to people in the local communities as part of ongoing community engagement on the importance of fire prevention.

Students at the Mutiara Andalan School in Pangkalan Kerinci attending class

EDUCATION

APRIL Group provide 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 Group 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 2020, the company funded 407 educational scholarships, compared to 430 in 2019 and 417 the year before.

Under the company's Talent Pool scholarship program, tertiary students receive financial assistance to pursue university degrees and then employment with APRIL Group upon graduation

LIVELIHOOD PLANTATIONS

APRIL group runs a partnership scheme with local communities under regulatory guidance from the MOEF, where it allocates areas within its licensed concessions for communities to cultivate timber and non-timber forest products, or other crops that contribute to food security and community welfare. As at 31 December 2020, a total of 31,867 hectares had been allocated as livelihood plantations, with 152 villages participating in the scheme.

SMALL BUSINESSES

Micro, Small and Medium Enterprises (MSMEs) are a key driver of economic growth in many countries, especially developing ones. APRIL Group supports the establishment and growth of MSMEs. The goal of its program, 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.

MSMEs Program participants comprise two types of partners:

- Inline MSMEs, intended for companies whose businesses are directly related to APRIL Group's operations such as material supply, manpower supply, transportation rental and crop cutting services.
- Offline MSMEs, intended for companies whose businesses are not connected to APRIL Group's operations. Offline MSME partners are engaged in businesses such as mechanical workshops, handicraft creation, food production and honey production.

The number of small and medium sized enterprises contracted by APRIL Group and its supply partners was 381 in 2020, up from 322 in 2019 and 333 the previous year.

SUPPORT FOR FARMERS

APRIL Group's Integrated Farming System programme helps equip local farmers with the sustainable farming skills and agricultural assistance needed to support economically viable farming. In 2020, agriculture programs supported farming activities on approximately 620ha of land. The number of farmers trained by the company fell to 99 in 2020, from 236 in 2019, due to restrictions imposed by the pandemic, while 30 farmer groups where provided with agricultural materials.

APRIL Group's Integrated Farming System programme helps equip local farmers with the sustainable farming skills and agricultural assistance needed to support economically viable farming

CASE STUDY:

RIZAL – PIONEER OF EUCALYPTUS SOAP IN RIAU

"I attended a training session to learn how to make soap from eucalyptus leaves. This training session was part of APRIL's MSME Development Program. Making natural soap was something new for me. There were a few challenges to overcome, but I finally became an entrepreneur and established CV Mitra Riau Andalan. We produce natural body soap, hand soap, dish soap, hand sanitisers and floor cleaners. Of course, being an APRIL program partner was an advantage, as the company always gave me full support".

"It was pretty unexpected when the COVID-19 pandemic struck, as what followed was a rapid increase in business following recommendations for regular hand washing with soap and hygiene maintenance with hand sanitisers. This happened because of word-of-mouth promotions, but also because my products were sold online on Toko Andalan – an e-commerce shopping app created by APRIL's Community Development Department to help market MSME partners' products".

"I currently deal with 25 resellers in various cities and my sales turnover has skyrocketed 1,400%! APRIL's trust in the quality of my products also meant orders by company management for places of worship, healthcare facilities and other public places in Pangkalan Kerinci. I'm aiming to explore the natural cosmetics field next".

DEVELOPING OUR PEOPLE

MANAGEMENT APPROACH

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

Based on the Core Values, APRIL Group then upholds the RGE Code of Conduct (the Code) which sets standards of corporate governance and business ethics. Guidelines for employees include provisions for fair and non-discriminatory engagement with stakeholders, avoidance of conflicts of interest and intolerance of corrupt practices, and mechanisms for employees to raise grievances.

The Code was established in 2017 and applies to all APRIL Group employees 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 (HR) team.

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, and in line with Government guidelines on compensation and minimum wages.

APRIL Group respects the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and comply with all legal requirements and cultural practices in implementing recruitment best practices, including proactive recruitment of qualified workforce from local community. Freedom of association for employees, including contractors, is respected.

The company has zero tolerance for child labour, forced labour or bonded labour for discrimination, harassment and abuse in any form. In particular, the company is committed to preventing discrimination based on gender.

The company has zero tolerance for child labour, forced labour or bonded labour for discrimination, harassment and abuse in any form

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 at our operations in Pangkalan Kerinci. All new employees receive training on workers' rights, as part of their induction, to ensure that all personnel are aware of their rights and to mitigate against any possible infringement of those rights.

Riau Complex and Estates

APRIL Group provides homes and facilities for staff and their families at its Riau Complex in Pangkalan. There is currently more than 10,000 people residing in the town site. Facilities provided include housing, public transportation, schools, clinics, food courts, convenience stores, hotel, jogging tracks, fishing ponds, places of worship and over 36 sporting facilities.

There are three schools in Pangkalan Kerinci that receive financial support from the company; one elementary school and two high schools.

Aside from the Riau Complex, employees working at the estates are also provided with facilities.

Training courses are provided for employees and include leadership and people management and business ethics and planning

The HR program at APRIL Group is initiated and carried out by the HR department with responsibilities spread across different geographical locations; i.e. Singapore and overseas office; Pangkalan Kerinci compound, and Jakarta office. The company emphasises the role of people managers to ensure that the employee development program is running well for their team members.

APRIL Group has in place a grievance mechanism for employees to raise issues that create dissatisfaction, insecurity, unrest and injustice experienced in the work environment to be resolved or settled by the company. Report and resolution of employees' grievances in principal has been described in the collective labour agreement that is in accordance to the applicable government regulations. The company has also established an operating procedure as guideline for such implementation.

Grievances are prioritised to be resolved internally from the smallest division (per section or department). Otherwise, it can be raised to a higher level, involving the Human Relations sub-division of Employee and Industrial Relations (EIR).

The monitoring and reporting mechanism for the HR department is twofold; to track the HR team's performance and to track employees' performance. For the HR team, regular meetings are held internally and with the senior management to monitor and report progress. For employee performance, HR monitors talent progress through a Management Development review while employees each have their own Individual Development Plan that is reviewed regularly.

APRIL Group's vision is to have sufficient talent to enable growth in terms of quality and quantity, and to have a strong leadership pipeline from home-grown talent. The company invests considerably in developing people, be it for existing internal employees or external potential employees like students.

The COVID-19 pandemic in 2020 created significant challenges for the Human Resources (HR) Department in achieving its targets for the year, most notably for recruitment and retention. Limited mobility and various restrictions required the HR Department to be agile and adapt to rapid changes. The establishment of task forces in each location consisting of representatives from different functions proved to be an effective means to manage COVID-19.

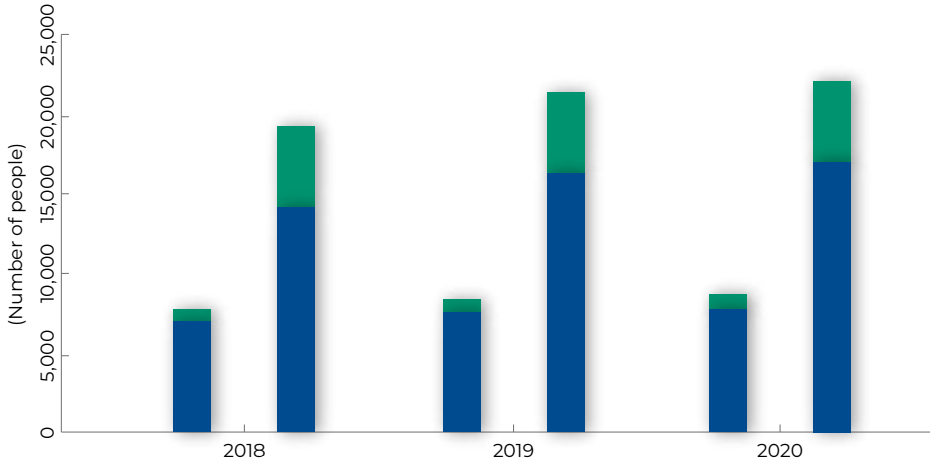
In 2020, the key priority areas were:

PEOPLE DEVELOPMENT

APRIL Group has a total of 8,592 employees and 22,174 contractors, as of 2020, working across various functions and locations, from our integrated pulp and paper mill in Pangkalan Kerinci to our concession areas in Riau and in north Sumatra. The company deploys contractors for supporting roles for both technical and non-technical work. This includes, for example, maintenance activity at the mill and supporting nursery, planting and harvesting work.

APRIL Group invests considerable resources in the professional development and wellbeing of its employees, with an emphasis on local talent development. Strategic management positions, which are based at the company's corporate and sales offices, are defined as senior managers and above. As of December 2020, APRIL has one woman – the company's Director of Sustainability and External Affairs – on its leadership team.

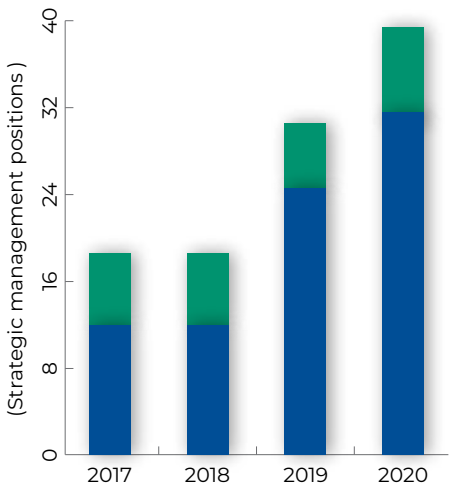
APRIL's total employees and contractors



	Employees	Contractors	Employees	Contractors	Employees	Contractors
Female	820	5,211	863	5,259	971	5,208
Male	6,850	14,090	7,403	16,244	7,621	16,966

Employee and contractor data includes data for PT. RAPP and supply partners from human resource systems. Diversity information for governance bodies and further diversity information by age and other indicators of diversity are in development for employees and contractors and will be available in future reporting cycles. APRIL is in the process of determining timebound targets regarding diversity in its APRIL2030 strategy. We are adjusting and expanding our management, monitoring and reporting system to be able to comprehensively disclose our management approach and performance with regards to diversity in future reporting.

Strategic management positions at APRIL



Local employees	12	12	25	32
Non-local employees	7	7	6	8

TRAINING AND DEVELOPMENT

APRIL Group has a range of development programs at both the RGE level and APRIL level. Programs at RGE level are synergised across fibre-based business groups with a more strategic output:

Leadership Executive Development Program (GM level)	Future Leadership Program (up to senior manager level)

Programs that are designed specifically at APRIL level consist of various trainings and professional development opportunities. APRIL's investment in this area is driven by the company's TOPICC core values, specifically in the areas of 'People' and 'Continuous Improvement'. In 2020, in mill and fiber operations, training programs at different levels were provided to engineering development trainees (114 participants), assistant trainees (146 participants) and controller and internal audit personnel (12 participants).

APRIL provided a total of 86,985 hours of training to its employees and contractors, or equal to 8.79 hours/person. This number decreased compared to 2019 (12.4 hours/person) due to COVID-19 restriction.

APRIL Learning Institute

To support the delivery of itrs training programs, the company set up the APRIL Learning Institute (ALI) in 2006. The ALI focuses on providing training courses in technical and leadership skills. Training personnel and courses are divided across six departments - mill, fiber, transportation, rayon, soft skills and the assessment centre. Approximately 5,000 employees receive training at the ALI every year. Ultimately, the main goal of the centre is to ensure that all employees are proficient, in terms of both their technical and soft skills.

Sustainability training

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. In 2020, two successful candidates were accepted for the program.

The World Business Council for Sustainable Development (WBCSD) Leadership Program is designed to provide its students an in-depth understanding of sustainable development challenges and opportunities to practice strategic business decision-making. In 2020, 1 employee was selected to join this vibrant program.

Scholarships

In 2020, the scholarships provided by APRIL to high school graduates included the following: 32 scholarships to Universitas Riau, majoring in pulp and paper technology; 39 scholarships to Institut Pertanian Stiper (INSTIPER) in Jogjakarta for forestry majors; and nine scholarships to Politeknik Negeri Medan, majoring in electrical or mechanical engineering.

LABOUR FORCE PARTICIPATION

APRIL respects the rights of its workers, including their freedom of association – Employees have the choice to become a member of a labour group. As of 31 December 2020, a majority of employees – just over 56% – are members of the following labour groups:

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

WBCSD LEADERSHIP PROGRAM

APRIL Group is committed to advancing sustainability across its business operations. One way in which it does so is investing in creating future leaders in sustainability.

Through the World Business Council for Sustainable Development (WBCSD) Leadership Program, the company sends employees to participate in a one-year rigorous program designed to provide in-depth understanding of sustainable development challenges and the opportunity to develop strategic business decision-making capabilities. APRIL Group is able to utilise this opportunity as a member of this global, CEO-led organisation of over 200 leading businesses, working together to accelerate the transition to a more sustainable world.

This experience benefited participants in many ways. In 2020, employee Dani Sumitran was selected to join this vibrant program together with 43 other participants from various countries. At APRIL, Dani oversees the Integrated Management System (IMS) and Certification and Compliance. She joined the company in 2011 with a background in Chemical Engineering.

"I gained better knowledge and understanding of my leadership preferences and it helped to increase my confidence in implementing my daily work. Currently I am responsible for certification and compliance which focuses on an integrated management system for the environment, health and safety and social issues, and also focuses on sustainable forest management. I have tried to integrate and align the sustainability strategy into the company's operations to make the company sustainable."

Dani Sumitran,
Internal Audit and Certification Manager

As part of the WBCSD training she was assigned a specific task to improve APRIL's Sustainability program. The course was originally set in three locations: New York, Berlin, and Tokyo. However, due to COVID-19 it had to be slightly adjusted with the Berlin program being held virtually.

Dani was still able to go to New York for the first stage of the program, and she will complete the final stage in Tokyo that is postponed to October 2021. She completed all the tasks while working full-time.

Managers have also felt the value of their team members joining as they saw noticeable change in them. Dani's Manager appreciated that the program provided an opportunity for her to understand the breadth and range of issues related to sustainability outside her usual area of expertise.

"I know she found this challenging and difficult to balance with her busy work schedule but valued the opportunity to work with other people and learn from their experience. I have noted a change in that she is more open to outside perspectives and also more confident in sharing her opinion which is important for young managers."

Craig Tribolet,
Sustainability Operations Manager

"The WBCSD Leadership Program is a unique training opportunity to develop leadership in sustainable development. The Program is designed to help business leaders to navigate complex topics that will determine the future - enabling individuals and organisations to lead, transform and succeed. It's great to read the positive impact it had on Dani Sumitran and I'm sure she'll inspire change for more successful businesses in a more sustainable world."

Suzanne Feinmann,
WBCSD, Director Education

Health And Safety

APRIL is committed to providing a safe, productive and conducive workplace in its own operations and throughout its supply chains. The company believes that accidents and occupational illnesses and injuries are largely preventable, and that jobs can be done safely. Safe operations depend on well maintained equipment, and on every employee taking responsibility for preventing work-related injuries and illnesses.

APRIL ensures that health and safety of workers is protected and equips workers with the required protection from exposure to occupational health and safety hazards. This focus is reflected in comprehensive operational health and safety policies. APRIL has a dedicated Health and Safety team that drives the implementation of policies, facilitates leadership on leading behavioural change and guides operations in implementing safe practices.

At APRIL we encourage every employee to accept responsibility for their individual safety

The company complies with international, national health and safety standards and regulations including the particular International Labour Office Code of Practice on Safety and Health in Forestry Work. APRIL also applies the FAO Compendium on Occupational Safety and Health in Forest harvesting and silviculture as a best practice guide.

The ISO 45001 standard enables organisations to put in place credible international occupational health and safety (OH&S) management systems. The management system provides the infrastructure to meet the goal of the reduction of occupational injuries and diseases, including promoting and protecting physical and mental health.

The company encourages all employees, contractors and staff to live by Safety Golden Rules. These clearly explain the basic steps to be followed to minimise high-risk acts

Through a risk-based approach, a framework is set in place to increase safety, reduce workplace risks and enhance health and wellbeing while driving continual improvement to meet the organisation's ever-changing context. The company has adopted Indonesia's principle of Occupational Health and Safety Management System (Sistem Manajemen Keselamatan Kerja – SMK3).

As of December 31, 2020, PT. RAPP had completed SMK3 certification for all sectors. 96% of supply partners have completed SMK3 certifications or OHSAS 18001 certification. These certifications are audited by Surveyor Indonesia. The certification is applicable for all employees but does not cover contractors. APRIL is in the process of developing a Contractor Safety Management System to support contractor safety improvements.

These all set the minimum standard of practice to protect employees, create a health and safety culture, whereby employees are encouraged to take an active role in their own health and safety while enabling the organisation to reinforce the leadership commitment to proactively improve its health and safety performance.

The company encourages all employees, contractors and staff to live by Safety Golden Rules. These clearly explain the basic steps to be followed to minimise high-risk acts. The Golden Rules cover various daily activities such as the use of potentially hazardous equipment (e.g.: chainsaws), transportation, working with heavy equipment, working at heights, and the handling of chemicals.

The area of Health and Safety is overseen by two key departments, Occupational Health and Safety (OHS) and Loss Prevention and Control (LPC).

Monthly safety and health committee meetings are held at all levels of the organisation from estate to business unit and are chaired by the relevant leaders. Safety is discussed in various operational meetings including a monthly operational review meeting chaired by APRIL's President where safety performance is reviewed and recommendations discussed.

Leaders demonstrate engagement and leadership in this area by joining safety daily briefings and safety talks, while empowering all employees to take responsibility for their own behaviour.
Various awareness and training days are undertaken. Some of these focus on specialist training while others encouraging behavioural change.

Health and safety issues are monitored through the measurement of fire and safety performance, risk mitigation activities and the health and safety performance of each business unit.

Emphasis on behavioural change program has been driven through various initiatives, such as a safety traffic light system

APRIL Group has identified and prioritised a number of areas for improvement to address challenges in its operations and practices. These include the need for continued reinforcement of a mindset that health and safety is everyone's responsibility, reducing worker complacency on applying health and safety best practice, enhancing safety behaviour generally, as well as increasing engagement and leadership through new safety programs.

Emphasis on behavioural change program has been driven through various initiatives, such as a safety traffic light system. This has been implemented to improve the overall safety performance and monitor the level of implementation of health and safety aspects across all employees and activities. The use of 'Stop Unsafe Action/Condition and Take Safe Action' is applied by the safety teams for employees found working in unsafe conditions and/or undertaking an unsafe act (e.g.: working without proper personal protective equipment or adopting incorrect working techniques).

Amongst other priority initiatives, there is also a focus on contractor safety management systems and worker transportation standards.

INJURIES AND FATALITIES

APRIL is committed to the following health and safety targets:

- Zero fatalities.
- A lost time injury frequency rate of 0.03.
- Maintaining iOHSMS/SMK3 and ISO 45001 certification.

APRIL monitors and reports following the standard lost time injury frequency rate and injury severity rate for all injury and incident reporting across operations.

The bulk of the recorded injuries in 2020 were comprised of injuries to hands and fingers, followed by eye afflictions.

APRIL regrets to report that three fatalities occurred across the company's operations in 2020, one in the mill and two in fibre operations, down from five in 2019 and seven in 2018. All incidents were investigated by the OHSS unit and reported to the relevant provincial and government authorities.

Health and safety issues are monitored through the measurement of fire and safety performance, risk mitigation activities and the health and safety performance of each business unit

SUSTAINABILITY FIGURES AND DATA

FOREST CONCESSION AREAS

	Plantation area (hectares)	Conservation area (hectares)	Restoration area (hectares)
RAPP (include Community Fiber Plantation)	**213.676**	**69,908**	**–**
– On mineral soil	100,063	25,377	–
– On peatland	113,614	44,531	–
Supply Partners	**234,956**	**144,377**	**–**
– On mineral soil	106,719	44,690	–
– On peat	128,236	99,687	–
Ecosystem Restoration	**–**	**–**	**150,711**
– On mineral soil	–	–	–
– On peatland	–	–	150,711
TOTAL	**448,632**	**214,285**	**150,711**

2020 WOOD FIBER SOURCES

Sources	Volume (tonnes)	Country of origin	Legality certifications
RAPP	4,126,772	Indonesia	IFCC-PEFC, PHPL, VLK
Supply Partners	4,362,569	Indonesia	IFCC-PEFC, PHPL
Open Market Suppliers	2,271,565	Indonesia, Malaysia	IFCC-PEFC, PHPL, VLK, FSC
Community Fiber Plantation	338,027	Indonesia	IFCC-PEFC, VLK, DKP
TOTAL	**11,098,933**		

BIODIVERSITY

As at December 2020, a total of 273 flora species and 241 fauna species is identified across APRIL Group's concession areas. The following presents the species classification following applicable international and national standard on biodiversity.

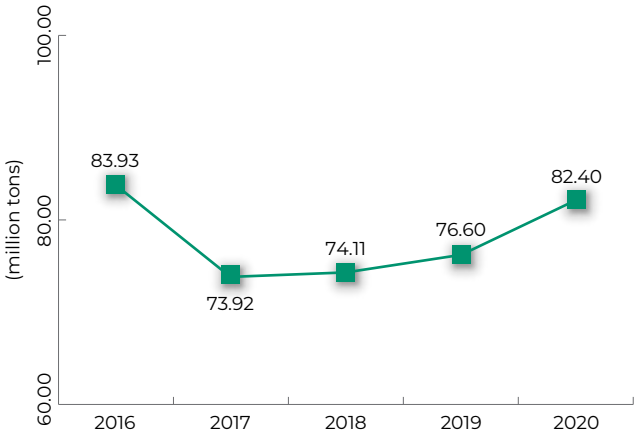
	IUCN Red List					CITES	National Conservation List*
	Vulnerable (VU)	Endangered (EN)	Critically Endangered (CR)	Near Threatened (NT)	Least Concerned (LC)		
Flora	9	5	6	4	34	3	0
Fauna	17	8	2	12	103	42	40

**Refer to Indonesia Ministry of Environment Regulation P.106/MENLHK/SETJEN/KUM.1/12/2018 on Protected Flora and Fauna.*

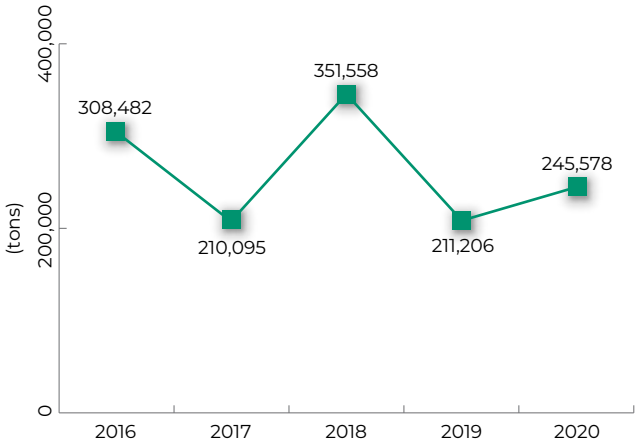
MATERIAL USE

Pulp production

Renewable material use in pulp production

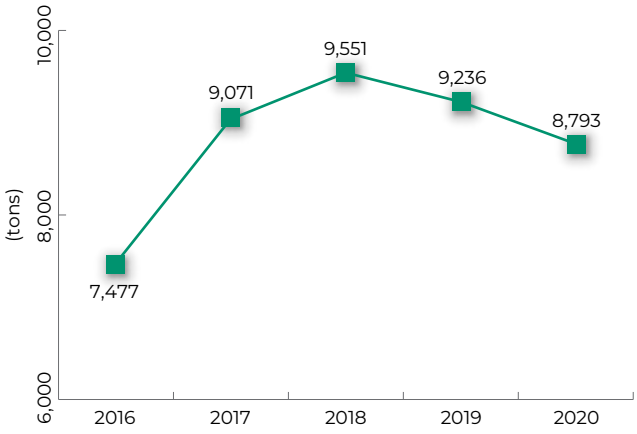


Non-renewable material use in pulp production

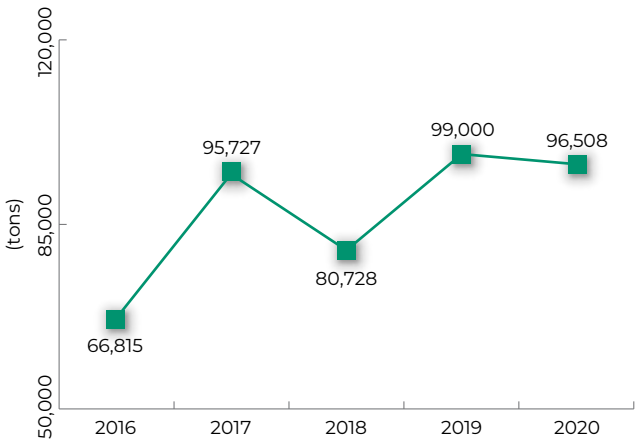


Paper production

Renewable materials use in paper production

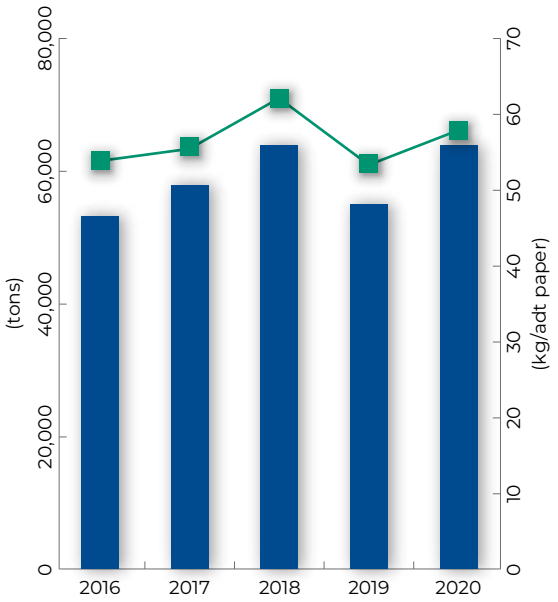


Non-renewable material use in paper production



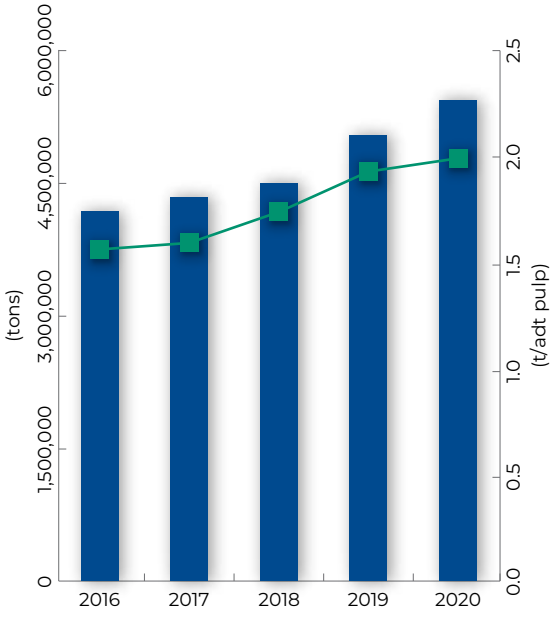
MATERIAL RECOVERY

Emitted CO_2 Consumed by PCC Plant



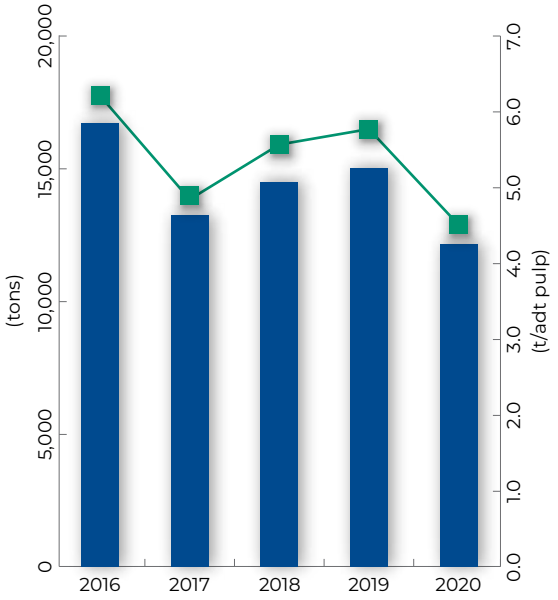
	2016	2017	2018	2019	2020
tons	53,141	57,849	64,056	55,190	64,070
kg/adt paper	63.79	55.86	61.92	53.13	57.99

Recovery of black liquor to biofuel



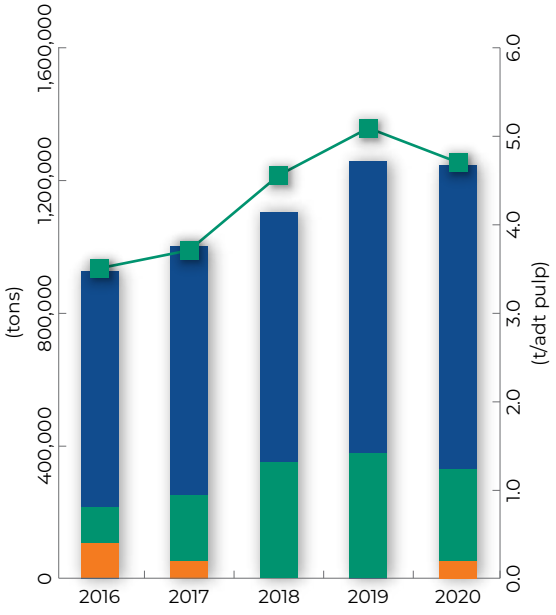
	2016	2017	2018	2019	2020
tons	4,160,357	4,301,232	4,479,382	5,022,340	5,412,200
t/adt pulp	1.55	1.59	1.73	1.93	2.01

Recovery of methanol to biofuel



	2016	2017	2018	2019	2020
tons	16,706	13,237	14,489	15,023	12,170
kg/adt pulp	6.22	4.89	5.58	5.79	4.51

Recovery of bark, palm husks and sludge to biofuel

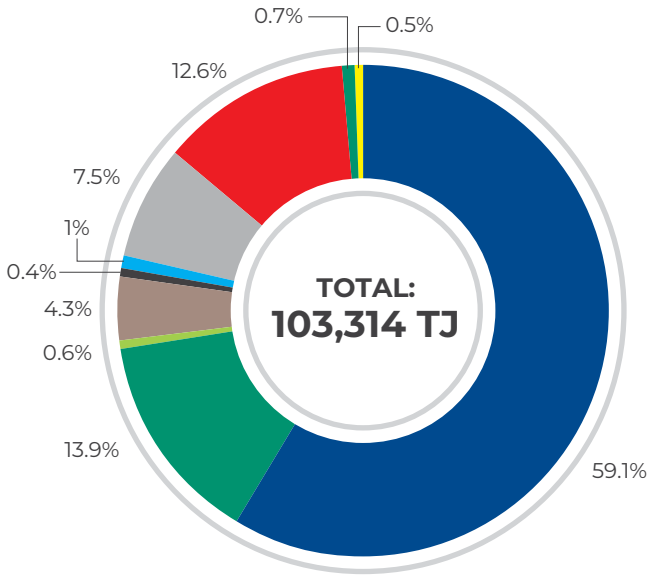


	2016	2017	2018	2019	2020
Bark tons	722,573	769,884	774,721	896,365	932,433
Husk tons	121,427	194,660	331,913	372,212	284,983
Sludge tons	85,117	44,283	0	0	37,011
t/adt	6.22	4.89	5.58	5.79	4.51

ENERGY CONSUMPTION

Total energy consumption

2020 energy consumption by sources



Renewable energy 80.2%

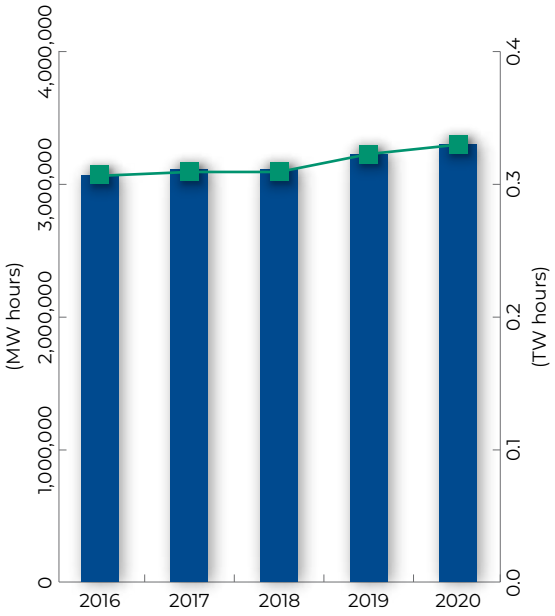
- Black Liquor 59.1%
- Bark 13.9%
- Sludge 0.6%
- Palm Husks 4.3%
- Methanol 0.4%
- Screen Reject 1%

Non-renewable energy 19.8%

- Natural Gas 7.5%
- Coal 12.6%
- Diesel 0.7%
- MFO 0.5%

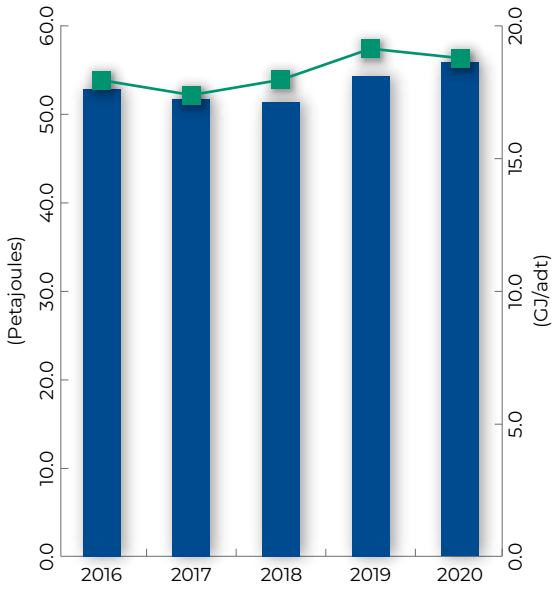
Electricity and steam consumption for pulp and paper production

Electricity consumption



	2016	2017	2018	2019	2020
MWhrs	3,083,765	3,119,719	3,096,675	3,234,961	3,320,753
TWhrs	3.08	3.1	3.1	3.23	3.32

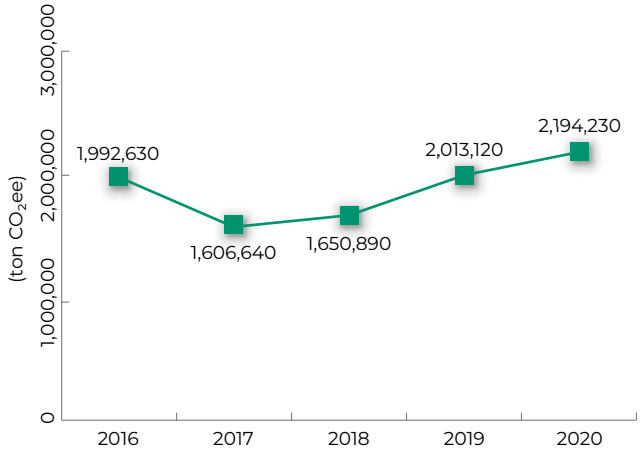
Steam consumption



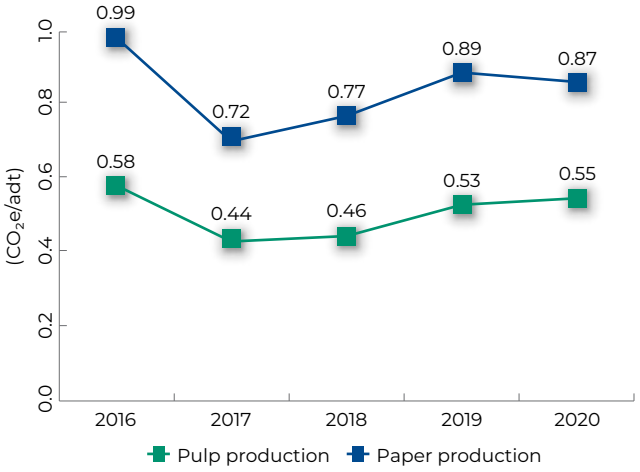
	2016	2017	2018	2019	2020
Petajoules	53.0	51.8	51.4	54.4	55.9
GJ/adt	18.0	17.4	18.2	19.3	18.9

Scope 1 GHG emission (Mill)

Total Mill Scope 1 GHG emissions

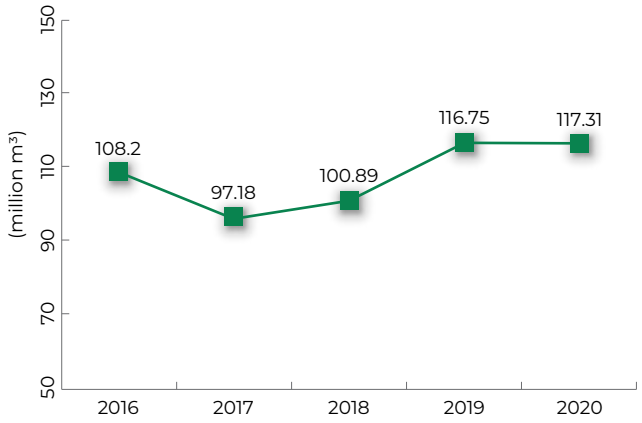


Total Mill Scope 1 GHG emission intensity

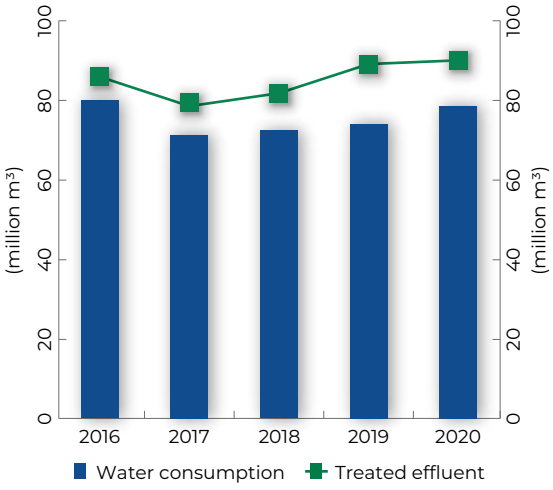


Water and effluents

Total water withdrawal



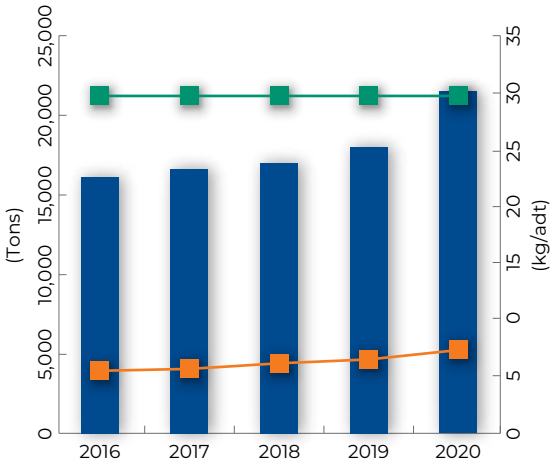
Water consumption for pulp and paper



million m³	80.4	71.5	72.4	74.3	79.1
million m³	86.5	79.6	82.3	89.1	91.0

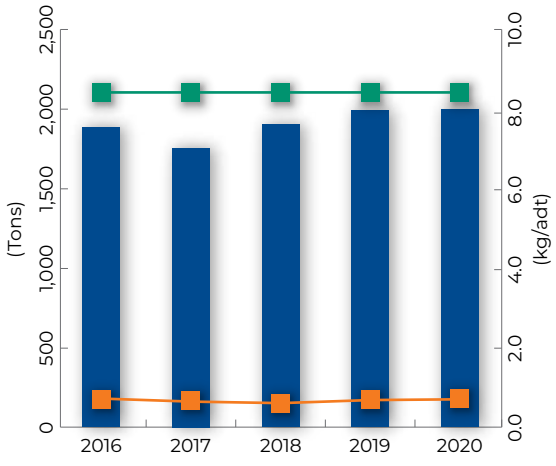
Quality of treated effluent

Chemical Oxygen Demand (COD)



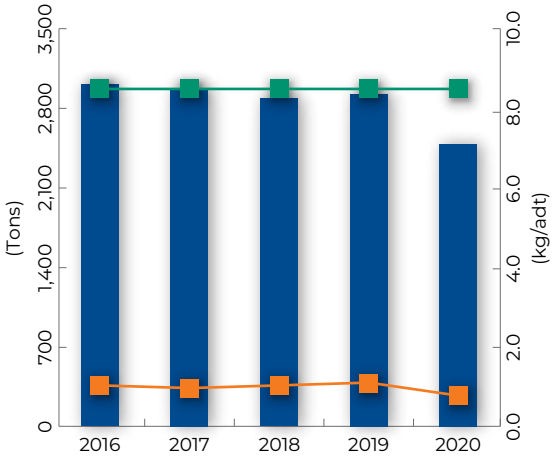
	2016	2017	2018	2019	2020
Tons	16,055	16,513	16,698	18,033	21,542
Measured kg/adt	5.45	5.54	5.93	6.39	7.28
Local ELV	29.8	29.8	29.8	29.8	29.8

Biochemical Oxygen Demand (BOD_5)



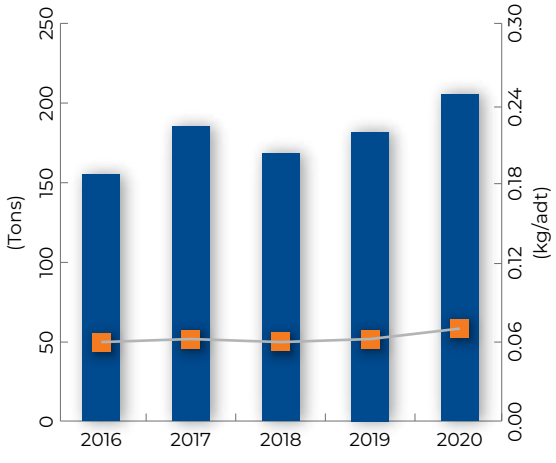
	2016	2017	2018	2019	2020
Tons	2,062	1,908	1,770	1,911	2,002
Measured kg/adt	0.70	0.64	0.63	0.68	0.68
Local ELV	8.50	8.50	8.50	8.50	8.50

Total Suspended Solids (TSS)



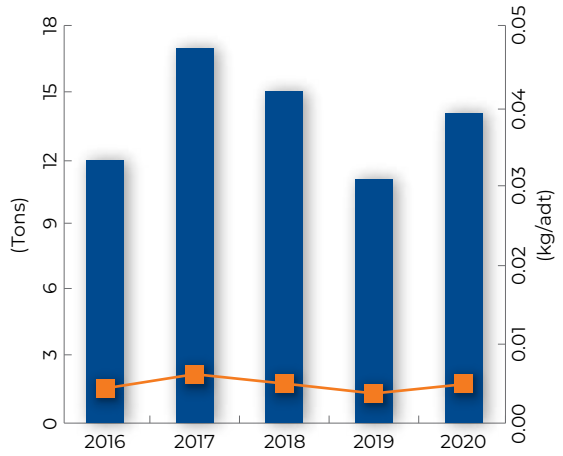
	2016	2017	2018	2019	2020
Tons	3,033	2,964	2,892	2,935	2,465
Measured kg/adt	1.03	1.00	1.03	1.04	0.83
Local ELV	8.50	8.50	8.50	8.50	8.50

Nitrogen (N)



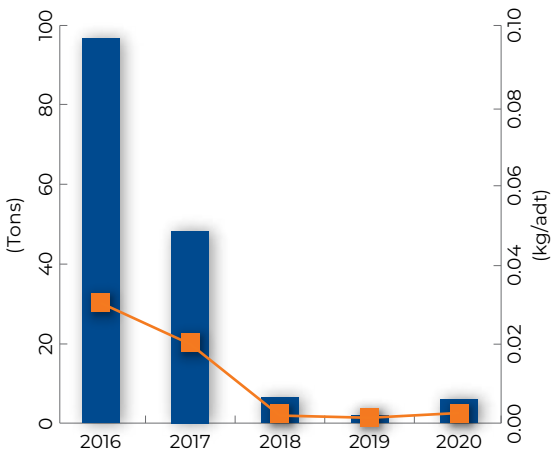
	2016	2017	2018	2019	2020
Tons	155	185	168	181	206
Measured kg/adt	0.053	0.062	0.061	0.06	0.07

Phosphorus (P)



	2016	2017	2018	2019	2020
Tons	12	17	15	11	14
Measured kg/adt	0.004	0.006	0.005	0.004	0.005

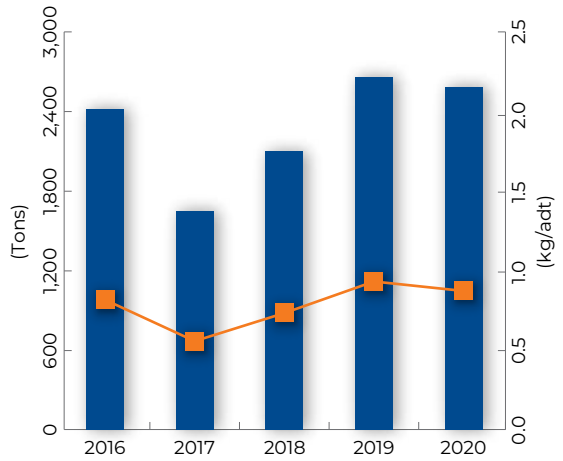
Adsorbable Organix Halides (AOX)



	2016	2017	2018	2019	2020
Tons	97	48	5.9	1.8	5.6
Measured kg/adt	0.03	0.02	0.002	0.001	0.002

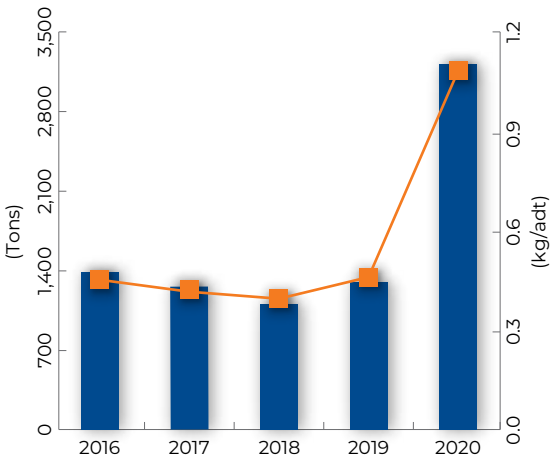
Quality of air emissions

Total Particulate



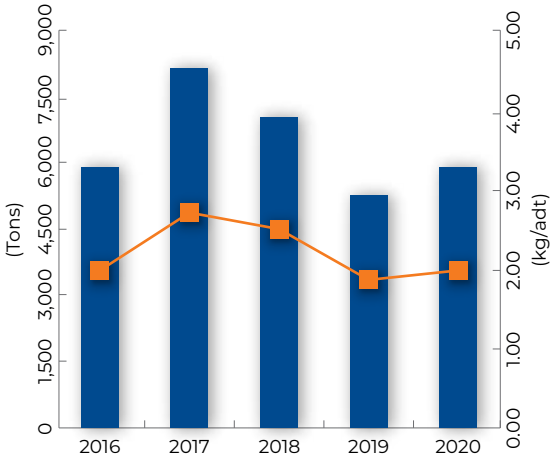
	2016	2017	2018	2019	2020
TSP tons	2,417	1,650	2,087	2,658	2,597
Kg/Adt	0.82	0.55	0.74	0.94	0.88

SOx as S



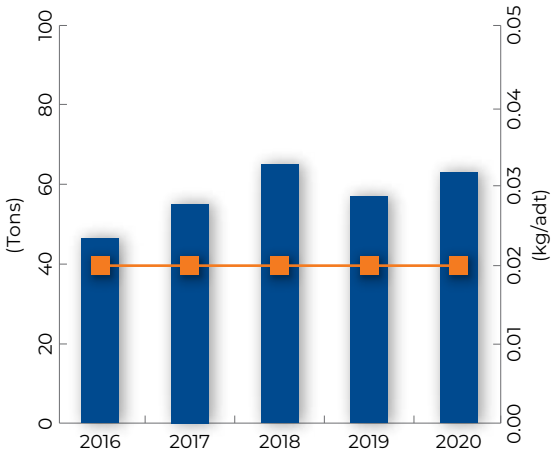
	2016	2017	2018	2019	2020
SOx as S tons	1,372	1,253	1,086	1,289	3,221
Kg/Adt	0.47	0.42	0.39	0.46	1.09

NOx Treated Air Emissions



	2016	2017	2018	2019	2020
NOx tons	5,869	8,161	7,059	5,253	5,901
Kg/Adt	1.99	2.74	2.51	1.87	1.99

TRS as S Treated Air Emissions



	2016	2017	2018	2019	2020
TRS as S tons	46	55	65	57	63
Kg/Adt	0.02	0.02	0.02	0.02	0.02

SOLID WASTE

	Unit	2019	2020
Hazardous waste			
– Disposed to landfill	bdt	246,177	263,082
– Handled by 3rd party	tonnes	663	691
Non-hazardous waste			
– Reused	tonnes	98,711	39,424
– Handled by 3rd party	tonnes	2,015	2,072

LAND DISPUTES

Area inactive due to unresolved land disputes	PT. RAPP		Supply partners		TOTAL
	Hectares	# of identified claimants	Hectares	# of identified claimants	Hectares
As of December 31, 2018	31,379	611	73,223	306	105,202
As of December 31, 2019	28,249	608	74,704	320	102,953
As of December 31, 2020	22,985	541	65,377	248	88,363

SUPPORT TO LOCAL COMMUNITY

	2017	2018	2019	2020
Educational scholarships	431	417	430	407
Support to Small and Medium Enterprises (SMEs)	242	333	322	381
Trained farmers in Integrated Farming System (IFS) program	167	202	236	99

TOTAL EMPLOYEES AND CONTRACTORS

	2018		2019		2020	
	Employees	Contractors	Employees	Contractors	Employees	Contractors
Male	6,850	14,090	7,403	16,244	7,621	16,966
Female	820	5,211	863	5,259	971	5,208

The 2019 total numbers of employees and contractors have been updated based on a revised methodology for calculating headcount.

EMPLOYMENT AND LABOUR MANAGEMENT RELATIONS

	Unit of measurement	2018	2019	2020
Total employees at strategic management positions	People	19	31	40
Local employees	People	12	25	32
Non-local employees		7	6	8
Women in senior leadership	People		55	59
Labour force participation (SP-Riaupulp, Riaupaper, Riaupower, Riaufiber)	%	44.3	59.5	56.2

In 2018, complete data on women in senior leadership roles was unavailable. This has been addressed in subsequent reporting cycles.

GRI CONTENT INDEX

APRIL 2020 Sustainability Report has been prepared in accordance to Global Reporting Initiative (GRI) Core Option. Through materiality assessment, APRIL has selected the material topics it reports on. This index provides references of disclosures following the GRI standard.

GENERAL REQUIREMENTS

GRI Disclosure	Requirements	References and comments	Page
Organisational Profile			
Disclosure 102-1	Name of the organisation	Asia Pacific Resources International Limited (APRIL)	04
Disclosure 102-2	Activities, brands, products, and services	About APRIL	04
Disclosure 102-3	Location of headquarters	About APRIL	04
Disclosure 102-4	Location of operations	About APRIL – APRIL owns an integrated pulp and paper mill in Pangkalan Kerinci, Riau and manages concession areas that are spread across Sumatera, Indonesia. (See also APRIL Sustainability Dashboard for details of APRIL's operational locations)	04
Disclosure 102-5	Ownership and legal form		
Disclosure 102-6	Markets served	APRIL's 2020 in Figures	05
Disclosure 102-7	Scale of the organisation	Information on APRIL's net sales and total capitalisation is omitted due to confidentiality constraints	05
Disclosure 102-8	Information on employees and other workers	APRIL's 2020 in Figures and Developing Our People – Management Approach	05
Disclosure 102-9	Supply chain	APRIL's 2020 in Figures shows our material inputs, products and markets Fiber Supply Sources disclose our wood fiber supply chain (See also APRIL Sustainability Dashboard for more information on APRIL's wood suppliers)	05
Disclosure 102-10	Significant changes to the organisation and its supply chain	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	APRIL Sustainability Governance	10-17
Disclosure 102-12	External initiatives	Stakeholder Engagement – Associations and Memberships	24-25
Disclosure 102-13	Membership of associations	Stakeholder Engagement – Associations and Memberships	24-25

GRI Disclosure	Requirements	References and comments	Page
Strategy			
Disclosure 102-14	Statement from senior decision-maker	Message from the President	02-03
Ethics and Integrity			
Disclosure 102-16	Values, principles, standards, and norms of behaviour	Sustainability Governance – Ethics and Integrity	16
Governance			
Disclosure 102-18	Governance structure	Sustainability Governance – Leadership	12
Stakeholder Engagement			
Disclosure 102-40	List of stakeholder groups	Stakeholder Engagement	21-23
Disclosure 102-41	Collective bargaining agreements		21-23
Disclosure 102-42	Identifying and selecting stakeholders	Stakeholder Engagement	21-23
Disclosure 102-43	Approach to stakeholder engagement	Stakeholder Engagement	21-23
Disclosure 102-44	Key topics and concerns raised	Stakeholder Engagement	21-23
Reporting Practice			
Disclosure 102-45	Entities included in the consolidated financial statements	Organisation's consolidated financial statements are not publicly available. This disclosure is omitted due to confidentiality constraints. However, a list of entities under APRIL is disclosed in Appendices – Scope of Report	102
Disclosure 102-46	Defining report content and topic Boundaries	Materiality	20
Disclosure 102-47	List of material topics	Materiality	20
Disclosure 102-48	Restatements of information	APRIL employment figures for 2019 have been updated based on a revised methodology to calculate numbers of employees and contract workers	88
Disclosure 102-49	Changes in reporting	None	
Disclosure 102-50	Reporting period	1 January 2020 – 31 December 2020	04
Disclosure 102-51	Date of most recent report	1 January 2019 – 31 December 2019	04
Disclosure 102-52	Reporting cycle	About This Report	04
Disclosure 102-53	Contact point for questions regarding the report	About This Report	04
Disclosure 102-54	Claims of reporting in accordance with the GRI Standards	About This Report and GRI Content Index	04 and 89-94
Disclosure 102-55	GRI content index		89-94
Disclosure 102-56	External assurance	Assurance Statement	99-100

TOPIC-SPECIFIC

GRI Topic Specific Disclosures	Disclosure	Requirements	References and comments	Page
Sustainable forest management				
Management Approach	103-1 103-2 103-3	Explanation of material topic and boundary The management approach and its components Evaluation of the management approach	Sustainable Forest Management – Managing Our Concession	28-31
Fiber sourcing				
Management Approach	103-1 103-2 103-3	Explanation of material topic and boundary The management approach and its components Evaluation of the management approach	Responsible Wood Sourcing – Suppliers Due Diligence	33-34
Supplier environmental assessment	308-1	New suppliers that were screened using environmental criteria	During reporting year, there is no new wood suppliers entering APRIL's wood supply chain. All of APRIL Group's wood fiber suppliers are subject to a due diligence process prior and during the contract term to ensure their compliance with APRIL Group's SFMP 2.0	32
Biodiversity and habitat conservation				
Management Approach	103-1 103-2 103-4	Explanation of material topic and boundary The management approach and its components Evaluation of the management approach	Conservation and Restoration. See also Conservation Forest Management Framework	48-51
Biodiversity and habitat conservation	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	A total of 241 animal species and 273 plant species were recorded across the company's concessions. This included 13 plant and animal species that are classified by the IUCN as 'endangered'. Details are available on Sustainability Figures and Data – Biodiversity	49

GRI Topic Specific Disclosures	Disclosure	Requirements	References and comments	Page
Emissions				
Management Approach	103-1 103-2 103-3	Explanation of material topic and boundary The management approach and its components Evaluation of the management approach	Climate Mitigation and Responsible Manufacturing – Air Emissions	60
Emissions	305-1	Direct (Scope 1) GHG emissions	Climate Mitigation – Mill Greenhouse Gas Emission	59
Materials				
Management Approach	103-1 103-2 103-3	Explanation of material topic and boundary The management approach and its components Evaluation of the management approach	Responsible Manufacturing – Material Efficiency	55-61
Materials	301-1	Materials used by weight or volume	Responsible Manufacturing – Material Efficiency. See our 2020 material use at Sustainability Figures and Data section	55-61
Effluents and waste				
Management Approach	103-1 103-2 103-3	Explanation of material topic and boundary The management approach and its components Evaluation of the management approach	Responsible Manufacturing – Water and Effluents and Solid Waste	60
Effluents and waste	306-2	Waste by type and disposal method	Responsible Manufacturing – Water and Effluents and Solid Waste. See our 2020 wastewater and solid waste data at Sustainability Figures and Data	60

GRI Topic Specific Disclosures	Disclosure	Requirements	References and comments	Page
Diversity and equal opportunity				
Management Approach	103-1 103-2 103-3	Explanation of material topic and boundary The management approach and its components Evaluation of the management approach	APRIL set a time-bound target regarding diversity in the newly launched APRIL 2030. Since then we are adjusting and expanding our management, monitoring and reporting system to be able to comprehensively disclose our management approach and performance with regards to diversity in the future reporting	72-76
Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	Developing Our People – People Development	74
Occupational health and safety				
Management Approach	103-1 103-2 103-3	Explanation of material topic and boundary The management approach and its components Evaluation of the management approach	Developing Our People – Health and Safety	77-79
Occupational health and safety	403-8	Workers covered by an occupational health and safety management system	Developing Our People – Health and Safety	77-79
Training and education				
Management Approach	103-1 103-2 103-3	Explanation of material topic and boundary The management approach and its components Evaluation of the management approach	Developing Our People – Health and Safety	77-79
Training and education	404-2	Programs for upgrading employee skills and transition assistance programs	Developing Our People – People Development and Training and Development	74-76

GRI Topic Specific Disclosures	Disclosure	Requirements	References and comments	Page
Local communities				
Management Approach	103-1 103-2 103-3	Explanation of material topic and boundary The management approach and its components Evaluation of the management approach	Supporting Local Livelihoods and Community	64-69
Local communities	413-1	Operations with local community engagement, impact assessments, and development programs	Supporting Local Livelihoods and Community	64-69
Socio-economic compliance				
Management Approach	103-1 103-2 103-3	Explanation of material topic and boundary The management approach and its components Evaluation of the management approach	Sustainability Governance	12-17
Socio-economic compliance	419-1	Non-compliance with laws and regulations in the social and economic area	Sustainability Governance – Legal Sanctions. See also our certifications status at Appendices – Certifications	16
Supplier environmental assessment				
Management Approach	103-1 103-2 103-3	Explanation of material topic and boundary The management approach and its components Evaluation of the management approach	Responsible Wood Sourcing – Suppliers Due Diligence	34
Supplier environmental assessment	308-1	New suppliers that were screened using environmental criteria	During reporting year, there is no new wood suppliers entering APRIL's wood supply chain. All of APRIL Group's wood fiber suppliers are subject to a due diligence process prior and during the contract term to ensure their compliance with APRIL Group's SFMP 2.0	32

GLOSSARY

Terms	Definitions
Acacia crassicarpa and Acacia mangium	Two species of Acacia, characterised by fastgrowing and good pulping qualities. APRIL plants Acacia crassicarpa 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 (N2O) and methane (CH4) 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_2e) 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 fibre from the plantation to the mill.
Concession	General term for licenses where plantation forests are established for the production of pulp and paper products.
ELV	Emission Limit Values – relating to national regulations concerning environmental discharges from a pulp and paper factory.
Eucalytpus	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 Eucalytptus on dry, mineral soils.
FLEG	*Fungsi Lindung Ekosistem Gambut* or protected peatland ecosystem.
FLEGT	Forest Law Enforcement, Governance and Trade is the European Unions effort to exclude illegal timber from markets, to improve the supply of legal timber and increase the demand for responsible wood products.
Fibre	Fibre 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.

Terms	Definitions
FFVP	Fire Free Village Programme.
FFA	Fire Free Alliance.
FSC	Forest Stewardship Council.
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, recognising 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 absord 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.
IBCSD	Indonesia's Business Council for Sustainable Development.
IGCN	Indonesia Global Compact Network.
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.
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.
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.

Terms	Definitions
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 and questionable recognition of traditional rights.
LTIFR	Lost Time Injury Frequency Rates.
Multi stakeholder forum	Multi stakeholder forum or *rembuk desa* 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 land for planting or building of infrastructure.
NOx	Nitrogen oxides such as nitric oxide and nitrogen dioxide, (NO and NO2).
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 utilised by APRIL, using Geographic Information Systems software linked to databases on plantation stock, inventory, operational status, work-orders and costs.
Pulp	Cellulose fibres used in the production of paper, tissue and board. Can be derived from hard-woods, softwoods and plant fibres.
PEFC	Programme for the Endorsement of Forest Certification.
Petajoule	A unit of energy equal to 1015 joules.
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.
PHPL	*Pengelolaan Hutan Produksi Lestari* (Sustainable Forest Production Management).
RKU	Rencana Kerja Usaha 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	*Rencana Kerja Tahunan* 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 for community's use.

Terms	Definitions
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, SO2 and SO3).
SFMP 2.0	Sustainable Forest Management Policy 2.0.
Social infrastructure projects • Completed • Materials provided	Social infrastructure projects: The building of schools, community halls, roads, bridges, education and health support, religious and sports facilities. Completed: Social infrastructure projects completed within the reporting period. Materials provided: Provision of materials for social infrastructure projects.
SMEs	Small and Medium Enterprises; companies or individuals with business revenue of less than IDR500 million per month with formal, clearly defined agreement to supply goods and/or services to APRIL.
SMK3	Sistem Manajemen Keselamatan dan Kesehatan Kerja or Health and Safety management system as set out in Indonesia's Ministry of Manpower Regulation 50/2012
SVLK	*Sistem Verifikasi dan Legalitas Kayu* (wood verification and legality system).
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.

KPMG ASSURANCE STATEMENT

Independent Limited Assurance Report

To the management of APRIL Group:

We have been engaged by the management of APRIL INTERNATIONAL ENTERPRISE PTE. LTD. ('AIE') to undertake a limited assurance engagement on certain performance information disclosed in the APRIL Group Sustainability Report (the '**Report**') for the period covering January 1 – December 31, 2020.

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, has been determined by management on the basis of APRIL Group's assessment of the material issues contributing to sustainability performance and that most impact and influence its stakeholders.

Table A: Subject Matter Information

No.	Subject Matter Information
1	Claim on page 4 that the Report is prepared in accordance with GRI Standards: Core Option.
2	Claim on page 35 that APRIL Group implements measures such as land cover change monitoring, security patrols, community engagement and boundary demarcation to protect forest areas, including production, conservation and restoration area, from unauthorised or illegal activities.
3	Claim on page 32 that APRIL Group knows the origin of all of the wood fiber it procures and ensure it all comes from responsible sources through sustainable forest management and legality certifications.
4	Claim on page 36 that APRIL Group implements an integrated pest management program to minimise the use of chemical pesticides.
5	Claim on page 44 that APRIL Group has put in measures to monitor, track and internally report its GHG emissions as part of its commitment to continuously reduce its carbon emissions.
6	Claim on page 17 that APRIL Group established a grievance resolution mechanism that is open to its employees as well as the local community.
7	Claim on page 32 that all of APRIL Group's fiber suppliers are subject to a due diligence process prior to and during the contract term to ensure their compliance with the company's SFMP 2.0.

There are no mandatory requirements for the preparation and publication of sustainability performance metrics. As such, APRIL Group applies 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 Information.

Management'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 Group'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, issued by the International Auditing and Assurance Standards Board. ISAE 3000 requires that we plan and perform our procedures to obtain the stated level of assurance, in accordance with the Applicable Criteria.

Our conclusion does not cover any periods prior to the year ended December 31, 2020.

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 Group'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 management approach and reporting processes for the Subject Matter Information;
- Where relevant, performing walkthroughs to evaluate the design of internal controls relating to management approach and reporting of the Subject Matter Information;
- Comparing the reported claim for the Subject Matter Information to underlying data sources on a sample basis, including comparison to activities at the concession level for elements of the Subject Matter Information;
- 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 Group.

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 independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

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.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that for the period from January 1, 2020 to December 31, 2020, the Subject Matter Information, as described above and disclosed in the 2020 Sustainability Report, has not been prepared and presented, in all material respects, in accordance with the Applicable Criteria, current as at the date of our report.

KPMG LLP

Chartered Professional Accountants
Vancouver, Canada
July 30, 2021

APPENDICES

SCOPE OF REPORT

The 2020 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 the company.

APRIL GROUP COMPANIES

PT. Riau Andalan Pulp and Paper (PT. RAPP)
PT. Sinar Mutiara Nusantara
PT. The Best One Unitimber
PT. Gemilang Cipta Nusantara
PT. April Management Indonesia
PT. Anugrah 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. 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 Group's fiber suppliers are published on its Sustainability Dashboard. From hereafter, APRIL will refer to APRIL Group.

CERTIFICATIONS

National Certification	International Certification
Sustainable Plantation Forest Management (SPFM): Since 2006, Riau Andalan Pulp and Paper (RAPP), the operations unit of APRIL Group, has been certified for SPFM, under the Indonesian Ecolabel Institute (LEI) standards.	**ISO 45001 and 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).
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.	**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.
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.	**PEFC-Sustainable Forest Management (SFM):** In 2015, more than 300,000 hectares of concession are certified under PEFC-SFM. This certification recognises forestry operations that maintain forest's ecological, social and economic values.
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.	**ISEGA Germany, Certificate of Compliance:** For paper that is safe for food packaging use.
National Standard of Indonesia (SNI): Certification for paper products. SNI labeling ascertains that the prescribed quality product specification is met.	**Singapore Green Label – for paper products:** PaperOne™ product has maintained this certifications since 2013, issued by the Singapore Environmental Council (SEC).
Indonesia Eco Label for paper product: Ensuring that product is produced in line with environmental best practice standards.	**ISO 50001:** APRIL Group's operations and APR in Riau Province, Indonesia are certified under ISO 50001 (The Energy Management Systems).
Certificate of Authorised 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 Organisation (WCO).	**SMETA:** In 2020, APRIL was deemed to have passed all the requirements of the SMETA audit with no major non-conformances. The SMETA audit – Sedex Members Ethical Trade Audit – assesses a site based on an organisation's standards of labour, health and safety, environment and business ethics.

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