



# STRIVING FOR EXCELLENCE



SUSTAINABILITY  
REPORT **2023**

# INSIDE THIS REPORT



**OVERVIEW**

About this report  
 Message from the President  
 Our year in summary  
 About APRIL  
 Operations and production

2  
 4  
 6  
 8  
 12

**STRATEGY**

APRIL's approach to sustainability  
 Overview of policies and strengthened implementation 2022-2023  
 Sustainability Governance  
 Strategy and performance  
 Materiality  
 Contributing to the SDGs

18  
 19  
 20  
 24  
 32  
 33

**CLIMATE POSITIVE**

Our carbon footprint  
 Energy management  
 Understanding our climate risks and opportunities: TCFD

38  
 42  
 46

**THRIVING LANDSCAPES**

Sustainable forest management  
 Conservation and restoration  
 Responsible sourcing

54  
 60  
 70

**INCLUSIVE PROGRESS**

Upholding human rights  
 Our workforce  
 Supporting and respecting communities

78  
 80  
 91

**SUSTAINABLE GROWTH**

Chemical reduction and recovery  
 Waste management  
 Water and wastewater management

101  
 104  
 107

Appendices  
 Contact

110  
 138

# ABOUT THIS REPORT

[GRI 2-2, 2-3, 2-5]

Welcome to the 15<sup>th</sup> Asia Pacific Resources International Holdings Ltd ('APRIL Group', 'APRIL' or the 'Group') report, updating the Group's sustainability performance for the 2023 calendar year.

## REPORT SCOPE AND BOUNDARIES

Unless otherwise stated, the report covers the sustainability performance of the Group's entities listed in the Appendix. The entities also include sister companies Asia Pacific Rayon (APR) and Asia Pacific Yarn (APY) for emissions, energy, waste, water and human resources data due to the integrated nature of our mill operations. This year, it reports group-wide greenhouse gas (GHG) data beyond mill Scope 1 emissions. It also includes human resource data for our Jakarta and Singapore offices and selected traceability and supply chain data of our long-term fibre supply partners and open market suppliers. Unless otherwise stated, performance data is from 1 January to 31 December 2023 and includes data from previous years where relevant and available. Given the timing of this report, we have also incorporated relevant 2024 milestones.

> See: [APRIL Group: list of entities \(p.135\)](#)

## REPORTING FRAMEWORKS AND BENCHMARKS

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards. GRI disclosures are integrated throughout the report and referenced under headings or sub-headings as GRI XXX-XX. The report references the Taskforce on Climate-related Financial Disclosures (TCFD) and is informed by a climate risk assessment. We further reference other leading benchmarks, including the World Business Council for Sustainable Development Reporting Matters evaluation framework and the Zoological Society of London's Sustainability Policy Transparency Toolkit (ZSL SPOTT) for timber and pulp. This report is designed to be read in tandem with the sustainability disclosures on our [website](#), our [APRIL2030 sustainability commitments](#), the [APRIL SFMP 2.0 Assurance Report](#), and the [APRIL Sustainability Dashboard](#).

> See: [GRI Content Index \(p.130\)](#)

## STAKEHOLDER INCLUSIVENESS

To ensure that this report addresses topics important to all our partners, we consulted with stakeholders, including non-governmental organisations (NGOs), members of our Stakeholder Advisory Committee, our rayon customer base, a textile industry platform advisor, and internal experts on key APRIL programmes, including talent acquisition and retention, GHG, research and development, and sustainable textiles. We are guided by international and sector-wide platforms to which we belong and seek feedback from the independent advisory groups we formed to support APRIL's policy implementation measures, peatland roadmaps, and conservation initiatives.

## ASSURANCE

KPMG LLP (Canada) provided limited independent assurance on specific sustainability reporting indicators in this report.

KPMG Performance Registrar Inc. (KPMG PRI), an environmental management systems and forestry certification body, independently provided limited assurance to the Stakeholder Advisory Committee (SAC) responsible for monitoring our performance under the Sustainable Forest Management Policy (SFMP 2.0). The assurance covered 19 indicators related to APRIL's performance under SFMP 2.0 and is available to all stakeholders on our [website](#).

> See: [Assurance statement \(p.127\)](#)

## THEME RATIONALE

This report is themed 'Striving for Excellence', demonstrating our commitment to enable business strategies and respond to stakeholder interests. This theme highlights our progress as an industry frontrunner, advancing sustainable corporate practices in Indonesia. It signals our dedication to setting and meeting ambitious targets, remaining open to stakeholder feedback, and holding ourselves accountable for our implementation. The report communicates our pursuit of excellence as a responsible and forward-thinking organisation.

# MESSAGE FROM THE PRESIDENT

[GRI 2-22]



“APRIL is increasingly gaining recognition as a leader, advancing sustainable practices in the pulp and paper, forestry, and manufacturing sectors through collaborations with industry peers, governments, and other stakeholders.”

Welcome to APRIL’s 2023 Sustainability Report, my first since becoming President. **This year marks the 20th anniversary of our inaugural sustainability report, which broke new ground as the first such disclosure by an Indonesian forestry company.** It is the perfect occasion to reflect on recent and past achievements.

Looking back at that first report, I am proud of our diligent and comprehensive approach to disclosing our environmental impacts, social contributions, and early sustainability initiatives centred on conservation, transparency, and community engagement. We have refined and expanded our programmes and approaches, but these considerations remain essential pillars of our sustainability commitments and reporting.

Over the past two decades, sustainable business practices have increasingly defined successful companies, driving value while protecting the precious natural resources and fragile ecosystems at the heart of the emerging global bioeconomy. APRIL is increasingly gaining recognition as a leader, advancing sustainable practices in the pulp and paper, forestry, and manufacturing sectors through collaborations with industry peers, governments, and other stakeholders. As demonstrated in this report, we are in the process of a company-wide transformation and are embedding sustainability into every aspect of our operations.

APRIL’s business and management practices reflect our commitment to growing our operations sustainably and bringing new products to market. Our pulp, paper, paperboard, packaging, and textile products are manufactured with sustainably sourced raw materials, and our industrial processes reuse and recycle primary products and by-products. Our cutting-edge facilities are equipped to meet the growing consumer demand for sustainable products and future circular business and manufacturing models.

This report is the latest chapter in APRIL’s sustainability story. It documents our progress towards our APRIL2030 commitments and targets as we diversify our products and operations to adapt to an evolving marketplace that asks businesses to prioritise nature, biodiversity, and community participation in their practices. In its pages, you will discover how we are protecting nature and empowering communities as we transform our company.

Despite slow global economic growth and increasingly complex geopolitical risks, we are making substantial progress on our APRIL2030 targets. **In 2023, we reduced product emissions intensity by 20% against our 2019 baselines. We increased our installed solar power generation capacity to 13.5 megawatts (MW), and 88.24% of our energy for mill operations now comes from clean and renewable sources. Our commitment to spend USD 1 per tonne of fibre delivered annually continues to drive significant progress in landscape-scale conservation and restoration. We are currently at 80% of achieving our 1:1 target ratio of conservation area to total plantation area.**

These impressive numbers are a small part of the story. This report paints a bigger picture. It shows how our focus on sustainability and ongoing investments in science and research and development (R&D) contribute to APRIL’s financial and operational resilience and our ability to

manage the risks and opportunities of climate change and other global challenges. It details our continued engagement with the Forest Stewardship Council (FSC) to remedy past harms, our continuous efforts to certify our products and operations against credible local, national, and international standards, our silvicultural projects to increase plantation productivity, and our drive to honour our sustainability policies and commitments while complying with applicable legal and regulatory frameworks.

**In 2023, we continued to strengthen our governance framework, further integrating environmental, social, and governance (ESG) and sustainability risks into our Enterprise Risk Management (ERM) system.** With input from our executive team, we complemented our operational risks with financial, human rights, climate, and ecosystem risks that could impact our strategic and business objectives.

APRIL’s renewed focus on governance, risk management, and resilience demonstrates the evolution of our sustainability commitments since that first groundbreaking report documenting our pioneering programmes and initiatives. Over the last 20 years, we built those foundations into the pillars of the sustainable business practices that drive our continued growth. I am proud that we are building resilience, diversifying our products, empowering our people, linking our science, research and development, capital investments to positive outcomes for nature and biodiversity.

Sincerely,

**Wang Bo**  
President of APRIL Group

# OUR YEAR IN SUMMARY

## OUR PURPOSE: "IMPROVING LIVES BY DEVELOPING RESOURCES SUSTAINABLY"

### OUR APPROACH



Launched Wood and Fibre Sourcing Policy



Launched 2023–2030 Gender Action Plan to support and increase number of women leaders



Launched Integrity and Ethics Policy



Strengthened our ERM system in 2023, integrating ESG and sustainability risks for a more strategic approach

## OUR STRATEGY: APRIL2030

### CLIMATE POSITIVE



Reduced product emission intensity by **20%** since 2019



Disclosed Scope 1, 2, and 3 GHG emissions



Increased installed solar capacity to **13.5 MW**, contributing to our commitment to renewable energy



Published a landmark study on the effects of land-use change on GHG fluxes in tropical peatlands in Sumatra

### THRIVING LANDSCAPES



Celebrated **10 Years** of RER



Nearly **USD15 million** invested in conservation and restoration commitments in 2023

### INCLUSIVE PROGRESS



Women comprised **18.4%** of our workforce



**49 villages** intervened with poverty eradication programs



Achieved **47%** reduction of solid waste to landfill against 2019 baseline



Secured patent to manufacture viscose fibre using a blend of recycled textile (RT) pulp and regular dissolving wood pulp



Signed a first public-private partnership MOU with Ministry of Health to improve primary healthcare services



Launched the Children's Welfare Code of Practice

### INNOVATIONS



Established the world's first clonal acacia plantation

### DOWNSTREAM DIVERSIFICATION



Launched paperboard mill

### OUR PERFORMANCE



Completed year two audit of sustainability-linked loans, meeting all three KPIs



Increased productivity (MAI) by **10%** to 22.4 t/ha/yr compared to 2019 without increasing land footprint



**Zero** fires detected within our concessions



Improved 2023 SPOTT score and rating to **75.3%**, placing seventh out of 100 timber and pulp companies



CDP Forest disclosures **Grade B**

### STAKEHOLDER ENGAGEMENT AND PARTNERSHIPS



Established strategic partnerships with RECOFTC (social forestry), PT RHOI (conservation partnership) and Earthworm (community conservation programme)

# ABOUT APRIL

[GRI 2-1, 2-6]



Asia Pacific Resources International Holdings Ltd ('APRIL Group', 'APRIL', or the 'Group') is a leading global supplier of bio-based fibre products. Headquartered in Jakarta, APRIL operates forestry plantations and manufacturing operations in Sumatra, Indonesia. APRIL is part of the Royal Golden Eagle (RGE) Group.

We offer a diverse portfolio of bio-based products, including pulp, paper, viscose staple fibre (VSF), and paperboard. We have a global reach, and our products are sold in over 110 countries.

### VERTICALLY INTEGRATED PULP MILL

APRIL Group operates a vertically integrated pulp mill, ensuring responsible operational practices throughout our production cycle. This integrated model of sustainably managed plantations, advanced manufacturing facilities, and efficient logistics networks, provides a significant competitive advantage. The Group's core operations are located in Pangkalan Kerinci, Riau Province, Indonesia.

The Pangkalan Kerinci complex consolidates pulp, paper, rayon, and paperboard production at a single site, optimising efficiencies and creating economies of scale.

This integrated approach ensures a consistent supply of raw materials, facilitates effective operational control and improves resilience against external disruptions. As a result, APRIL is able to implement stringent sustainable manufacturing practices while consistently delivering high-quality products that meet the demands of the global market.

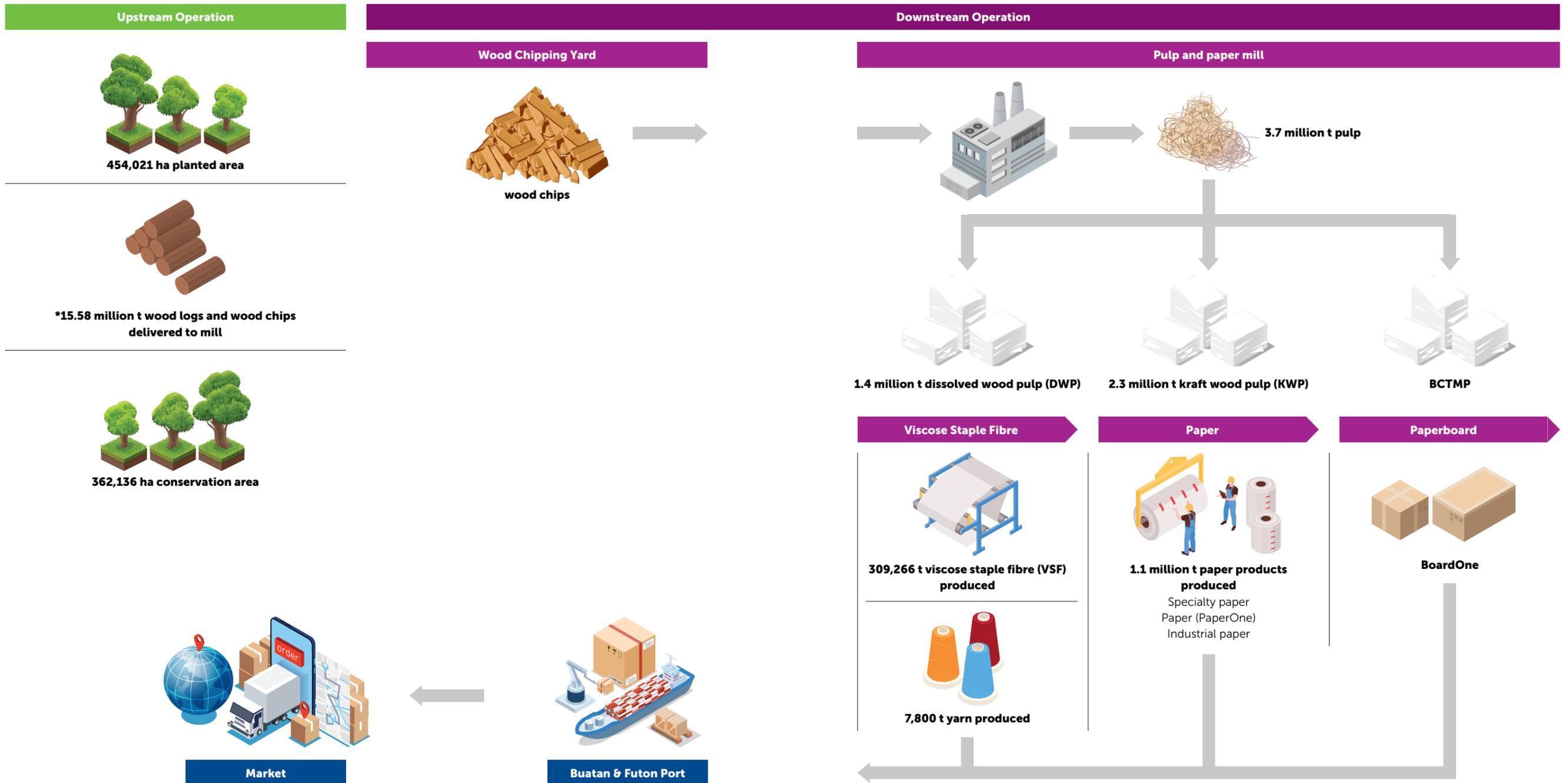
As of December 2023, the Group manages 454,021 hectares of plantation forest. The integrated mill has an annual production capacity of 4 million tonnes (t) of pulp, 1.15 million tonnes of paper, and over 300,000 tonnes of VSF.

### DOWNSTREAM DIVERSIFICATION

Downstream diversification remains a key driver of APRIL's growth strategy. Committed to innovation and meeting evolving market demands for sustainable packaging solutions, APRIL strategically expanded its downstream capabilities by commissioning a new paperboard production line in January 2024. The facility will create over 600 jobs and has a production capacity of 1.2 million tonnes of recyclable and biodegradable paperboard annually.



# APRIL'S INTEGRATED SUPPLY CHAIN OVERVIEW



\* Data including wood logs and wood chips

# OPERATIONS AND PRODUCTION

## AT OUR PLANTATIONS

APRIL manages a land bank of 1,043,727 hectares (ha) across 43 concessions in Indonesia, including 12 concessions licensed to and operated by APRIL (PT RAPP) and 32 concessions operated by supply partners who sell exclusively to the Group under long-term agreements.

Of this area, 454,021 hectares (43.5%) comprise plantation forests that are sustainably managed to supply fibre for our mill. APRIL is committed to responsible land use and employs a Production-Protection model that promotes sustainable business growth, balancing production and ecosystem conservation efforts.

As of December 2023, 362,136 hectares (34.7%) of our concessions were set aside for conservation and restoration efforts, consistent with our 1-for-1 commitment of conserving 1 hectare of natural forest for every hectare of plantation. More than 15% or 159,609 hectares are categorised as 'Other' areas which includes unmanageable areas within our land bank due to inoperable soils (e.g. rocky terrain or flood-prone areas), community claims under review, boundary overlaps, and village settlement areas. Additionally, 43,471 hectares (4.17%) were designated as community fibre plantations, empowering local communities by generating income through the cultivation of timber, non-timber forest products, and other crops. A small portion of concession land (approximately 2%) is comprised of infrastructure and utilities.

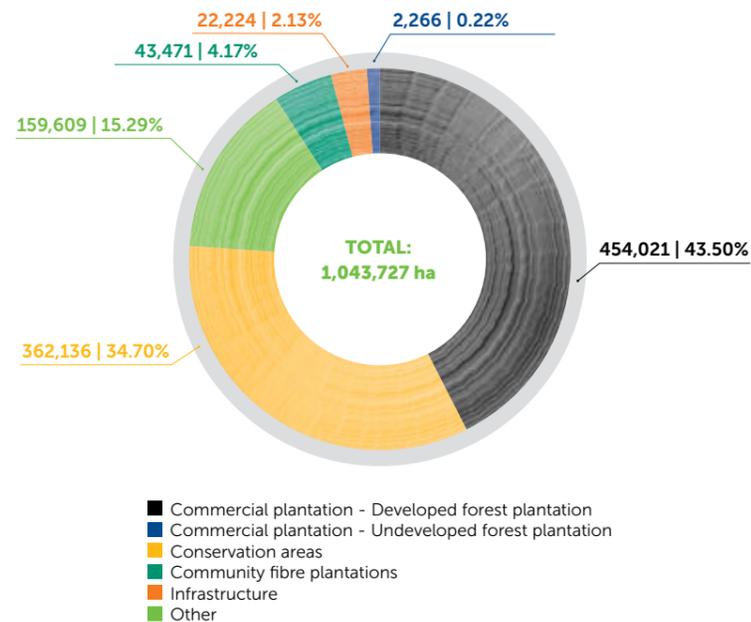
## AT THE MILL

APRIL's production facilities leverage world-class engineering and technology to ensure responsible manufacturing practices. These facilities are certified against international quality, environmental, and sustainability standards, including the Programme for the Endorsement of Forest Certification (PEFC) Chain of Custody (CoC), ISO standards, and relevant OHSAS standards (now integrated into ISO standards).

In 2023, the Group's integrated mill sourced 15.58 million tonnes (t) of wood fibre from a diverse supply base: 38.8% from APRIL's own sustainably managed plantations, 38.5% from plantations managed by supply partners who adhere to strict sustainability guidelines, 1.9% from community livelihood plantations, and 20.7% from independent, third-party, open-market suppliers including wood chip suppliers.

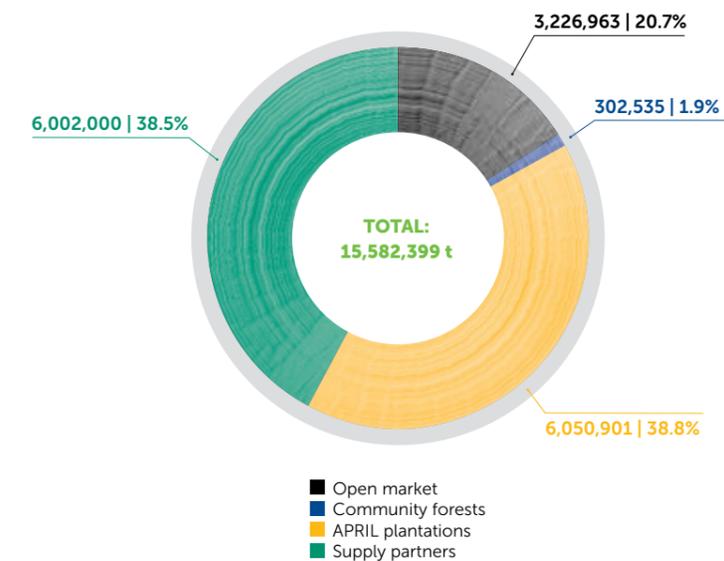
In 2023, APRIL produced 3.67 million tonnes of pulp, an increase of 24% compared to 2022. This growth can be attributed to two key factors: debottlenecking of existing facilities and starting up a new fibre line with an annual capacity of approximately one million tonnes in September 2022.

APRIL CONCESSION AREA BREAKDOWN 2023 (ha, %)



Notes: Plantation forest includes PT RAPP and long-term supply partner concessions. 'Other' includes unmanageable areas within our land bank due to inoperable soils (e.g. rocky terrain or flood-prone areas), community claims under review, boundary overlaps, and village settlement areas.

WOOD FIBRE PROCESSED BY SOURCE (t, %)



- > [Our approach to sustainable forest management \(p.54\)](#)
- > [Our progress on conservation and restoration \(p.60\)](#)
- > [Our approach on improving plantation productivity \(p.56\)](#)
- > [See also: Certification, standards, and external ratings \(p.30\)](#)

# OPERATIONS AND PRODUCTION

## OUR PRODUCTS

APRIL Group was founded in 1993 and has established itself as a leading manufacturer of fibre-based products. In 1995, it commissioned its first commercial pulp mill and embarked on a strategic expansion plan to meet the needs of an evolving market landscape.

The Group diversified its business strategy in 1998, moving into commercial paper production, broadening the product portfolio and leveraging its pulp-processing expertise to manufacture and distribute high-quality paper products.

In 2018, our manufacturing site commenced production of viscose fibre, for textile through Asia Pacific Rayon (APR), an entity also covered in the scope of this report. Our expansion further strengthened our midstream and downstream operations and demonstrated our commitment to innovation and responsiveness to increasing market demands for versatile, sustainable materials.

The Group continued to pursue a growth strategy, breaking ground on a new paperboard production facility in 2022 to address the surging demand for biodegradable packaging solutions. APRIL's products are now marketed and sold in over 110 countries.



### PULP Since 1995

**Our products:**  
Bleached hardwood kraft pulp, dissolving wood pulp

**Product properties:**  
Excellent formation, opacity, low coarseness, balanced fibre

**Uses:**  
Pulp is the basis of many paper products, from the corrugated boards used in factories to daily necessities like printer paper, tissues, tea bags, and magazines.



### PAPER Since 1998

**PaperOne™**  
APRIL Group's flagship product line includes the Printing and Publishing Paper, Digital Paper, and Office Paper ranges

**Product properties:**  
Superior opacity and multi-directional, double-sided printing

**Uses:**  
Home and office applications, including writing and printing; traditional and digital commercial printing, publishing; speciality papers (e.g., bags and envelopes)

**Sold in >110 countries worldwide**

[PaperOne™](#)



### VISCOSE Since 2018

**Our products:**  
Viscose staple fibre, yarn

**Product properties:**  
Made with 100% wood cellulose, fully bio-degradable, highly absorbent, soft, breathable

**Uses:**  
Textiles, medical and personal hygiene products

**Asia's 1st fully integrated viscose rayon production facility**

[Asia Pacific Rayon](#)



### PAPERBOARD Since January 2024

**New products:**  
A range of premium paperboard products, including folding boxboard, cup stock, and art board (C2S), marketed under the BoardOne™ and SilverPak brands

**Product properties:**  
BoardOne™ products are manufactured using high-quality fibre sourced from APRIL's sustainably managed plantations that offer strength, robustness, printability, hygiene, and moisture and deformation resistance

**Uses:**  
Ideal for general packaging, food service packaging, and graphic applications

High-quality, sustainably produced, fibre-based packaging for evolving global consumer needs

### DIVERSIFYING WITH OUR SUSTAINABLE PACKAGING PORTFOLIO

In response to consumers' growing demand for environmentally friendly packaging solutions, APRIL has added paperboard to its product portfolio, demonstrating our vision to offering a comprehensive range of high-quality, sustainable packaging from sustainably run plantations.

In 2022, APRIL made a substantial downstream investment of USD 2.28 billion (IDR 33.5 trillion) including supporting infrastructures to construct a new paperboard packaging plant along with its supporting infrastructures that boasts an annual production capacity of 1.2 million tonnes of folding box board. Construction was completed in late 2023, and the plant commenced operations in January 2024.

This strategic investment aligns with Indonesian government initiatives to develop downstream industries that contribute to local economic growth. The project generated a substantial number of jobs during construction and will provide more than 600 permanent positions when the plant is fully operational.

All fibre used for paperboard production is sourced from sustainably managed plantations managed by APRIL and other concession holders.



# APRIL'S APPROACH TO SUSTAINABILITY

APRIL's approach to sustainability is driven by our purpose of Improving Lives by Developing Resources Sustainably. It is underpinned by five core elements, with the aim of operationalising and fostering a culture that secures long-term success by providing fair, equitable, and sustainable solutions for stakeholders through our business and products.

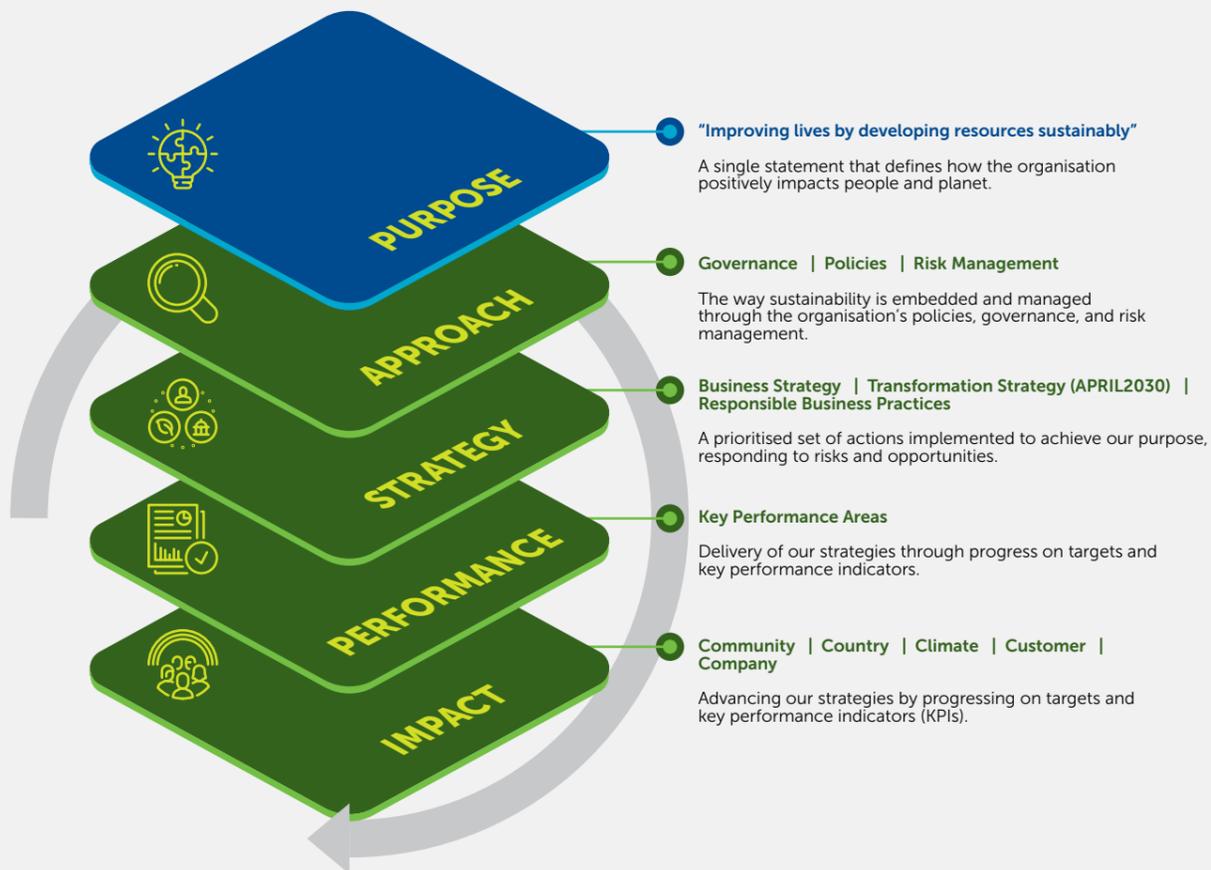
APRIL started its sustainability journey over three decades ago, dating back to our foundation in 1993. Our initial approach involved practical learning and adapting to existing regulations and operational realities.

The Group bolstered its commitment to sustainability in 2015 by adopting the [Sustainable Forest Management Policy 2.0 \(SFMP 2.0\)](#)<sup>1</sup>. It focuses on zero deforestation and includes firm commitments to forest protection, conservation, restoration, and respecting the rights of Indigenous people and local communities. We publish a complete fibre and wood supplier list on the [APRIL Sustainability Dashboard](#). Our conformance and our suppliers' conformance with our commitments in SFMP 2.0 are subject to independent third-party assurance.

APRIL recognises the need to go beyond compliance. In 2020, we established our APRIL2030 commitments and targets, pledging to support the United Nations Sustainable Development Goals (SDGs) in response to the growing urgency around climate change and biodiversity conservation. Building on the foundation of SFMP 2.0, APRIL2030 established a comprehensive 10-year plan that balances ambition and operational feasibility within the private sector context. See page 24 for more details.

The Group reviews and updates policies to ensure ongoing alignment with best practices and stakeholder expectations. More details on these updated policies can be found on page 19.

As APRIL progresses on its sustainability journey, we will adapt to evolving stakeholder expectations and explore new ways to integrate sustainability into our core operations, thus ensuring a lasting positive impact.



<sup>1</sup> The policy evolved from our first policy, SFMP 1.0, launched in January 2014.



# OVERVIEW OF POLICIES AND STRENGTHENED IMPLEMENTATION 2022-2023

[GRI 2-23, 2-24]

In July 2023, RGE updated its [RGE Group Sustainability Policy](#), which applies to RGE and all current and future Business Groups (BGs). This far-reaching policy is built on four pillars: Climate, Nature and Biodiversity Protection and Conservation, Human Rights, and Sustainable Growth.

To align with this new framework and address areas needing improvement, APRIL adopted new standalone [Integrity and Ethics](#) and [Wood and Fibre Sourcing](#) policies that recognise the critical importance of corporate responsibility and further strengthen the commitment to forests and natural ecosystems. The commitments under these policies include upholding zero deforestation and not sourcing mixed hardwood from our supply chain.

SFMP 2.0 and APRIL2030 commitments continue to guide our sustainability efforts. They are supported by a range of additional policies and standard operating procedures that inform company and operational practices in critical areas, including forest management, health and safety, environmental management, risk management and our Code of Conduct.

We have adopted supplementary policies and addenda addressing our approaches to invasive species, pesticides, and genetically modified organisms, ensuring our forest management practices are up-to-date and reflect current conditions.

We actively engage with all relevant stakeholders to ensure compliance with the RGE Group Sustainability Policy, and that our high ethical standards are consistently applied across our business operations and supply chain.

APRIL regularly reviews policy implementation measures across the Group to align with emerging international and national frameworks and evolving best practices. The policies are benchmarked against frameworks that include the UN Guiding Principles on Business and Human Rights, the UN Global Compact (UNGC), the Forest Stewardship Council (FSC) Principles and Criteria, and the World Business Council for Sustainable Development (WBCSD) policies on climate action, equity action, and nature action.

The Group's independent Stakeholder Advisory Committee (SAC) organises an annual stakeholder-inclusive SFMP 2.0 assurance process to track our progress and recommend ways to improve how the commitments are implemented.



# SUSTAINABILITY GOVERNANCE

[GRI 2-9, 2-11, 2-12, 2-13, 2-14]

APRIL has a robust governance framework to oversee the effective implementation of our sustainability policies and foster collaboration across departments.

## SUSTAINABILITY GOVERNANCE STRUCTURE



stakeholders, dialogues with advisory groups, oversees sustainability audits and certifications, monitors and verifies progress against our commitments, and supervises reporting and disclosure. The department is led by Ms Lucita Jasmin, Director of Sustainability and External Affairs, a member of the Leadership Team who reports progress directly to the EMC on a regular basis.

## INDEPENDENT ADVISORY GROUPS

APRIL benefits from the counsel and expertise of three main independent advisory groups: the Stakeholder Advisory Committee (SAC), the Independent Peat Expert Working Group (IPEWG), and the Riau Ecosystem Restoration (RER) Advisory Board. These independent advisory groups include Indonesian and international experts who provide valuable input on implementing the company’s sustainability commitments, including the SFMP 2.0, Group-level sustainability strategies, peatland management approaches, and ecosystem restoration initiatives.

### Stakeholder Advisory Committee (SAC)

Established in January 2014, the Stakeholder Advisory Committee (SAC) is a group of independent forestry and civil society experts who oversee the implementation of APRIL’s SFMP 2.0 and advise APRIL on a wide range of sustainability issues.

In addition, the SAC appoints an independent assurance firm to conduct specific assurance procedures, including assessing APRIL’s implementation and progress against SFMP 2.0 performance indicators.

In 2023, the SAC met from the 2<sup>nd</sup> to the 4<sup>th</sup> of August, facilitating stakeholder forums in Jakarta and Pekanbaru. Meeting minutes and SAC recommendations are available on the [APRIL Dialog website](#). APRIL communicates with SAC members throughout the year, calling upon their expertise as needed.

The SAC’s scope of responsibilities also includes advising on APRIL2030. Since 2015, the SAC has published nine independent assurance reports. The latest SAC Terms of Reference can be found on our [website](#).

### Independent Peat Expert Working Group (IPEWG)

Responsible peatland management is a pillar of APRIL’s SFMP 2.0 commitments. The Independent Peat Expert Working Group (IPEWG) was established in 2016 to guide APRIL in implementing its peatland roadmap. It includes eminent national and international peatland scientists and meets several times a year, including at least once on-site, to guide and review the work of APRIL’s scientists and researchers in advancing tropical peatland science. The IPEWG met in person twice in 2023 for formal meetings with APRIL. It also engaged with us extensively through videoconferencing and other collaborative activities throughout the year.

### Riau Ecosystem Restoration (RER) Advisory Board

The Riau Ecosystem Restoration (RER) Advisory Board includes conservation, community engagement, and landscape management experts. Established in 2013, the advisory board provides management guidance to RER’s management team, ensuring the programme takes a balanced approach and creates long-lasting benefits for the landscape, the environment, and its people.

## EXECUTIVE MANAGEMENT COMMITTEE (EMC)

APRIL’s Executive Management Committee (EMC) drives and sets the strategic direction of the business, ensuring that sustainability is integrated into every aspect of our commercial activities through policy, risk management, and organisational development. This integrated approach creates internal accountability and translates our sustainability commitments into clear, key performance indicators (KPIs). The EMC conducts quarterly reviews to assess APRIL’s sustainability performance and progress on our APRIL2030 goals.

The Committee comprises three members, including APRIL Group Chairman Mr Bey Soo Khiang, RGE Managing Director Mr Anderson Tanoto, and APRIL President, Mr Wang Bo.

## APRIL LEADERSHIP TEAM

The APRIL Leadership Team implements the EMC’s directives and oversees the implementation of Group-level strategies, including management programmes and action plans. It meets regularly to address sustainability and ESG matters and to evaluate the Group’s sustainability performance on business operations and stakeholder management. The leadership team is an ethnically diverse group of experienced executives of eight members, including one woman. An overview of the APRIL Leadership team can be found on our [website](#).

## SUSTAINABILITY AND EXTERNAL AFFAIRS DEPARTMENT

The Sustainability and External Affairs Department is a cross-functional team encompassing Strategic Initiatives, Ecosystem Restoration, Fibre and Mill Sustainability Operations, Stakeholder Engagement, and External Affairs and Communications teams. The department manages the day-to-day implementation of our sustainability policies, programmes, and strategies. It also engages with

## CONTINUING RELEVANCE IN A CHANGING LANDSCAPE

Commentary by Rodney Taylor and Ida Bagus Putera Parthama  
Co-Chairs, APRIL Stakeholder Advisory Committee (SAC)

APRIL Group’s commitment to sustainability has demonstrably strengthened its public image and performance and as a result, the Sustainability Advisory Committee’s (SAC) role evolved to include advising on the broader transformational framework of the APRIL2030 agenda while continuing to ensure oversight over SFMP 2.0 implementation. Both SFMP 2.0 and APRIL2030 establish robust frameworks with credible, externally verified goals and metrics, ensuring strong accountability for APRIL Group’s sustainability commitments. The SAC welcomes the opportunity to actively contribute to shaping APRIL 2030. In our view, we believe it serves as a clear roadmap for tackling future sustainability challenges through its emphasis on broader commitments and well-defined action plans.

*About: Ida Bagus Putera and Rodney Taylor co-chair APRIL’s Stakeholder Advisory Committee and supervised a review of SFMP 2.0 assurance indicators in 2023. The SAC is an independent body comprising forestry and civil society professionals who provide expert advice on implementing APRIL Group’s SFMP 2.0 commitments and APRIL2030 agenda.*

# RISK MANAGEMENT

APRIL's Enterprise Risk Management (ERM) framework is integral to our business practices, informing culture and decision-making. The ERM is managed by a dedicated department that identifies, assesses and mitigates risks across the organisation. In 2023, APRIL went through a systematic review of our ERM framework and identified the need to complement the existing operations-focused risk approach with a strategic and organisation-wide view of risks following industry best practices. Through this process, ESG and sustainability-related risks became better integrated into the ERM system.

Relatedly, APRIL continues to improve its ability to identify and manage climate-related risks and opportunities. In 2023, we followed our 2022 TCFD gap assessment with a climate scenario analysis. This second assessment will inform our mitigation and adaptation strategies and roadmaps moving forward.

> See: [Understanding our climate risks and opportunities: TCFD \(p.46\)](#)

## SUSTAINABLE FINANCING

APRIL's commitment to integrating sustainability and Environmental, Social, and Governance (ESG) principles across its operations was instrumental in securing sustainability-linked loans. In 2021, we secured a four-year USD 980 million sustainability-linked loan that is directly tied to achieving three specific, pre-determined ESG targets.

In 2023, we successfully met the targets of the second-year audit that assessed our progress on three KPIs: reducing product emission intensity, investing in conservation, and increasing the use of renewable energy in our fibre operations.

The Group fosters a collaborative approach to sustainability, and engages with a wide range of stakeholders, including academic institutions, certification bodies, community representatives, customers and partners, employees, financial institutions and investors, government bodies, non-governmental organisations (NGOs), and suppliers. Engaging with these stakeholders allows APRIL to foster constructive partnerships. APRIL actively participates in collaborative platforms and initiatives to share best practices, contribute to collective goals on sustainability, and learn from peers and other stakeholders.

We engage with stakeholders through various mechanisms, programmes, and forums throughout the year, including our annual stakeholder forums, to ensure our material sustainability topics remain relevant and continue to reflect their concerns.

## INTEGRATING ESG RISK MANAGEMENT PRACTICES

APRIL continues to integrate sustainability into all risk management systems and activities. This ongoing journey requires APRIL to improve our understanding of strategic and operational sustainability risks to ensure long-term business resilience. In 2023, we engaged an independent party to assess our ERM framework and how well it integrates ESG-related risks and opportunities. The assessment comprised of:

- **An in-depth review of APRIL's existing ERM and ESG documents** (e.g. policies, governance structures, risk inventories, reports, and business plans)
- **Benchmarking our ERM and ESG initiatives against universally adopted frameworks** (e.g. WBCSD and Committee of Sponsoring Organisations of the Treadway Commission (COSO) guidance, ISO 31008 risk management certification requirements, and relevant ESG frameworks, including the Taskforce on Climate-related Financial Disclosures (TCFD))
- **Benchmarking against industry peers.**

The assessment concluded that APRIL has established a solid foundation to ease the integration of ESG and sustainability-related issues into its risk management systems. It also signalled room for improvement in governance, strategic risk consolidation, and risk category aggregation.

**In 2024, APRIL will begin reviewing the assessment's recommendations. We have established the following priorities:**

- Finalise organisation-wide strategic and ESG risk priorities
- Refresh governance structures to better integrate risk ownership at the strategic level
- Update all risk-related tools, registries, policies, and standard operating procedures (SOPs)
- Roll out risk management training for relevant employees across the Group
- Identify gaps and areas for improvement in risk management capacity and resources.

> For an overview of engagement approaches and objectives, see our [Stakeholder engagement overview \(p.110\)](#)

> See also: [Materiality review process 2023 \(p.32\)](#)

# GRIEVANCE MECHANISMS AND ACCESS TO REMEDY

[GRI 2-16, 2-25, 2-26, 411-1]

APRIL provides all stakeholders with a transparent and accountable grievance mechanism that safeguards the confidentiality of complainants. The [grievance resolution procedure](#) is publicly accessible and available to all internal and external stakeholders on our website, including local communities and indigenous groups, allowing them to voice concerns about the business practices of APRIL and its suppliers, including potential breaches of our established policies.

Stakeholders can submit grievances through various channels, including a telephone hotline, e-mail, in writing, online, or in person at designated points of contact within our estates. All public grievances are logged and progress updates are publicly available on our [Grievance Tracking site](#).

All APRIL workers have access to a dedicated grievance mechanism and confidential whistleblowing hotline, allowing them to raise complaints anonymously without fear of reprisal. For an overview of this process, please see page 94 of our [2022 Sustainability Report](#).

APRIL resolved all internal grievances and whistleblowing cases filed in 2023. Eleven (11) of the 12 community grievances filed during the year were also resolved and the remaining grievance was closed in April 2024.

**Table 1: Grievances raised and resolved in 2023 (no.)**

Source	Grievances raised	Grievances resolved
Employee grievances	24	24
Community grievances	12	11
Cases raised through the whistleblowing mechanism	4	4



# STRATEGY AND PERFORMANCE

## APRIL2030 TRANSFORMATION STRATEGY

Launched in 2020, our 10-year transformation strategy, APRIL2030 outlines our commitment to transform our business across four key impact areas with significant opportunities: Climate, Nature, People, and Sustainable Growth. The strategy builds upon our [Sustainable Forest Management Policy 2.0 \(SFMP 2.0\)](#) commitments and further refines our approach to addressing the most pressing environmental and social challenges of our time.

In addition to the four core pillars, APRIL2030 has 18 targets, and 35 indicators that directly contribute to the United Nations' Sustainable Development Goals (SDGs) and our corporate sustainability goals. It was developed in collaboration with multiple stakeholders, including operational management teams and external advisors.

In 2023, we pursued activities that supported our APRIL2030 commitments. We tracked progress towards our targets and key performance indicators (KPIs) to ensure we were on the right path. We are pleased to present and update you on our progress in this report.

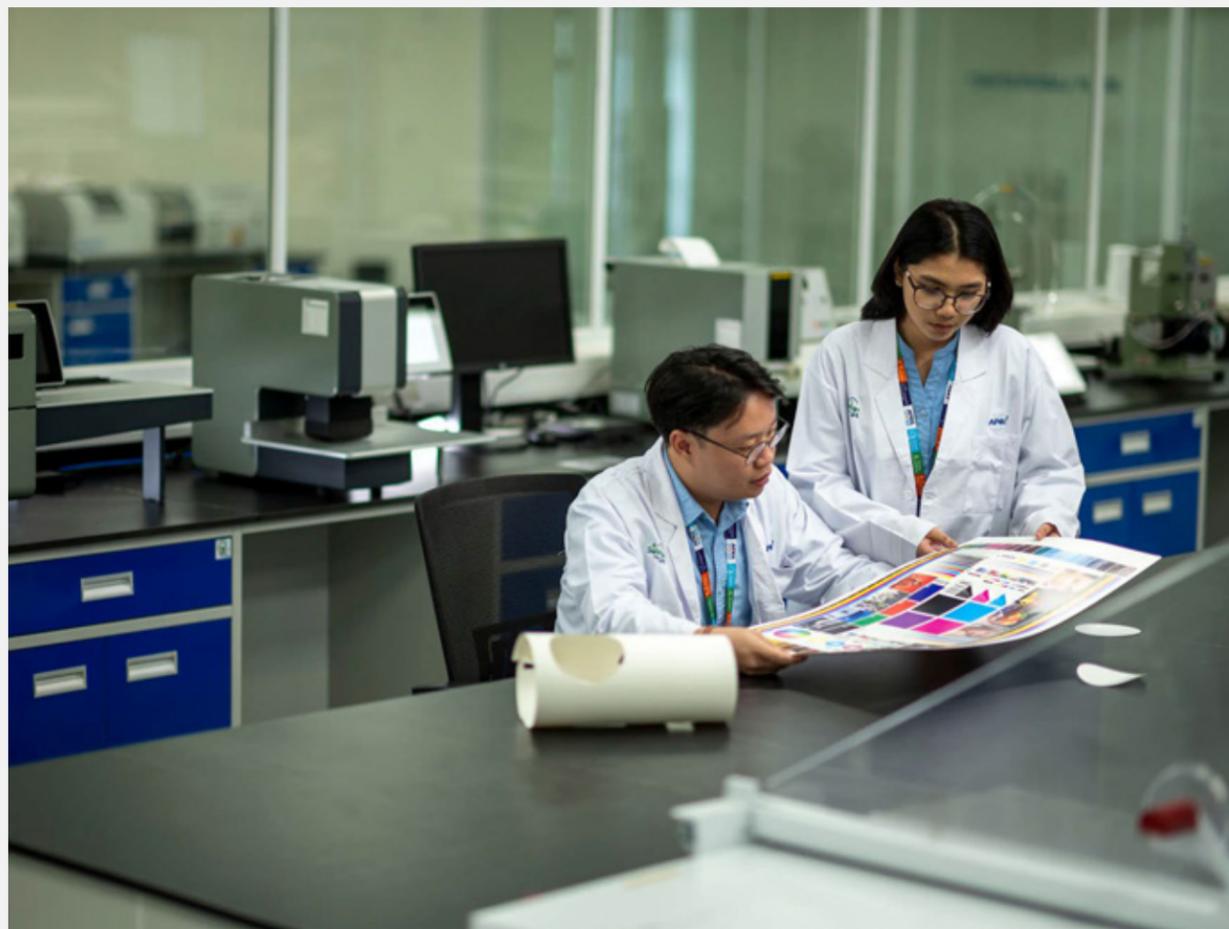
To accurately measure progress towards the APRIL2030 targets, select baseline metrics and methodologies will be reviewed and revised in 2024. Although the new baselines may affect reported progress from previous years, the overall APRIL2030 targets remain unchanged and aligned with our long-term sustainability strategy.

- Learn more about our APRIL2030 strategies and KPIs on our [APRIL2030 website](#).

This section provides a high-level overview of our performance in 2023, the third year of our APRIL2030 implementation.

Our viscose sister company, Asia Pacific Rayon (APR), has a separate sustainability agenda called APR2030, with a distinct set of targets aligned with the broader APRIL sustainability vision.

- [For more information, please refer to the APR sustainability dashboard and website.](#)



Commitment	Targets	2023 Performance
<b>CLIMATE POSITIVE</b>		
Implement science-based solutions to drastically reduce carbon emissions.	Achieve net zero emissions from land use	●
	Source 90% of mill energy needs from renewables and cleaner energy sources	●
	Source 50% of fibre operations energy needs from renewables and cleaner energy sources	●
	Reduce product carbon emission intensity by 25%	●
<b>THRIVING LANDSCAPES</b>		
Champion conservation as part of our production-protection landscape management approach.	Invest in landscape conservation	●
	Zero net loss of conservation areas	●
	Positive biodiversity gains	●
	Support wildlife protection in Indonesia	●
	Advance tropical peatland science	●
	Increase fibre plantation productivity by 50%	●
<b>INCLUSIVE PROGRESS</b>		
Empower our people and communities through transformative initiatives.	Zero extreme poverty within a 50-km radius of our operations	●
	50% reduction in stunting in target villages	●
	Promote quality education	●
	Promote access to healthcare	●
	Advance equal opportunities for women	●
<b>SUSTAINABLE GROWTH</b>		
Grow our business through diversification, circularity and responsible production.	98% chemical lime and soda recovery rate	●
	80% less solid waste to landfill	●
	25% less process water used per product tonne	●
	Incorporate 20% recycled textile in VSF production	●

Key	Description
● <b>Achieved</b>	2030 target achieved
● <b>On track</b>	Interim annual target achieved or surpassed; on track to meet 2030 target
● <b>Progressing</b>	Interim annual target not met but there is progress against the baseline
● <b>Not progressing</b>	Actions in place but no progress against the baseline
● <b>In development</b>	Actions still in development phase and have not been implemented

# RESPONSIBLE BUSINESS PRACTICES

[GRI2-27, 205-2, 205-3]

APRIL adheres to the RGE Global Code of Conduct, which guides our ethical and business conduct. The code reflects our commitment to integrity in our operations and interactions with external partners and third parties. We obtain the necessary land-use permits and comply with all relevant environmental regulations governing our manufacturing activities. There were no legal non-compliances reported in 2023.

In February 2023, APRIL published a standalone [Integrity and Ethics Policy](#), outlining the Group’s approach to preventing unacceptable business practices, including bribery and corruption. APRIL is committed to respecting all applicable anti-bribery and corruption laws and regulations in all countries of operation, as well as relevant provisions of the United Nations Convention against Corruption. The policy applies to all employees and anyone acting on behalf of APRIL, including contractors, suppliers, consultants, and business partners. To increase awareness of bribery and corruption risks within the organisation, online anti-bribery and corruption training will be conducted for employees in 2024.

APRIL’s suppliers must adhere to our Code of Procurement Ethics, which details the Group’s values, principles, and sustainability commitments in line with RGE’s Sustainability Framework, our SFMP 2.0, and

our latest policies in place. The Group procurement department conducts audits to ensure suppliers respect these commitments and reports its findings to the APRIL leadership team. Confirmed instances of non-compliance will result in disciplinary action, including termination of business dealings if necessary.

## RESPONSIBLE BUSINESS PRACTICES KEY PERFORMANCE INDICATORS (KPI)

From 2023, we tracked additional key performance indicators (KPIs) to better communicate our year-on-year progress in implementing responsible business practices. These KPIs are a subset of the most important metrics we have documented in our previous sustainability reports and implemented in our Sustainable Forest Management Policy (SFMP) over the years. KPIs are integral to our daily operations and complement our APRIL2030 commitments.

[➤ See: Materiality review process 2023 \(p.32\)](#)

### Responsible Business Practices Key Performance Indicators (KPI) and progress

KPIs	Performance		
	2021	2022	2023
<b>Biodiversity and Conservation</b>			
<b>Progress on 1-for-1 commitment (ratio of overall conservation area to total plantation area) *</b>	80% achieved (plantation area: 447,984 ha; conservation area 360,200 ha)	80% achieved (plantation area: 454,045 ha; conservation area 361,231 ha)	80% achieved (plantation area: 454,021 ha; conservation area 362,136 ha)
<b>Percentage of conservation areas on peatland *</b>	54% (295,179 ha out of 539,451 ha)	54% (295,097 ha out of 544,190 ha)	54% (296,508 ha out of 544,246 ha)
<b>Forest Management and Wood fibre sourcing</b>			
<b>Percentage of concession area covered by PEFC Forest Management certification</b>	81%	93%	93%
<b>Percentage of wood sourced from PEFC certified sources</b>	n/a	72%	81.4%
<b>Percentage of wood sourced from PEFC controlled sources</b>	n/a	28%	18.6%
<b>Percentage of open market suppliers that undergo due diligence</b>	100%	100%	100%

n/a: Data not available for this report.  
\* The scope of these KPIs include APRIL owned and long-term suppliers’ areas.

KPIs	Performance		
	2021	2022	2023
<b>Waste and residuals</b>			
<b>Reduce specific effluent load (COD) in wastewater (mg/l)</b>	211.385 mg/l	190.7 mg/l	176.58 mg/l
<b>Reduce air emissions (NO<sub>x</sub> and SO<sub>x</sub>) from our mill (tonnes)</b>	NO <sub>x</sub> 6,061 t SO <sub>x</sub> 5,204 t	NO <sub>x</sub> 6,948 t SO <sub>x</sub> 3,657 t	NO <sub>x</sub> 6,194 t SO <sub>x</sub> 3,268 t
<b>Reduce water withdrawal from Kampar River (megalitres) (ML)</b>	128,766 ML	132,580 ML	160,498 ML
<b>Occupational Health and Safety</b>			
<b>Zero fatality</b>	We regret to report seven fatalities in 2021.	We regret to report seven fatalities in 2022.	We regret to report five fatalities in 2023.
<b>Lost time injury frequency rate below 0.12</b>	n/a	2022: Total: 0.62 Mill: 1.47 Fibre plant: 0.39	2023: Total: 0.68 Mill: 1.04 Fibre plant: 0.56
<b>Human rights</b>			
<b>Implement Human Rights Policy and due diligence</b>	<ul style="list-style-type: none"> <li>- Developed a Human Rights Policy demonstrating our commitment to respecting and managing human rights, published in early 2022.</li> <li>- Developed a human rights due diligence framework following a scoping study that identified the most pressing human rights issues impacting the pulp and paper industry in Indonesia.</li> </ul>	<ul style="list-style-type: none"> <li>- Officially launched the APRIL Human Rights Policy.</li> <li>- Completed a Human Rights Impact Assessment (HRIA) and conducted social impact assessments.</li> <li>- Enrolled APRIL human rights champions in the UNDP Business &amp; Human Rights Academy: Human Rights Due Diligence (HRDD) Training for Companies Operating in Indonesia.</li> </ul>	<ul style="list-style-type: none"> <li>- Collaborated with FIHRRST (Foundation for International Human Rights Reporting Standards) to conduct human rights training for senior management and training for trainers for mid-level managers who would then train their peers at our head office, estates, mills and fibre operations.</li> <li>- Launched Children’s Welfare Code of Practice and piloted a Children’s Welfare Action Plan at the Pelalawan and Teso estates. We will continue to pursue this action plan in 2024.</li> </ul>

# STAKEHOLDER ENGAGEMENT

[GRI 2-28, 2-29]

## NOTABLE 2023 ENGAGEMENTS:

Mr. Anderson Tanoto, Managing Director of the RGE Group, spoke at the International Union for Conservation of Nature (IUCN) Leaders Forum 2023 in Geneva, highlighting the crucial role of the private sector in driving sustainability and biodiversity initiatives while emphasising the importance of transitioning towards nature-positive approaches.

APRIL's Director of Sustainability and External Affairs, Ms Lucita Jasmin, participated in the "Moving Business from Commitment to Action on Human Rights and Labour Rights" session at the UN Global Compact Leaders Summit.

During this session, Lucita shared specific steps APRIL has taken to implement Human Rights Due Diligence (HRDD) and valuable lessons learnt through the process. She was also interviewed for the [UN Global Compact Academy Changemakers series](#), sharing APRIL's perspective and approach to sustainable business growth.

APRIL participated in a national seminar hosted by the Indonesian Peat Community Association (HGI) at the IPB International Convention Center in Bogor.

> See also [Upholding human rights section \(p.78\)](#)

The seminar provided a platform for government, scientists and academics to exchange knowledge on ongoing and completed peatland research. A key highlight was the presentation of a landmark study by APRIL's peatland science team.

> See page 67 for more information

In collaboration with a team of respected global scientists, APRIL published a landmark study in Nature, the world's leading science journal, on the effects of land-use change on greenhouse gas (GHG) fluxes in tropical peatlands in Sumatra.

> See page 38 for more information

APRIL partnered with PT. Restorasi Habitat Orangutan Indonesia (PT. RHOI) and the Borneo Orangutan Survival Foundation on an ecosystem restoration and protection project.

> See page 65 for more information

APRIL co-hosted a multistakeholder dialogue with the Tree Plantations in the Landscape (TPL) initiative in Riau, Indonesia.

> See page 55 for more information

## TRANSPARENCY AND COMMUNICATION

APRIL values open communication and continuous engagement with our stakeholders. We understand that transparency is essential for building trust and keeping everyone informed about our sustainability efforts. To achieve this, we have applied a multi-layered communication approach.

The APRIL Dialog platform reports and monitors progress towards our sustainability policy commitments. It serves as a forum for sharing viewpoints on sustainable forest management, reporting on stakeholder engagement, and communicating perspectives from a range of thought leaders and stakeholders.

Our corporate website serves as a central repository, providing stakeholders with easy access to current information on our sustainability initiatives. This includes a dedicated Sustainability Dashboard featuring the latest data on supplier list, concession maps, independent assurance report of APRIL's SFMP 2.0 implementation, stakeholder meeting reports, grievance mechanism and other key sustainability metrics. Additionally, the APRIL2030 microsite details our commitments and targets, and tracks our progress towards achieving them.

APRIL's commitment extends beyond our own platforms. We actively participate in international platforms and engage in open dialogue by hosting and participating in industry and stakeholder events, fostering meaningful discussions with NGOs, customers, and financial institutions. At the operational level we facilitate site visits for key stakeholders, providing them with firsthand experience of our operations.

**CORPORATE WEBSITE**

Our corporate website serves as a central repository for stakeholders to easily access current information on our sustainability initiatives, and includes a dedicated Sustainability Dashboard.

**APRIL 2030 MICROSITE**

Our APRIL2030 microsite outlines our sustainability commitments and targets, while also tracking progress towards achieving them.

**APRIL DIALOG MICROSITE**

Our APRIL Dialog microsite showcases our sustainability progress. It features updates on policy commitments, sustainable forest management practices, stakeholder engagement efforts, and thought leader insights on various sustainability topics.

**INTERNATIONAL PLATFORMS**

We actively engage and participate in leading international sustainability initiatives, ensuring our operations align with global best practices.

### UNGC-ACCENTURE CEO STUDY

APRIL Group was profiled in the 12th edition of the UNGC-Accenture CEO Study, published in March 2023. This comprehensive study analyses the sustainability landscape and assesses the performance of multinational corporations in achieving their sustainability and climate goals. APRIL Group was one of 11 global businesses selected for a detailed case study highlighting our commitment to workforce sustainability and education while also outlining the strategies we are implementing to achieve our ambitious APRIL2030 goals.

# CERTIFICATION, STANDARDS, AND EXTERNAL RATINGS

[GRI 417-1, 417-2, 417-3]

APRIL adheres to industry-leading standards and certification schemes to guarantee that our production and system management approaches satisfy international markets requiring independent audits of our operations.

Regulations can vary significantly across our supply chain. To ensure continued compliance, we actively monitor and adhere to the specific rules and requirements of each sector, country, or region where we operate.

In 2023, the Group conducted a comprehensive assessment of all our products, confirming 100% compliance with product and service marketing and labelling requirements, including all mandatory regulations and voluntary codes.

## CERTIFICATIONS

### OPERATIONS AND MANAGEMENT

APRIL's production facilities are certified against the Programme for the Endorsement of Forest Certification (PEFC) Chain of Custody (CoC) standards, ensuring that wood fibre comes from sustainably managed forests and controlled sources. All Group facilities also comply with all relevant ISO and OHSAS standards.

#### Facilities



#### Management systems



### PRODUCTS

#### PaperOne™

APRIL's PaperOne™ products have been certified by the Singapore Environmental Council's (SEC) Green Label against its enhanced Singapore Green Label Scheme (SGLS) for pulp and paper products since 2013. PaperOne™ has voluntarily met EU Ecolabel criteria and is Ecolabel Graphic Paper certified.

APRIL's paper products are certified against the Indonesian Ministry of Industry (TKDN) local content standard and comply with the Standar Nasional Indonesia (SNI) for paper products.



#### Viscose

In addition to complying with the Standar Nasional Indonesia (SNI) for technical sulphuric acid, APR holds a Cradle to Cradle (C2C) Certified Material Health Certificate™ confirming that human health and the environmental credentials are prioritised in choosing the chemicals and materials used in our products. The quality of our VSF and yarn is safeguarded by adhering to standards that include the OEKO-TEX®, FKT and OK biodegradability labels.



## SUSTAINABILITY STANDARDS AND RATINGS

To assess progress towards achieving APRIL's sustainability commitments, we actively participate in a range of voluntary and mandatory benchmarking and public assessment programmes. These include the Zoological Society of London's Sustainable Palm Oil Transparency Toolkit (ZSL SPOTT) timber and pulp assessment, CDP Forests and EcoVadis. We publish annual sustainability reports aligned with the latest Global Reporting Initiative (GRI) Standards and World Business Council for Sustainable Development (WBCSD) Reporting Matters guidelines.

As part of the Group's commitment to transparency and ongoing efforts to improve our sustainability practices, we also continue to engage with Canopy and strive to improve APR's score on Canopy's Hot Button Ranking and Report.

#### 2023 highlights:

- 75.3% score and another top-ten position in the SPOTT global assessment of 100 forestry companies across 182 ESG indicators in 10 categories
- B score for CDP Forests disclosures



➤ See the APRIL and APR websites for more information on our certification schemes.

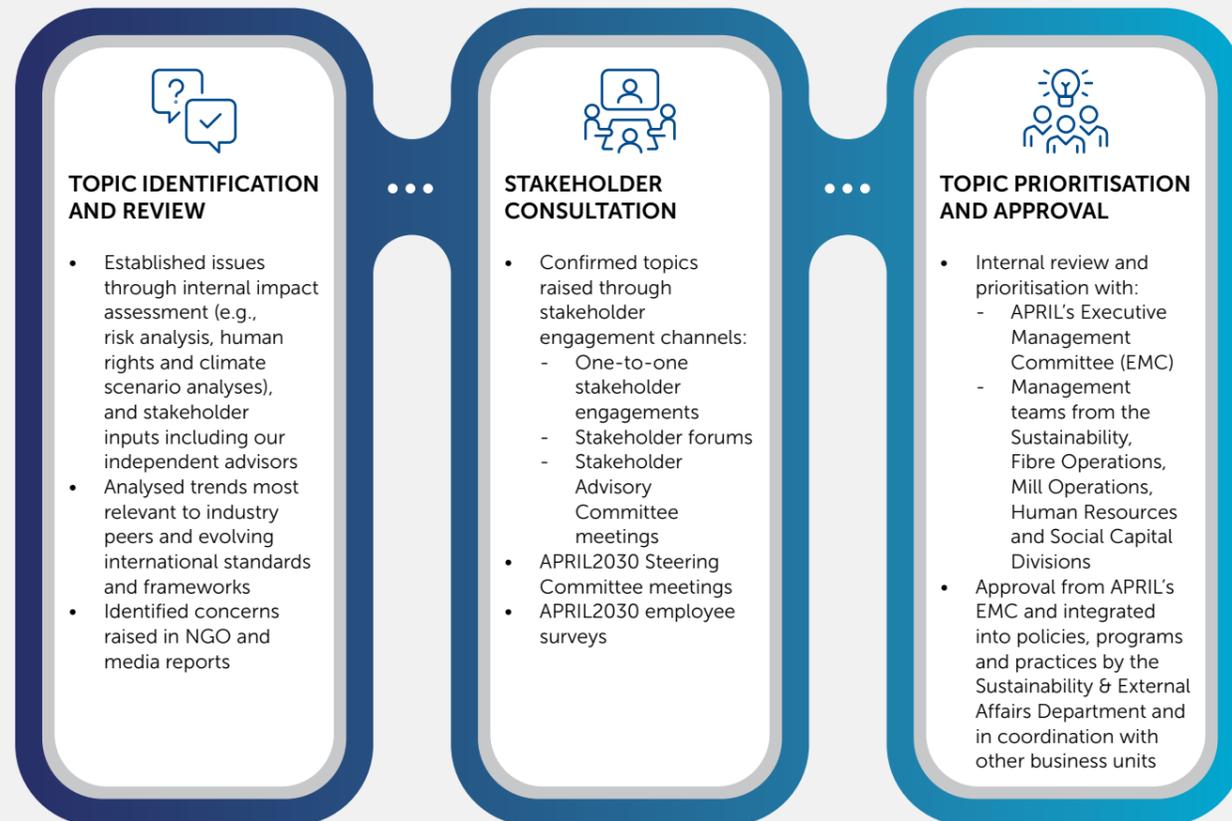


# MATERIALITY

[GRI 3-1, 3-2]

APRIL seeks to respond to our stakeholders' most material issues when defining our sustainability focus areas. We conduct annual materiality assessments to ensure that sustainability strategies and reporting align with stakeholder expectations. We recognise that our rapidly evolving industry can drastically change stakeholders' concerns, requiring APRIL to adjust our focus areas to reflect their evolving priorities.

## MATERIALITY REVIEW PROCESS 2023



The most recent comprehensive materiality assessment was conducted in 2021. It identified local, national and global sustainability issues. It also included peer benchmarking by an independent consultant, a survey with relevant internal and external stakeholders, and consultations with management and senior leadership representatives. This exercise identified eight key focus areas. Since then, we have updated our material topics annually.

In 2022, we added Occupational Health and Safety to the list. **A further review was conducted in 2023 to account for the growing importance of addressing the impact of climate change on our operations.** Following this review, we revised the climate change topic to encompass both climate adaptation and mitigation. As a result, we now have ten material topics.

## 2023 MATERIAL TOPICS



## CONTRIBUTING TO THE SDGs

APRIL recognises the private sector's crucial contribution to achieving the national and global sustainability goals outlined in the United Nations' Sustainable Development Goals (SDGs). We have established a comprehensive sustainability framework that translates the relevant SDGs into actionable strategies and initiatives that can be executed locally at our operations. We also communicate with international stakeholders to clearly explain the realities of implementing the SDGs on the ground. The data presented in this report updates our performance and demonstrates how our initiatives contribute to these SDGs.

[See: APRIL2030 target alignment with SDGs](#)

## THE SDGs WE CONTRIBUTE TO



In 2017, APRIL worked with PwC Singapore to evaluate the impact of its business activities using the SDGs as a framework. Employing both bottom-up and top-down approaches, and utilising a combination of data sources including stakeholders input, we identified our priority SDG goals and targets in 2019. These identified goals and targets were categorised into three distinct groups:

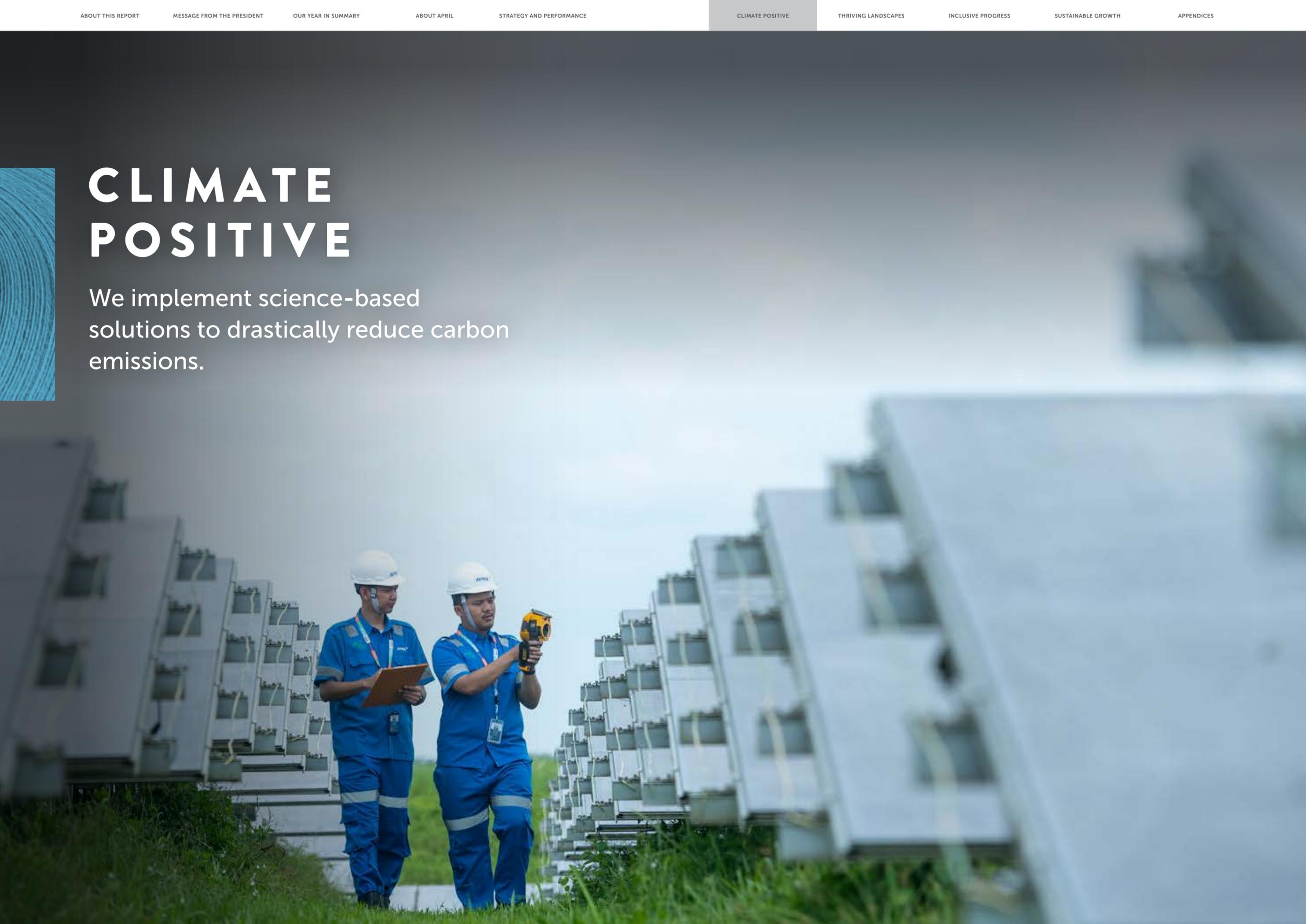
**Core:** Areas that are central to the nature of APRIL's business and operations.

**Catalytic:** Goals and targets considered to address a critical need beyond the scope of our direct operations.

**Contributed:** Goals and targets that have strong contributions from APRIL in Riau province.

# CLIMATE POSITIVE

We implement science-based solutions to drastically reduce carbon emissions.



# CLIMATE POSITIVE

Contributing to SDGs:



## RESPONDING TO THE CLIMATE CRISIS

The climate crisis demands a collective response from governments, businesses, and individuals. APRIL is committed to contribute to the global effort to keep temperatures well below the critical 2°C threshold. We are also contributing to Indonesia’s Forest and Other Land Use (FOLU) Net Sink 2030 targets, acknowledging the essential role of conserving nature in responding to climate change.

The Group has adopted a multi-pronged mitigation approach that includes forest restoration and conservation, and implementing sustainable forest management practices (i.e., nature-based solutions) while simultaneously pursuing decarbonisation measures across our mill operations. In 2023, we conducted a comprehensive climate scenario analysis guided by the Task Force on Climate-related Financial Disclosures (TCFD) framework. It established our climate-related risk and opportunities matrix and paved the way for developing an organisation-wide adaptation roadmap (see more in our TCFD index on page 46).

We continue to invest in research and technologies that can accurately measure and monitor greenhouse gas (GHG) fluxes across the diverse land-use types within our operations. This strategic approach has yielded significant science-based outcomes. Our studies have established emissions factors appropriate to the tropical ecosystem we operate in, thus improving national and global scientific knowledge. Internally, we strive to translate scientific findings into effective practices to manage conservation and plantation areas on peatland and reduce landscape-level GHG emissions.

Target	Progress as of December 2023			2023 Progress notes	Strategy to drive performance
	2021	2022	2023		
<b>Net zero emissions from land use (MtCO<sub>2</sub>eq)</b>  * The values represent land use change (LUC), the main driver of emission reductions to date. Please see page 39 for a complete land sector emissions inventory.	4.28*	3.97*	3.85*	● Land use change (LUC) emissions continue to decrease.	<ul style="list-style-type: none"> <li>• Zero deforestation and conversion</li> <li>• Sustainable forest management</li> <li>• Responsible peatland management</li> <li>• Conservation and restoration</li> <li>• Investing in carbon project development</li> </ul>
<b>Reducing product emission intensity by 25% (CO<sub>2</sub>eq/Tonne)</b>	0.50	0.48	0.49	● Slight increase in 2023 because of the reduction in renewable energy proportion in the overall balance. Met interim annual target and remain on track.  (20% reduction from 2019 baseline of 0.62 CO <sub>2</sub> eq/Tonne)	<ul style="list-style-type: none"> <li>• Implement energy efficiency measures</li> <li>• Invest in solar energy</li> <li>• Increase biomass-based renewable energy use and optimise power boilers</li> </ul>
<b>90% Renewable energy for our mill (%)</b>	87.80	88.6	88.24	● Slight reduction in 2023 due to increased pulp production. Met interim annual target and remain on track.  (3% increase from 2019 baseline of 84.7%)	
<b>50% Fibre operations energy from cleaner and renewable sources (%)</b>	28	28	32.9	● Performance mainly driven by shifting fuel consumption from B30 to B35 bio diesel blend for the plantation sector machinery and wood hauling trucks.  (73% increase from 2019 baseline of 19%)	<ul style="list-style-type: none"> <li>• Optimise fuel blend transition from B30 towards B50 for plantation sector and wood-hauling</li> <li>• Trial and phase-in electric vehicles (EVs) to replace diesel trucks</li> <li>• Roll out fibre estate solar energy project</li> </ul>

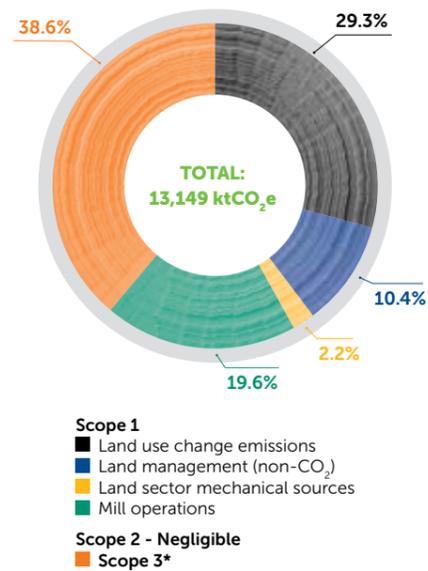


Aerial view of Restorasi Ekosistem Riau (RER)

# OUR CARBON FOOTPRINT

[GRI 3-3, 305-1, 305-2, 305-3, 305-4, 305-5, 305-7]

## GHG EMISSIONS 2023 BY SCOPE



\* Purchased goods and services; Land sector emission from Open Market Supplier (OMS); Capital goods; Fuel- and energy-related activities; Upstream transportation and distribution; Business travel; Employee commuting; Upstream leased assets; Downstream transportation and distribution; Processing of sold products; Use of sold products.

APRIL tracks and measures our carbon footprint to meet the Group's Climate Positive mitigation targets. In 2023, our GHG inventory was expanded to track our carbon footprint across the entire organisation, including land sector emissions.

## MANAGING OUR GHG EMISSIONS

Until 2022, APRIL reported Scope 1 mill emissions but have consistently measured and reviewed the organisational GHG inventory in accordance with evolving guidance established by the GHG Protocol. In 2023, we report the full scope of our GHG footprint across the entire value chain.

The 2023 data reveal that Scope 1 emissions directly generated by the Group's mill and plantation operations comprise 61% of our overall emissions, with the land sector being the most significant contributor to GHG emissions. Scope 3 emissions from facilities and operations we do not own or control in our value chain generate the remaining 39% of our emissions.

APRIL's integrated mill operations and circular pulp production allow us to reduce our energy impact. We purchase energy from our sister company, Riau Prima Energy (RPE), which has on-site multi-fuel and chemical recovery boilers that supply a substantial proportion of our electricity. Producing electricity in-house eliminates our dependence on third-party energy suppliers, resulting in negligible Scope 2 emissions in our GHG inventory.

## CALCULATING LAND USE EMISSIONS

APRIL, along with 140 industry peers, participated in the development of a new global standard for land-use emissions: the GHG Protocol Land Sector and Removals Guidance. A draft guidance was issued in 2022 and is expected to be finalised in 2025.

APRIL is calculating and reporting our land-use emissions using the relevant sections of the [IPCC Good Practice Guidance for Land Use, Land-Use Change and Forestry \(GPG-LULUCF\)](#) and the [GHG Protocol Agricultural Guidance](#).

Table 2: APRIL Group GHG Inventory 2023

Scopes	Components	Emissions (KtCO <sub>2</sub> -eq)
Scope 1	<b>Land Sector</b>	
	Land use change emissions (a+b)	3,849
	- Land use change emissions from managed area (a)	3,726
	- Land use change emissions from de facto unmanageable area (b)	124
	Land management (non-CO <sub>2</sub> emissions)	1,370
	Mechanical sources	289
	<b>Non-Land</b>	
Mill facilities	2,571	
	<b>Total Scope 1</b>	<b>8,079</b>
Scope 2	<b>Total Scope 2</b>	<b>0</b>
Scope 3*	<b>Total Scope 3</b>	<b>5,070</b>
	<b>Total Scope 1, 2 and 3</b>	<b>13,149</b>
Biogenic CO <sub>2</sub> emissions - Scope 1	Land management (CO <sub>2</sub> emissions) from APRIL's land bank - peat	10,727
	- Land management (CO <sub>2</sub> emissions) from managed area - peat	8,768
	- Land management (CO <sub>2</sub> emissions) from de facto unmanageable peat	1,959
	Land management (CO <sub>2</sub> emissions) from de facto unmanageable mineral	664
	<b>Total Biogenic CO<sub>2</sub> Emissions Scope 1</b>	<b>11,391</b>
Biogenic CO <sub>2</sub> emissions - Scope 3	<b>Total Biogenic CO<sub>2</sub> Emissions Scope 3</b>	<b>152</b>

\* Purchased goods and services; Land sector emission from Open Market Supplier (OMS); Capital goods; Fuel- and energy-related activities; Upstream transportation and distribution; Business travel; Employee commuting; Upstream leased assets; Downstream transportation and distribution; Processing of sold products; Use of sold products.

## NEW LANDMARK STUDY ON THE EFFECTS OF LAND-USE CHANGE ON GHG FLUXES IN TROPICAL PEATLANDS IN SUMATRA

On 5 April 2023, Desmukh et. al, published the findings of a landmark five-year study in Nature, the world's leading multidisciplinary science journal. The research findings reveal that greenhouse gas emission measurements from Eddy Covariance are approximately two times lower than the Intergovernmental Panel on Climate Change (IPCC) Tier 1 Emission Factor, which was derived from previous soil-chamber and subsidence studies in similar ecosystems. This discrepancy underscores the importance of using caution when relying on estimates from these earlier methods. Applying the Tier 3 Emission Factor from this study considerably improves the accuracy of GHG emissions estimates from these globally important ecosystems, providing a robust estimate of the impact of land-use change on tropical peatlands. This improved accuracy is important for developing responsible peatland management practices aimed at reducing GHG emissions, which are important for meeting nationally determined contributions as outlined in the Paris Climate Agreement and for limiting global warming to 1.5°C above pre-industrial levels. The refined Emission Factor and its application have substantial implications for national and global greenhouse emission inventories, promoting more effective climate change mitigation strategies.

## EMISSIONS FOOTPRINT OF DE FACTO UNMANAGEABLE AREAS 2023 (kt CO<sub>2</sub>e)



> See: Operations and production (p.12)

> See: Base data (p.120) for full breakdown of APRIL GHG Inventory

## ACCOUNTING FOR UNMANAGEABLE AREAS WITHIN OUR CONCESSIONS

APRIL follows best practices to disclose GHG emissions within the operational boundaries of our concession licence, including "de facto unmanageable areas" that are not under the Group's direct or complete control. These areas include inoperable soils in rocky and flood-prone zones, boundary overlaps, land subject to encroachment and illegal conversion by other parties, and village settlements. Although we do not fully manage these areas, we have taken the necessary steps to account for their emissions.

In 2023, unmanageable areas represented 159,609 ha of our concessions, contributing around 124 ktCO<sub>2</sub>e or 2% towards our Scope 1 direct emissions, and 2,623 ktCO<sub>2</sub>e (29%) towards biogenic CO<sub>2</sub> emissions. We continue to seek clarity from the evolving GHG Protocol Land Sector and Removals Guidance and consult with stakeholders to measure emissions using appropriate accounting and reporting standards.

# OUR CARBON FOOTPRINT

[GRI 3-3, 305-1, 305-2, 305-3, 305-4, 305-5, 305-7]

## ADVANCING NATURE-BASED CLIMATE SOLUTIONS

Nature-based climate solutions include actions that protect healthy ecosystems, restore degraded land, and improve the management of working lands, helping to secure carbon and contribute to avoided emissions. These actions contribute to Indonesia's FOLU Net Sink 2030 targets and ultimately, Indonesia's 2060 net zero agenda.

APRIL's initiatives for nature-based climate solutions are guided by our [Sustainable Forest Management Policy 2.0 \(SFMP 2.0\)](#), and include:

<p><b>CONTINUOUS COMMITMENT TO ZERO DEFORESTATION AND CONVERSION</b></p> <p>&gt; See: <a href="#">Upholding commitments to no deforestation (p.53)</a></p>	<p><b>IMPROVING SUSTAINABLE FORESTRY MANAGEMENT PRACTICES</b></p> <p>&gt; See: <a href="#">Sustainable forest management (p.54)</a></p>	<p><b>PROTECTING AND RESTORING NATURAL CARBON SINKS</b></p> <p>&gt; See: <a href="#">Conservation and restoration (p.60)</a></p>
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## AVOIDED EMISSIONS FROM CONSERVATION AND RESTORATION ON PEATLAND

Avoided emissions refer to GHG emissions that are prevented from being released into the atmosphere due to the implementation of measures that reduce or eliminate the emissions.

While guidance on land sector emissions accounting and reporting evolves, APRIL posits that avoided emissions from conservation and restoration interventions within our operations should also be acknowledged for their climate benefits. This is consistent with the rising global understanding of the role of nature as a climate solution, including its ecosystem services and contribution towards climate resilience.

APRIL's [2023 peatland study](#) concluded that conserving all remaining intact peat swamp forests in Indonesia (2.0 x 10<sup>6</sup> ha) under Indonesia's nationally determined contribution and emissions reduction from restoring 4.2 x 10<sup>6</sup> ha by 2050 under Indonesia's Low Carbon scenario Compatible with the Paris Agreement target (LCCP) will avoid approximately 160,000 ktCO<sub>2</sub>e of GHG emissions yearly, or 40% of the total GHG emissions from peat decomposition in 2019.

Using the emissions factors derived from the study, **APRIL calculated we could avoid 11,147 ktCO<sub>2</sub>e of emissions by conserving and restoring peat swamp forests within our operations**, broken down as follows:

**Table 3: Avoided emissions from conservation and restoration on peatland**

Avoided emissions from peat conservation	3,745
Avoided emissions from peat restoration (RER-Kampar)	6,870
Avoided emissions from peat restoration (RER-Pulau Padang)	530
<b>Total avoided emissions (ktCO<sub>2</sub>e)</b>	<b>11,145</b>

2 For more information, see the [WBCSD Avoided Emissions Guidance](#).

## NATURE-BASED CLIMATE SOLUTIONS RESEARCH PARTNERSHIP

In 2021, APRIL embarked on a three-year research project with the National University of Singapore Centre of Nature-based Climate Solutions (CNCS) to determine the potential impact of nature-based climate solutions through our Restorasi Ekosistem Riau (RER) project.

This research focused on developing and improving site-specific carbon estimation models, particularly for peat swamp forests at RER. The project involved collecting robust data on peat depth, aboveground biomass, groundwater levels, rainfall, net ecosystem carbon exchange, as well as satellite and Light Detection and Ranging (LiDAR) data to develop the most accurate method for modelling.

The insights gained from this study will not only strengthen our own initiatives, but also contribute to the overall credibility and integrity of similar nature-based climate solution projects across Indonesia.

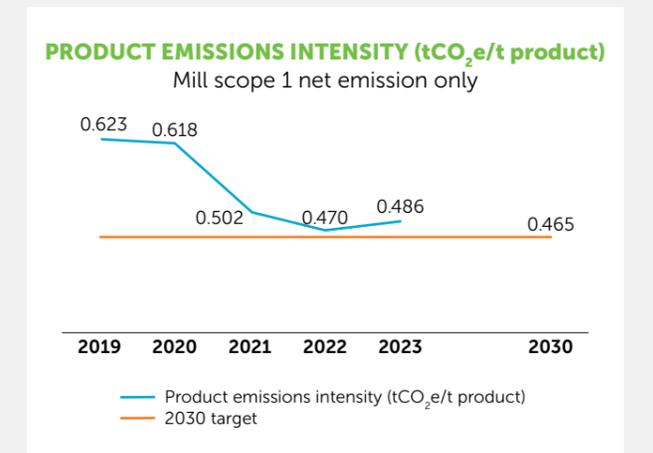
## EXPLORING CARBON PROJECTS

The Group is investing in the development of a carbon project at RER to explore the opportunity for potential carbon offset (or inset) in meeting our climate targets. In 2021, APRIL registered a RER carbon project with [Verra](#), the world's leading greenhouse gas crediting programme. This project estimates the potential generation of 192 million tonnes (t) of carbon credits over the project's 56-year lifespan. APRIL will ensure full compliance with government regulations, as we strive to support and align with the government's FOLU Net Sink 2030 goals. APRIL remains committed to reinvesting any potential carbon revenue generated by RER back into forest conservation efforts.

3 Product volumes in scope include pulp, paper, and viscose.

## PRODUCT EMISSION INTENSITY

We calculate our product emissions using the GHG Protocol alongside sector-specific tools developed by the National Council for Air and Stream Improvement and the International Council of Forest and Paper Associations. Our aim is to achieve a 25% reduction in product net emission intensity by 2030, using a 2019 baseline of 0.62 t CO<sub>2</sub>e/t product<sup>3</sup>.



In 2023, there was a slight decrease in the performance compared to 2022 as a direct result of increased pulp production and resulting non-renewable energy consumption. This production expansion is expected to have a continued impact on our target. However, we are exploring strategies to reduce product emissions intensity, such as non-capital-intensive projects and proven technologies to increase overall energy efficiency, optimising the renewable energy mix in our power boilers, and investing in solar energy.

> See: [Energy management \(p.42\)](#)

# ENERGY MANAGEMENT

[GRI 3-3, 302-1, 302-2, 302-3, 302-4, 302-5]

## MILL ENERGY MANAGEMENT

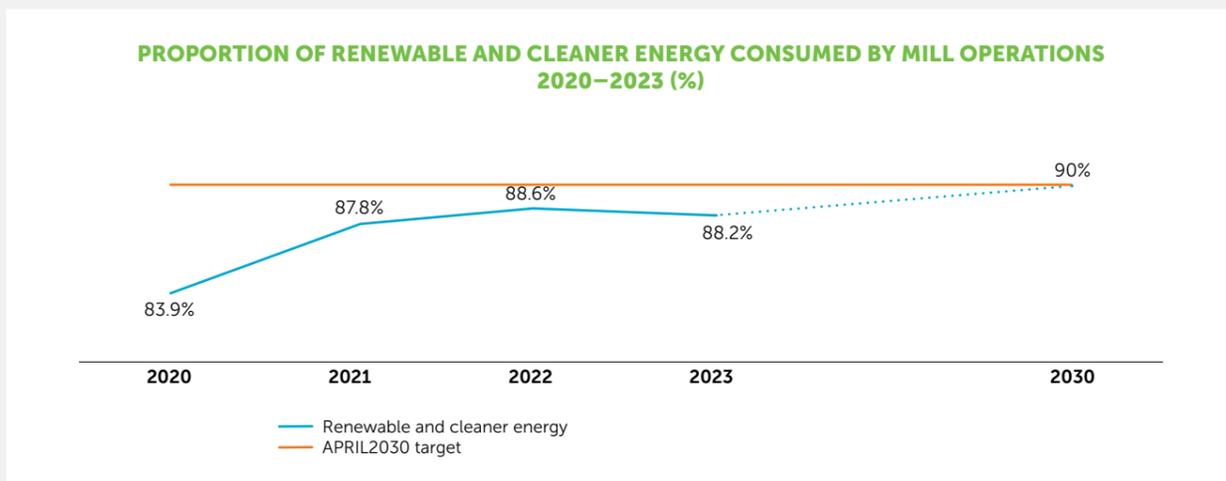
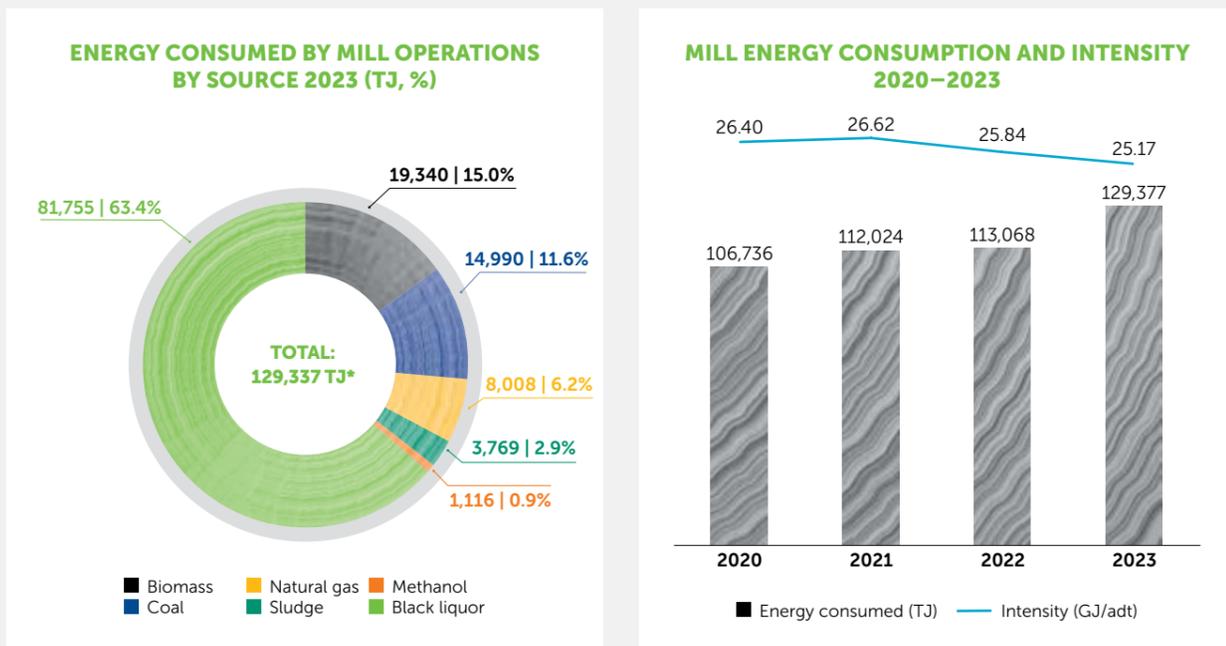
As of December 2023, more than 88.24% of the energy consumed at our mill comes from renewable and cleaner sources. Renewable energy sources include biomass and by-products from our production facility such as black liquor, sludge and methanol. Our clean energy source comes from natural gas.

In 2023, we installed an additional 2.5 megawatts (MW) of solar panels at our mill, increasing solar power generation capacity to 13.5 MW in alignment with our revised goal of installing 50 MW of solar capacity at the mill by 2030.

Mill energy consumption for 2023 was 129,377 terajoules (TJ), 14% more than in 2022. However, the energy intensity decreased, due to improved energy efficiency, which allowed us to increase production while using less energy.

APRIL's energy management system and practices were certified against the ISO 50001 standard in 2020. The Group continues to invest in energy efficiency, process optimisation, and renewable energy, where possible, to achieve our energy targets, and have made the following improvements at our mill:

 <p>Commissioned two methanol plants – one in 2020 and another in 2023 – to improve methanol recovery</p>	 <p>Launched a dual-purpose initiative in 2021 to remove and recover soda from brown fibre by improving its quality to be used as fuel</p>	 <p>Improved the capacity of one of our boilers in 2022 to refine an additional 500 tonnes of dry solids per day into black liquor</p>
 <p>Implemented other low-capital projects, including:</p> <ul style="list-style-type: none"> <li>• Replacing fluorescent lights with LEDs</li> <li>• Installing variable speed drives</li> <li>• Increasing the number of heat exchangers, and</li> <li>• Improving steam trap maintenance</li> </ul>		 <p>Implemented decarbonisation initiatives, including:</p> <ul style="list-style-type: none"> <li>• Phased installation of solar panels</li> <li>• Battery installation (BESS)</li> </ul> <p>Mill improvement initiatives to reduce steam consumption</p>



\* Inclusive of 398TJ (0.3%) of renewable energy (not shown in pie chart).



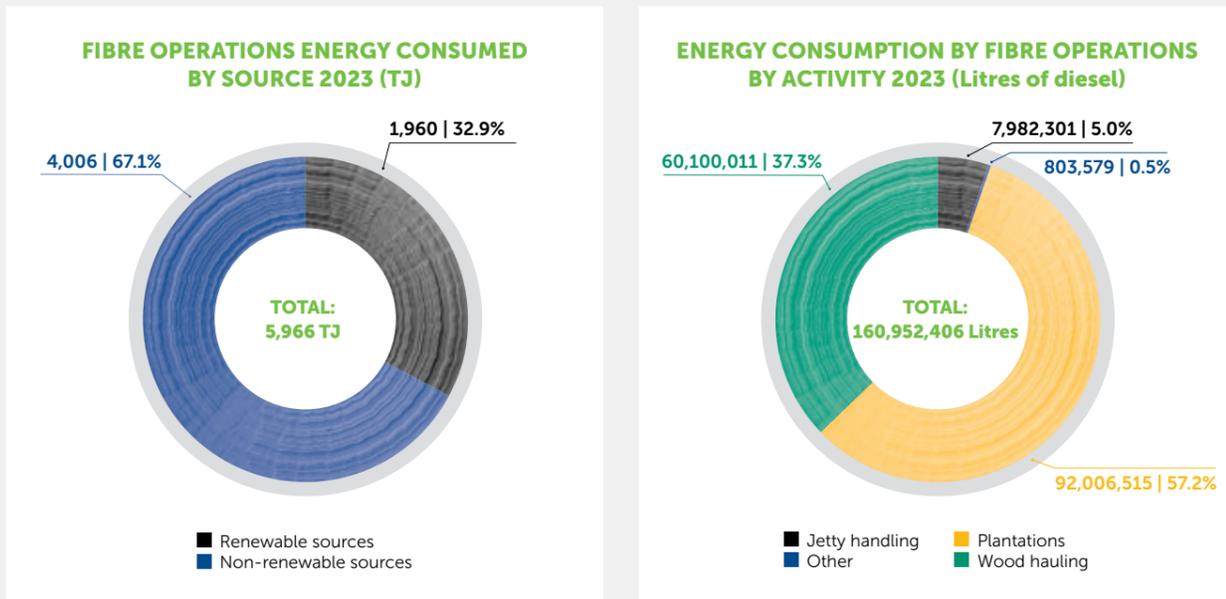
# ENERGY MANAGEMENT

[GRI 3-3, 302-1, 302-2, 302-3, 302-4, 302-5]

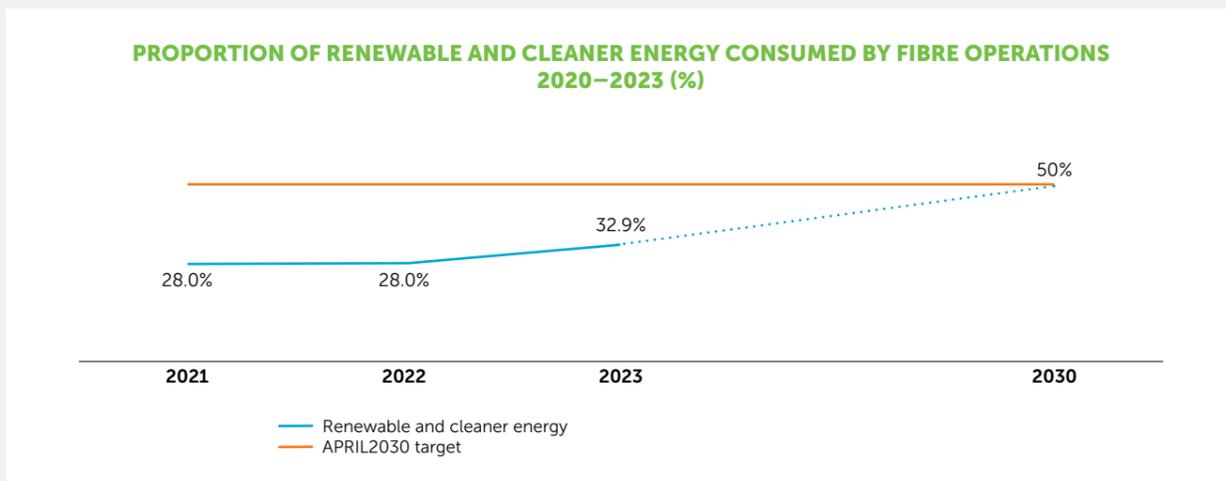
## FIBRE ENERGY MANAGEMENT

Our fibre operations consumed 5,966 TJ of energy in 2023. Our fibre plant is powered by various blends of bio-diesel fuels ranging from B30 to B45, with the non-renewable portion providing 67% of our energy needs and the renewable portion of biodiesel (FAME) providing the remaining 33%.

Roughly 57.2% of the diesel consumed at plantation level powers harvesting and mechanical site preparation equipment, water management systems, light vehicles, and diesel generators for offices, employee housing, and utilities. Another 37.3% is used to haul wood over land from estates to mill yard. The remaining 5.5% is used for shipping wood by water.



At our fibre operations, 32.9% of our energy comes from renewable and clean energy. We aim to increase it to 50% by 2030, against our 2019 baseline of 19%, and we launched several projects in 2023 to help us reach this goal.



## Overview of initiatives at our fibre operations

### INCREASING BIODIESEL BLEND (B35 AND ABOVE)

In 2023, we started rolling out a 35% biodiesel blend (B35) to replace B30 and lower biodiesel blends across our fibre operations in compliance with the Indonesian government's biodiesel mandate of February 2023.\* We are replacing the fuel used for our offices, estate housing, wood-hauling fleet, and heavy machinery (including harvesting equipment).

We are also trialling higher biodiesel blends at our PT Prima Transportasi Service Indonesia (PT SI) logistics division, which exclusively uses biodiesel to fuel its fleet of approximately 1,000 APRIL-owned and managed log delivery trucks. We hope to roll out a 40% biodiesel blend in 2024 and increase that to 45% by 2026.

\* Per Indonesia's National Biodiesel Mandate to blend diesel with biomass to produce palm-based Fatty Acid Methyl Ester (FAME).

### TRANSITIONING TO ELECTRIC VEHICLES

We are transitioning from internal combustion engine (ICE) vehicles to electric vehicles at our operations, including electric buses and motorcycles for employees commuting to our mill. We are also trialling electric trucks to transport lighter fibre loads.

In 2023, we added five electric buses to our company fleet, bringing the total to 11, and converted seven motorcycles to electric power. We plan to add 18 more electric buses in 2024.

### INVESTING IN SOLAR AT FIBRE ESTATES

We are replacing diesel generator sets at our estates with solar panels and hybrid generators in a phased rollout that commenced in 2023.

In 2023, we also approved capital expenditure (CAPEX) funding for a four-year solar energy rollout project for offices and housing at our fibre estates, commencing in 2024, further increasing our renewable energy capacity at these sites.

Thanks to falling solar technology prices, the payback period for this project has dropped from an initial 30 years in 2020 to five or six years today.

# UNDERSTANDING OUR CLIMATE RISKS AND OPPORTUNITIES: TCFD

[GRI 201-2]

Indonesia, our base of operations, is exposed to multiple climate risks, including droughts and frequent floods, with significant compounding impacts. Despite mitigation efforts, we must prepare ourselves for the effects of including physical and transitional risks. Physical risks relate to impacts on people, assets and supply chains, while transitional risks arise from policy, market, and technological changes as the world transitions to a low-carbon economy.

APRIL employs the Financial Stability Board's [Task Force on Climate-related Financial Disclosures \(TCFD\)](#) recommendations to disclose our governance, strategy, and risk management metrics and targets on climate change-related risks and opportunities, enabling transparency on our climate action.

We have undergone analyses to align with the TCFD recommendations in the following ways:

- 2022: conducted an internal gap analysis using the TCFD framework to map areas of improvement in governance, strategy, risk management, and our metrics and targets.
- 2023: conducted a climate scenario analysis to establish actual and potential climate impacts on our business strategy.

We used these studies to improve our risk management strategies and lay the foundation and strengthen business resilience.

> See: [Risk Management \(p.22\)](#)

In 2023, we enhanced our in-house weather monitoring capabilities by updating our field measurement equipment and hiring dedicated staff to analyse historical and current data. These improvements will enhance our ability to understand weather and climate hazards impacting our operations. We will continue quantifying our business's climate risk impacts and develop an organisation-wide adaptation roadmap addressing the most significant threats.

## TCFD INDEX

The following table indexes APRIL's disclosures against the TCFD recommendations to guide, improve, and widen the scope of reporting climate-related financial information. 2023 is the first year we are using these recommendations to report on progress.

TCFD recommendations	Section referenced in our 2023 Sustainability Report	
<b>Governance</b>	<ul style="list-style-type: none"> <li>• Board oversight</li> <li>• Management role</li> </ul>	<ul style="list-style-type: none"> <li>• Governance at APRIL</li> <li>• Stakeholder engagement</li> </ul>
<b>Strategy</b>	<ul style="list-style-type: none"> <li>• Climate-related risks and opportunities over the short-, medium-, and long-terms</li> <li>• Impact on business, strategy, and financial planning</li> <li>• Resilience strategy and scenario analysis</li> </ul>	<ul style="list-style-type: none"> <li>• Our approach to sustainability</li> <li>• Materiality</li> <li>• Our carbon footprint</li> <li>• Understanding our climate risks and opportunities</li> <li>• Responsible sourcing</li> </ul>
<b>Risk management</b>	<ul style="list-style-type: none"> <li>• Process for identifying and assessing risks</li> <li>• Process for managing risks</li> <li>• Integration into overall existing risk management framework</li> </ul>	<ul style="list-style-type: none"> <li>• Risk management</li> <li>• Understanding our climate risks and opportunities</li> <li>• Responsible sourcing</li> </ul>
<b>Metrics and targets</b>	<ul style="list-style-type: none"> <li>• Metrics</li> <li>• Scope 1, 2 and 3 emissions and related risks</li> <li>• Targets</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability targets and progress</li> <li>• Climate positive</li> <li>• Our carbon footprint</li> <li>• Thriving landscapes</li> <li>• Base data</li> </ul>

## 2023 CLIMATE SCENARIO ANALYSIS

Predicting the future of the climate is challenging because it must account for human activity and government policy choices. We use climate scenario analyses to illustrate plausible climate futures for APRIL Group and our supply chain. We chose six widely used global climate scenarios with 2030 and 2050 timeframes to assess the physical and transitional risks and opportunities we face in six key areas. The physical risk analyses covered the APRIL Group and supplier assets in nine Indonesian provinces in Sumatra and Kalimantan. These analyses identified the climate-change-related risks and opportunities that are material to our business, as outlined below.

## Physical scenario analysis

The physical scenario analysis models average global temperature increases of 2°C (low-emission scenario) and 4°C (high-emission scenario). It employs the Intergovernmental Panel on Climate Change Assessment Reports (IPCC AR6 and IPCC AR5) [Shared Socioeconomic Pathways \(SSPs\)](#) and [Representative Concentration Pathways \(RCPs\)](#) to identify the risks and opportunities in both scenarios and calculate the financial impact of the mitigation measures that would most strongly affect our business operations. Because acute and chronic climate trends are interconnected, we projected and assessed the two most impactful climatic outcomes: wet and windy conditions and hot and dry conditions. The analysis included both the qualitative and the quantitative impacts of these projections on APRIL Group's workforce, operations, and supply chain.

## Climate related risks: Physical risks

Risk	Risk Description
<b>1. Plantation yield loss</b> Timeframe: short-term	Increased severity and frequency of extreme weather events, including more frequent and intense rain events, sustained higher temperatures, and wind intensity associated with storms, could have impact on our plantation productivity, increase risk of fires, and require more adaptive management of plantation operations such as harvesting.
<b>2. Increased flood risk</b> Timeframe: short-term	Climate models also suggest increased total annual rainfall, rain intensity and rain frequency in Indonesia, raising risks of flooding at our operational areas.
<b>3. Impact on worker health and productivity</b> Timeframe: short-term	There is a need to mitigate risks of weather-related health and safety incidents, including heat stress, and associated risks of productivity losses.
<b>4. Supply chain disruptions</b> Timeframe: medium-term	The increased intensity of typhoons and storms at sea may impact logistics, including the transport of wood fibre and other raw materials, and the shipping of products to export markets.

Note: Timeframe refers to the initial occurrence or anticipated onset of risk or opportunity. Short-term refers to the next five years, medium-term is five to 15 years, and long term is 15-plus years.

# UNDERSTANDING OUR CLIMATE RISKS AND OPPORTUNITIES: TCFD

[GRI 201-2]

## Transition scenario analysis

The transition timeframe scenarios are 2030 (medium-term) and 2050 (long-term). The global temperature change scenarios use the [Network for Greening the Financial System](#) NGFS Net Zero 2050<sup>4</sup> and NGFS NDC<sup>5</sup> frameworks, respectively, modelling 1.5°C and 2.6°C global temperature increases by 2100. Transition themes assessed include policy and legal risks, technology, market, and reputation risks.

## Climate related risks: Transition risks

Risk	Risk Description
<b>1. Energy supply, carbon, and wood costs</b>  Timeframe: medium-term	Potential increases in operating costs could arise from increased carbon taxes, rising raw material costs, and increased demand for renewable energy and wood as a bio-based, renewable raw material.
<b>2. Stricter land use and carbon regulations</b>  Timeframe: short-to-medium term	To meet its FOLU Net Sink 2030 targets in line with its NDCs, Indonesia is expected to implement more measures like sector emissions caps and stricter land-use regulations. Changes to taxation and carbon pricing and trading may impact operating costs.

Note: Timeframe refers to the initial occurrence or anticipated onset of risk or opportunity. The short term refers to the next five years, the medium term is five to 15 years, and the long term is 15 years or more.

## Climate related opportunities

Opportunity	Opportunity Description
<b>1. Changing customer / consumer preferences</b>  Timeframe: short - medium term	APRIL has the opportunity to secure market share from growing demand for sustainable bio-based products including future bio-based product innovations to meet evolving customer needs. This trend is expected to continue with the shift towards low carbon economy around the world.
<b>2. Reduced operating costs through increased energy efficiency</b>  Timeframe: medium term	The majority of APRIL's energy mix comes from renewable and cleaner sources and energy process efficiencies has been a focus to date. Further cost saving can be realised by continuing to improve the efficiency of our power plants and manufacturing operations and by increasing biomass-based energy in our mills.
<b>3. Nature-based solutions and carbon market opportunity</b>  Timeframe: medium term	APRIL is in a position to generate nature-based carbon credits both for national and global markets, subject to compliance with relevant national regulations. Revenues could further support funding for APRIL's conservation and restoration efforts and help meet mitigation targets.

Note: Timeframe refers to the initial occurrence or anticipated onset of risk or opportunity. The short term refers to the next five years, the medium term is five to 15 years, and the long term is 15 years or more.

4 Net Zero 2050 limits global warming to 1.5°C through stringent climate policies and innovation, achieving global net zero CO<sub>2</sub> emissions around 2050.  
 5 NGFS NDC—Nationally Determined Contributions (NDCs) include all pledged policies, even if they have not yet been implemented. This scenario assumes that the moderate and heterogeneous climate ambitions reflected in the conditional NDCs at the beginning of 2021 continue over the 21st century (low transition risk). Emissions decline but lead to 2.6°C warming, associated with moderate to severe physical risks. Transition risks are relatively low.



# THRIVING LANDSCAPES

We champion conservation as part of our production-protection landscape management approach.



# THRIVING LANDSCAPES

## Contributing to SDGs:



We recognise our responsibility to protect forests, natural landscapes and biodiversity. We manage natural forests and peatlands adjacent to our fibre plantations using a landscape-level production-protection approach, providing long-term funding and technical and operational support for conservation and restoration efforts. We monitor the development of existing and emerging global initiatives and frameworks, learn from our peers, and translate science into best practices at our fibre operations.

Our Restorasi Ekosistem Riau (RER) area is situated in the heart of Sumatra’s largest peatland rainforest. RER celebrated its tenth anniversary in 2023 and has taken on new significance in light of Indonesia’s Forest and Other Land Use (FOLU) Net Sink 2030. Nature-based solutions (NbS) like RER are crucial to addressing climate change, protecting ecosystems, preventing biodiversity loss, and supporting livelihoods.

> See: RER Special Report 2023 (Restorasi Ekosistem Riau Report 2013-2023)

Progress as of December 2023						
Target		2021	2022	2023	2023 Progress notes	Strategy to drive performance
Invest in landscape conservation (USD/tonne)		1	1	1	● Due to an increase in the fibre delivered at the wood yard in 2022, there was a 1% increase in funds allocated from the previous year in 2023	<ul style="list-style-type: none"> <li>Continue allocation of USD 1/tonne wood delivered</li> </ul>
Zero net loss in conservation area (ha)	Conservation area loss (ha)	-195	-663	-370	● Loss of area due to encroachment and land claims	<ul style="list-style-type: none"> <li>Conduct land cover change satellite monitoring</li> <li>Adhere to Conservation Forest Management Framework (CFMF) for conservation practices in concessions</li> <li>Adopt Conservation Management Plans for each concession estate</li> <li>Implement land conflict resolution mechanism</li> </ul>
Positive biodiversity gain	Area of forest being restored to increase potential wildlife habitat (ha)	47	111	114.4	● Additional areas designated for restoration at PT. RAPP, RER, and supply partners’ concessions	<ul style="list-style-type: none"> <li>Set credible biodiversity baselines for conservation areas within concessions</li> <li>Invest in technology to build capacity for wildlife monitoring</li> <li>Conduct wildlife and species research</li> <li>Manage biodiversity data and launch biodiversity portal</li> </ul>
	Species of concern identified at RER conservation area(no.)	69	72	76		

Progress as of December 2023						
Target		2021	2022	2023	2023 Progress notes	Strategy to drive performance
Supporting wildlife protection	Number of initiatives established or supported to protect wildlife in Indonesia	-	Developed overarching Strategy to Prevent Illegal Wildlife Trade (IWT) for RER	1. SMART (Spatial Monitoring and Reporting Tool) patrol initiative  2. First bird-banding project focused on highly traded songbirds	● Formal adoption of illegal wildlife trade (IWT) strategy and introduction of SMART patrols at RER estates in partnership with Wildlife Conservation Society (WCS)  New partnership to develop species-specific conservation management plans, focusing on tiger, pangolin, and elephant populations	<ul style="list-style-type: none"> <li>Establish strategic partnerships for wildlife protection &amp; illegal wildlife trade prevention</li> <li>Apply globally recognised tools and technology to support data collection and analysis</li> <li>Develop field operator and patrol personnel capacity</li> </ul>
Advance tropical peatland science (cumulative)	Collaborations (no.)	18	141	179	● Advancing tropical peatland science and exceeding targets	<ul style="list-style-type: none"> <li>Invest in greenhouse gas monitoring towers and equipment to measure land-use emissions</li> <li>Conduct long-term research on tropical peatlands, peatland hydrology, and subsidence</li> <li>Establish strategic partnerships with scientific communities, universities, and think tanks</li> <li>Obtain advisory assistance from IPEWG</li> </ul>
	Conferences (no.)	10	44	54		
	Publications (no.)	3	7	9		
50% gain in fibre plantation productivity (t/ha/year)		21.4	21.8	22.4	● Mean Annual Increment (MAI) strategies yield consistent improvements in line with target of 30 t/ha/year in 2030 with the same land footprint. Slightly behind interim annual target in 2023.	<ul style="list-style-type: none"> <li>Develop and incorporate genetic improvements and integrated pest and disease management</li> <li>Adopt site-specific management plans</li> <li>Contractor development and mechanisation</li> <li>Improve log quality and reduce fibre losses from plantation to mill</li> </ul>

## UPHOLDING COMMITMENTS TO NO DEFORESTATION

APRIL continues to uphold its no-deforestation commitment per the 3 June 2015 cut-off date in the Sustainable Forest Management Policy 2.0 (SFMP 2.0). This commitment is reinforced in our new [Wood and Fibre Sourcing Policy](#) launched in 2023, in alignment with the Accountability Framework initiative’s (AFi) definitions of deforestation and conversion.

# SUSTAINABLE FOREST MANAGEMENT

[GRI 3-3]

APRIL recognises that our activities can impact the environment and surrounding communities. Our SFMP 2.0 commitments guide our sustainable plantation management and serve as the foundation of our new Wood and Fibre Sourcing Policy. Sustainable forest management practices include soil and site management, precision silviculture, water table management, fire management, and pest control backed by research and development.

## PRODUCTION-PROTECTION MODEL FOR PLANTATION FORESTRY

APRIL's plantation forestry production-protection model is an integrated approach that balances economic, social, and environmental considerations. Under this model, plantation forests act as a buffer zone to safeguard against encroachment and illegal activities in dedicated conservation and restoration areas. After years of successful application, this remains a reliable and effective model for our Indonesian conservation and restoration efforts. Additionally, APRIL has pledged to spend USD 1 per tonne of plantation fibre delivered to the wood yard annually to support and sustainably fund these conservation and restoration areas.

## PRINCIPLES OF OUR PRODUCTION-PROTECTION MODEL

 <p><b>Maintain ecosystem integrity</b> Strengthen ecosystem integrity and enhance ecosystem services in degraded landscapes through well-designed plantation forests.</p>	 <p><b>Protect and enhance HCV areas</b> Protect highly biodiverse areas, including riparian zones. Improve the natural habitats of rare, threatened and endangered species.</p>
 <p><b>Stakeholder involvement</b> Build and maintain positive relationships while collaborating with stakeholders, including local communities.</p>	 <p><b>Economic growth and employment</b> Create jobs and contribute to the national economy and the prosperity of local communities.</p>

> See also: Conservation and restoration (p.60)

## LIVELIHOOD PLANTATIONS

APRIL runs a partnership scheme with local communities and regulatory guidance from the Ministry of Environment and Forestry. Areas within our licensed concessions are allocated to communities, who can cultivate timber and non-timber forest products and other crops that contribute to food security and community welfare. We have allocated 43,471 hectares as livelihood plantations based on the geographical location of villages and their specific needs, which are determined through community consultations. These areas are used for commercial Acacia and Eucalyptus plantations, with communities earning revenues for each harvest rotation, and rubber and oil palm plantations, allowing communities to market harvested crops.

## MULTI-STAKEHOLDER DIALOGUE ON TREE PLANTATIONS IN INDONESIA: APRIL CO-HOSTS TPL INITIATIVE DISCUSSION

In June 2023, The Forests Dialogue (TFD) convened a multistakeholder dialogue under the Tree Plantations in the Landscape (TPL) initiative in Riau, Indonesia. The TPL initiative builds on the previous Intensively Managed Planted Forests (IMPF) dialogue held in 2007.

This TPL dialogue builds upon the previous Intensively Managed Planted Forests (IMPF) dialogue held in 2007, revisiting key environmental, social, and economic concerns alongside emerging challenges and opportunities.

The event brought together over 80 Indonesian and international experts, representatives from NGOs, research institutions, local indigenous communities (rights holders) in plenary and small working-group formats. It includes field visits to hear directly from local participants about social and environmental challenges and learn from practices on the ground. The dialogue was developed in collaboration with the TPL Initiative Advisory Group including Forest Peoples Program and dialogue co-hosts World Wildlife Fund-Indonesia, APRIL, RECOFTC, and Bahtera Alam.

Field visits across the Kampar Peninsula provided participants with firsthand experience of forestry operations, including nursery management, tree planting and harvesting, high conservation value areas, and water management and greenhouse gas monitoring practices. Through interaction with local communities, participants gained a deeper understanding of landscape dynamics, the complexities of plantation management, and associated issues like biodiversity impacts and peatland management challenges.

Discussions centered on key learnings and topics related to the environmental, social, and economic costs, benefits, and potential solutions associated



with tree plantations. Responsible peatland management, sustainable production within jurisdictional approaches, nature-based climate solutions, landscape dynamics, social forestry, and land tenure and dispute resolution models were all part of the focused dialogue.

Reflecting on the evolution of forestry operations, the landscape, and stakeholder relations since the 2007 IMPF dialogue, a significant topic emerged; the crucial role of peatlands in carbon storage, APRIL presented its latest research findings on peatlands, received valuable feedback on improving its practices, and engaged with participants regarding their concerns and interests.

This multi-stakeholder dialogue served as a valuable platform for fostering communication, understanding, and trust-building among stakeholders. Despite ongoing challenges, participants expressed optimism for positive change, highlighting a collective commitment to continued dialogue in the region.

> For full summary, please visit [The Forest Dialogue](#)

> See also: [Stakeholder engagement \(p.28\)](#)



# SUSTAINABLE FOREST MANAGEMENT

[GRI 3-3]

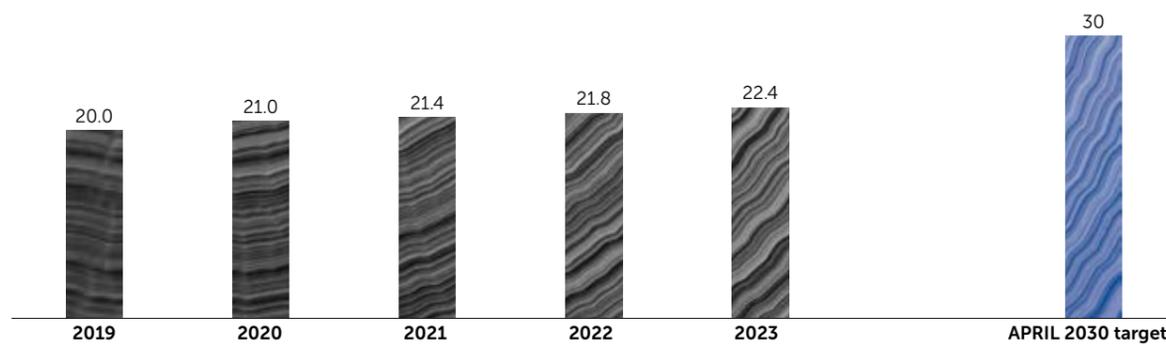
## IMPROVING PLANTATION PRODUCTIVITY

Our growth strategy focuses on increasing productivity on existing land through genetic improvements, precision forestry, mechanisation, and science-based management best practices.

Our 270-person Fibre Research and Development (R&D) team drives innovation that increases fibre yields without expanding our plantation footprint. Consequently, our

fibre plantation productivity – measured in tonnes per hectare per year and expressed as a mean annual increment (MAI) – has risen by more than 10% since 2019 to 22.4 tonnes t/ha/year in December 2023, representing the average quantity of wood delivered to mill per hectare of planted area per year. Our MAI is calculated as our 3-year, area-weighted, rolling average growth. **APRIL aims to increase fibre plantation productivity to 30t/ha/year by 2030, a 50% increase against our 2019 baseline of 20 t/ha/year.**

FIBRE PLANTATION PRODUCTIVITY 2019–2023 (t/ha/yr)



The Fibre R&D team focuses on various strategies to increase fibre plantation productivity. These encompass:

### Precision forestry

Precision Forestry uses advanced technologies to gather detailed information and create data-driven approaches to optimise forest management practices while reducing negative environmental impacts.

### Silviculture

The silviculture approach applies industry best practices to soil, site, water table, planting, fertilisation, and weed management systems to improve productivity and forest quality.

### Integrated pest and disease management

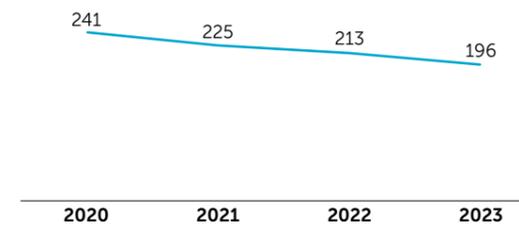
A comprehensive Integrated Pest Management (IPM) strategy prioritises efficient pesticide use and incorporates biological control agents. Research allowed us to use the least toxic pesticides (green-and-yellow toxicity labels) at our sites in 2023. Our goal is to stop using yellow-toxicity-label pesticides entirely and only use green-label products moving forward.

In 2023, we applied chemical controls using the following principles in line with our IPM strategy:

Systematic monitoring	Precision application	Technology integration
We monitor and qualify pest thresholds to determine where and when to apply controls, optimising effectiveness while minimising economic and ecological damage.	We apply chemicals only when and where necessary, for example, in emergencies or when biological controls are ineffective.	We leverage effective technologies to improve precision and efficiency, minimise the number of applications, and reduce the overall volume of chemicals used.

We apply these principles equally to pesticide, herbicide, and fertiliser use. In 2023, we successfully trialled a glyphosate substitute for weed control in the first 150 days of the eucalyptus plantation cycle. We also completed the construction of a 300 m<sup>2</sup> facility to mass-produce biological pest control agents to be used against insects that infest young eucalyptus plantations. Since 2020, we have continued to reduce the amount of inorganic fertiliser per hectare of plantation.

INORGANIC FERTILISER USAGE 2020–2023 (kg/ha)



### Genetic improvement

APRIL's R&D team is breeding eucalyptus and acacia trees with desirable genetic traits, including taller growth, better wood properties, increased pest and disease resistance, and climate tolerance. These enhanced trees are grown at our Kerinci Tissue Culture (KTC) lab, producing 36 million eucalyptus and acacia plantlets annually.

## THE WORLD'S FIRST CLONAL ACACIA PLANTATION

In 2023, APRIL established the world's first clonal acacia plantation, resulting from nearly two decades of dedicated R&D and a milestone in forestry. Traditionally, acacia plantations were established by cross-breeding plants with desirable genetic traits. Tissue culture allows superior individuals to be selectively multiplied – or cloned – and planted at scale, increasing productivity. Our 2024 objectives are optimising the production of acacia clonal material, increasing the area of land dedicated to acacia breeding, and propagating more clones in the field.

APRIL has a strict No GMO policy and does not use genetically modified organisms in our research programmes and initiatives or at research facilities under our direct and indirect control (see APRIL's GMO Policy on our [website](#)).

Genetically modified organisms (GMOs) and clonal tree breeding (through tissue culture) are two distinct approaches. GMOs are created by inserting DNA – including genes from unrelated species – at the molecular level using biotechnology tools. Clonal tree breeding propagates trees with desirable genetic traits using traditional forestry methods like cuttings and tissue culture.

## APRIL'S DEDICATION TO R&D EXCELLENCE

Commentary by Alvaro Duran  
Head of Research and Development  
APRIL Group

R&D is pivotal to APRIL's success and achieving our strategic and operational goals. In 2023, we established a strategy to judiciously use chemicals at our operations and the world's first clonal acacia plantation, among other milestones. We also completed the initial phase of our digital transformation plan, building a robust data management system to further accelerate innovation. Our dedicated R&D team is instrumental in achieving these milestones. We offer our R&D employees professional development opportunities so they can thrive as their careers progress at APRIL. I am proud of our team of science-based decision-makers, many of whom hold advanced credentials, including Master's degrees and PhDs. We are specialists dedicated to pursuing scientific excellence to address day-to-day operational challenges.

*About: Alvaro joined APRIL in May 2017 and currently leads APRIL's fibre R&D team, focusing on optimizing and enhancing fibre production to improve efficiency and sustainability.*

# SUSTAINABLE FOREST MANAGEMENT

[GRI 3-3]

## MECHANISATION AND OPERATIONAL EFFICIENCY

The Group has mechanised wood harvesting at our plantations using the cut-to-length system. This method employs mechanised harvesters, forwarders, and sledges to enhance mechanical efficiency and operator safety, improve wood quality, and reduce waste. It also reduces operating costs and minimises environmental impact by spreading organic matter across fields, improving soil nutrition, and limiting erosion.

## DIGITALISATION AND DATA MANAGEMENT

In 2023, APRIL completed the initial phase of a digital transformation plan. All field data is now systematically captured using digital tools, marking a pivotal transition in our data management and storage practices. The next phase is to embrace artificial intelligence (AI) to enhance data analysis and support research. Our 2023 progress and achievements include:

 <p>Inventoried entire eucalyptus harvesting area and 50% of acacia planting area pre-harvest using a combination of drone photography and Light Detection and Ranging (LiDAR)</p>	 <p>Generated LiDAR map for land preparation and harvesting, micro-planning, landscape level drainage planning, and flood risk identification</p>	 <p>Expanded LiDAR usage in R&amp;D programmes, including identifying diseased trees (Ganoderma programme)</p>
 <p>Developed mobile application to improve operational management data collection and accuracy</p>	 <p>Completed first phase of Fibre Command Centre implementation to capture near real-time data to streamline and improve wood flow management from stump to wood yard chippers</p>	

## FOREST CERTIFICATION

One of the Group's top priorities is going beyond legal compliance by maintaining our sustainable forest management certifications. We ensure our production and forest management meet the expectations of local and global markets and adhere to the highest environmental and human rights standards.

### National certifications

Since 2012 and 2013, respectively, 100% of APRIL concessions have been certified against the Sustainable Production Forest Management (PHPL) and Sistem Verifikasi Legalitas Kayu (SVLK) standards. These mandatory Indonesian government schemes certify that Indonesian timber products are legally produced and respect applicable environmental and social criteria. All Indonesian wood exports must be certified against these standards.

### International schemes

APRIL has been a member of the globally recognised Programme for the Endorsement of Forest Certification (PEFC) since 2016. As of December 2023, 93% of our plantations are certified against the PEFC Forest Management (PEFC-FM) standard. APRIL also expanded our PEFC-certified land bank to include RER, demonstrating our commitment to managing forests according to international standards. Our integrated mill carries the PEFC Chain of Custody certification, confirming that we source PEFC-certified products at the manufacturing level and can trace our PEFC supply back to its source.

### Aligning with European deforestation regulation

Beginning June 2023, the European Union Deforestation Regulation (EUDR) has come into force, and applies to companies importing selected commodities into the European Union (EU), including derived products from pulp and paper.

The EUDR aims to minimise the risk of deforestation and forest degradation associated with products sold in, or exported from, the EU market, and companies will have until 1 January 2025 to comply. As part of our 2024 priorities, we will continue incorporate the EUDR due diligence requirements into our existing management processes in readiness to comply with the regulation.

## A COMMITMENT TO REMEDY: APRIL THE FIRST COMPANY TO FORMALLY ADOPT NEW FSC REMEDY FRAMEWORK

On 15 March 2023, FSC published a new policy called the *Remedy Framework*. This policy creates a pathway for environmental restoration, rehabilitation, and social remediation for communities proportionate to the harm caused by organisations that have previously breached FSC requirements. The Framework came into effect on 1 July 2023.

**In November 2023, APRIL signed a memorandum of understanding with the FSC, committing APRIL and the Corporate Group<sup>6</sup> to enact a time-bound remediation plan in compliance with the terms and conditions of the Framework. The remedy process consists of the following phases: 1) identifying past environmental and social harms, 2) developing a remediation plan, and 3) implementing the plan.**

As we embark on the remediation process, independent assessors have been contracted by the FSC to conduct social and environmental

baseline assessments. Based on the assessment findings and in dialogue with impacted rights holders and affected stakeholders, APRIL will develop a Remedy Plan to determine our actions to remedy past harms. This Plan will be reviewed and verified by an FSC-appointed third party and implemented by APRIL upon approval. Once APRIL has met the relevant threshold, subject to monitoring and an independent review, the FSC Board of Directors will decide whether to end APRIL's disassociation.

Because this is a new framework and the first remedy case, the FSC is still developing its implementation procedures and mechanisms. Nevertheless, APRIL is committed to ending our disassociation and has engaged with the FSC since 2016. The FSC will provide updates on the progress of our remedy process on its publicly accessible [FSC Connect site](#).

<sup>6</sup> The list of organisations found within the scope of the Corporate Group for the purpose of the FSC Remedy Framework includes the following Business Groups and related entities: APRIL, Bracell, Sateri, Asia Pacific Rayon, Asia Symbol, Asian Agri, Apical Group, Pacific Energy, International Woodchip Corporation (IWC), Asia Honour Paper, and PT. Toba Pulp Lestari (TPL). It also includes new acquisitions by APRIL, related entities, and third-party suppliers. See FSC Policy for Association V3 and Corporate Group list for more information.

# CONSERVATION AND RESTORATION

[GRI 3-3, 304-1, 304-2, 304-3, 304-4]

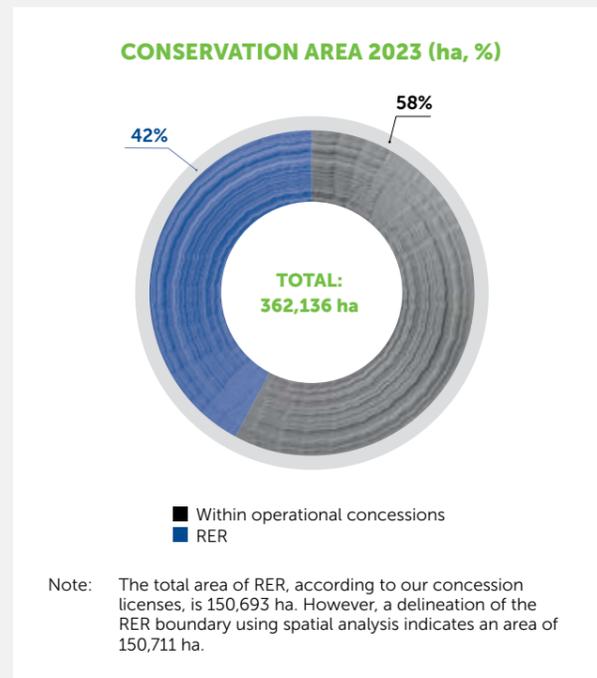
APRIL manages and minimises its impacts on biodiversity and ecosystems by designating conservation and restoration zones at our concessions. We manage our conservation areas using APRIL's Conservation Forest Management Framework (CFMF). This multi-pronged, multi-stakeholder approach conserves forests, peatlands, and other vital environmental and social assets through concrete actions in three key focus areas (KFAs):

 <p><b>KFA 1</b> Investments to protect and achieve measurable gains in existing forested areas and preserve ecosystem values</p>	 <p><b>KFA 2</b> Partnerships to protect Indonesian wildlife and advance tropical peatland science</p>	 <p><b>KFA 3</b> Landscape conservation planning tools and processes</p>
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## MANAGING OUR CONSERVATION AREA

The Group strives to protect and conserve areas identified by peer-reviewed HCV-HCS assessments. We have designated 362,136 hectares (ha), or 34.7% of the total land bank which includes APRIL and long-term supply partners, as managed conservation areas – 58% of this area is within APRIL's operational concession area, and 42% is managed under our Restorasi Ekosistem Riau (RER) programme. Our ultimate goal is to ensure zero net loss of conserved forest areas.

APRIL prohibits hunting (unless explicit permission is obtained from the relevant regulatory bodies) and monitor illegal activity, including land cover change through satellite imaging, on-the-ground security patrols, clearly demarcating no-go areas, and continuously engaging with local communities on forest protection. We deploy an emergency response team (ERT) to fire, illegal encroachment, and natural disaster sites in concession areas. The team reports to relevant internal and external authorities as outlined in our standard operating procedure (SOP).



## LAND COVER CHANGE MONITORING

All APRIL and supplier concessions are monitored to prevent deforestation. We employ satellite imagery and drones for aerial observations and on-the-ground verification teams to identify and record land cover change. APRIL's expert team of remote sensing analysts carries out surveys every 16 days to detect instances of land cover change, determine their causes, and take immediate action.

We issue reports to relevant suppliers when we identify land cover changes and require them to conduct immediate field verifications to assess actual conditions and develop a restoration action plan for the affected area. APRIL documents the remediation process, which is independently assured annually.



## WILDLIFE MONITORING AND PROTECTION

Biodiversity is monitored in our conservation areas using remote camera traps to directly observe wildlife and establish biodiversity baselines. Our managers and researchers use this baseline data to analyse population trends and habitat use and recommend restoration and management measures. RER programmes monitor twice-annual raptor migrations, waterfowl populations, and Sumatran tiger and flat-headed cat activity. The APRIL Eco-Research Camp at the Kampar Peninsula serves as the RER programme's field office and base of operations, supporting RER wildlife monitoring and conservation activities.

In 2023, APRIL adopted a strategy to prevent illegal wildlife trade (IWT) in partnership with the Wildlife Conservation Society (WCS). In its first phase, a SMART (Spatial Monitoring and Reporting Tool) patrol was deployed to collect, compile and analyse field data to monitor and prevent IWT at our concessions. We took the following actions to roll out the new strategy:

1. SMART workshops: APRIL conducted three workshops in 2023 to train analysts and field operators on the SMART platform, improving our capacity to collect and analyse accurate and meaningful data;
2. SMART data protocols: APRIL developed a robust data framework under WCS supervision to optimise field data collection;
3. SMART report generation: APRIL adopted an automated reporting tool that streamlines the regular collection and analysis of SMART data;
4. Regular ranger patrols and control points: APRIL optimised resources and personnel, and no IWT cases were observed or reported at our estates in 2023.

# CONSERVATION AND RESTORATION

[GRI 3-3, 304-1, 304-2, 304-3, 304-4]

APRIL and the RER programme deploy camera traps in peatland and plantation forests. In December 2023, APRIL deployed 150 camera traps at strategic locations across 173,000 hectares of our plantation concessions. The RER programme has deployed over 600 camera traps on the Kampar Peninsula and Padang Island in the last ten years, covering 234,000 hectares. More than 100 of these traps were deployed in 2023, with a particular focus on the RER's Padang Island concession.

An RER baseline study used camera traps to identify 22 wildlife species in a 20,599-hectare peat forest concession. Eight of these species were IUCN Red Listed, including the Sunda Pangolin (CR – Critically Endangered), Sunda Slow Loris (EN – Endangered) and Sambar deer (VU – Vulnerable). The RER programme has been monitoring the twice-annual migration of raptors along the East Asian Continental Flyway in Sumatra since 2016 and conducting an annual Asian Waterbird Census on the Kampar Peninsula since 2017.

The RER also monitors species of IUCN conservation concern, including the Sumatran tiger and flat-headed cat. In 2023, our researchers identified four additional vulnerable species within RER, of which two are new Odonata (dragonfly) species.

**Table 4: Species of special concern identified in RER**

Taxa	Critically endangered (CR)	Endangered (EN)	Vulnerable (VU)
Mammals	3	9	9
Amphibians and reptiles	3	3	3
Birds	2	6	18
Plants	3	1	5
Fish	2	2	3
Odonata	0	1	3
<b>Total</b>	<b>13</b>	<b>22</b>	<b>41</b>

> See *RER initiatives in 2023* (p.63) for more information on RER wildlife monitoring and protection initiatives.

## PARTNERSHIP WITH PERKUMPULAN JEJARING HUTAN SATWA (PJHS – FOREST WILDLIFE SOCIETY)

We partnered with The Forest Wildlife Society (PJHS), an NGO dedicated to wildlife conservation and habitat protection, to formulate species-specific conservation management plans for the Kampar Peninsula, Pulau Padang, and the Tesso Nilo landscapes, focusing on the tiger, pangolin, and elephant populations, respectively. In 2023, PJHS developed conservation management plans to be incorporated into RER and APRIL's conservation initiatives.

## LANDSCAPE RESTORATION

### Restorasi Ekosistem Riau (RER)

APRIL Group has operated the Restorasi Ekosistem Riau (RER) programme since 2013. The company was issued a 60-year ecosystem restoration concession license by the Indonesian Ministry of Environment and Forestry to protect and restore peat swamp forests that have experienced forest degradation from peat drainage, timber harvesting and fire.

Peat swamps are delicate and unique ecosystems that have accumulated up to 16 metres of peat in the past 5,100 years. They are home to vegetation and wildlife adapted to their unique conditions, including seasonal flooding. RER employs a four-pronged approach to protect, assess, restore, and manage peat swamp forests, preventing new human-caused degradation, assessing biodiversity, actively restoring degraded areas through canal blocking and tree planting, and implementing programmes to manage human activities and improve the livelihoods of forest users and nearby communities. Its production-protection landscape approach enables RER to enter into partnerships and collaborate with various stakeholders to improve the long-term resilience and productivity of the landscape and local communities.

Over 40,000 people live in and around RER concessions. APRIL works with local communities, the Indonesian and state governments, and other concession holders to ensure that traditional activities like fishing and honey gathering are pursued sustainably. We employ local people, contract the services of small businesses, and promote ecosystem and biodiversity conservation.

APRIL published a Special Report on the 10<sup>th</sup> anniversary of RER in January 2024, providing a comprehensive overview of RER's positive impacts throughout its decade-long journey.

## RER INITIATIVES IN 2023

### Bird banding

We launched our first bird-banding training focused on some of the most heavily traded protected songbird species, certifying select RER members to safely tag birds. The project supports the Indonesian Bird Banding Scheme (IBBS) and tracks bird population trends, providing data and insights on population survivorship to determine ecosystem health and poaching pressure. Trainees tagged 223 wild birds representing 44 species in 2023.



### Odonata surveys

From 2018 to 2023, we completed four Odonata surveys with The International Union for Conservation of Nature (IUCN) Odonata specialist Dr Rory Dow to establish baseline biodiversity data, critical freshwater ecosystem health indicators, and a Dragonfly Biodiversity Index (DBI) specific to the Kampar Peninsula. These surveys identified 100 Odonata species, including 49 that exhibited forest dependency. We collected and provisionally identified two new species, bringing the total of previously undocumented species in Riau/Sumatra to 39 (subject to confirming the two new species) and elevating the count of identified species in Riau from 88 in 2018 to 127 in 2023.



### Increasing remote outposts

The size and location of the RER require us to establish outposts in remote locations that serve as quarters for RER rangers and routine patrols and as remote bases for scientists engaged in forest research. In 2023, we built a strategically positioned forest outpost approximately 7.3 kilometres from the nearest road along the boundary of RER and the Sangar River. The Sangar Post is the fourth such facility and is part of a network of outposts that spans the Kampar Peninsula. We are building a fifth outpost, Pos Makmur, slated for completion in 2024.



### Partnership with a local village forest

We signed Memorandums of Understanding (MoUs) with the Hutan Desa Segamai village forest in 2023 under the Ministry of Environment and Forestry's Social Forestry Management Program.

Located on the eastern edge of RER's forest concession, Hutan Desa Segamai has faced challenges meeting legal requirements, developing a business plan and combatting illegal logging since 2017. APRIL is assisting the community with training on forest protection and wildlife identification, capacity building in forest management and non-timber forest product (NTFP) utilisation, and infrastructure support, including forest protection posts, watchtowers, and signage.

# CONSERVATION AND RESTORATION

[GRI 3-3, 304-1, 304-2, 304-3, 304-4]

## RER INITIATIVES IN 2023

### SMART Patrol

In 2023, APRIL partnered with the Wildlife Conservation Society (WCS) to develop a SMART Patrol system – a tool that collects, stores, and analyses patrol data. Data collection will permit forest patrols to document their findings, including biodiversity indicators and trap and poacher activity. The application also tracks patrol movements, supporting ongoing protection and management improvements. Following a successful trial in 2023, we plan to expand the use of the SMART system to bolster our fight against the illegal wildlife trade.

### Padang Island biodiversity baseline survey

In 2023, APRIL conducted the first Padang Island biodiversity baseline survey, deploying 58 camera traps over two months. The survey confirmed the presence of 22 species, including eight IUCN-listed and seven Indonesia-protected species, notably the critically endangered Sunda Pangolin. The findings of this survey provide critical insights about the RER and will lead to improved species and ecosystem management plans for the island, contributing significantly to conservation efforts and ecological sustainability.

### Long-term camera trap project to understand biodiversity richness across various RER forest cover types

In 2023, we launched a two-year camera trap project to assess wildlife population trends in the diverse habitats of RER peat-swamp forests. Camera traps were installed to monitor wildlife in different forest cover types, including short-pole forests on peat domes, mixed peat swamp forests (MPSF), degraded MPSF, and highly degraded MPSF. The data will be combined with data from previous camera trap efforts dating back to 2015 to analyse biodiversity and wildlife populations across various forest cover types within the RER. This long-term project will conclude in 2026.



## APRIL'S 1-FOR-1 COMMITMENT

APRIL launched the 1-for-1 commitment in 2015 to bolster landscape restoration efforts. For every hectare of commercial plantation forest, the Group will protect and manage a hectare of natural forest conservation area. Our long-term supply partners operating within our land bank also support the 1-for-1 commitment, which is now included in our Responsible Business KPIs to ensure we track and monitor progress accurately. **As of December 2023, we have met 80% of our pledge, protecting and managing 362,136 hectares of conservation area to offset 454,021 hectares of plantation area.**

## BIODIVERSITY GAINS THROUGH RESTORATION ACTIVITIES

In 2023, APRIL and RER restored 114.4 hectares of land, engaging in active and enrichment planting, and assisted natural regeneration to increase biodiversity. Active

planting is planting natural seedlings from nurseries at restoration sites in addition to existing vegetation. Enrichment planting means planting woody species to accelerate canopy closure, increase floristic diversity, and introduce beneficial or rare tree species. Assisted natural regeneration accelerates natural tree growth, eliminating or reducing natural barriers, including shade and clearing vines to spur tree sapling growth in degraded forests and shrubs.

## INVESTING IN LANDSCAPE CONSERVATION

In addition to on-the-ground programmes, APRIL will invest up to USD 100 million in landscape conservation by 2030. We set aside USD 1 for every tonne of industrial plantation fibre supplied to the mill. In 2023, we allocated an additional 1% to this fund, going from USD 11,787,484 to USD 11,964,363 to reflect the increase in fibre delivered at the wood yard in 2022.

## CONSERVATION BEYOND APRIL OPERATIONAL BOUNDARIES

In 2023, we expanded our conservation efforts beyond our operations. We partnered with PT Restorasi Habitat Orangutan Indonesia (PT RHOI), an organisation established by the Borneo Orangutan Survival Foundation (BOSF), to establish an orangutan-habitat ecosystem restoration concession (ERC).

Located in the East Kutai and Kutai Kartanegara Regencies, East Kalimantan Province, the concession spans 86,593.65 hectares subject to a Government of Indonesia Environmental Services Forest Utilisation Business License (PBPH). Extending our conservation efforts beyond the RER and APRIL's operational boundaries expands APRIL's contribution to Indonesian biodiversity conservation initiatives.

## PARTNERING WITH NGOS: AN IMPORTANT CONSERVATION STRATEGY

Commentary by Jamartin Sihite  
Chief Executive Officer  
Borneo Orangutan Survival Foundation (BOSF)

We actively seek partnerships with companies that have embraced conservation and want to become part of the solution. We envision more corporate entities will join us in a unified call for wildlife habitat conservation. To ensure the success of our joint initiatives, we encourage private companies to base their goals on long-term solutions instead of short-term gains.

APRIL's dedication to conservation is exemplified by the company's 1-for-1 commitment to conserve one hectare of forest for every hectare of plantation, an integral part of its business strategy. That's why our BOSF-PT RHOI collaboration extends beyond orangutan habitat conservation, encompassing a broader commitment to ecosystem preservation.

Historically, NGO partnerships with private corporations have faced resistance. The BOSF-PT RHOI initiative showcases how such partnerships can have a long-term positive impact on Indonesian conservation efforts. It is an example that other companies and NGOs can follow to work harmoniously and address environmental challenges in the country's natural landscapes.

*About: Jamartin joined BOSF in 2009 and is currently its CEO. In 2009, BOSF established PT Restorasi Habitat Orangutan Indonesia (PT RHOI) to manage local forests and provide a habitat for orangutans. Jamartin oversees PT RHOI and BOSF operations, including partnerships and collaborative projects. APRIL Group subsidiary PT Riau Andalan Pulp and Paper (PT RAPP) partnered with PT RHOI to protect and manage its ecosystem restoration concession in East Kalimantan, a designated orangutan habitat.*

# CONSERVATION AND RESTORATION

[GRI 3-3, 304-1, 304-2, 304-3, 304-4]

## SUPPORTING COMMUNITIES WITH EXPERTISE IN FOREST MANAGEMENT

The Indonesian Government's social forestry programme sets aside 12.7 million hectares of state forest for Indigenous and local community management. This programme formalises these communities' customary and tenure land rights, providing opportunities to improve local livelihoods through sustainable forest management. One of the first two village forest licenses granted by this programme is for lands located within the Kampar Peninsula.

APRIL's sustainability commitments promote local livelihoods through forest protection, reflecting the goals of the Indonesian social forestry programme. In 2019, we partnered with EcoNusantara to pilot multi-stakeholder collaborative projects in the Kampar Peninsula. EcoNusantara represents various NGOs, facilitating and coordinating collaboration between these organisations and APRIL. The primary objective of this partnership is to empower local communities that have received

government permits for social forestry, leading to community ownership of forest conservation initiatives to manage forests.

The project was delayed when COVID-19 restrictions paused field activities. It resumed in 2022 when EcoNusantara mapped 4,000 hectares of forests in Riau. The mapping exercise revealed a need for community-supported forest management to mitigate encroachment and deforestation risks, potentially with local NGO assistance. APRIL devised collaborative plans with these NGOs to mitigate logging risks in conservation areas and provide alternative income sources for community members outside forest zones. Community-level agreements are now in place, and the participating NGOs have commenced fieldwork to implement coordinated livelihood programmes and community training in forest management over the next two to three years.



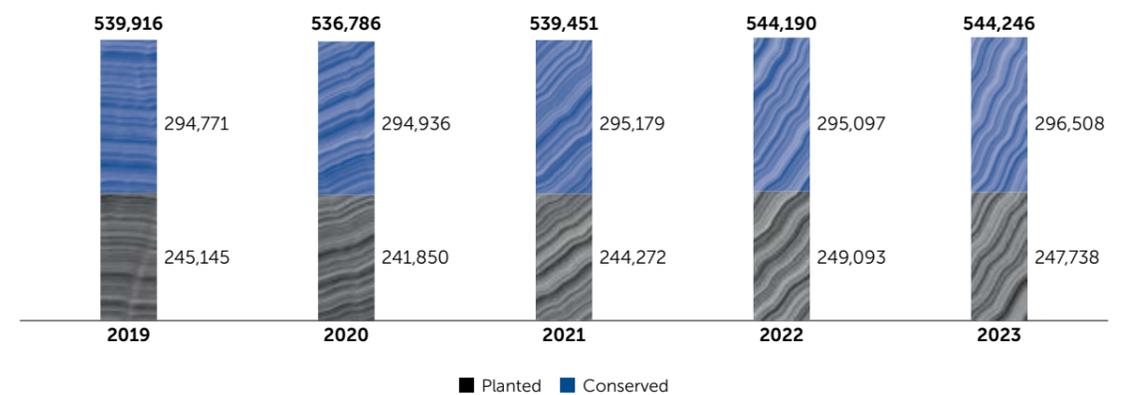
"Local NGOs are perfectly positioned to provide on-site support, and APRIL can help foster collaboration, leading to tangible impacts on the ground. Despite APRIL's ongoing forest protection advocacy, local NGOs in Riau still have concerns about the company's past use of natural wood. APRIL's operational proximity to surrounding communities and its dedication to improving local livelihoods through community investments make it the perfect strategic partner for this project. Our ultimate goal is to establish enough trust between APRIL and local NGOs so they can communicate and collaborate directly without an intermediary like EcoNusantara."

Zulfahmi, Chief Executive Officer|EcoNusantara  
 About: EcoNusantara is an independent consulting agency that advises the wider public and clients on environmental and social responsibility. Zulfahmi has been active in various NGOs since 1997 and is currently the CEO of EcoNusantara.

## PEATLAND CONSERVATION

APRIL remains committed to zero new development on peat. We manage 544,246 hectares of peatlands across our land bank, with 45% (247,738 hectares) on existing plantations and 55% (296,508 hectares) in conservation areas. As part of our Responsible Business KPIs, we track our peatland conservation progress by measuring the percentage of peatland within our conservation areas. As of December 2023, 82% of our conserved area is peatland. We aim to further enhance our conservation efforts and increase the protected peatland landscape in the coming years.

PLANTED VERSUS CONSERVED PEAT 2019 – 2023 (ha)



Note: The fluctuation in peat areas is not due to planting but their reclassification following annual on-site evaluations, including boundary adjustments resulting from higher-resolution imagery.

The 2023 KPMG Report on APRIL Group's Implementation of Sustainable Forest Management Policy 2.0 currently includes all plantable peat area, while the 2023 Sustainability Report reflects only the planted on peat area. In the coming year, APRIL will align the definitions used in both reports.

## PEATLAND RESEARCH AND SCIENCE COLLABORATION

Advancing tropical peatland science is one of the APRIL2030 targets. We invest in research to improve our understanding of peatlands, contribute to global scientific efforts and best practices, and share our learnings on peatland management practices.

As of 2023, APRIL has:

- Collaborated with 179 scientists from local and international universities and research institutions
- Participated in 54 national and international conferences
- Published the following peer-reviewed scientific publications:

- > Conservation slows down emission increase from a tropical peatland in Indonesia | Nature Geoscience
- > Impact of forest plantation on CH4 emissions from tropical peatland | Global Change Biology
- > Rates and spatial variability of peat subsidence in Acacia plantation and forest landscapes in Sumatra, Indonesia | Geoderma
- > Net greenhouse gas balance of fibre wood plantation on peat in Indonesia | Nature [update on NUS CNCS project]

# CONSERVATION AND RESTORATION

[GRI 3-3, 304-1, 304-2, 304-3, 304-4]

## National seminar on responsible peat management

In September 2023, the Independent Peat Expert Working Group (IPEWG) co-organised a national peatland use and management seminar focusing on greenhouse gas emissions, subsidence, and peat fires. "Responsible Peatland Management: Presentation of the Latest Research Results" was hosted by the Indonesian Peat Community Association (HGI) and presided over by the Vice Minister of Environment and Forestry of Indonesia. It was attended by approximately 12 in-person and 370 online participants from universities, national and international research institutions, NGOs, and government agencies.

## FIRE MANAGEMENT

Fires pose a grave threat to our operations, biodiversity conservation efforts, employee health and safety, and neighbouring communities. To mitigate the risk, we strictly enforce a No-Burn policy as part of our operational forestry practices, which also applies to our suppliers. Our

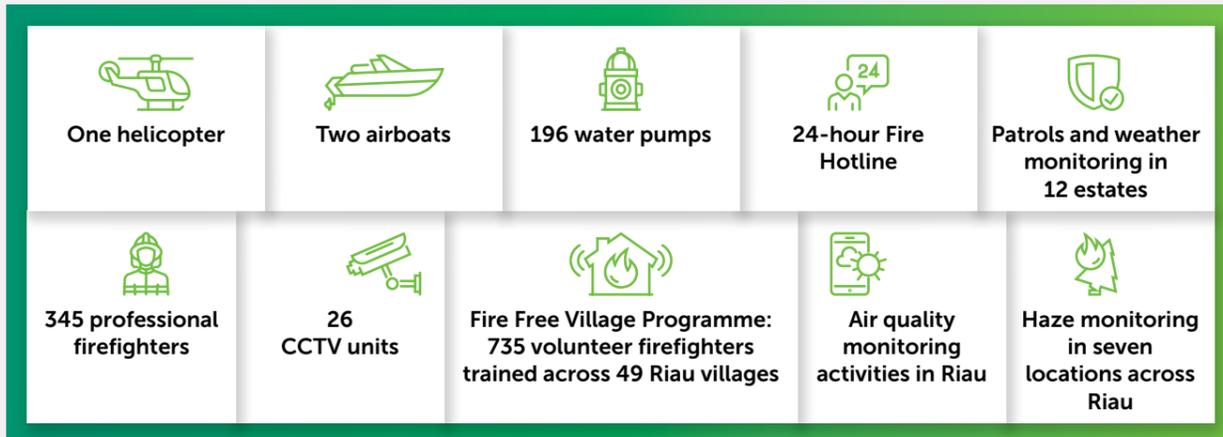
integrated forest fire management approach commits us to supporting government agencies and working with other concession holders and communities to mitigate fire risks, especially during the dry season.

Detecting fires is the foundation of APRIL's No-Burn policy. The Early-Stage Fire Warning Systems (EWS) are the cornerstone of our four-pronged fire management approach, which comprises fire prevention, preparedness, suppression, and recovery.

APRIL has made substantial investments in state-of-the-art fire detection and suppression technology, including satellite imaging and closed-circuit television (CCTV) towers at our forest plantations. As a pre-emptive measure, the programme monitors and manages fires up to three kilometres outside our concessions.

**In 2023, APRIL reported no fires within and outside of our concessions.**

## APRIL's fire management resources and measures



## FIRE FREE VILLAGE PROGRAMME

APRIL's Fire Free Village Program (FFVP) educates village populations and raises awareness about sustainable forestry management practices. As of June 2023, 42 villages across 900,000 hectares have completed the FFVP programme. Since its inception, fire incidents in these areas have fallen more than 90%, and burned areas have shrunk to 0.3% of previous levels. Engaging with communities is highly effective because most fires within village boundaries are set by community members. Member villages have embraced the FFVP, engaging in community outreach through the Village Crew Leaders programme, which recruits local community members as contractors and encourages former slash-and-burn farmers to become ambassadors for sustainable practices.

**Table 5: Overview of FFVP progress 2019–2023**

	2019	2020	2021	2022	2023
Villages engaged (no.)	35	38	39	39	42
Hectares under MOUs (ha)	753,604	771,855	803,684	803,684	902,872
Burned area recorded (ha)	392	22	532	49	290
Burned area recorded (% of total ha)	0.05	0.003	0.066	0.006	0.032
Villages graduated (no.)	26	35	38	38	39



Aerial view of Restorasi Ekosistem Riau (RER)

# RESPONSIBLE SOURCING

[GRI 2-6, 3-3, 204-1, 308-1, 308-2, 414-1, 414-2]

## WOOD SOURCING

In addition to wood harvested at APRIL's plantations, 9.5 million tonnes – or 61.2% – of the wood log and wood chips sourced by our mill comes from external suppliers. 38.5% comes from 32 long-term contracted supply partners managing plantations in our land bank, and 20.7% comes from 19 independent open-market suppliers from Sumatra, Kalimantan and Sabah in Malaysia as well as wood chips suppliers from Thailand and Vietnam. These independent suppliers are free to sell to any buyers. Of the total wood harvested, 302,535 tonnes – or 1.9% – originates from 16 community forest plantations in APRIL-managed or supply partner plantations belonging to our Livelihood Support Programme.

## PULP SOURCING

APRIL Group purchased 45,398 tonnes of pulp from external sources in 2023 – approximately 1.12% of our total pulp supply – from PEFC or FSC-certified suppliers in Finland, Sweden, and New Zealand.

### 2023 WOOD AND FIBRE SOURCING POLICY

APRIL's SFMP 2.0 commitments address the industry's environmental and social risks and apply to all harvested wood we use, including third-party supply. In February 2023, we published a standalone [Wood and Fibre Sourcing Policy](#). It builds on the SFMP 2.0 framework and reiterates our existing commitments to sourcing wood, virgin fibre, pulp, and biomass from responsibly managed forests, be they our own or third-party fibre suppliers'.

The policy covers our environmental commitments and social-related focus areas per SFMP 2.0 provisions. It is aligned with the United Nations (UN) Global Compact, the UN Guiding Principles for Business and Human Rights (UNGPR), and the International Labour Organisation (ILO) fundamental conventions.

The policy restates commitments that extend to suppliers, who must commit to protecting forests from illegal activities and adhere to legal and customary land rights. We engage with suppliers to help them meet policy requirements by supporting their forest certification efforts, providing technical assistance for sustainable forest management, and constructively address and prevent non-compliance.

## MAINTAINING TRACEABILITY

APRIL's fibre sourcing due diligence system evaluates and mitigates risks. It prevents material from unacceptable sources from entering our supply chain per our responsible sourcing commitments. We start by tracing all wood and fibre source to its forest management unit (FMU). Since 2015, 100% of wood and fibre sourced for our pulp, paper, and viscose mill is traceable to its country of harvest. All Indonesian based supplies which represent 99% of our total supply is fully traceable to the FMU level.

## SUPPLIER MONITORING AND DUE DILIGENCE

APRIL's risk assessment process evaluates suppliers' deforestation, conversion, and human rights risks against SFMP 2.0 requirements. Suppliers must comply with our wood and fibre sourcing policy, which includes commitments to HCV assessments, protection and conservation of forested areas, responsible peatland management, and other obligations. They must provide relevant documentation about the legality of the plantation forests, traceability, and compliance with environmental and employment regulations. Prior to entering into a contracting agreement with APRIL, every new supplier must:

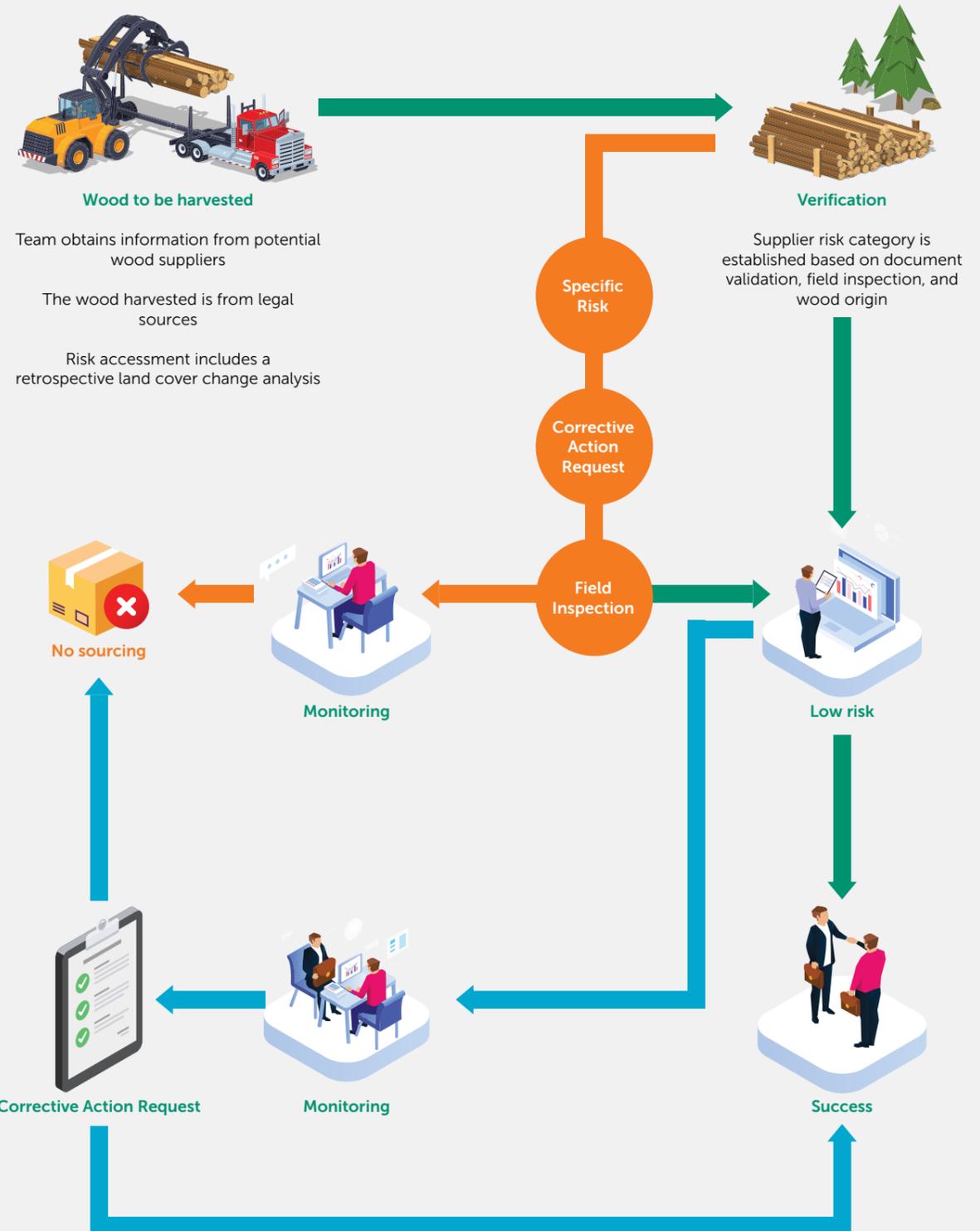
- Complete the SFMP 2.0 Compliance Self-Assessment Form
- Sign a commitment to comply with the APRIL SFMP 2.0 and the RGE Code of Procurement Ethics
- Provide documentation, including legal licenses and available certifications, digital data on land use and land cover in concession areas, HCV and HCS assessments completed after June 2015, and a publicly available No-Burn policy.

We conduct field inspections at supplier sites to ensure documentation is verified and up-to-date.

In 2023, 20 suppliers were assessed, including five new wood log and eight wood chips suppliers, for their environmental and social impacts through our due diligence system and wood legality assessments.

We maintain an up-to-date list of suppliers and maps of our concessions and make them publicly available on APRIL's [Sustainability Dashboard](#). APRIL's position on 'unacceptable' activities and our association and disassociation procedures for new and existing suppliers are also available on our dashboard per APRIL's [Policy for Association](#).

## SUPPLIER ASSESSMENT APPROACH



7 This figure may differ from data available on the [APRIL Dashboard](#), as three 2023 open-market suppliers became supply partners in 2024.

# RESPONSIBLE SOURCING

[GRI 2-6, 3-3, 204-1, 308-1, 308-2, 414-1, 414-2]

## ENSURING NO DEFORESTATION IN OUR SUPPLY CHAIN

APRIL strives to exclude from its supply chain wood harvested in HCV forests and areas that have been destroyed or are at risk of being destroyed by suppliers' activities. We do not source wood harvested in areas converted from natural forest to plantation or non-forest use.

Supply partners are subject to HCV Assessments and have developed their own management and monitoring actions, which are detailed in the Conservation Forest Management Plan. This plan includes maps and a matrix of onsite actions implemented to protect forests and biodiversity from damage caused by illegal activities. APRIL and its suppliers conduct forest protection patrols, land-cover change analyses, and community outreach. We invite relevant stakeholders, including government authorities and local communities, to participate in these efforts. Our land-cover-change satellite monitoring system monitors suppliers for deforestation and ecosystem conversion to ensure no deforestation in our supply chain.

APRIL and its suppliers take remedial action when we detect forest disturbances. A third party independently assures long-term restoration plans and year-end restoration data annually.

> See: [land cover change monitoring \(p.61\)](#)

## Response to EPN report: Pulping Borneo

In May 2023, the Environmental Paper Network (EPN) and other NGOs released a report alleging deforestation in APRIL's supply chain. However, this report references past claims of deforestation committed by two open-market suppliers, PT Fajar Surya Swadaya (FSS) and PT Adindo Hutani Lestari (AHL). APRIL thoroughly investigated these cases in 2018 and 2020, respectively, when concerns about PT FSS and PT AHL were first brought to our attention. An independent assessment of the claims did not identify the large-scale deforestation alleged during the period. However, it did reveal gaps in AHL's processes for avoiding the loss of minor amounts of secondary forest and small patches of natural forest during land recovery activities. These gaps were publicly reported and subsequently addressed by AHL.

Our SFMP 2.0 commitments have been in place since 2015 and apply to all our activities, including our 2024 expansion into paperboard production. We value critical feedback and constructive input from our stakeholders on implementing SFMP 2.0.

> See our [response to the Pulping Borneo report on APRIL Dialog](#)

## Response to EPN report: Deforestation Anonymous

In March 2024, the Environmental Paper Network (EPN) and other NGOs jointly issued a report alleging APRIL as one of the companies sourcing from a supplier associated with deforestation and peatland conversion. However, subsequent investigations revealed that the assertions concerning corporate affiliations were unsubstantiated, as APRIL has no supplier relationship with PT Mayawana Persada.

> See our [response to the Deforestation Anonymous report on APRIL DIALOG](#)

## A CERTIFIED SUPPLY CHAIN

Depending on its origin, APRIL's wood supply is certified with PEFC and government sustainable forest management standards (i.e. *Pengelolaan Hutan Produksi Lestari /PHPL* and *Sistem Verifikasi Legalitas Kayu /SVLK*) demonstrating our commitment to responsible sourcing.

**As of 2023, 81.4% of wood log sourcing come from PEFC certified sources. The remaining meets PEFC controlled sources, ensuring there is no material from controversial sources.**

## SUPPLIER ENGAGEMENT

We engage with suppliers to ensure they understand our policy commitments, work closely with them to address policy breaches and help them meet the requirements of sustainable certification schemes. When breaches occur, we constructively engage with them to resolve and prevent further non-compliances by developing and agreeing on corrective action plans, listing the steps and establishing a timeline to remedy unacceptable activities. We track the implementation and results of these action plans using a robust and transparent monitoring mechanism.

Non-compliances and progress towards their resolution are logged in our Grievance Mechanism and reported to the Stakeholder Advisory Committee (SAC).



# INCLUSIVE PROGRESS

We empower our people and communities through transformative initiatives.



# INCLUSIVE PROGRESS

## Contributing to SDGs:



As one of the largest employers in Riau province, APRIL is transforming Pangkalan Kerinci into a township with jobs, amenities, essential facilities, and robust infrastructure for the workforce and resident communities. We are proud to contribute to Riau's gross regional domestic product<sup>8</sup> but always seek to do more.

The Inclusive Progress pillar empowers our people and communities as we grow. We have more to learn from implementing APRIL2030's healthcare, education, and gender inclusiveness targets and recognise that effectively achieving them requires accounting for socio-economic drivers and actively upholding fundamental human rights. Currently, most of APRIL's Inclusive Progress targets and performance tracking align with government analysis and data. APRIL acknowledges the importance of establishing impact indicators and appropriately define its contribution towards macro-level outcomes such as eradicating extreme poverty or reducing stunting prevalence. We will continue to improve the implementation, monitoring and reporting of our actions.

Target	Performance			2023 Progress notes	Strategy to drive performance
	2021	2022	2023		
<b>Eradicate extreme poverty within a 50-km radius of our operations (%)</b>	n/a	1.29	-*	<ul style="list-style-type: none"> <li>49 villages intervened with poverty eradication programmes in 2023;</li> <li>* to be confirmed with Riau Province government data.</li> </ul>	<ul style="list-style-type: none"> <li>Local government partnerships for village-level interventions</li> <li>Livelihood programmes (Agribusiness and small and medium-sized enterprises (SMEs) development)</li> <li>Improve healthcare access</li> <li>Education and scholarships</li> </ul>
<b>50% reduction in stunting in target villages (%)</b> <b>Reduce stunting in children under five in target villages</b>	22.3	17	13.6*	<ul style="list-style-type: none"> <li>Reduction of stunting rate in 2023 based on Riau stunting prevalence survey (Survey Kesehatan Indonesia) published in 2024</li> <li>* 2023 Riau stunting data from Survei Kesehatan Indonesia (SKI) published in 2024</li> </ul>	<ul style="list-style-type: none"> <li>Policy advocacy and Behavioural Change Communication in four districts (Pelalawan, Siak, Kampar, Kep. Meranti)</li> <li>Capacity development at local health clinics (<i>posyandus</i> and <i>puskesmas</i>), training cadres and health workers</li> <li>Provide basic medical equipment (anthropometry) &amp; supplementary feeding programme</li> <li>Continuously implement nutrition and health education campaigns</li> </ul>

Target	Performance	Performance			2023 Progress notes	Strategy to drive performance
		2021	2022	2023		
<b>Promote quality education</b> <b>Proportion of students meeting the minimum level in APRIL-supported schools</b>	<b>% Report for school – numeracy (EGMA)</b>	28.34%	44.48%	55.73%*	<ul style="list-style-type: none"> <li>Monitoring and evaluation efforts showed significant improvements for all education indicators</li> <li>* Based on 2023 national school report from individual school partners</li> <li>** Based on Regional Facilitator survey of 172 school partners</li> </ul>	<ul style="list-style-type: none"> <li>Improve school facilities</li> <li>Implement training of trainers programmes for regional facilitators (principals, teachers, and school supervisors)</li> <li>Develop work plans for schools based on training outputs</li> </ul>
	<b>% Report for school – literacy (EGRA)</b>	52.69%	61.84%	66.98%*		
	<b>– % Learning effectiveness</b>	In dev	43.2	63.64**		
<b>Promote access to healthcare services in target villages in Riau</b> <b>Proportion of households in target villages that have access to health facilities meeting national standards</b>	<b>primary healthcare facilities that meet minimum standard service levels (No. Facilities)</b>	In dev	In dev	19*	<ul style="list-style-type: none"> <li>Partnerships with local government established the number of health care facilities meeting the minimum standard service levels and with early detection capacity.</li> <li>* ongoing program with (Yayasan Kolaborasi Lafirza Indonesia) YKLI</li> <li>** Number of Healthcare facilities</li> </ul>	<ul style="list-style-type: none"> <li>Strategic partnerships with local and national governments to improve healthcare accessibility</li> <li>Support local clinics with healthcare and medical equipment</li> <li>Develop capacity of healthcare clinics (<i>posyandus</i> &amp; <i>puskesmas</i>) by training cadres and healthcare workers</li> <li>Alignment program with Ministry of Health (MoH) on ILP (<i>Integrasi Layanan Primer</i>; Primary Integrated Service)</li> </ul>
	<b>primary healthcare with early detection (No. Facilities)</b>	In dev	In dev	29**		
<b>Advance equal opportunities and women's participation</b>	<b>50% of women in CD programs (%)</b>	34	63	64	<ul style="list-style-type: none"> <li>Continued efforts to implement the Gender Action Plan and strategies within Human Resources to support women's career trajectories.</li> </ul>	<ul style="list-style-type: none"> <li>Invest in facilities that support women workers (i.e. daycare, lactation rooms)</li> <li>Identify non-traditional jobs for women</li> <li>Develop and implement Gender Action Plan</li> </ul>
	<b>20% of women employees in the workforce (%)</b>	18.4	18.5	18.4		
	<b>20% of women in leadership positions (%)</b>	11	10.7	10.7		

Note:  
In dev: In development or no assessment was conducted

8 The Jakarta Globe, 14 July 2023: APRIL Group Contributes Rp 484.3 Trillion to Indonesia's GDP in 2016-2022: Study

# UPHOLDING HUMAN RIGHTS

[GRI 3-3]

APRIL respects and promotes human rights, in line with the UN Guiding Principles on Business and Human Rights and other global guidelines. In January 2022, APRIL published a [Human Rights Policy](#), in compliance with internationally recognised standards covering human rights issues impacting our workforce, contractors, suppliers, and surrounding communities.

Following the publication of the policy, we conducted a Human Rights Impact Assessment (HRIA) in 2022 with independent third-party experts. The assessment is gender-sensitive, and considers the voices of vulnerable groups, including people with disabilities and migrant workers. The scope of the HRIA is organisation-wide, covering our manufacturing and forestry operations and surrounding communities.

Following the HRIA, we developed a Human Rights Due Diligence (HRDD) system to implement the policy in our daily operations and guide identification, management, tracking and reporting of potential or actual human rights impacts.

In 2023, we incorporated our human rights policy and processes into awareness raising and training programmes across our organisation, including:

- New Employee Orientation (NEO) – to familiarise hires with our corporate commitment to respect human rights
- Fibre Trainee Curriculum – to train entry-level forestry operations employees on sector-specific human rights
- Safety Induction for contractors – to introduce our human rights policy and processes and grievance mechanism
- Annual Refresher course for security personnel – to ensure security officers comply with our human rights policy and processes (see: Security practices (p.91))
- Awareness training for inline SMEs – to introduce human rights awareness in our supply chain through one-off training sessions.

We also worked with FIHRRST (Foundation for International Human Rights Reporting Standards) in 2023 to train and build capacity of managers and other responsible employees to establish HRDD systems in their respective business units. Some 231 employees across our mill and fibre operations attended these training sessions. As of December 2023, our mid-level manager trainers have trained 548 additional employees on our HRDD policy and processes through a "training for trainers" programme.

In addition, eight APRIL representatives also attended external trainings conducted by the United Nations Global Compact (UNGC) and UN Development Programme (UNDP).

## UN GLOBAL COMPACT LEADERS SUMMIT

**UN Global Compact Leaders Summit**  
In September 2023, APRIL was invited to speak at the prestigious UNGC Leaders Summit. Director of Sustainability & External Affairs Ms. Lucita Jasmin participated in the "Moving Business from Commitment to Action on Human Rights and Labour Rights" session, sharing our steps to implement HRDD and lessons learnt. She was also featured on the UNGC Academy Changemakers series, where she shared APRIL's perspective and the influence of the UN Guiding Principles for Business and Human Rights on the development and implementation of our HRDD framework.



## PRIORITISING CHILDREN'S WELFARE: LAUNCH OF CHILDREN'S WELFARE CODE OF PRACTICE

Our 2021 human rights impact assessment established that 6,500 children under 18 live on our plantation estates. Their presence is due to local cultural norms and socioeconomic conditions that compel our workers to bring their children to the workplace.

As part of our ongoing commitment to implement the Human Rights Due Diligence (HRDD) process throughout our operations, we established a Children's Welfare Task Force in 2023. It operates under the joint leadership of Fibre Operations and Human Rights Departments, with the collaborative support of various stakeholders, including estate management and clinic teams, Corporate Social Responsibility (CSR) and Community Development (CD) departments, and Global Andalan Schools.

Upholding the principle of "No children left behind in education and health", we have developed and implemented a comprehensive Children's Welfare Code of Practice and Action Plan focused on five pillars:



In 2023, two pilot projects were launched under the Welfare and Education pillars of our Action Plan. The pilot projects include day care and early education services to children aged 2 to 6 at one of our estates and a mobile school system that offers education access to children aged 6 to 18 at another estate. We plan to integrate these initiatives into public schools and day cares across all our estates by 2027.<sup>9</sup>

> See also: Addressing stunting (p.96)

<sup>9</sup> Our initiatives comply with the Indonesian Holistic and Integrated Early Childhood Development Law (No. 35/2014). They follow the guidelines of the Southeast Asian Ministers of Education Organisation (SEAMEO) Centre for Early Childhood Care and Education Programme (CECCEP).

# OUR WORKFORCE

APRIL Group is the largest employer in Pangkalan Kerinci and one of the biggest in Riau, and our workforce policies adhere to the core principles of the RGE Code of Conduct when engaging with our employees. Our complex employs and houses over 10,000 workers and their families. We are committed to upholding the rights of our employees and contractors and recognise that our workforce drives the success of our business.

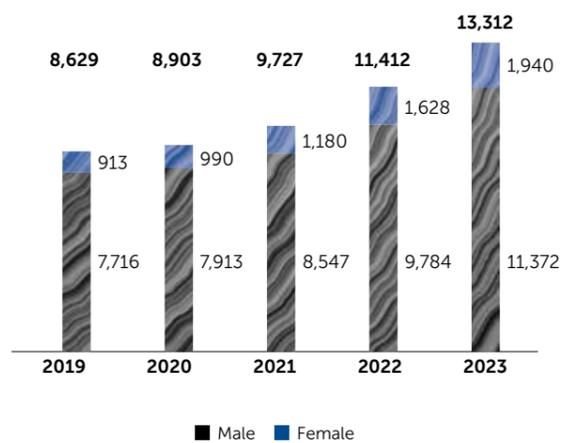
## WORKFORCE OVERVIEW

[GRI 2-7, 2-8, 202-2]

As of December 2023, we employ 13,312 employees across APRIL facilities and business units, a 54% increase since 2019 due to our expanded operations.

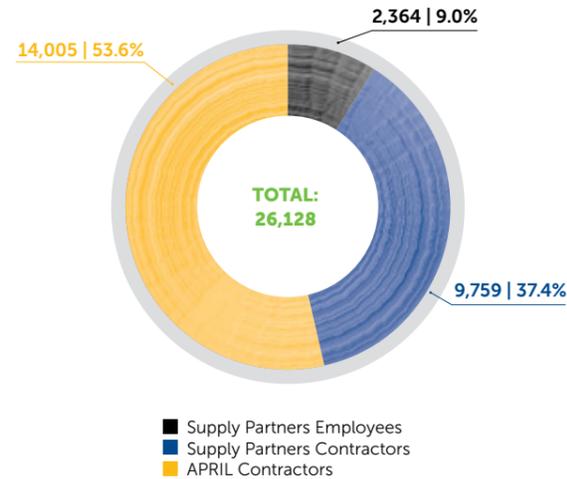
APRIL does not directly employ temporary workers. However, we hire contractors for on-site functions, some of whom employ temporary workers. In 2023, there were 26,128 workers on our premises who were not directly employed by APRIL, including contractors' employees who service the facilities in and around our operations (waste management staff and cleaners) and supply partners' contractors and employees. This data reflects the core employee base, excluding temporary workers brought in for specific capital projects.

APRIL EMPLOYEES 2019–2023 (no.)



Note: Capital Projects are not included in the definition of employees.  
The number of total number employee captured here is excluding temporary employees who are specifically employed for capital projects.

WORKERS WHO ARE NOT EMPLOYEES 2023 (no, %)



Note: Categorized according to GRI General Disclosures 2-7 and 2-8.  
The number of total number employee captured here is excluding temporary employees who are specifically employed for capital projects.

# WAGES AND BENEFITS

[GRI 202-1, 401-2, 401-3, 405-2]

APRIL is committed to ensuring fair and equal pay, and to the health and well-being of our employees and contractors. In compliance with government regulations, all employees within their respective employment categories receive equal pay based on merit and performance, regardless of gender. We also strive to provide fair and transparent employment contracts with clearly stated obligations, rights, and benefits.

Given our operations' remote location, we provide employees with on-site accommodations or a monthly accommodation allowance. We also supply essential facilities and services, including healthcare, education, sports, and activities that reflect our employees' cultural diversity.

Full-time employees at manufacturing and plantation operations receive annual physical medical examinations at on-site medical clinics. We also provide comprehensive health and medical insurance, group life and accident insurance, and social security benefits, including

pension options through APRIL's employee relief fund and government agencies – Badan Penyelenggara Jaminan Sosial Kesehatan (BPJS Kesehatan) and BPJS Ketenagakerjaan.

## SUPPORTING FAMILIES

Employees' children in our operating areas can attend schools that are staffed by qualified educators and which offer instruction in globally recognised academic curricula, including the International Baccalaureate Primary Years Programme and the Cambridge International AS (Advanced Subsidiary) and A (Advanced) levels. We subsidise tuition fees to ensure schools are affordable. In 2023, 170 children of APRIL employees received Eagle Wing Scholarships (*Beasiswa Sayap Garuda*). The Tanoto Foundation operates this financial assistance programme, offering bursaries that cover tuition fees from the elementary school to the university level.



# DIVERSITY AND INCLUSION

[GRI 405-1, 406-1]

Diversity, equity, and inclusion are essential to achieving a harmonious workplace that supports employee retention and engagement and provides equal opportunities and participation to all employees regardless of race, age, or gender.

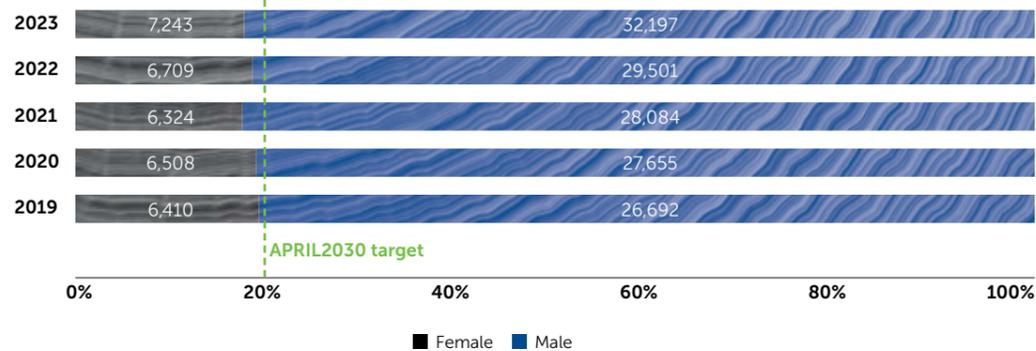
APRIL is proud to employ 7,243 women, comprising 18.4% of our workforce. Although this is higher than the industry average, we recognise the need to further improve gender balance, particularly in leadership positions. In addition to one woman board member, we currently have 58 women managers, including one senior executive, with 10.7% of senior managers and executives being women. Our aim is to increase the number of women employees to 20% of the total workforce by 2030.

Improving gender representation at our operations requires significant financial and human resources investments and confronting systemic, cultural, and societal discrimination. To help eliminate gender-related discrimination, we launched a Gender Action Plan in 2023 following extensive research and consultation with relevant stakeholders.

APRIL partnered with the Indonesia Business Coalition for Women Empowerment (IBCWE) to conduct a Gender Equality Assessment Result & Strategies or GEARS assessment. This diagnostic tool analyses gender equality gaps, strengths, and opportunities an organisation may have.

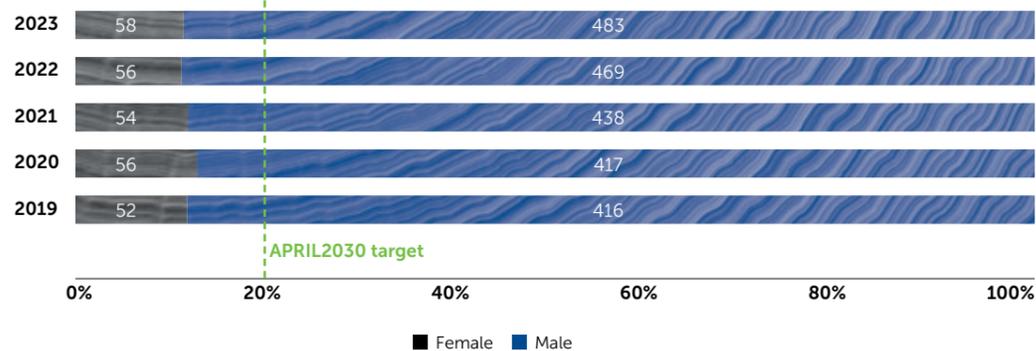
## FEMALE REPRESENTATION IN APRIL WORKFORCE 2019 – 2023

Employees and contractors



## FEMALE REPRESENTATION IN APRIL WORKFORCE 2019 – 2023

Management



## 2023–2030 GENDER ACTION PLAN

In 2023, APRIL launched a Gender Action Plan to increase the number of women leaders to one in every five managers by 2030, per the APRIL2030 target. We assessed and identified gaps in our current employee base and established a baseline using a UN Women Empowerment Principles (UNWEP) gender gap analysis. We hope to create a balanced and equitable distribution of women employees at all levels and functions through strategic planning and targeted recruitment efforts.

### 2023 FOCUS AREAS



#### Recruitment

- Communicated APRIL2030 targets to our human resources staff and took action to recruit more women, including assessing the types of positions and operations areas where we can promote the inclusion and employment of more women.
- Created opportunities for self-development and merit-based career promotions for women employees



#### Standard Operating Procedures (SOP)

- Launched anti-sexual harassment and bullying SOP with support from the Indonesia Business Coalition for Women Empowerment (IBCWE) to educate employees and encourage them to report sexual harassment and bullying through available channels.



#### Facilities improvement

- Formed an internal advisory team to improve APRIL's existing facilities and create a more woman-friendly working environment.
- Invited two external consultants to improve our two existing daycare centres using standards and recommendations from the Southeast Asian Ministry Education Organisation (SEAMEO CECCEP) in December 2023.
- Added four lactation rooms at locations across our operations, raising the total to five from just one at our main Pengkalan Kerinci site in 2022.



#### Awareness and education

- Launched a training initiative to address unconscious bias. The initial version is still under development. In 2024, it will become mandatory training for all employees and will be available on our e-learning and other platforms.
- Launched targeted training programmes and campaigns based on survey results about women employees' perception of on-the-job safety and support.
- Conducted training sessions on breaking biases, such as car care tips and maintenance for female employees, unconscious bias training for managers in our mill and fibre operations, first responder training and a gender equality session.

# DIVERSITY AND INCLUSION

[GRI 405-1, 406-1]

## MEETING THE CHALLENGES OF PROMOTING GENDER EQUALITY IN THE FORESTRY SECTOR

Commentary by Yuchin Suriko Simada, Head of Talent Development, and Caroline Wijaya Human resources specialist APRIL Group

Despite APRIL's efforts to provide equal opportunities for women, promote their advancement, and create gender equity in our work environment, we face many hurdles in recruiting women employees who wish to build a career in the pulp and paper industry. These issues are due to various factors, including cultural norms, women's preconceptions about employment and family life, the demanding nature of work in the industry, and diminishing interest in engineering among young people.

To address these complex challenges, we have launched several initiatives to increase the number of women in our workforce. We are actively promoting their increased participation at our operations and implementing programmes to guide women's career paths towards leadership roles. Despite the demanding nature of the work

and the remote location of our plant, our efforts have shown some success. However, there is room for improvement, and we need to elevate more women to managerial and executive positions. Although we are focused on our immediate goal of recruiting more women, we are confident that we will achieve our other goals, including more women managers, as we refine our human resources policies and expand our recruitment initiatives. Our optimism is grounded in our senior management team's commitment to the APRIL2030 Agenda, which aligns our gender inclusiveness targets and initiatives with APRIL's strategic sustainability framework.

Despite our progress and positive outcomes, it is still too early in the gender inclusiveness process to fully assess all the gaps and identify additional opportunities for improvement.

*About: Suriko leads APRIL's Talent Development Division. She oversees a dedicated team specialising in talent acquisition, learning and development, training facility operations, and succession planning. Caroline is responsible for talent management in compliance with APRIL2030 Inclusive Progress commitments. She leads talent management initiatives for operational functions in alignment with APRIL2030 HR objectives, including implementing 2023 APRIL's Gender Action Plan.*

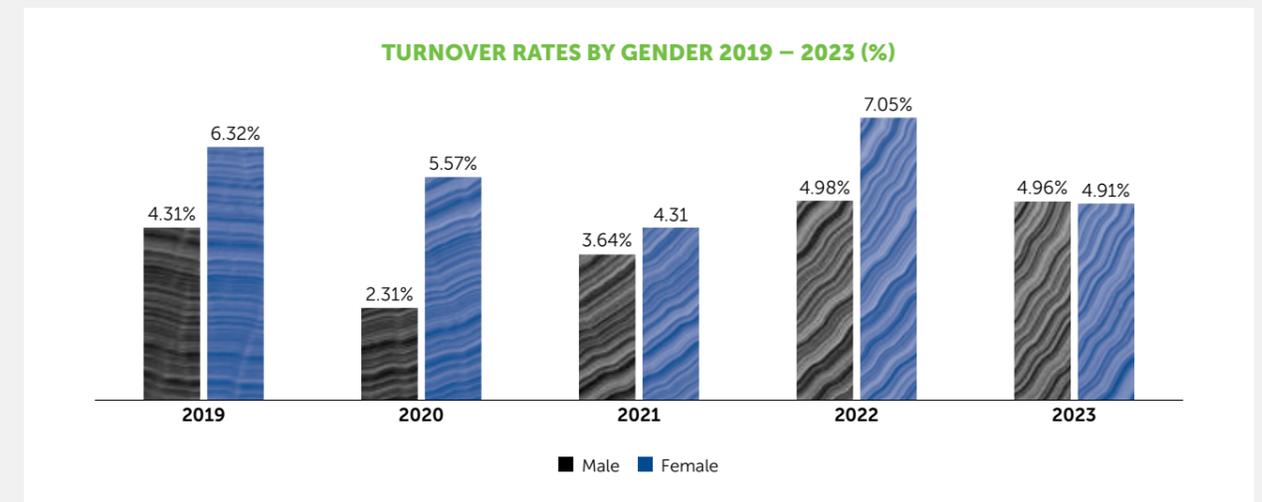
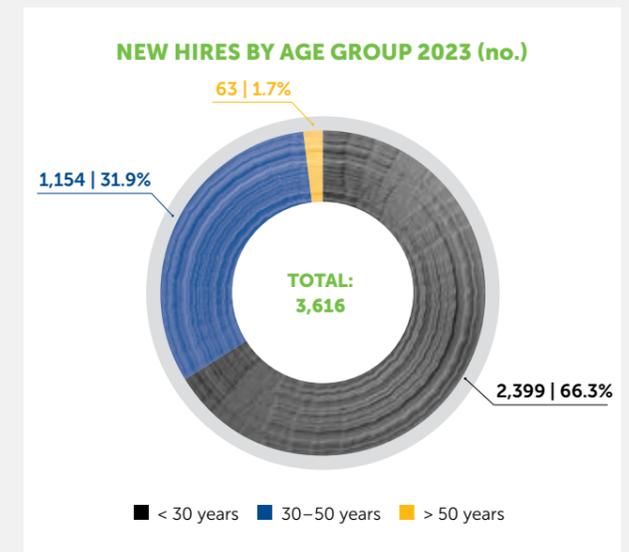


# TALENT RETENTION AND DEVELOPMENT

[GRI 401-1, 404-1, 404-2, 404-3]

Employee safety, career satisfaction, job skills, and productivity are essential to APRIL's success. In 2023, APRIL hired 3,616 new employees, including 2,918 men and 698 women, with 2,399 or 66.45% of these hires under 30. Overall turnover rates remain low, at 7.75% for those 30 and under, 2.79% for those between 30 and 50, and 1.3% for those above 50. These numbers indicate that employees are generally satisfied working at APRIL. In addition, turnover rates for women employees decreased to 4.91% in 2023 compared to 7.05% in 2022. This is attributed to ongoing efforts to promote gender inclusivity and the employment of more women in our workforce, in line with our new Gender Action Plan.

> See: Diversity and inclusion (p.82)



APRIL provides growth and career advancement opportunities for all our employees. We have developed several programmes to attract, develop, retain, and manage our talent, including technical and managerial skills training.

Employees are offered training on leadership, people management, business ethics, planning, and other subjects. These courses are mainly delivered at the Pangkalan Kerinci APRIL Learning Institute (ALI). In 2023, we provided an average of 6.49 hours of training for male and 8.17 hours for female employees.

# TALENT RETENTION AND DEVELOPMENT

[GRI 401-1, 404-1, 404-2, 404-3]

## Overview of talent development initiatives:

<b>Performance Review Programme (PRP)</b>	All APRIL employees are subject to one-on-one annual performance and career development reviews with their supervisors.
<b>Traineeship Program for Fresh Graduates and Young Professionals</b>	<p>In 2023, we collaborated with 11 universities and vocational schools to enlarge our talent pool. Programmes include:</p> <p>Plantation Centre of Excellence Programme (PCOE): Recruits and trains college graduates and diploma holders who wish to enrol in our forestry programme. In 2023, the Group recruited 562 programme graduates. To honour our gender equality commitments, we increased the percentage of women trainees to 27% compared to 20% in 2022.</p> <p>Engineering Development Traineeship: Enrolment increased from 119 in 2022 to 137 in 2023 (15% more than the previous year), with 44 women engineers enrolled in the programme.</p>
<b>APRIL Sustainability Professional Readiness Program (ASPIre)</b>	<p>This 18-month accelerated talent development programme recruits and trains graduates passionate about sustainability. Trainees work in conservation and restoration, community development, R&amp;D, fibre and mill operations, and corporate support roles, including stakeholder engagement, communications, and ESG reporting. Training is supervised by assigned mentors in rotations across multiple disciplines.</p> <p>Upon completing the programme, candidates are placed in various sustainability positions within the APRIL Group. In 2023, we hired one programme graduate at our operations.</p>
<b>World Business Council for Sustainable Development (WBCSD) Leadership Programme</b>	The annual WBCSD Leadership Programme provides promising executives international training on sustainable development challenges and opportunities. It feeds into strategic business decision-making in collaboration with its member companies. To date, APRIL has sent seven managers to participate in the programme.
<b>Leadership Development Programme</b>	Our leadership programme comprises the RGE-led Executive Leadership Programme (ELP) and the Future Leadership Programme (FLP) for senior managers. Both are six-year programmes combining on-the-job training, expert coaching, and classroom instruction. There are 44 employees enrolled in these programmes, including two women executives in the ELP programme and nine women managers in the FLP programme.
<b>New Employee Orientation (NEO)</b>	Six hundred sixty (660) new employees attended a 48-hour orientation programme, including training on workers' rights, safety induction, human rights awareness, and our code of conduct.

# HEALTH AND SAFETY

[GRI 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10]

APRIL recognises the importance of workplace health and safety and the specific challenges of working in remote plantation areas. Our Occupational Health and Safety (OHS) policy outlines comprehensive measures to ensure the health and safety of all employees and contractors, per the ILO Code of Practice on Safety and Health in Forestry Work and the Food and Agriculture Organisation's (FAO) Occupational safety and health in forest harvesting and silviculture compendium.

The OHS Management System for mill and fibre operations complies with government regulations<sup>10</sup> and is ISO 45001-certified, with audits every three years. It includes accident and injury prevention measures and a Hazard Identification, Risk Assessment and Determining Control (HIRADC) document on other ways of

safeguarding the health and well-being of our employees, including monitoring facilities and potable water and providing medical facilities and infrastructure for everyday uses, emergencies, and evacuations.

A dedicated OHS Committee is registered with the provincial labour office and oversees safety and health issues. It meets monthly with managers, employees, and contractors to review and discuss safety and health performance and areas for improvement. The Committee also organises talks to deepen employee knowledge about health and safety issues and encourage behavioural change through our health and safety culture programme.

Our practices and initiatives include:

 <p><b>Safety Academy</b> APRIL operates a Safety Academy that provides OHS training to all workers and visitors. We conduct daily safety briefings at our operations to refresh employee awareness of safety protocols.</p>	 <p><b>No Safety No Activity (NOSA)</b> APRIL is a No Safety No Activity (NOSA) workplace. We regularly update the Safety Golden Rules in our HIRADC document to reduce potential accidents and injuries at our operations. We also employ a no-blame approach and encourage our people to learn from past incidents to improve workplace safety.</p>
 <p><b>Safety Traffic Light System</b> A Safety Traffic Light System (SLTS) documents the implementation of our health and safety strategies and assess their effectiveness. Our objective is to close 95% of remedial actions resulting from internal OHS inspections on time. Additionally, we have increased hard controls by at least 10% in identified high-risk areas.</p>	 <p><b>Promoting worker health</b> All APRIL employees and contractors undergo an annual medical check-up (MCU) to detect potential health concerns early and provide appropriate medical interventions, if necessary. Workers in high-risk roles, such as those applying pesticides at forestry plantations, undergo an MCU every six months. In 2023, we also introduced cardiovascular disease (CVD) risk screening for all employees<sup>11</sup>.</p>

<sup>10</sup> Indonesia's *Sistem Management Keselamatan Kesehatan Kerja* (SMK3).

<sup>11</sup> APRIL employees have a right to personal data privacy. Their health data is strictly confidential to ensure they are treated fairly regardless of their medical conditions.

# HEALTH AND SAFETY

[GRI 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10]

## New Contractor Performance Management System

In 2023, our Contractor Performance Management System (*Evaluasi Kinerja Kontraktor/EKK*) for mill and fibre operations was expanded to track compliance levels, accident records, and responses to internal audit findings per our revised OHS and labour compliance standards for our supply chain.

APRIL is committed to engaging with our employees, contractors, and other supply chain stakeholders on the new health and safety recommendations to implement solutions and enforce adherence to OHS protocols.

## Accident reporting

**We minimise injuries and accidents at our operations. In 2023, our lost time injury frequency rate (LTIFR) was 0.68, compared to 0.62 in 2022.**

As OHS compliance and reporting has been enhanced, we have observed an increase in the number of near-miss and NOSA reports, 48% of which were high potential incidents<sup>12</sup>. We continue to train and educate our employees, and implement necessary measures to reduce injury and accident rates.

**Table 6 : Health and safety performance 2022 and 2023**

OHS targets and performance	2023	2022
<b>Achieve LTIFR of &lt; 0.12</b>	0.68	0.62
<b>Reduce motor vehicle accidents</b>	Mill operations: 0 Fibre operations: 59	Mill operations: 92 Fibre operations: 59
<b>Promote near-miss reporting</b>	Total: 1314 Mill operations: 3 Fibre operations: 1311	Total: 301 Mill operations: 7 Fibre operations: 294
<b>Promote NOSA reporting</b>	Fibre operations: 29,866 cases with 48% high potential incidents	Fibre operations: 3,161 cases with 31% high potential incidents

Despite these health and safety measures, we regret to report five fatalities at our fibre and mill operations, all involving contractors or on-site workers not on our payroll. At our fibre plantations, two people drowned, one was crushed by a falling tree, and another was a traffic fatality. These incidents resulted from unsafe acts and conditions and insufficient supervision, training, and information on potential hazards. The one fatality at our mill was an individual who fell from a height after failing to properly attach their safety harness.

We take every fatality seriously, investigate the cause of each incident, and report our findings to regional manpower offices. We have taken corrective actions to prevent the recurrence of these accidents, training contractors, improving work-site conditions for night-shift workers, and enhancing road signage. We have also added selected health and safety targets, specifically zero fatalities and a lost time injury frequency rate (LTIFR) below 0.12, to our Responsible Business KPIs. These measures allow us to monitor our progress and demonstrate our commitment to credible and effective health and safety initiatives.

<sup>12</sup> High potential incidents refer to events or near misses that, while they may not have resulted in significant harm or damage, had the potential to cause severe injury, illness, or fatalities under different circumstances.

# FREEDOM OF ASSOCIATION

[GRI 2-30]

APRIL respects the right of all employees and contractors to form and join trade unions as they choose and to bargain collectively without fear of retaliation or discrimination. Our Collective Labour Agreement also promotes a fair and equitable workplace without discrimination, forced labour, or child labour.



# NO CHILD OR BONDED LABOUR

[GRI 408-1, 409-1]

APRIL has zero tolerance for any form of child or forced labour. Our employees can stop working and terminate their employment anytime, in accordance with labour laws and their contractual agreements.

We recognise the need for a comprehensive response to address concerns about child labour and are exploring various measures to protect children, including daycare services, and primary and secondary education. For example, we are building schools, providing transportation for children attending schools outside our operations, and establishing mobile schools where traditional educational facilities are lacking.



# SUPPORTING AND RESPECTING COMMUNITIES

[GRI 3-3, 203-1, 203-2, 411-1, 413-1, 413-2]

As a company based in a newly industrialised economy, we strive to be sustainable while helping local communities progress. As a major employer in Riau Province, we support the social and economic development of the communities where we operate. Our commitment to building a sustainable business requires us to actively invest and participate in the local communities directly and indirectly impacted by our forestry operations.

## UPHOLDING COMMUNITY RIGHTS AND MITIGATING IMPACTS

APRIL respects and upholds the rights of local communities and Indigenous people in areas surrounding our operations. Our development initiatives include ongoing engagement with local populations to guide our efforts to support community livelihoods, reduce potential conflicts and improve our knowledge of villages' needs and expectations. Our commitment to upholding Indigenous and local community rights extends to our suppliers as outlined in our [Wood and Fibre Sourcing Policy](#), [Human Rights Policy](#), and [APRIL Group's Sustainable Forest Management Policy 2.0](#). We do not source from entities found to have violated customary and traditional land rights or human rights.

### Resolving land claims

Social conflicts arising from land disputes in Indonesia often stem from complex, longstanding issues. Land titles awarded to companies may contradict local communities' customary land rights claims due to discrepancies in land allocation processes and conflicting interpretations of land ownership. As a result, companies that hold legal

titles to land for development or resource extraction purposes are challenged by local communities asserting traditional rights based on longstanding occupation and cultural heritage.

APRIL's Land Dispute Resolution Mechanism is a comprehensive dispute settlement framework that complies with Indonesian laws. APRIL actively engages with stakeholders, negotiates mutually acceptable remediation outcomes with communities, and engages in participatory mapping exercises to document the boundaries of land claim settlements.

### Addressing community grievances

APRIL's [Grievance Tracking](#) mechanism documents community grievances and their resolution. Most of these complaints are minor: dusty roads, obstructed access due to parked company vehicles, and roads needing repair. Upon receiving a complaint, our team verifies the grievance and works with our business units, contractors, and the complainant to draft and implement an action plan. The grievance is closed when we confirm its resolution with the complainant.

### SECURITY PRACTICES

We train security personnel on human rights issues, including skills and ethical conduct rules to prevent human rights violations and abuses in conflict situations when interacting with local communities and other stakeholders. In 2023, we added a human rights component to the annual refresher training provided to all security staff.



# SUPPORTING AND RESPECTING COMMUNITIES

[GRI 3-3, 203-1, 203-2, 411-1, 413-1, 413-2]

## COMMUNITY DEVELOPMENT

Our Community Development (CD) programmes are led by a dedicated team that engages with communities to help improve local livelihoods, operationalise our community strategy, and monitor its progress. We conduct annual social impact assessment to measure the impact of our operations on surrounding communities. The 2023 assessment used an ethnographic approach to identify and prioritise these communities based on their importance to APRIL operations.

In 2023, 170 villages were enrolled in our livelihood programme, 134 in our health programme, and 121 in our education programme.

### Towards reducing poverty

APRIL operates in rural Indonesia and recognises the need to address poverty in surrounding communities. Our approach to eliminating extreme poverty comprises:

- **Income generation:** programmes that support local businesses and create jobs to generate new income (e.g., livelihood programmes)
- **Access to social welfare:** Programmes that provide access to essential services (e.g., healthcare and education).

We have set an ambitious APRIL2030 target to eradicate extreme poverty within 50 kilometres of our mill operations, which will require strategic partnerships with

the Indonesian government and other stakeholders. We recognise the need for long-term solutions to create self-sufficient communities that are not dependent on APRIL. Our efforts to achieve this target are impact-driven.

### Supporting income generation Livelihood programmes

APRIL's livelihood programmes aim to achieve sustainable outcomes (e.g., higher income, reduced vulnerability, improved food security, sustainable use of natural resources). APRIL's livelihood programs support agribusinesses, small-medium enterprises (SMEs), and the Indonesian Government's village and community-based climate mitigation and adaptation program, PROKLIM.

**As of 2023, 49 villages have been intervened with poverty eradication programs that promote income generation or provide access to social welfare.**

We prioritise villages with proximity to our operations thus we work with 23 villages in Siak district and 26 villages in the Pelawan district.

From 2020 to 2022, we conducted livelihood baseline studies and implemented village programmes, including pilot projects on agribusiness, SMEs, and community health. In 2023, we validated government data on households living in extreme poverty through direct field checks to confirm the scope of targeted beneficiaries. We plan to extend our intervention programmes to additional villages and replicate these successful pilot projects.



## OUR IMPACT ON RIAU AND INDONESIA'S ECONOMY



Notably, it demonstrated that APRIL's operations have a multiplier effect on the economy:

- Every IDR 1 million increase in APRIL pulp and paper product sales generates IDR 3.48 million in national economic output
- Every ten jobs created by APRIL generate an additional 57.6 jobs and 40.4 jobs nationwide and in Riau respectively

Other findings include:

- Our operations added IDR 484.3 trillion to Indonesia's GDP from 2016 to 2022, equivalent to roughly USD 32.3 billion
- In 2022, APRIL Group's operations and product sales created 257,436 jobs
- Our CSR expenditure of IDR 618 billion helped raise household incomes by IDR 210 billion in five districts: Pelalawan, Kuantan Singingi, Siak, Kampar, and the Meranti Islands.

**In 2022, APRIL generated 0.55% of Indonesia's gross domestic product (GDP), making us a major player in the pulp and paper industry and a significant economic driver.** A 2023 study published by the Institute for Economic and Social Research, Faculty of Economics and Business, University of Indonesia (LPEM FEB UI), showed that APRIL made essential contributions to Indonesia's economic growth from 2016 to 2022 and served as a catalyst for economic recovery in Riau in the wake of the COVID-19 pandemic.

We are pleased to see the impact of our operations on the Indonesian economy and will use this knowledge to further build on our zero poverty programmes.



# SUPPORTING AND RESPECTING COMMUNITIES

[GRI 3-3, 203-1, 203-2, 411-1, 413-1, 413-2]

## Supporting local businesses

Entrepreneurship is an effective way to improve livelihoods and reduce poverty. To eliminate entry barriers to establishing businesses, APRIL has partnered with the Ministry of Micro, Small, and Medium Enterprises (MSMEs) of Indonesia to provide aspiring entrepreneurs with essential support and skills training. Our contributions include offering guidance to local businesses and mentoring entrepreneurs on critical business processes, including applying for financing from local banks and marketing their products and services.

We encourage local MSMEs to do business with APRIL and other entities in our area of operations. They can provide ancillary services, become suppliers (in-line MSMEs), or contribute to the local economy without directly working with APRIL (offline MSMEs). In return, we offer assistance, including technical and managerial upskilling, financial management training, support with legal compliance, and help specific to individual MSMEs.



## Building capacity of farmers

APRIL's Agribusiness Programme provides local farmers with agricultural assistance and training on sustainable farming practices. The programme helps farmers adopt economically viable farming methods and offers production tools, seedlings, and fertilisers to increase productivity, as well as help with sales and promotions.

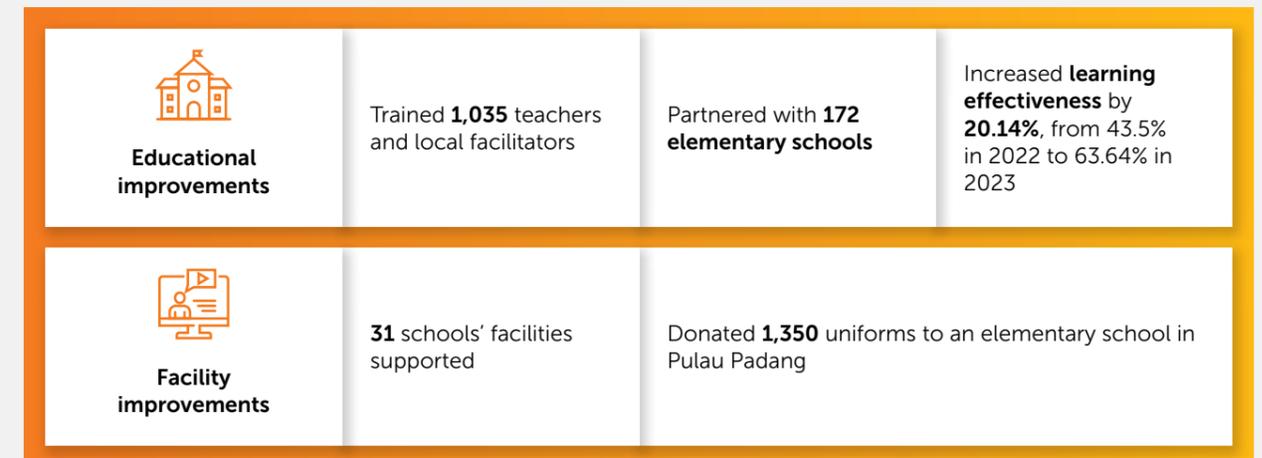


## Access to social welfare

### Quality education

We have partnered with the Tanoto Foundation to improve the quality of education in Riau. In collaboration with elementary schools in five Riau regencies, we focus on advancing learning techniques and creating a culture of reading among students.

APRIL is building on our 2022 initiative to make up for school closures during COVID-19 lockdowns. We provide school-based management training and instruction in teaching, educational processes, and other relevant subjects to school facilitators, including teachers, principals, and supervisors. We are building their expertise in these matters and addressing the specific needs of their communities' schools.



We continue to provide financial assistance to students from low-income families, and in 2023, we offered scholarships to 250 senior high school students and 99 scholarships to undergraduate students, including 14 from Penyengat Village.

### Scholarships

- 250 high school senior students
- 99 undergraduate students
- 20 intensive university preparation sessions
- 95% of participants were accepted by state universities

### Providing employment opportunities

We continue to offer our factory (TeFa) programme at four vocational schools in Riau:

- We sponsor a six-month student apprenticeship programme at APRIL's operations
- We encourage APRIL employees to share their knowledge at vocational schools as guest lecturers.

The TeFa programme accelerates employment access for graduates of local vocational schools. **All 24 students enrolled in 2023 were hired to work at our operations.**

In addition to TeFa, APRIL also offers apprenticeships to vocational school students so they can gain industry-specific experience. The University of Riau (UNRI) established a Pulp and Paper Vocational Program (Diploma 3 – D3TPK UNRI) in 2019 to expand APRIL's talent pool. The program comprises six semesters of learning and a nine-month internship at our facilities. Two hundred and fifty (250) students completed this programme in 2023.

# SUPPORTING AND RESPECTING COMMUNITIES

[GRI 3-3, 203-1, 203-2, 411-1, 413-1, 413-2]

## Access to healthcare

APRIL supports healthcare access in surrounding communities. In July 2023, APRIL signed a Memorandum of Understanding (MoU) with the Indonesian Ministry of Health (Kemenkes). It was the first public-private partnership initiative between the Ministry of Health and a private company aimed at preventing disease by improving primary healthcare services in Indonesia, a key government strategy. APRIL contributed over 800 pieces of medical equipment, including ultrasound machines, neonatal warmers, nebulisers, and gynaecology desks and chairs, to healthcare centres in three districts surrounding our operations: Pelalawan, Siak, and Kuantan Singingi. APRIL also partnered with relevant stakeholders to provide healthcare professionals with comprehensive training on properly using these medical tools.

## Addressing stunting

Stunting is a major health concern in Indonesia. APRIL supports the Indonesian Government's efforts to eliminate stunting in toddlers in rural areas, and the

national target to achieve a 14% reduction in stunting against the 2014 baseline. We provide on-the-ground support and participate in discussions and consultations on the national stunting prevention and management initiative (Rembuk Stunting) with village heads and officials, and local clinics or posyandu cadres (community volunteers who staff *posyandu* community service posts), government representatives, and other relevant stakeholders.

APRIL, the Tanoto Foundation, and Yayasan Cipta have partnered to help local governments in Pelalawan, Siak, Kampar, and Kepulauan Meranti, Riau, implement the national strategy to accelerate stunting reduction. In parallel with this partnership, APRIL is working to reduce stunting in children under five by 50% in villages in Kampar, Kep. Meranti, Pelalawan, Kuantan Singingi, and Siak in Riau.

Our 2023 programmes addressing stunting included:

 <p><b>Supplementary Feeding</b> Provided 16,000 supplementary feeding packages for children under five</p>	 <p><b>Recovery treatment</b> Registered 149 children for treatment in 2023, of whom 50 fully recovered</p>	 <p><b>Early detection through community health services (Puskemas)</b> Engaged with 29 Puskemas and 145 health workers in our community development programmes</p>	 <p><b>Community empowerment</b></p> <ul style="list-style-type: none"> <li>Engaged with 300 <i>Posyandus</i></li> <li>Trained 1,600 cadres to manage <i>Posyandus</i> and provide counselling to expectant mothers</li> </ul>
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## Community resilience and infrastructure

### Community support and infrastructure

 <p><b>Social and cultural contributions</b></p>	<p>Donated <b>2,300</b> sembako packages to flood victims</p>	<p>Donated sports packages to <b>37</b> villages</p>	<p>Held events in <b>17</b> villages</p>
 <p><b>Social infrastructure</b></p>	<p>Built <b>56 roads, public facilities</b> for religious and other activities, and village offices</p>		



## Empowering women in communities

To meet the APRIL2030 target of advancing equal opportunities for women and increasing their participation at our operations and in surrounding communities, all our community development initiatives are now gender inclusive.

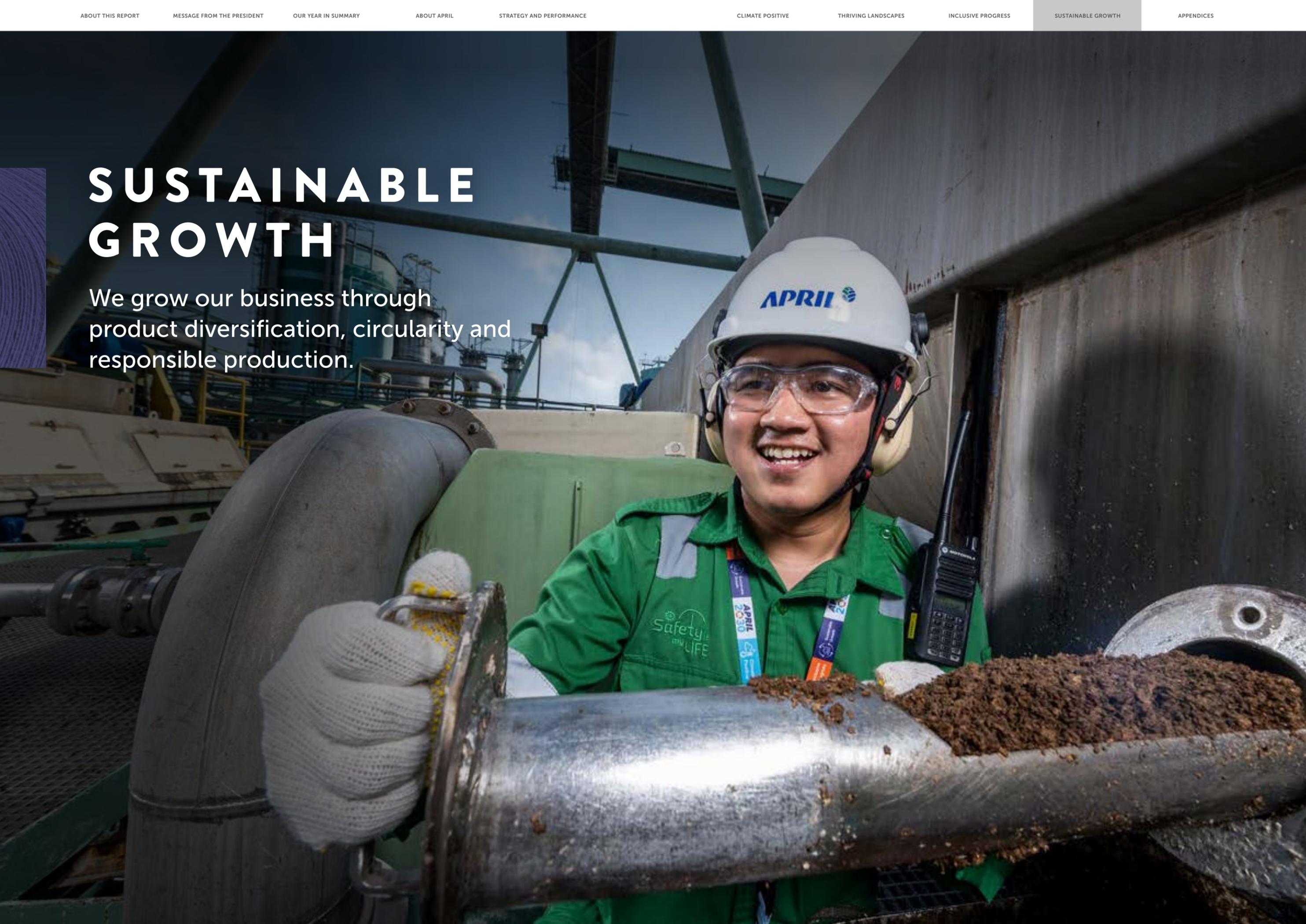
Our participation lists identify the number of women participants in our community development programmes. Our efforts to increase the number of women in these programmes have exceeded our expectations. Our

original target was to raise the number of women to 50% of participants by 2023. By 2019, 34% of community development programme participants were women. That number grew to 64% in 2023. Increasing the number of women beneficiaries in our community development programmes indicates that our programmes are highly accessible to women, thus contributing to our goal of advancing gender equality and opportunity. Our next goal is to maintain these high participation rates in the coming years.

 <p><b>Self-employment</b></p>	<p><b>32</b> women entrepreneurs in <b>3</b> districts operating batik businesses</p>	<p><b>28</b> new jobs</p>	<p><b>IDR 2–3k million</b> monthly income</p>
 <p><b>Wage employment</b></p>	<p><b>64%</b> of total beneficiaries were women</p>		

# SUSTAINABLE GROWTH

We grow our business through product diversification, circularity and responsible production.



# SUSTAINABLE GROWTH

Contributing to SDGs:



APRIL has adopted a circular production as part of our commitment to clean manufacturing practices, minimising waste, reducing water use, and maximising resource and chemical recovery wherever feasible.

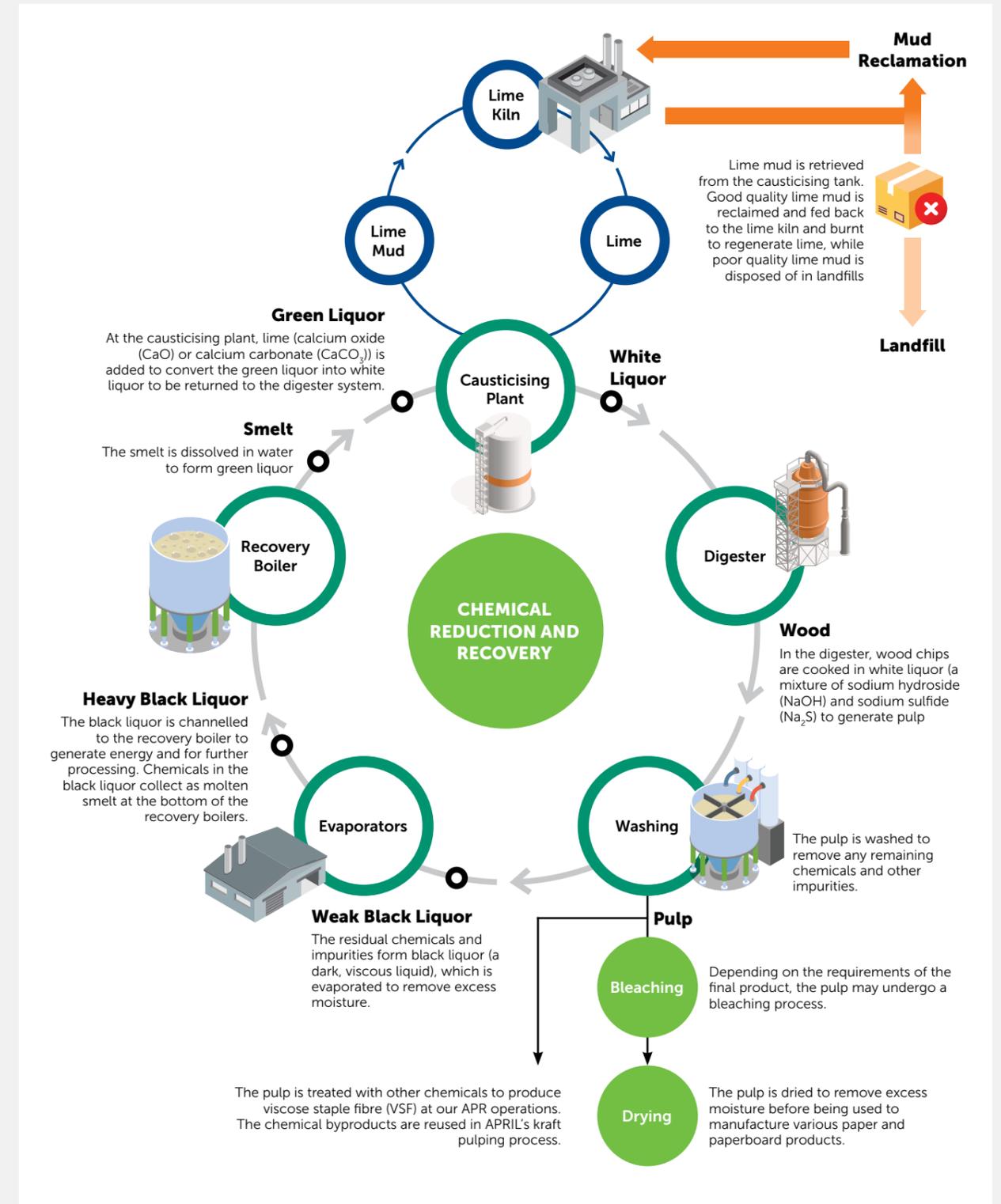
We comply with local environmental regulations and global industry standards, guidelines, and best practices for responsible manufacturing and water, chemical, and waste management, including the EU Best Available Techniques (BAT) Reference Document for Integrated Kraft Process Mills and the Confederation of European Paper Industries (CEPI) standards. We also adhere to viscose, textile, and man-made cellulosic fibre (MMCF) standards at our viscose and yarn production facilities.

Target	Performance			2023 Progress notes	Strategy to drive performance
	2021	2022	2023		
<b>98% chemical recovery (%)</b>	96.1	96.3	94.7	<ul style="list-style-type: none"> <li>Reduced recovery due to the increase of lime and soda loss in the liquor cycle. Consumption of purchased soda (<math>\text{Na}_2\text{SO}_4</math>, NaOH) and lime (<math>\text{CaO}</math>, <math>\text{CaCO}_3</math>) increased compared to 2019 baseline.</li> </ul>	<ul style="list-style-type: none"> <li>Implement chemical recovery and reduction measures</li> </ul>
<b>80% less solid waste to landfill (kg/T)</b>	71	34.9	37	<ul style="list-style-type: none"> <li>Slight increase to previous year but still on track to meet targets.</li> <li>Achieved 47% reduction from 2019 baseline</li> </ul>	<ul style="list-style-type: none"> <li>Waste to energy optimisation</li> <li>Waste-to-value projects</li> <li>Partnerships with value-added industries</li> </ul>
<b>25% less water usage per product tonne (<math>\text{m}^3/\text{T}</math>)</b>	28.8	28	28.7	<ul style="list-style-type: none"> <li>Slight increase in process water consumption due to increased production.</li> </ul>	<ul style="list-style-type: none"> <li>Mill-wide assessment to identify water savings and circularity opportunities</li> <li>Water reduction and efficiency measures</li> </ul>
<b>20% recycled textile used in viscose fibre (%)</b>	N/A			<ul style="list-style-type: none"> <li>Project is still in the trial and feasibility assessment stage.</li> </ul>	<ul style="list-style-type: none"> <li>Obtained patent for textile technology</li> <li>Trialled a recycling demo plant with Finnish specialists</li> </ul>

# CHEMICAL REDUCTION AND RECOVERY

[GRI 3-3, 305-7]

Chemicals like lime (also known as calcium oxide,  $\text{CaO}$ ), sodium hydroxide, NaOH, and sodium sulphide ( $\text{Na}_2\text{S}$ ) play an essential role in our production processes, as illustrated below:



# CHEMICAL REDUCTION AND RECOVERY

[GRI 3-3, 305-7]

We recognise the potential impact of chemicals on the environment and human health. We therefore employ the following responsible management and efficient use strategies to mitigate harm:

## Strategies for chemical recovery and reduction

### Avoiding chlorine bleaching methods

Although we do not use any elemental chlorine (Cl<sub>2</sub>) in our bleaching processes, we are mindful of the potential negative impacts of chlorine dioxide (ClO<sub>2</sub>). We use chlorine-free bleaching like oxygen delignification and have reduced our ClO<sub>2</sub> consumption intensity by 6.6%, from 13.65 kilograms per air-dried tonne (kg/ADt) in 2022 to 12.7 kg/ADt in 2023.

### Recovering soda

Our dual-purpose facility removes and recovers soda (sodium carbonate, Na<sub>2</sub>CO<sub>3</sub>) from brown fibre, refining it into an alternate fuel (see: Energy management (p.42)) and white liquor to cook wood chips into pulp.

We plan to install a sulphate of potash (potassium sulphate) plant in 2024 to further improve soda recovery.

### Reclaiming lime

Our two lime reclamation plants recover 83% of the lime from lime mud (a by-product of the pulping process during paper production, primarily composed of calcium carbonate, CaCO<sub>3</sub>).

Our precipitated calcium carbonate plant also captures carbon dioxide (CO<sub>2</sub>) from our lime kiln for reuse. In 2023, we captured 67,226.72 tonnes of CO<sub>2</sub>.

### Reusing sodium sulphate and hemi-caustic generated by APR

Our integrated facility allows us to reuse chemical by-products generated by APR in our production processes:

- Sodium sulphate (Na<sub>2</sub>SO<sub>4</sub>) for white liquor production
- Hemi-caustic (sodium hydroxide or NaOH, a less concentrated alkali compared to caustic soda) to bleach pulp bleaching.

In 2023, we reused 26,760 tonnes of sodium sulphate and 16,156.30 tonnes of hemi-caustic generated by APR.

For viscose, see [APR2030 Chemical Recovery target on APR website](#)

**We aim to increase our lime and soda chemical recovery to 98% by 2030. Although our 2023 recovery rate of 94.7% was slightly lower than our 2022 rate of 96.3%, it is within the normal range of variance for chemical processes.** Nevertheless, we continue to explore the feasibility of additional chemical recovery plants to further increase our chemical recovery rates.

## MANAGING AIR EMISSIONS

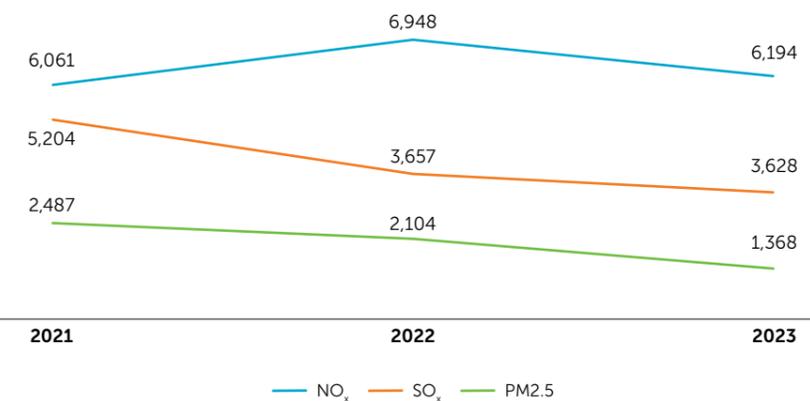
Our facilities and processes produce air emissions that include particulate matter, specifically sulphur oxide (SO<sub>x</sub>) and nitrogen oxide (NO<sub>x</sub>). These include power boilers, recovery boilers, lime kilns, bleaching plant, and digesters. Our mill operations department monitors, measures, and analyses our air emissions data, generating daily reports shared with national, provincial and district environmental agencies per regulatory requirements.

Our mill operations department monitors, measures, and analyses this data, which is reported internally daily and shared with provincial and district environmental

agencies every three months. Our continuous emissions monitoring system (CEMS) meets Indonesian Ministry of Environment and Forestry requirements. It transmits real-time data to the Ministry's Industry Emission Information Monitoring System (Sistem Informasi Pemantauan Emisi Industri (SISPEK)) servers.

In 2023, we upgraded one of our recovery boilers to improve efficiency, resulting in lower air emissions than the previous year. **We continue to strive to reduce Nitrogen oxide (NO<sub>x</sub>) and Sulphur oxide (SO<sub>x</sub>) air emissions from our mill in line with our Responsible Business Practices Key Performance Indicators (KPIs). Our air emission levels remain within regulatory limits.**

SIGNIFICANT AIR EMISSIONS 2021–2023 (t)



# WASTE MANAGEMENT

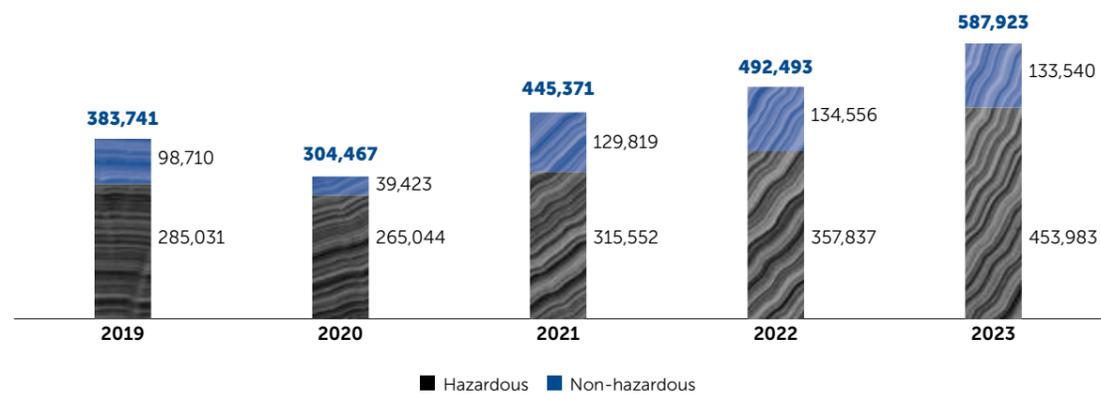
[GRI 3-3, 306-1, 306-2, 306-3, 306-4, 306-5]

We manage hazardous and non-hazardous operational waste responsibly and in line with Indonesian regulations. The hazardous waste we produce can include solid waste such as effluent sludge, dregs and grits, lime mud, and fly ash and bottom ash (FABA) from power boilers. Non-hazardous waste includes road sub-grade, general waste (including domestic waste from town sites), brown fibre, white fibre, and other solid waste in the form of viscose solids, alkali cellulose, and non-saleable tow (reject fibre).

We measure and record the amount of waste generated using weighbridges and resource planning software to align management practices with industry best practices, respect government regulations, and identify areas for improvement.

In 2023, we produced approximately 588,000 tonnes of industrial waste, 77% of which was hazardous. Due to increased production, the percentage of hazardous waste increased by 5% compared to 2022.

WASTE GENERATED BY TYPE 2019–2023 (t)

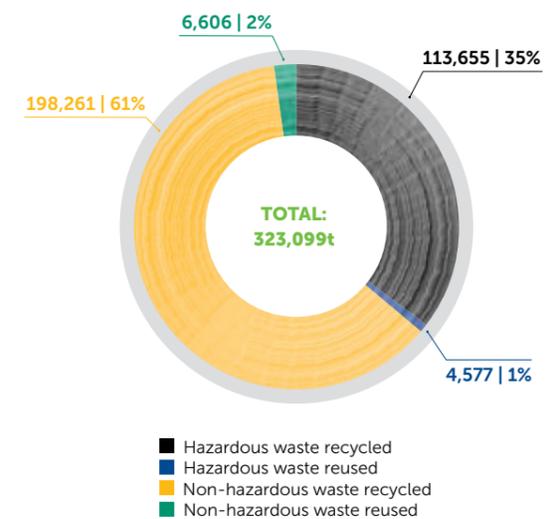


## REDUCING SOLID WASTE TO LANDFILL

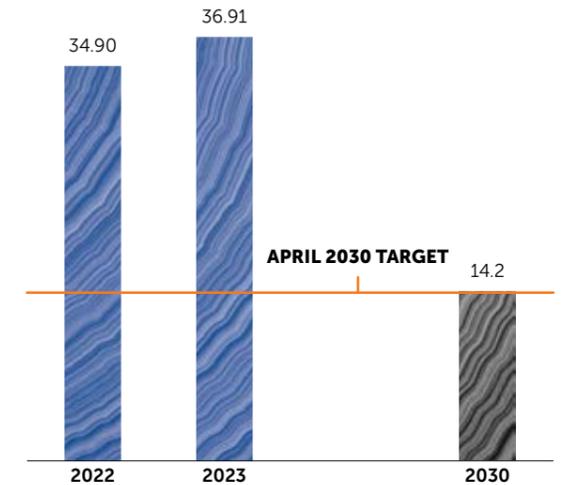
We handle and repurpose waste (where possible) in line with applicable regulations and legal guidelines. A licensed contractor manages, recycles, and disposes of general waste, none of which is directed to landfill. Our partners recycle white fibre into low-grade paper and other applications. In 2023, we recycled and reused more than 323,000 tonnes of waste, including:

- Bottom ash from our power boilers as a sub-base for roads and concrete
- Fly ash and zinc sludge mix applied in micronutrient fertiliser and piloted in our plantations
- Brown fibre from pulp production and sludge from our wastewater treatment plant as feedstock to fuel our boiler (waste-to-energy) (See: Energy management (p.42))

WASTE DIVERTED FROM DISPOSAL 2023 (t,%)



INTENSITY OF SOLID WASTE DIRECTED TO LANDFILL 2022–2023 (t)



Any non-hazardous waste which is not recycled or reused is disposed in landfills at our complex, while hazardous waste is properly disposed by a licensed third party. **In 2023, we directed 36.9 kilograms of solid waste per tonne of pulp produced (kg/t) to landfill, a slight increase compared to the previous year, primarily due to more sludge generated by higher production levels and the introduction of our new fibre production line.**

APRIL recognises that we are far from meeting our target of reducing solid waste to landfill by 80% to 14.2 kg/t against our 2019 baseline. We actively explore strategies to minimise waste generation and maximise reuse to divert as much waste as possible from landfill.

# WASTE MANAGEMENT

[GRI 3-3, 306-1, 306-2, 306-3, 306-4, 306-5]



## USING RECYCLED PRODUCTS IN VSF PRODUCTION

Although our VSF is made with wood pulp – a natural, renewable resource – we also incorporate recycled textiles into our production processes. Between 2021 and 2022, the estimated market share of recycled man-made cellulosic fibre (MMCF) hovered at 0.5%<sup>13</sup>.

In 2021, APR embarked on a programme to trial textile waste as feedstock for viscose fibre manufacturing. **Our revolutionary technology, first patented in May 2023 in Singapore, has allowed us to successfully manufacture viscose fibre using a blend of 50% recycled textile (RT) pulp and regular dissolving wood pulp**<sup>14</sup>.

As of June 2024, we have built a strong feedstock database and designed a protocol for collecting and sorting textile waste. We have worked with Finnish

specialists ANDRITZ Oy to test-run a potential textile recycling demo plant that can be configured to produce 24 tonnes of 100% RT pulp or 120 tonnes of 20% RT pulp, and are exploring plans for expansion in the future.

Despite our breakthroughs in textile waste recycling, significant investments are required to establish the needed infrastructure, and consumer brands and manufacturers are slow to uptake textile waste recycling, stalling progress. We are also mindful that our new technology may adversely affect the informal secondary market for recycled textile materials, which is often the bread and butter of local communities in Indonesia. We will navigate this potential disruption with care and consideration while working towards a more sustainable and circular industry and will report on our progress as we move forward.

<sup>13</sup> Textile Exchange Materials Market Report 2023  
<sup>14</sup> In April 2024, we secured a European patent and are filing patents in other countries.

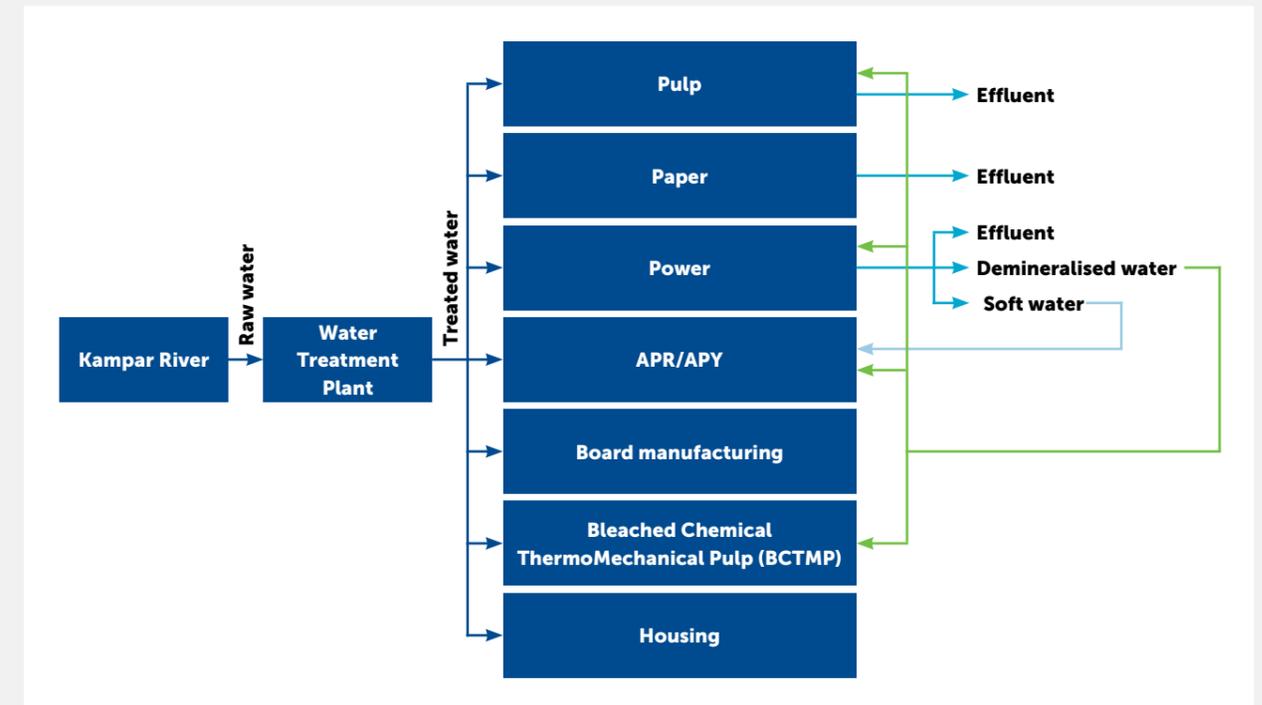
# WATER AND WASTEWATER MANAGEMENT

[GRI 3-3, 303-1, 303-2, 303-3, 303-4, 303-5]

## OPTIMISING WATER USE

Our plantations do not require irrigation, since natural rainfall is sufficient to support growth. However, our mill operations involve water-intensive processes and highlight the need for water stewardship.

### Overview of water use



Permits from the Government of Indonesia allow us to withdraw and treat water from the nearby Kampar River. **In 2023, our overall water withdrawal increased 21% from the previous year amounting to 160,498 megalitres (ML), reflecting our expanding operations. Although water in the area is relatively abundant, we strive to reduce the amount of water we withdraw from the Kampar River, per the water usage KPI in our Responsible Business Practices.**

In addition, we seek to improve our water usage intensity through recycling, wastewater management, and by upgrading or retrofitting our equipment. We aim to reduce water use per tonne of product by 25% by 2030 compared to our 2019 baseline of 28.17 cubic metres per tonne of paper, pulp, and rayon produced (m<sup>3</sup>/t). **As of December 2023, our process water use intensity was 28.72 m<sup>3</sup>/t, or 1.95% above our baseline.**

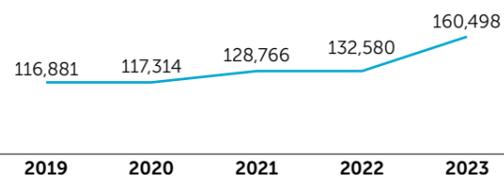
In 2023, we continue to build on water conservation and reuse efforts across our manufacturing operations to reduce water consumption intensity, including strategies to reuse and recycle water, minimise wastage and leakage, and replace equipment like pumps and valves to optimise water use.

To ensure compliance with internal and regulatory requirements, every APRIL business unit monitors and records its water withdrawal, consumption, and effluent discharge using calibrated metres at several distribution points. Our Certification and Compliance Department ensures timely reporting to the government, performs internal audits and prepares the documents needed for external audits.

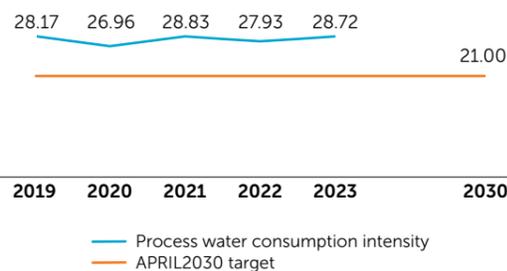
# WATER AND WASTEWATER MANAGEMENT

[GRI 3-3, 303-1, 303-2, 303-3, 303-4, 303-5]

## WATER WITHDRAWAL FROM KAMPAR RIVER 2019–2023 (ML)



## PROCESS WATER CONSUMPTION INTENSITY 2019–2023 (m³/t)



### MANAGING WASTEWATER

We treat wastewater to ensure it meets regulatory thresholds, is environmentally safe, and will not harm aquatic life before discharging it back into the Kampar River. We operate an integrated wastewater treatment plant that can treat 280,000 m³ of wastewater per day. In 2023, we installed a new effluent treatment plant with a 145,000 m³/day capacity to accommodate wastewater from our additional fibre production line.

Our mill facility technicians inspect the treatment plants daily to ensure optimal performance and efficiency. We use the government-mandated SPARING<sup>15</sup> online waste monitoring system to deliver real-time wastewater quality data to the Ministry of Environment and Forestry. Measurements include total suspended solids (TSS), biological oxygen demand (BOD), chemical oxygen demand (COD), nitrogen, phosphorus, and adsorbable organic halides (AOX) levels. We engage an accredited third-party laboratory to assure the integrity and accuracy of our wastewater data monthly.

Table 7: Wastewater quality parameters 2022–2023

Parameter	Unit	Year	
		2022	2023
TSS	mg/L	17.79	21.38
COD	mg/L	190.70	176.58
BOD	mg/L	16.49	17.47
Nitrogen	t	22.70	24.52
Phosphorus	t	0.01	0.01
AOX	t	1.44	1.95

Note: Data on phosphorus levels are not available for 2021.

Our wastewater quality parameters respect regulatory thresholds<sup>16</sup>. **Our 2023 wastewater COD levels were nearly 44% below the regulatory limit, in line with our Responsible Business Practices KPIs.** Our goal is to achieve COD levels 75% lower than the regulatory limit.

<sup>15</sup> SPARING stands for Sistem Pemantauan Kualitas Air Limbah secara Terus Menerus dan Dalam Jaringan. A system used to monitor, record and report the activity of measuring levels of a parameter and/or wastewater discharge automatically, continuously and in a network.

<sup>16</sup> These thresholds are established 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.



# APPENDICES

## STAKEHOLDER ENGAGEMENT OVERVIEW [GRI 2-28, 2-29]

Stakeholder group	Why we engage	Topics relevant to stakeholders	How we engage
<b>Our employees</b>	<p>Employees are crucial to our business. Engaging with them shapes our culture and demonstrates our values.</p> <p>We invest in employee talent development, supporting existing and future employees by offering scholarships, employment benefits, and training programs.</p> <p>Employee training is essential to APRIL and Indonesia's success. We help our employees develop skills and find their place in Indonesia's rapidly growing economy.</p> <p>We have built a safe and comfortable working environment to retain our employees.</p>	<ul style="list-style-type: none"> <li>Employee well-being</li> <li>APRIL2030 commitments and targets</li> <li>Safety and Occupational Health</li> <li>Respect for human rights</li> <li>Gender equality</li> <li>Talent development and training</li> </ul>	<p>We engage with our employees through our Group-wide intranet and other communications tools, including 'Kick-off' meetings and publications providing updates on our performance and recent business developments, our triannual APRIL Digest newsletter, weekly public messenger and monthly APRILNow! intranet postings, quarterly management meetings, regular department meetings, President's Messages, banners and signboards.</p> <p><b>Training</b></p> <ul style="list-style-type: none"> <li>We introduced and integrated human rights awareness training into existing programs, including new employee orientation (NEO), forestry trainee programs, safety induction training for contract workers, and human rights training for security personnel</li> <li>Enrolled Human Rights Champions within our organisation in the UNDP Business &amp; Human Rights Academy: Human Rights Due Diligence Training for Companies Operating in Indonesia programme</li> </ul> <p><b>Employee performance and development</b></p> <ul style="list-style-type: none"> <li>Continued developing and monitoring the career paths of managers and potential managers to help them reach their potential in the organisation by facilitating Management Development Reviews (MDR), preparing Individual Development Plans (IDP), and operating our two-level Leadership Programme</li> <li>Explored alternative ways to ensure roles are equally accessible to both men and women through the application of technology, innovation and automation</li> </ul> <p><b>Building a safe working environment</b></p> <ul style="list-style-type: none"> <li>Established anti-sexual harassment standard operating procedure and advisory teams to address reports on sexual harassment</li> <li>Built new lactation rooms and daycare facilities and established women's forums to support working mothers</li> <li>Conducted gender bias training</li> </ul>

Stakeholder group	Why we engage	Topics relevant to stakeholders	How we engage
<b>Our communities</b>	<p>APRIL's success depends on thriving communities in the areas surrounding our operations. Engaging local communities in sustained and transparent dialogue facilitates a collaborative approach to empowering them, effectively addressing their challenges, generating employment opportunities, and building trust.</p> <p>We directly invest in communities, supporting local livelihoods, entrepreneurs and SMSEs, health, education, environmental conservation, fire prevention, and infrastructure development.</p> <p>Recognising our responsibility, we are dedicated to positively contributing to these communities, including reaching beyond the scope of our immediate operations.</p>	<ul style="list-style-type: none"> <li>Supporting livelihoods</li> <li>Providing Employment opportunities</li> <li>Supporting entrepreneurs and SMSEs</li> <li>Education</li> <li>Healthcare</li> <li>Supporting local infrastructure suppliers</li> <li>Conservation</li> <li>Fire prevention</li> </ul>	<p><b>Work plans</b></p> <ul style="list-style-type: none"> <li>Engage with communities to create positive impacts, ensuring we meet our APRIL2030 targets</li> <li>Engage with village governments to ensure local communities, customary leaders, and women participate in organising <i>Rembuk Desa</i> (village workshops)</li> <li>Discuss current and future operational issues and performance with local communities; secure their Free, Prior and Informed Consent, where applicable</li> </ul> <p><b>Community development</b></p> <ul style="list-style-type: none"> <li>Collaborate with regional governments to eradicate extreme poverty through local economic development, agribusiness programmes, and by strengthening MSMEs</li> <li>Contribute to the Indonesian Government project to prevent and reduce stunting rates in Riau province and cooperate with the Ministry of Health to improve minimum service standards for Community Health Centres</li> <li>Partner with universities and vocational schools to recruit graduates</li> <li>Train school supervisors, principals, and teachers on school-based management, teaching and learning processes.</li> <li>Engage with communities and invest in social programmes, including our Community Conservation Program, Fire Free Village Programme (FFVP), and other community development initiatives</li> </ul> <p><b>Grievance mechanisms</b></p> <ul style="list-style-type: none"> <li>Engage with communities to address their complaints and concerns and to implement measures that prevent the recurrence of grievances</li> <li>Provide online and offline grievance mechanisms that are independent, confidential, and anonymous, as needed</li> <li>Provide a variety of feedback and information channels, including newsletters and community forums.</li> </ul>

# APPENDICES

Stakeholder group	Why we engage	Topics relevant to stakeholders	How we engage
<b>Our suppliers and contractors</b>	We collaborate with our suppliers and contractors to address joint issues across the value chain, ensuring transparency and promoting fair and respectful working conditions. We help them adopt best practices to adhere to our safety, sustainable forest management, business ethics approaches and all relevant policies.	<ul style="list-style-type: none"> <li>Procurement process</li> <li>Certification systems</li> <li>Capacity building and resource support</li> <li>Safety and health (contractors)</li> <li>Supply chain sustainability</li> <li>Human rights in the supply chain</li> <li>Deforestation-free supply chain</li> </ul>	<ul style="list-style-type: none"> <li>Build human rights due diligence capacity, conduct a human rights impact assessment, and help our long-term wood suppliers develop action plans</li> <li>Engage constructively with our suppliers in instances of non-compliance.</li> <li>Evaluate contractors' performance and support them in improving legal compliance</li> <li>Train local small-medium enterprises (SMEs) on responsible business practices</li> <li>Submit to regular compliance audits</li> <li>Engage with forest certification schemes and auditors</li> <li>Provide safety induction training for contractors' workers</li> </ul>
<b>Government</b>	<p>APRIL Group's operations comply with all relevant regulations, including permit requirements per local and national laws.</p> <p>We actively engage with regulatory bodies and local and national governments to foster transparency and collaboration, understand and support their priorities, and communicate our objectives.</p>	<ul style="list-style-type: none"> <li>Compliance with permits and regulations</li> <li>Payment of government taxes</li> <li>Infrastructure and local development</li> <li>Supporting and providing feedback on new regulations</li> <li>National reforestation and restoration efforts</li> <li>Supporting national agendas on stunting, education, and poverty reduction</li> </ul>	<p>Engagement through industry associations, including the Indonesian Pulp and Paper Association (APKI), Association of Indonesian Forest Concessionaires (APHI), Indonesian Employers' Association (APINDO), Indonesian Chamber of Commerce and Industry (KADIN Indonesia), and other regional and national associations</p> <ul style="list-style-type: none"> <li>Ensuring and monitoring compliance with national and local regulations</li> <li>Monitoring and reporting legal non-compliances</li> <li>Participating in consultations on new laws and regulations</li> <li>Entering into agreements with regulators and government authorities to set commitments and meet common goals                             <ul style="list-style-type: none"> <li>Entering into public-private partnerships to support local and national agendas on education, climate change mitigation, and health</li> </ul> </li> </ul>

Stakeholder group	Why we engage	Topics relevant to stakeholders	How we engage
<b>Research institutions and academia</b>	Our management practices and work on the ground are science-backed, including how we manage our forests, address climate change impacts, and set GHG emissions reduction targets. APRIL partners with scientific bodies and invests in scientific research to guide our responsible peatland management practices and contribute to the global understanding of peat ecosystems.	<ul style="list-style-type: none"> <li>Tropical peatlands</li> <li>Tropical peatland hydrology</li> <li>GHG emissions from land use</li> <li>Carbon and climate impacts</li> <li>Nature-based climate solutions</li> <li>Socio-economic impacts</li> </ul>	<p>APRIL closely engages with research institutions, including the Independent Peat Expert Working Group, in the following ways:</p> <ul style="list-style-type: none"> <li>Funding research and collaborating with universities and research institutions from around the world, including the University of Wisconsin-Madison, University of Alberta, University of Leicester, UK Centre of Ecology and Hydrology, Université Paul-Sabatier, Université de Toulouse, Université du Québec à Montréal, Hokkaido University, National University of Singapore, Singapore-MIT Alliance for Research and Technology, Tanjungpura University, University of Indonesia and the Indonesian Research and Innovation Agency (BRIN)</li> <li>Research findings are published in prestigious scientific journals and presented at national and international scientific conferences to maximise their impact</li> <li>Actively contributing to national and international forums, dialogues, and panel discussions on tropical peatlands</li> <li>Supporting a national seminar on updated research on GHG emissions from tropical peatlands</li> <li>Collaborating on a macroeconomic impact analysis study of our operations</li> </ul>
<b>NGOs</b>	<p>APRIL Group collaborates with local and international NGOs to collectively address shared challenges. These collaborations allow us to leverage these NGOs' wealth of experience, technical expertise, and expansive networks.</p> <p>This collaborative approach demonstrates our commitment to integrating diverse perspectives and resources to ensure sustainable practices, transparency, and accountability.</p>	<ul style="list-style-type: none"> <li>Responsible wood sourcing</li> <li>Human rights</li> <li>Rights of communities and Indigenous people</li> <li>Sustainable forestry</li> <li>Ecosystem restoration</li> <li>Peatland operations</li> <li>Community livelihoods</li> <li>Biodiversity conservation</li> <li>Illegal wildlife trade</li> </ul>	<ul style="list-style-type: none"> <li>Partnering with NGOs on ecosystem restoration, wildlife protection, carbon, conservation, community engagement, upholding human rights, biodiversity and ecosystem surveys, and goods and services surveys</li> <li>Collaborating with international experts on specific topics, seeking advice on improving our sustainability commitments at our operations</li> <li>Addressing grievances about our operations and supply chain</li> </ul>

# APPENDICES

Stakeholder group	Why we engage	Topics relevant to stakeholders	How we engage
NGOs	<b>Fauna &amp; Flora International (FFI)</b> Partners with APRIL to help us improve how we manage biodiversity assessments and protection, climate issues and community engagement at RER, and how we promote landscape-level conservation.	<ul style="list-style-type: none"> <li>Biodiversity</li> <li>Carbon stock</li> <li>Ecosystem services</li> </ul>	<ul style="list-style-type: none"> <li>Partnering on biodiversity and ecosystem surveys and goods and services surveys</li> <li>Collaborating with an international expert on biodiversity and carbon</li> </ul>
	<b>Bidara</b> APRIL collaborates with Bidara on community empowerment programs that support villages and communities in becoming more economically independent.	<ul style="list-style-type: none"> <li>Ecosystem services</li> <li>Community livelihoods</li> </ul>	<ul style="list-style-type: none"> <li>Community engagement</li> <li>Training</li> </ul>
	<b>Wildlife Conservation Society (WCS)</b> WCS collaborates with APRIL to prevent the illegal wildlife trade.	<ul style="list-style-type: none"> <li>Biodiversity</li> <li>Illegal wildlife trade</li> </ul>	<ul style="list-style-type: none"> <li>Strategic partnership</li> <li>Training and awareness to prevent illegal wildlife trade</li> </ul>
	<b>Forest Peoples Programme (FPP)</b> Engages with APRIL to independently review relations with communities in and near our pulp and paper plantations.	<ul style="list-style-type: none"> <li>Customary rights</li> <li>Indigenous people</li> <li>Human Rights</li> <li>Community livelihoods</li> </ul>	<ul style="list-style-type: none"> <li>Discussions and dialogues</li> <li>Consultations</li> </ul>
	<b>Earthworm Foundation</b> Engages with APRIL to provide technical assistance on community conservation.	<ul style="list-style-type: none"> <li>Conservation</li> <li>Community livelihoods</li> </ul>	<ul style="list-style-type: none"> <li>Strategic partnership</li> </ul>
	<b>EcoNusantara</b> Provides APRIL with technical assistance with networking and engaging with local NGOs.	<ul style="list-style-type: none"> <li>Community livelihoods</li> <li>Agricultural assistance</li> </ul>	<ul style="list-style-type: none"> <li>Strategic partnership</li> <li>Discussions and dialogues</li> </ul>

Stakeholder group	Why we engage	Topics relevant to stakeholders	How we engage
NGOs	<b>Perkumpulan Elang</b> Engages with APRIL to implement community-empowerment programmes that support villages and communities in becoming more economically independent.	<ul style="list-style-type: none"> <li>Community livelihoods</li> <li>Agricultural assistance</li> </ul>	<ul style="list-style-type: none"> <li>Community engagement</li> <li>Discussion and dialogue</li> </ul>
	<b>Yayasan Mitra Insani</b> Engages with APRIL to implement community-empowerment programmes that support villages and communities in becoming more economically independent.	<ul style="list-style-type: none"> <li>Community livelihoods</li> <li>Agricultural assistance</li> </ul>	<ul style="list-style-type: none"> <li>Community engagement</li> <li>Discussion and dialogue</li> </ul>
Media	APRIL maintains close contact with national and international media to provide company updates and manage potential issues.	<ul style="list-style-type: none"> <li>Business operations</li> <li>Community engagement</li> <li>Supporting national agendas</li> <li>Supply chain</li> <li>Progress on APRIL2030</li> </ul>	<ul style="list-style-type: none"> <li>Updating media on specific issues and aspects of our operations through informal engagement, responding to queries, publications on APRIL platforms, and earned and paid media coverage</li> <li>Inviting media to our operations to provide a better understanding of our business practices, sustainability progress, and our on-the-ground initiatives</li> <li>Attending media-led events and discussions</li> </ul>

Collaborative Platforms and Initiatives	Why we engage	How we engage
<b>The Programme for the Endorsement of Forest Certification (PEFC™)</b>	The Programme for the Endorsement of Forest Certification (PEFC) is a global non-profit organisation that promotes sustainable forest management. PEFC endorses national forest certification systems that meet its rigorous standards, thus ensuring responsible practices, biodiversity conservation, and supporting forest-dependent communities.  PEFC is internationally recognised as a credible label for products sourced from sustainably managed forests, contributing to environmentally conscious forestry practices globally.	APRIL is a member of <a href="https://pefc.org">PEFC International</a> and part of the PEFC General Assembly, the organisation's highest decision-making body, which sets its strategic direction.  The list of APRIL's PEFC certificates can be found at: <a href="https://pefc.org/find-certified">https://pefc.org/find-certified</a>

# APPENDICES

Collaborative Platforms and Initiatives	Why we engage	How we engage
<b>Forest Stewardship Council™ (FSC™)</b>	The FSC is an international non-profit, multi-stakeholder organisation promoting responsible management of the world's forests.	We continue engaging with the Forest Stewardship Council (FSC) to end our disassociation. In November 2023, APRIL and FSC signed a remedy framework agreement in compliance with Chapter 3, section 2.1 of the FSC Remedy Framework, embarking on our remediation process.
<b>CDP</b>	CDP is a corporate transparency initiative that discloses high-quality, comparative data on companies' environmental performance to investors.	More than 21,000 companies filed CDP disclosures in 2023, including APRIL. We achieved a B rating on our CDP Forests disclosure.
<b>ZSL SPOTT</b>	SPOTT assesses companies' transparency in disclosing their best practices and sustainability commitments. It promotes industry-wide openness and accountability, driving the adoption and implementation of social and environmental best practices in high biodiversity impact sectors.	SPOTT conducts thorough reviews of APRIL's publicly available reports and publications. APRIL achieved a 75.3% score, maintaining our Top 10 position in the 2023 annual global assessment report that evaluates 100 timber-related companies worldwide across 182 ESG indicators in 10 categories.
<b>World Business Council on Sustainable Development (WBCSD)</b>	The WBCSD is a global, CEO-led community of over 225 of the world's leading sustainable businesses. Its members work collectively to accelerate the transition to a net zero, nature-positive, and more equitable world. APRIL has been a member of the WBCSD since 2007.	We are a member of the WBCSD and actively engage in the WBCSD Asia Pacific hub. In 2023, the Executive Director of WBCSD Asia Pacific visited our operations to observe our production-protection efforts on the ground. Our engagements include consulting on the TNFD and WBCSD Membership criteria and attending the year-end Council Meeting in Dubai. We also submitted our Sustainability Report for Report Matters feedback, confirming our continued improvement. In 2023, one of our young leaders from the Sustainability Operations Department participated in the WBCSD Leadership Program.
<b>Indonesian Business Council on Sustainable Development (IBCSD)</b>	The Indonesia Business Council for Sustainable Development (IBCSD) is the regional chapter of the World Business Council for Sustainable Development (WBCSD).	APRIL subsidiary PT Riau Andalan Pulp and Paper (PT RAPP) was a founding member of IBCSD in 2011, and its current President Director, Sihol Aritonang, chairs the organisation. In 2023, we participated in IBCSD programmes promoting and advocating for sustainable Indonesian businesses and supply chains and supporting the Indonesian Government's net-zero goals.

Collaborative Platforms and Initiatives	Why we engage	How we engage
<b>UN Global Compact (UNGC)</b>	The UNGC is a voluntary initiative that encourages businesses worldwide to adopt socially responsible business practices and commit to universal human rights, employment, the environment, and anti-corruption principles.  APRIL has been a UNGC signatory since 2006 and remains committed to its Ten Principles for responsible business practices. APRIL is also a member of the Global Compact Network in Indonesia and Singapore.	We work closely with UNGC's Global Compact Network Singapore (GCNS) and Indonesia Global Compact Network (IGCN) chapters, submitting our Communication on Progress (CoP) to both as required before incorporating it into our annual Sustainability Report.  We actively participate in UNGC sustainability and human rights initiatives, contributing to a more sustainable and equitable world. We joined the SDG Innovation Accelerator for Young Professionals, providing mentorship services for participants from other companies and sending two teams of our own. We also joined the Business & Human Rights Accelerator, demonstrating our commitment to respecting human rights across our operations.
<b>Regional Community Forestry Training Center (RECOFTC)</b>	RECOFTC advances community forestry and sustainable forest management in the Asia-Pacific region.	In 2023, we engaged with RECOFTC to provide agroforestry assistance and training to community plantations.
<b>The Forest Dialogue (TFD)</b>	TFD provides international leaders in the forest sector with an ongoing, multi-stakeholder dialogue platform and process focused on developing mutual trust, a shared understanding, and collaborative solutions to challenges in achieving sustainable forest management and forest conservation around the world.	In 2023, APRIL co-hosted a multi-stakeholder dialogue with TFD's Tree Plantations in the Landscape (TPL) initiative in Riau, Indonesia. TPL is an evolution of the 2005 to 2008 Intensively Managed Planted Forests (IMPF) initiative, during which TFD convened a similar dialogue in Riau in 2007. The TPL dialogue revisited critical environmental, social, and economic concerns raised during the original IMPF dialogue and new challenges and opportunities that have emerged since then.
<b>1t.org</b>	The World Economic Forum platform for the trillion trees community connects, empowers, and mobilises members of a global movement to conserve, restore, and grow 1 trillion trees worldwide by 2030.	In 2023, we participated in scheduled conference calls, sharing insights and experiences on ecosystem restoration and conservation with our peers.
<b>Fire Free Alliance (FFA)</b>	The Fire Free Alliance (FFA) is a voluntary multi-stakeholder group comprising forestry and agriculture companies, NGOs, and other concerned partners committed to resolving Indonesia's persistent haze issues from forest and land fires.	As a founding member, APRIL collaborates with other members to share information and open-source knowledge, leading to a fire-free Indonesia. In 2023, FFA members held several meetings and the organisation produced and shared a series of <a href="#">case studies</a> addressing fire issues in Indonesia on its website.
<b>KADIN</b>	The Indonesian Chamber of Commerce and Industry (KADIN) is a non-governmental trade association that serves as the sole umbrella organisation for businesses in Indonesia.	APRIL is a member of KADIN and several of its committees. We work with KADIN to promote sustainable forest management, circularity, waste management, sustainable fashion, and international relations in South America. We are also members of KADIN's Net-Zero Hub and Regenerative Forest Business Sub-Hub and engage in policy advocacy with the organisation.

# APPENDICES

Collaborative Platforms and Initiatives	Why we engage	How we engage
<b>Asosiasi Pulp dan Kertas Indonesia (APKI)</b>	The Indonesian Pulp and Paper Association (APKI) represents companies operating in Indonesia's pulp and paper sector.	APRIL representatives hold several leadership positions in the association. We work with APKI to advocate for policies and regulations that support sustainable development and the growth of the pulp and paper sector in Indonesia. We engage with government agencies, policymakers, and other stakeholders to shape legislation and regulations that affect the industry.
<b>Asosiasi Pengusaha Hutan Indonesia (APHI)</b>	The Association of Indonesian Forest Concessionaires (APHI) represents companies in forestry and related industries in Indonesia. APHI's primary objective is promoting the sustainable management of forests and the responsible utilisation of forest resources.	APRIL representatives occupy several leadership positions in the association. We work with the APHI to advocate for policies that support sustainable forestry practices and contribute to the Indonesian Government's net-zero agenda.
<b>Asosiasi Pengusaha Indonesia (APINDO)</b>	The Indonesian Employers Association (APINDO) represents the interests of businesses and employers in various industries in Indonesia. It is a platform for employers to voice their concerns, engage in policy advocacy, and contribute to the country's economic development.	APRIL is a member of APINDO and is involved in several committees. We work with APINDO to advocate for policies that help create a conducive business environment and support the government's development agenda.
<b>Sustainable Apparel Coalition (SAC)</b>	The Sustainable Apparel Coalition (SAC) is an industry-wide group of more than 250 leading apparel, footwear, and textile brands, retailers, suppliers, service providers, trade associations, non-profits, NGOs, and academic institutions working to reduce the environmental and social impacts of textile products worldwide.	APR joined SAC in 2020 to partner with industry peers to advance sustainability in the textile industry and achieve environmental and social transparency in the textile supply chain. APR uses the Higg Index suite of tools to measure and improve sustainability performance at our operations. APR also contributes data and resources to support the Higg Index, which measures sustainability performance, drives supply chain transparency, and empowers efficient, sustainable, and impactful decision-making.
<b>Textile Exchange</b>	Textile Exchange is a global non-profit organisation that promotes sustainability in the textile value chain. It works closely with its members to drive industry transformation in preferred fibres, integrity, standards, and responsible supply networks, aiming to minimise the global textile industry's negative environmental impact.	Textile Exchange membership demonstrates APR's commitment to sustainability and continuous improvements across our operations. Textile Exchange is a global platform that allows us to learn from our peers and collaborate on innovations to support the United Nations SDGs and transform the industry.
<b>Association of Indonesian Filament Yarn and Fibre Manufacturers (APSyFI)</b>	The Association of Indonesian Filament Yarn and Fibre Manufacturers (APSyFI) is an Indonesian industry alliance of filament fibre and yarn manufacturers.	APR works with fellow members to revitalise Indonesia's textile industry.

Collaborative Platforms and Initiatives	Why we engage	How we engage
<b>Asosiasi Pertekstilan Indonesia (API)</b>	Asosiasi Pertekstilan Indonesia (API) is a textile industry association of midstream and downstream operators dedicated to advancing the textile industry in the country, serving its members and other industry stakeholders.	APR is an active member of the API Riau chapter, working with textile and fashion SMEs to transform Riau into a thriving textile hub.
<b>Rantai Tekstil Lestari (RTL)</b>	The Sustainable Textile Chain (RTL) is a forum that brings together the private sector, fashion designers, academics, civil society entities, and other stakeholders in the textile and fashion industries to promote sustainability in the textile value chain.	APR is one of nine founding RTL members, driving its agenda and building a collaborative space that promotes discussions across sectors and commodities, helping other companies meet the challenges of sustainable production.

# APPENDICES

## BASE DATA

Indicator	Breakdown	UoM	2023	2022	2021	2020	2019
<b>General disclosures</b>							
<b>Countries exported to</b>	Pulp	no.	15	17	16	16	15
	Paper	no.	80	78	75	75	74
	VSF	no.	17	17	14	n/a	n/a
	Yarn	no.	13	15	14	n/a	n/a
<b>APRIL landbank</b>	Total	ha	1,043,727	1,045,557	1,046,894	1,047,182	1,048,780
	Commercial plantation – Developed forest plantation	ha	454,021	454,045	447,984	448,632	448,639
	Commercial plantation – Undeveloped forest plantation	ha	2,266	3,296	3,841	3,791	3,861
	Livelihood plantation	ha	43,471	42,353	45,833	49,924	48,038
	Infrastructure	ha	22,224	21,810	21,624	21,090	20,788
	Conservation area set aside	ha	362,136	361,231	360,200	364,996	365,751
	Other	ha	159,609	162,821	167,413	158,750	161,703
	<b>Total production</b>	Wood log	t	14,784,447	11,964,368	11,787,483	11,098,933
	Wood chip	t	797,952	n/a	n/a	n/a	n/a
	Pulp	t	3,689,731	2,964,676	2,868,525	2,697,037	2,596,281
	Kraft wood pulp (KWP)	t	2,299,646	n/a	n/a	n/a	n/a
	Dissolving wood pulp (DWP)	t	1,389,615	n/a	n/a	n/a	n/a
	Paper	t	1,133,638	1,121,592	1,103,362	1,113,925	1,038,863
	VSF	t	309,226	282,160	229,957	227,401	192,760
	Yarn	t	7,801	7,471	6,962	4,340	n/a
<b>Employees</b>	Male	no.	11,372	9,784	8,547	7,913	7,716
	Female	no.	1,940	1,628	1,180	990	913
<b>Workers who are not employees</b>	Male	no.	20,825	17,701	17,749	18,030	17,320
	Female	no.	5,303	4,903	5,014	5,398	5,384
<b>Climate Positive</b>							
<b>GHG emissions</b>							
<b>Scope 1</b>	<b>Total</b>	<b>t CO<sub>2</sub>e</b>	<b>8,079,104</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
	Mill total	t CO <sub>2</sub> e	2,570,728	2,065,848	2,113,745	2,496,761	2,385,430
	Stationary fossil fuel combustion	t CO <sub>2</sub> e	2,267,098	1,933,820	1,980,654	2,356,886	2,258,389
	Stationary biomass combustion (non-CO <sub>2</sub> )	t CO <sub>2</sub> e	94,376	84,967	84,343	76,438	72,649
	Transportation and mobile combustion	t CO <sub>2</sub> e	33,743	19,245	15,056	10,499	14,327

Indicator	Breakdown	UoM	2023	2022	2021	2020	2019
<b>Scope 1 emissions</b>	Waste management	t CO <sub>2</sub> e	97,414	30,032	30,227	30,238	28,128
	Make-up chemicals	t CO <sub>2</sub> e	78,097	70,705	84,108	94,874	74,945
	Land sector total	t CO <sub>2</sub> e	5,508,376	n/a	n/a	n/a	n/a
	Land-use change emissions from managed area	t CO <sub>2</sub> e	3,725,591	n/a	n/a	n/a	n/a
	Land-use change emission from de facto unmanageable area	t CO <sub>2</sub> e	123,905	n/a	n/a	n/a	n/a
	Land management (non-CO <sub>2</sub> emissions)	t CO <sub>2</sub> e	1,370,274	n/a	n/a	n/a	n/a
	Mechanical sources (fibre operations)	t CO <sub>2</sub> e	288,606	n/a	n/a	n/a	n/a
	<b>Scope 2 emissions</b>	<b>Total</b>	<b>t CO<sub>2</sub>e</b>	<b>385</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
<b>Scope 3 emissions</b>	<b>Total</b>	<b>t CO<sub>2</sub>e</b>	<b>5,069,908</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
	Purchased goods and services	t CO <sub>2</sub> e	993,767	n/a	n/a	n/a	n/a
	Land-use change emission from OMS	t CO <sub>2</sub> e	511,607	n/a	n/a	n/a	n/a
	Capital goods	t CO <sub>2</sub> e	153,714	n/a	n/a	n/a	n/a
	Fuel- and energy-related activities	t CO <sub>2</sub> e	354,573	n/a	n/a	n/a	n/a
	Upstream transportation	t CO <sub>2</sub> e	101,116	n/a	n/a	n/a	n/a
	Business travel	t CO <sub>2</sub> e	660	n/a	n/a	n/a	n/a
	Employee commuting	t CO <sub>2</sub> e	12,677	n/a	n/a	n/a	n/a
	Upstream leased assets	t CO <sub>2</sub> e	29	n/a	n/a	n/a	n/a
	Downstream transportation	t CO <sub>2</sub> e	590,623	n/a	n/a	n/a	n/a
	Processing of sold products	t CO <sub>2</sub> e	2,254,216	n/a	n/a	n/a	n/a
	Use of sold products	t CO <sub>2</sub> e	96,925	n/a	n/a	n/a	n/a

# APPENDICES

Indicator	Breakdown	UoM	2023	2022	2021	2020	2019
<b>Removals</b>							
<b>Scope 1</b>	Conservation on mineral soil	t CO <sub>2</sub> e	-328,142	n/a	n/a	n/a	n/a
	CO <sub>2</sub> removal from PCC plant	t CO <sub>2</sub> e	-67,227	-61,876	-68,859	-64,070	-55,190
	Excluded direct emissions from stationary (others)	t CO <sub>2</sub> e	-7,805	-11,045	-11,784	-8,104	-7,818
<b>Biogenic CO<sub>2</sub> emissions and removals (Land management CO<sub>2</sub>)</b>							
	Land management (CO <sub>2</sub> emissions) from APRIL's Land Bank-Peatland (c+d)	t CO <sub>2</sub> e	10,726,773	n/a	n/a	n/a	n/a
	Land management (CO <sub>2</sub> emissions) from managed area - Peatland (c)	t CO <sub>2</sub> e	8,767,851	n/a	n/a	n/a	n/a
	Land management (CO <sub>2</sub> emissions) from de facto unmanageable area - Peatland (d)	t CO <sub>2</sub> e	1,958,921	n/a	n/a	n/a	n/a
<b>Biogenic CO<sub>2</sub> Emissions and Removals Scope 1</b>	Land management (CO <sub>2</sub> emissions) from APRIL's Land Bank - Mineral soil (e+f)	t CO <sub>2</sub> e	-1,771,497	n/a	n/a	n/a	n/a
	Land management (CO <sub>2</sub> emissions) from managed area - Mineral soil (e)	t CO <sub>2</sub> e	-2,435,327	n/a	n/a	n/a	n/a
	Land management (CO <sub>2</sub> emissions) from de facto unmanageable area - Mineral soil (f)	t CO <sub>2</sub> e	663,830	n/a	n/a	n/a	n/a
	Land management (CO <sub>2</sub> emissions) from OMS - Peatland	t CO <sub>2</sub> e	151,916	n/a	n/a	n/a	n/a
	Land management (CO <sub>2</sub> emissions) from OMS-Mineral soil	t CO <sub>2</sub> e	-115,769	n/a	n/a	n/a	n/a

Indicator	Breakdown	UoM	2023	2022	2021	2020	2019
	Avoided emission from conservation on peat	t CO <sub>2</sub> e	-3,746,985	n/a	n/a	n/a	n/a
<b>Avoided emissions</b>	Avoided emission from restoration on peat (RER-Kampar)	t CO <sub>2</sub> e	-6,870,411	n/a	n/a	n/a	n/a
	Avoided emission from Restoration on peat (RER-Pulau Padang)	t CO <sub>2</sub> e	-529,960	n/a	n/a	n/a	n/a
<b>GHG emissions intensity</b>							
<b>GHG emissions intensity</b>	Mill scope 1	t CO <sub>2</sub> e/t product	0.4855	0.4701	0.5022	0.6183	0.6227
<b>Air emissions</b>							
<b>Significant air emissions</b>	NO <sub>x</sub>	t	6,194	6,948	6,061	5,901	5,253
	SO <sub>x</sub>	t	3,628	3,657	5,204	3,221	1,289
	PM2.5	t	1,368	2,104	2,487	6	2,658
<b>Energy consumption</b>							
<b>Energy consumption by mill operations</b>	Total	TJ	129,377	113,068	112,024	106,736	102,423
	Renewable sources	TJ	106,163	92,872	91,365	82,823	78,703
	Black liquor	TJ	81,755	70,235	68,737	63,864	59,264
	Biomass	TJ	19,340	19,121	19,197	18,106	19,033
	Sludge	TJ	3,769	2,812	2,915	525	0
	Methanol	TJ	1,116	703	514	328	406
	Solar	TJ	68	20	2	0	0
	Non-renewable sources	TJ	23,214	20,178	20,659	23,913	23,720
	Coal	TJ	14,990	12,367	12,591	15,568	14,278
<b>Energy consumption by mill operations</b>	Natural gas	TJ	8,008	7,265	7,217	6,733	7,930
	Diesel oil (B35)	TJ	215	509	795	749	1,009
	Heavy oil (boiler)	TJ	0	14	33	863	503
	Heavy oil (kiln)	TJ	0	22	23	0	0

# APPENDICES

Indicator	Breakdown	UoM	2023	2022	2021	2020	2019
<b>Forest certifications</b>							
<b>Forest certifications</b>	RAPP	ha	262,473	n/a	n/a	n/a	n/a
		%	95.44%	n/a	n/a	n/a	n/a
	Supply partners	ha	482,476	n/a	n/a	n/a	n/a
		%	89.70%	n/a	n/a	n/a	n/a
	Community forest plantations	ha	2,675	n/a	n/a	n/a	n/a
			100%	n/a	n/a	n/a	n/a
	RER	ha	150,693	n/a	n/a	n/a	n/a
		%	100%	n/a	n/a	n/a	n/a
	PEFC FM certified excluding open market suppliers	ha	898,317	n/a	n/a	n/a	n/a
		%	92.97%	n/a	n/a	n/a	n/a
	Open market suppliers	ha	556,731	n/a	n/a	n/a	n/a
		%	87.67%	n/a	n/a	n/a	n/a
PEFC FM certified	ha	1,455,048	n/a	n/a	n/a	n/a	
	%	90.86%	n/a	n/a	n/a	n/a	
<b>Conservation area</b>							
<b>Conservation area</b>	RER	ha	150,711	150,711	150,711	150,711	150,711
	Within operational concessions	ha	211,425	210,521	209,489	214,285	215,040
<b>Inclusive Progress</b>							
<b>New hires by age group</b>	< 30 years	no.	2,399	1,901	1,130	508	1,001
	30–50 years	no.	1,154	499	378	116	256
	> 50 years	no.	63	19	18	10	28
<b>New hires by gender</b>	Male	no.	2,918	1,792	1,152	467	1,020
	Female	no.	698	627	374	167	265
<b>Employee turnover by age group</b>	< 30 years	%	7.75%	8.78%	6.49%	5.17%	7.70%
	30–50 years	%	2.79%	3.02%	2.17%	1.30%	2.42%
	> 50 years	%	1.30%	1.22%	0.99%	0.53%	2.55%
<b>Employee turnover by gender</b>	Male	%	4.96%	4.98%	3.64%	2.31%	4.31%
	Female	%	4.91%	7.05%	4.31%	5.57%	6.32%
<b>Sustainable Growth</b>							
<b>Chemical use</b>							
<b>Chlorine dioxide</b>	Total	t	46,873	40,481	0	n/a	n/a
	Intensity	kg/Adt	12.7	13.65	0	n/a	n/a
<b>Sodium sulphate</b>	Total	t	15,069	8,492	14,639	n/a	n/a
		kg/Adt	4.08	2.86	5.1	n/a	n/a
<b>Pesticides and inorganic fertilisers</b>							
<b>Pesticides usage per ha</b>		unit / ha	7.64	6.17	n/a	n/a	n/a
<b>Inorganic fertiliser usage per ha</b>		unit / ha	196	213	225	n/a	n/a

Indicator	Breakdown	UoM	2023	2022	2021	2020	2019
<b>Waste management</b>							
<b>Waste generated</b>	Total	BDT	587,923	492,493	445,371	304,467	383,741
	Hazardous	BDT	453,983	357,837	315,552	265,044	285,031
	Boiler ash	BDT	47,864	40,336	34,625	25,624	27,064
	Lime mud	BDT	44,615	28,853	10,980	10,980	4,454
	Dregs and grits	BDT	77,223	53,286	37,744	27,027	32,685
	Sludge	BDT	91,774	74,759	81,504	61,314	78,998
	Fly ash	BDT	178,556	148,825	150,521	118,183	141,830
	Purged ash	BDT	13,950	11,778	178	21,916	0
	Non-hazardous	BDT	133,940	134,656	129,819	39,423	98,710
	<b>Waste diverted from disposal</b>	Hazardous waste diverted from disposal					
Reused		BDT	113,655	101,300	n/a	n/a	n/a
Recycled		BDT	4,577	n/a	n/a	n/a	n/a
Non-hazardous diverted from disposal							
Reused		BDT	198,261	108,786	n/a	n/a	n/a
Recycled	BDT	6,606	5,680	n/a	n/a	n/a	
<b>Water and wastewater management</b>							
<b>Water withdrawal</b>	Surface water (Kampar river)	ML	160,498	132,580	128,766	117,314	116,881
<b>Water discharge</b>	Surface water	ML	138,210	120,727	112,793	101,529	99,038
<b>Quality of water discharge</b>	TSS	mg/L	21.38	17.79	n/a	n/a	n/a
	COD	mg/L	176.58	190.7	n/a	n/a	n/a
	BOD	mg/L	17.47	16.493	n/a	n/a	n/a
	Nitrogen	t	24.52	22.699	n/a	n/a	n/a
	AOX	t	1.95	1.442	n/a	n/a	n/a
	Phosphorus	t	3.64	2.367	n/a	n/a	n/a

# PESTICIDES AND FERTILISERS INGREDIENTS LIST

Pesticide group	Active ingredient
Adjuvant	Quercetin + Chitosan
	Fatty alkyl sulphate + fatty alkyl betain
Bactericide	Cupric Acetate + Tebuconazole
Fungicide	Azoxystrobin + Difenconazole
	Carbendazim + Mancozeb
	Difenconazole
	Mancozeb + Acilbenzolar-S-metil 1
	Mancozeb + Mefenoxam
	Mancozeb
	Mefenoxam
	Propineb
	Tebuconazole
	Sulfur
	Azoxystrobin + Propiconazole
Herbicide	Emamectin benzoate
	Flumioxazin
	Fluroxypir 1 metil heptil ester
	Isopropil amina glifosat
	Isoxaflutole
	Tiafenacil
	Glufosinate Ammonium
	Methyl Metsulfuron
Insecticide	Indaziflam
	Clothianidin
	Spinetoram
	Chlorantraniliprole
	Lambda-cyhalothrin
	Acephate
	Amitraz
	Dinotefuran
	Chlorantraniliprole
	Profenophos
	Indoxacarb + Novaluron
	Propargite
	Pyridaben
	Emamectin benzoat + Lufenuron
	Fenpropatin
	Pyridaben + Imidacloprid
	Siltac
Alpha-cypermethrin	
Fertilisers	Active ingredient
TSP (Triple super phosphate)	P.Os (phosphorus pentoxide)
RP (Rock phosphate)	POs (phosphorus pentoxide)
ZA (Ammonium sulphate)	Ammonium sulphate
Urea	Ammonium
MOP (KCI) (Muriate of Potash)	Potassium dioxide
Micro-nutrient mix	EDTA chelated Fe, Zn, Cu, B, Mo



# ASSURANCE STATEMENT

[GRI 2-5]



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## INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT

To the management of APRIL INTERNATIONAL ENTERPRISE PTE. LTD ("AIE").

We have undertaken a limited assurance engagement on certain performance metrics of Asia Pacific Resources International Holdings Ltd. ("APRIL") included in the accompanying 2023 APRIL Sustainability Report (the "Report") for the year ended December 31, 2023.

### Subject matter information and applicable criteria

The scope of our limited assurance engagement, as agreed with management, comprises the following performance metrics (collectively, the "subject matter information"):

Subject matter information	Reported amounts and units	Page number in Report	Applicable criteria and basis of presentation
Plantation fiber productivity increase	10%	Page 56	Internally developed criteria.  Presented as the 2021 – 2023 three-year rolling area weighted average annual increment (measured in tonnes / hectare / year) of APRIL and Supply Partner concession harvest, as at December 31, 2023.
Hectares of areas under restoration	114.4 hectares	Page 52	Internally developed criteria.  Presented as hectares of areas with active restoration activities during 2023.
Water use per product tonne	28.7 cubic metres per product tonne	Page 100	Internally developed criteria.  Presented as cubic metres of process water used in 2023 per tonne of pulp, paper and rayon produced in 2023.
Chemical recovery	94.7%	Page 100	Internally developed criteria.  Presented as chemical lime and soda recovered during 2023.
Women in leadership roles	10.7%	Page 77	Internally developed criteria.  Presented as women in leadership roles as a percentage of total leadership roles as at December 31, 2023.
Women in the workforce	18.4%	Page 77	Internally developed criteria.  Presented as women in the workforce as a percentage of the total workforce as at December 31, 2023.
Women in community development ("CD") programs	64%	Page 77	Internally developed criteria.  Presented as women participating in CD programs as a percentage of all participants in CD programs for the year ended December 31, 2023.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.

# ASSURANCE STATEMENT

[GRI 2-5]



Asia Pacific Resources International Holdings Ltd.  
Limited Assurance Report  
July 26, 2024

Other than as described in the preceding table, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

There are no mandatory requirements for the preparation or presentation of subject matter information. As such, APRIL has applied its own internal reporting guidelines and definitions as set out in the Table above (collectively "the applicable criteria").

## Management's Responsibility

Management is responsible for the preparation and presentation of the subject matter information in accordance with the applicable criteria.

Management is also responsible for such internal control as management determines necessary to enable the preparation and presentation of the subject matter information that is free from material misstatement, whether due to fraud or error. This responsibility includes determining APRIL's objectives in respect of sustainability performance and reporting, identifying stakeholders and material issues, and selecting or developing appropriate criteria.

## Our Responsibility

Our responsibility is to express a limited assurance conclusion on the subject matter information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standards on Assurance Engagements ("ISAE") 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information. This standard requires that we plan and perform our engagement to obtain limited assurance about whether the subject matter information is free from material misstatement.

A limited assurance engagement involves assessing the suitability of the criteria used by APRIL in preparing the subject matter information in the circumstances of the engagement, assessing the risks of material misstatement, whether due to fraud or error, and responding to the assessed risks as necessary in the circumstances.

We exercised professional judgment and maintained professional skepticism throughout the engagement. Our procedures were designed and performed to obtain evidence that is sufficient and appropriate to provide a basis for our conclusion. In carrying out our engagement, we:

- Evaluated the suitability of APRIL's use of the criteria, as the basis for preparing the subject matter information in the circumstances;
- Through inquiries, obtained an understanding of APRIL's control environment, processes and systems relevant to the preparation of the subject matter information, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness;
- Evaluated whether APRIL's methods for developing estimates are appropriate and had been consistently applied, but our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate APRIL's estimates;
- Inspected a limited number of items to or from supporting records, as appropriate; and
- Considered the presentation and disclosure of the subject matter information.

The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



Asia Pacific Resources International Holdings Ltd.  
Limited Assurance Report  
July 26, 2024

## Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants and the independence and other ethical requirements of relevant rules of professional conduct/code of ethics in Canada applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies.

The firm applies Canadian Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Significant Inherent Limitations

Historical non-financial information, such as that contained in the Report, is subject to more inherent limitations than historical financial information, given the characteristics of the underlying subject matter and methods used for determining this information. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable evaluation techniques, which can result in materially different measurements and can impact comparability. The nature and methods used to determine such information, as described in the applicable criteria, may change over time, and it is important to read the APRIL's reporting methodology, which can be found in the Report.

## Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Based on the procedures performed and evidence obtained, no matters have come to our attention to cause us to believe that the subject matter information as at and for the year ended December 31, 2023, is not prepared, in all material respects, in accordance with the applicable criteria.

Our conclusion on the subject matter information does not extend to any other information, reports or documents that accompany, are presented with, or contain the subject matter information and our assurance report.

## Restriction on Use

Our report is intended solely for use by the AIE, APRIL and their affiliates, for the purpose(s) set out in our engagement agreement. Our report may not be suitable for any other purpose and is not intended for use or reliance by any third parties. While KPMG LLP acknowledges that disclosure of our report may be made, in full, by APRIL in the 2023 APRIL Sustainability Report, KPMG LLP does not assume or accept any responsibility or liability to any third party in connection with the disclosure of our report.

Chartered Professional Accountants

July 26, 2024  
Vancouver, Canada

**SFMP ASSURANCE REPORT**

The 2024 SFMP 2.0 Assurance Report provides assurance over APRIL's implementation of 19 performance indicators for the period January 1, 2023, to December 31, 2023.

The indicators covered in this assurance report complements the subject matter information assured in sustainability report.

[Read the report here](#)

# GRI CONTENT INDEX

The Global Reporting Initiative (GRI) is a widely adopted multi-stakeholder standard for sustainability reporting, guiding and determining report content and indicators. It has been designed to enhance the global comparability and quality of information on environmental and social impacts, thereby enabling greater transparency and accountability of organisations. Our 2023 Sustainability Report has been prepared in accordance with the 2021 GRI Standards. Our GRI Content Index references our 2023 Sustainability Report.

<b>Statement of use</b>	APRIL Group is reporting the period from period 1 January 2023 to 31 December 2023 in accordance with the GRI Standards.
<b>GRI 1 used</b>	GRI 1: Foundation 2021

GRI Standard	Disclosure	Location or Reason for Omission
<b>GRI 2: General Disclosures 2021</b>	2-1 Organisational details	About APRIL, p.8
	2-2 Entities included in the organisation's sustainability reporting	About APRIL, p.8
	2-3 Reporting period, frequency and contact point	About this report, p.2 Contact, p.138
	2-4 Restatements of information	Available throughout, where relevant
	2-5 External assurance	About this report, p.2 Assurance statement, p.127
	2-6 Activities, value chain and other business relationships	About APRIL, p.8 Responsible sourcing, p.70 Note: net sales/revenue not disclosed (APRIL is a private company)
	2-7 Employees	Workforce overview, p.80
	2-8 Workers who are not employees	Workforce overview, p.80
	2-9 Governance structure and composition	Sustainability governance, p.20
	2-10 Nomination and selection of the highest governance body	Information unavailable
	2-11 Chair of the highest governance body	Sustainability governance, p.20
	2-12 Role of the highest governance body in overseeing the management of impacts	Information unavailable
	2-13 Delegation of responsibility for managing impacts	Sustainability governance, p.20
	2-14 Role of the highest governance body in sustainability reporting	Sustainability governance, p.20
	2-15 Conflicts of interest	Information unavailable
	2-16 Communication of critical concerns	Grievance mechanisms and access to remedy, p.23
	2-17 Collective knowledge of the highest governance body	Information unavailable
	2-18 Evaluation of the performance of the highest governance body	Information unavailable
	2-19 Remuneration policies	Information unavailable
	2-20 Process to determine remuneration	Information unavailable
	2-21 Annual total compensation ratio	Information unavailable
	2-22 Statement on sustainable development strategy	Message from the President, p.4

GRI Standard	Disclosure	Location or Reason for Omission	
<b>GRI 2: General Disclosures 2021</b>	2-23 Policy commitments	Overview of policies, p.19 Sustainable Forest Management Policy 2.0 (SFMP 2.0)	
	2-24 Embedding policy commitments	Overview of policies, p.19 Sustainable Forest Management Policy 2.0 (SFMP 2.0)	
	2-25 Processes to remediate negative impacts	Grievance mechanisms and access to remedy, p.23	
	2-26 Mechanisms for seeking advice and raising concerns	Grievance mechanisms and access to remedy, p.23	
	2-27 Compliance with laws and regulations	Responsible business practices, p.26	
	2-28 Membership associations	Stakeholder engagement, p.28 Stakeholder engagement overview, p.110	
	2-29 Approach to stakeholder engagement	Stakeholder engagement, p.28 Stakeholder engagement overview, p.110	
	2-30 Collective bargaining agreements	Freedom of association, p.89	
	<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	Materiality, p.32
		3-2 List of material topics	Materiality, p.32
<b>Climate change and general governance</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Chemical reduction and recovery, p.101 Our carbon footprint, p.38	
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	Information not disclosed (APRIL is a private company).	
	201-2 Financial implications and other risks and opportunities due to climate change	Climate scenario analysis, p.47	
	201-3 Defined benefit plan obligations and other retirement plans	Information unavailable	
	201-4 Financial assistance received from government	Information unavailable	
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	Our carbon footprint, p.38	
	305-2 Energy indirect (Scope 2) GHG emissions	Our carbon footprint, p.38	
	305-3 Other indirect (Scope 3) GHG emissions	Our carbon footprint, p.38	
	305-4 GHG emissions intensity	Our carbon footprint, p.38	
	305-5 Reduction of GHG emissions	Our carbon footprint, p.38	
	305-6 Emissions of ozone-depleting substances (ODS)	Information unavailable	
	305-7 Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	Managing air emissions, p.103	
<b>Human rights</b>			
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Upholding human rights, p.78 Supporting and respecting communities, p.91	
<b>GRI 202: Market Presence 2016</b>	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Wages and benefits, p.81	
	202-2 Proportion of senior management hired from the local community	Workforce overview, p.80	
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	Talent retention and development, p.85	
	401-2 Benefits provided to full-time employees that are not provided to temporary or parttime employees	Wages and benefits, p.81	
	401-3 Parental leave	Wages and benefits, p.81	

# GRI CONTENT INDEX

GRI Standard	Disclosure	Location or Reason for Omission
<b>GRI 402: Labor/ Management Relations 2016</b>	402-1 Minimum notice periods regarding operational changes	Wages and benefits, p.81
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	Talent retention and development, p.85
	404-2 Programs for upgrading employee skills and transition assistance programs	Talent retention and development, p.85
	404-3 Percentage of employees receiving regular performance and career development reviews	Talent retention and development, p.85
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	Diversity and inclusion, p.82
	405-2 Ratio of basic salary and remuneration of women to men	Wages and benefits, p.81
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	Diversity and inclusion, p.82
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Freedom of association, p.89
<b>GRI 408: Child Labor 2016</b>	408-1 Operations and suppliers at significant risk for incidents of child labor	No child or bonded labour, p.90
<b>GRI 409: Forced or Compulsory Labor 2016</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	No child or bonded labour, p.90
<b>GRI 410: Security Practices 2016</b>	410-1 Security personnel trained in human rights policies or procedures	Supporting and respecting communities, p. 91
<b>GRI 411: Rights of Indigenous Peoples 2016</b>	411-1 Incidents of violations involving rights of indigenous peoples	Grievance mechanisms and access to remedy, p.23 Supporting and respecting communities, p. 91
<b>Community livelihoods</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Supporting and respecting communities, p. 91
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	Supporting and respecting communities, p. 91
	203-2 Significant indirect economic impacts	Supporting and respecting communities, p. 91
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	Supporting and respecting communities, p. 91
	413-2 Operations with significant actual and potential negative impacts on local communities	Supporting and respecting communities, p. 91
<b>Wood fibre sourcing</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Responsible sourcing, p.70
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	Responsible sourcing, p.70
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria	Responsible sourcing, p.70
	308-2 Negative environmental impacts in the supply chain and actions taken	Responsible sourcing, p.70
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria	Responsible sourcing, p.70
	414-2 Negative social impacts in the supply chain and actions taken	Responsible sourcing, p.70

GRI Standard	Disclosure	Location or Reason for Omission
<b>Resource efficiency</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Waste management, p.104 Energy management, p.42
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organisation	Energy management, p.42
	302-2 Energy consumption outside of the organisation	Energy management, p.42
	302-3 Energy intensity	Energy management, p.42
	302-4 Reduction of energy consumption	Energy management, p.42
	302-5 Reductions in energy requirements of products and services	Energy management, p.42
<b>GRI 306: Effluents and Waste</b>	306-1 Waste generation and significant waste-related impacts	Waste management, p.104
	306-2 Management of significant waste-related impacts	Waste management, p.104
	306-3 Waste generated	Waste management, p.104
	306-4 Waste diverted from disposal	Waste management, p.104
	306-5 Waste directed to disposal	Waste management, p.104
<b>Water use</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Water and wastewater management, p.107
<b>GRI 303: Water</b>	303-1 Interactions with water as a shared resource	Water and wastewater management, p.107
	303-2 Management of water discharge related impacts	Water and wastewater management, p.107
	303-3 Water withdrawal	Water and wastewater management, p.107
	303-4 Water discharge	Water and wastewater management, p.107 Base Data
	303-5 Water consumption	Water and wastewater management, p.107
<b>Biodiversity and ecosystem conservation</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Sustainable forest management, p.54 Conservation and restoration, p.60
<b>GRI 304: Biodiversity 2016</b>	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Conservation and restoration, p.60
	304-2 Significant impacts of activities, products and services on biodiversity	Conservation and restoration, p.60
	304-3 Habitats protected or restored	Conservation and restoration, p.60
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Conservation and restoration, p.60

# GRI CONTENT INDEX

GRI Standard	Disclosure	Location or Reason for Omission
<b>Occupational health and safety</b>		
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1	Occupational health and safety management system
	403-2	Hazard identification, risk assessment, and incident investigation
	403-3	Occupational health services
<b>GRI 403: Occupational Health and Safety 2018</b>	403-4	Worker participation, consultation, and communication on occupational health and safety
	403-5	Worker training on occupational health and safety
	403-6	Promotion of worker health
<b>GRI 403: Occupational Health and Safety 2018</b>	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
	403-8	Workers covered by an occupational health and safety management system
	403-9	Work-related injuries
	403-10	Work-related ill health
<b>General Disclosure</b>		
<b>GRI 205: Anti-corruption 2016</b>	205-1	Operations assessed for risks related to corruption
	205-2	Communication and training about anti-corruption policies and procedures
	205-3	Confirmed incidents of corruption and actions taken
<b>GRI 417: Marketing and Labeling 2016</b>	417-1	Requirements for product and service information and labeling
	417-2	Incidents of non-compliance concerning product and service information and labeling
	417-3	Incidents of non-compliance concerning marketing communications

# APRIL GROUP: LIST OF ENTITIES

The following entities comprise the APRIL Group:

- Fibre plantations: PT Riau Andalan Pulp and Paper (RAPP)
- Paper facilities:
  - PT Riau Andalan Kertas
  - PT Anugrah Kertas Utama
  - PT Riau Andalan Paperboard
- Exporter: PT Intiguna Primatama
- APRIL HQ: PT APRIL Management Indonesia
- Energy plant : PT Riau Prima Energy
- Chemical manufacturing:
  - PT Asia Prima Kimiaraya
  - PT Esensindo Cipta Cemerlang
- APRIL transportation services: PT Prima Transportasi Servis Indonesia
- Real estate:
  - PT Kawasan Industri Kampar
  - PT Bangun Dwipantara Indah
- Sales and marketing (Singapore-based): APRIL International Enterprise Pte Ltd
- Restorasi Ekosistem Riau (RER):
  - PT Gemilang Cipta Nusantara
  - PT Sinar Mutiara Nusantara
  - PT The Best One Unitimber
  - PT Global Alam Nusantara

Affiliated companies:

- Viscose staple fibre facility: PT Asia Pacific Rayon (APR)<sup>17</sup>
- Yarn facility: PT Asia Pacific Yarn (APY)<sup>17</sup>

<sup>17</sup> APR and APY are sister companies that operate within the boundaries of our manufacturing site in Pangkalan Kerinci, Riau. Their emissions, energy, water, waste and human resources data are included in the scope of this report to reflect the nature of our integrated manufacturing operations.

# GLOSSARY

**Biodiversity** - The number and variety of species of plant and animal life within a region.

**Biological Oxygen Demand (BOD)** - The amount of oxygen used when organic matter undergoes decomposition by microorganisms. BOD testing assesses the amount of organic matter in water.

**Carbon footprint** - The sum of greenhouse gas emissions and removals of a product system or an organisation, expressed as a carbon dioxide equivalent.

**Cellulose** - The primary structural component of all plants, approximately 40% of wood, and the raw material for dissolving wood pulp production.

**Chemical Oxygen Demand (COD)** - The measurement of the oxygen required to oxidise soluble and particulate organic matter in water. COD testing uses a strong chemical oxidising agent to chemically oxidise the organic material in a wastewater sample under controlled conditions.

**Community fibre plantations** - Through its Community Fibre Plantation program, APRIL fosters collaboration with communities near and around its operations, while assisting the local communities to achieve economic betterment.

**Cradle-to-cradle** - An ecological design approach that aims to optimise the environmental and social impact of products by considering their entire lifecycle, from raw material extraction to disposal or reuse. It advocates for the continuous circulation of materials and nutrients within closed-loop systems, where waste from one process becomes a valuable resource for another.

**Dissolving wood pulp (DWP)** - Highly purified chemical pulp derived from wood intended primarily for conversion into chemical cellulose derivatives and used mainly in manufacturing viscose staple fibre.

**European Union Best Available Techniques (EU BAT) Polymer BREF** - An EU standard on input and output standards for a specific process. It outlines the best available techniques, including emissions and consumption levels, monitoring, and site remediation measures. It is the global industry benchmark for controlling and preventing industrial pollution.

**Fire-Free Village Program (FFVP)** - A fire management programme that provides training, equipment and economic incentives to local communities to help prevent fire.

**Global Reporting Initiative (GRI)** - A multi-stakeholder standard for sustainability reporting, guiding and determining report content and indicators.

**Greenhouse gas (GHG) emissions** - Gases in the atmosphere that absorb and emit radiation in the thermal infrared range. The primary greenhouse gases in the Earth's atmosphere are water vapour, carbon dioxide, methane, nitrous oxide, and ozone.

**Higg Index** - A suite of tools that measures environmental and social impacts across the life cycle of apparel and footwear products.

**High Conservation Value (HCV)** - A concept originally developed by the Forest Stewardship Council (FSC) to standardise the definition and evaluation of natural forests to be set aside for conservation. Six HCVs have been identified, covering the environmental and social aspects of natural forests.

**International Organisation for Standardisation (ISO)** - An organisation that publishes several standards impacting APR activities. The ISO 9000 series of standards pertains to quality management systems. ISO 14001 focuses on environmental performance and management, and ISO 45001 covers occupational health and safety management.

**Man-made cellulosic fibre (MMCF)** - Material made with cellulose-based fibres derived from plants, most commonly wood pulp.

**Non-governmental organisation (NGO)** - A term used in this report to designate grassroots and campaigning organisations focused on environmental and social issues.

**OEKO-TEX®** - An association of independent textile and leather testing institutes responsible for developing industry standards.

**Open-market suppliers** - Fibre suppliers that do not contribute to APRIL's commitments.

**Posyandu** - Community-based integrated health post that supports mothers and toddlers. Staffed by community volunteers called cadres.

**Rembuk stunting** - Discussions and consultations on stunting prevention and management.

**Small and medium-sized enterprise (SME)** - a business with revenues, assets, or number of employees that fall below a certain threshold, which varies by industry and country.

**Solid waste** - Dry organic and inorganic waste materials.

**Stakeholder** - Any group or individual that is affected by or can affect a company's operations.

**Supply partners** - Fibre suppliers who are long-term partners of APRIL and contribute to our 1-for-1 commitment, where the company aspires to conserve or restore one hectare of forest for every hectare of plantation.

**Sustainability** - A term expressing a long-term balance between social, economic, and environmental objectives. It is often linked to sustainable development, defined as development that meets the needs of current generations without compromising the needs of future generations.

**Sustainable Development Goals (SDGs)** - A United Nations blueprint to achieve a better, more sustainable, and inclusive future addressing global challenges, including poverty, inequality, climate change, environmental degradation, peace, and justice.

**The Forest Stewardship Council® (FSC)** - An international non-profit forest management organisation.

**The Program for the Endorsement of Forest Certification™ (PEFC)** - An international non-profit organisation that promotes sustainable forest management through independent third-party certification schemes.

**Total suspended solids (TSS)** - a water quality parameter defined as the quantity of material suspended in a known volume of water trappable in a filter.

**Traceability** - The ability to track sustainable VSF or DWP across the entire supply chain to its source.

**United Nations Framework Convention on Climate Change (UNFCCC)** - An international environmental treaty negotiated at the United Nations Conference on Environment and Development (UNCED) in Rio de Janeiro in 1992.

**Viscose staple fibre (VSF)** - A natural fibre made from purified cellulose, primarily DWP twisted to form yarn.

**ZDHC** - A multi-stakeholder collaboration of global brands, chemical suppliers, manufacturers, and other organisations committed to reducing the chemical footprint of the MMCF industry, responsible for industry guidelines such as the ZDHC MMCF Fibre Production Guidelines, ZDHC MMCF Interim Wastewater Guidelines, and ZDHC MMCF Interim Air Emissions Guidelines.

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# CONTACT

[GRI 2-3]

We welcome questions or contributions on the contents of this report or our sustainability performance. Please e-mail your inquiries to [sustainability@aprilasia.com](mailto:sustainability@aprilasia.com).

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