



**PT Asia Pacific Rayon**

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Jakarta, 8 December 2022

H.E. Antonio Guterres  
Secretary General  
United Nations  
New York, NY 10017  
USA

Dear Mr. Secretary General,

I am pleased to confirm that Asia Pacific Rayon reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

A blue ink signature of Basrie Kamba is written over the APR logo. The signature is fluid and cursive, with the letters 'APR' clearly visible in the background.

**APR**  
PT ASIA PACIFIC RAYON

Basrie Kamba  
Director

Communication on progress period	January 2022 – December 2022
Published report	<a href="https://bit.ly/3h9z9TV">https://bit.ly/3h9z9TV</a>

### Description of Actions

#### Human Rights

- APR upholds the highest workplace safety standards and continuously works to improve them in line with our zero-accident approach. Our Occupational Health and Safety (OSH) policy is our guiding document on minimizing health and safety risks within our operations, which adhere to best practices and the OHSAS 18001 standard to ensure compliance with all statutory obligations.
- APR is committed to building a positive OHS culture through employee awareness, education, and training. We also promote OHS responsibility amongst our business partners, suppliers, and contractors. The health and safety committee comprises employees who contribute to developing and reviewing APR's OSH management system.
- APR conducts medical surveillance and periodic workplace monitoring on health and safety hazards and ensures all employees receive relevant health and safety training based on their work requirements and activities. We track all accidents and injuries in our OSH system. We also use an in-house Contractor Safety Management System (CSMS) that guides our employees in effectively managing OHS risks associated with work performed by contractors.
- We strive to operate a zero-accident workplace and continuously work to identify the root causes of accidents and minimize the likelihood of their recurrence. We also provide ongoing training to APR employees on correct equipment use and safe mill operations. Our concerted efforts have led to positive results. The frequency of injuries occurring (or lost time injury frequency rate (LTIFR)) for employees and contractors dropped by 88%. We are proud of this significant achievement and will continuously work to keep our accident rates low.
- APR has continued to follow strict COVID-19 protocols for all employees, contractors, and vendors on-site as the pandemic continues. Our measures include temperature checks, mandatory face masks and social distancing. We regularly disinfect common areas and work areas and communicate on COVID-19 safety precautions on an ongoing basis.

#### Labour

- APR is committed to upholding the rights of our employees in line with the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.
- All employees are paid in line with provincial regulations and basic salaries for each employee category are paid equally, regardless of gender. Because we operate in a remote location and all employees are permanent hires, we provide our workers and their families with quality housing, recreational facilities, medical care, disability coverage, parental leave, and insurance. Our employees' children have access to schools that teach either Indonesia's national curriculum or the International Baccalaureate syllabus. A collective bargaining agreement covers 100% of our employees in Riau.
- APR believes in investing in our employees and recognizes that our organization's success depends upon recruiting, retaining, and developing a talented and highly motivated workforce. Technical training is mandatory for all workers at the mill level, regardless of gender. Every employee undergoes an annual performance review with their manager, during which their yearly development goals and targets are set.
- We offer employees soft-skill, technical, and leadership training at our Learning Institute, teaching them relevant job skills to boost their work performance. The Learning Institute is located outside our mill complex, making it easier for non-employees to access and use the facilities for government meetings, family movie nights, and other community events.



## **Environment**

- APR is committed to supporting industry pledges that address the global climate crisis by aiming to achieve net-zero emissions. These pledges include the Man-made Cellulosic Fibres (MMCF) 2030 Vision, the Textile Exchange 2030 Climate+ Strategy, and the United Nations Framework Convention on Climate Change (UNFCCC) Fashion Industry Charter for Climate Action.
- As part of our APR2030 strategy, we have committed to halving product carbon intensity reduction by 2030 based on a life cycle approach (LCA) using 2019 as our baseline.
- We achieved a total sulphur recovery rate of 92.9%, up from 90.7% in 2020, reflecting that our third chemical recovery line installed in 2021 significantly boosted our Sulphur recovery rate. Our total sulphur emission intensity was 17.51 kilograms per ton of viscose staple fibre (kg/ MT VSF). This figure represents a significant year-on-year improvement against 2019 levels, with a 7.35 kg/ MT VSF reduction in 2020 and an additional 6.12 kg/MT VSF reduction in 2021 – or a 43.5% reduction over the last two years, a direct result of our improved total sulphur recovery rates in this time.
- Through these concerted efforts, our process water consumption intensity fell to 37.48 m<sup>3</sup>/MT VSF in 2021, a significant reduction of 25% compared to 2019. We continue to find ways to improve our process efficiency and optimization and are targeting a 50% reduction by 2030.
- Our operations have already adopted energy efficiency, renewable energy sources, reuse and recycling in our production processes, and sustainable sourcing. Given the state-of-the-art practices, processes, and technologies already embedded in our business, the challenge is identifying ways to reduce APR's emissions against current baselines.

## **Anti-Corruption**

- We comply with the RGE Global Code of Conduct, which guides and upholds our ethical and professional business conduct rules and compliance with applicable legal requirements. Employees can report any breach of the Code through their reporting manager or human resources representative as the first point of contact. A confidential internal audit hotline is also made available for any reporting of misconduct or whistleblowing purposes. All reported breaches are treated promptly and fairly, in compliance with our legal obligations, and appropriate penalties or disciplinary actions are taken as the case may warrant. Any critical grievances raised are reported to the APR senior management team.
- All APR suppliers must adhere to our Code of Procurement Ethics, which details our values, principles, and commitments consistent with RGE's Sustainability Framework and APR's Sustainability Policy. Our procurement department conducts due diligence of suppliers' commitments against these criteria and then reports to management.

## **Measure outcomes**

- APR, including APY, employs 749 people across our operations and offices in Riau, Jakarta and Singapore, about 57% of whom are local to Riau. The remainder comprises employees with diverse cultural and ethnic backgrounds from other regions and countries.
- Part of APR2030 is advancing gender equality across the value chain, and this must start at home. APR has a zero-tolerance policy on discrimination. We are committed to providing an inclusive and fair work environment and are dedicated to advancing gender parity and diversity. Our equal pay for equal labour policy extends to all employees regardless of gender, including our lowest-paid workers.
- We employ more men, mainly due to the manual labour required at our facilities, whereas women tend to occupy corporate, sales, and administrative positions. Women make up 22% of APR's workforce. Total 7 women out of 32 managers (21.8%). We are actively recruiting more women at every level of the company.