



TOWARDS PURPOSE-LED
ACTION



SUSTAINABILITY REPORT



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President's Message

Our sustainability progress is driven by our people – our employees, workers, our shareholders and the communities where we operate. While downstream diversification continues to be a driver of growing a successful business, sustainability will remain at the centre of our purpose, governance and strategy.

TOWARDS PURPOSE-LED ACTIONS

Our sustainability is advanced by the actions of our people – our employees, contractors, shareholders, partners, and the communities where we operate – while we strive to live up to our purpose of delivering a positive impact on climate, nature and people. As we grow the business through downstream diversification, sustainability remains imperative to our strategy. We also continue to be guided by our founding 5Cs philosophy. This ensures that we operate in a way that is good for the community, the climate, our customers, the country, and then our company.

I am pleased to present APRIL Group's 2022 Sustainability Report. This report is testament to our team's expertise, passion, hard work and commitment to realizing our purpose through our actions. On behalf of the company's leadership, I want to express my sincere gratitude to everyone for their persistent efforts and strong results.

DRIVING PURPOSE-LED TRANSFORMATION

In 2022, we continued to advance towards the achievement of our APRIL2030 commitments and targets, increasingly embedding them into our operations.

APRIL2030 comprises 18 ambitious targets under four commitment pillars - Climate Positive, Thriving Landscapes, Inclusive Progress and Sustainable Growth. This report includes detailed updates of our progress and challenges towards delivering on these commitments and targets.

The integration of these commitments and targets into our day-to-day operational activity is reflected in improved disclosure and rating scores achieved during the year, specifically the SPOTT and CDP ratings. APRIL was also one of the winners in the Sustainable Business category at the Singapore Apex Corporate Sustainability

Awards 2022, organised by the UN Global Compact Network Singapore (GCNS).

Aligned to our Climate Positive commitment, we continued to invest in renewable energy sources and the application of energy-efficient technologies to reduce carbon emissions in our value chain. We have increased our ambition from our initial target of installing 20 MW of solar energy to 50 MW by 2030 and completed 11 MW of solar installation during 2022.

We continue to pursue our climate mitigation efforts to support the Indonesian government's goal for the forestry sector to achieve net sink status by 2030, also known as FOLU (Forest and Other Land Uses) Net Sink.

In 2022 we went further in empowering communities and respecting human rights. During the year, we introduced our APRIL human rights policy, completed a human rights impact assessment, and conducted social impact assessments. Ensuring respect and promotion of human rights in line with UN Guiding Principles on Business and Human Rights and other global guidance will be a continuing area of focus as we move forward.

SEIZING OPPORTUNITIES FOR BIO-BASED SOLUTIONS

As a leading company in the global forest product sector, we are strongly placed to respond to the growing market demand for sustainable, bio-based products while fulfilling our APRIL2030 agenda. To achieve this, we are improving operational efficiency by investing in digitalization, product innovation and science-based research and development to build on our competitive advantage.

In 2022, we announced a IDR 33.4 trillion (approximately USD 2.33 billion) investment in a new paperboard production facility capable of producing 1.2 million tons of folding box board annually that is 100% recyclable, reusable and biodegradable. This additional

product diversification is designed to meet the rising demand for sustainable packaging solutions in the domestic and international markets.

Importantly, and consistent with our focus on purpose-led action, the supply of fibre for our downstream growth will continue to be in full compliance with our Sustainable Forest Management Policy (SFMP 2.0).

We remain committed to ensuring no deforestation in our operations and throughout our supply chain. We have in place stringent due diligence procedures across our supply chain to ensure responsible wood sourcing.

LOOKING AHEAD

As we look ahead to 2023, it's important that we maintain our current momentum and deliver on our purpose through concrete, measurable actions.

In the near term, this means building on the successful demonstration of our production-protection approach which ensures plantation, conservation forests and restored forests can co-exist in a thriving landscape, along with the development of the local communities. Making strides in meeting our 1-for-1 conservation to plantation commitment, working with communities to improve livelihoods and healthcare and education outcomes, and advancing global understanding of peatland science and responsible peatland management will ensure we grow our business sustainably.

We are fortunate to have an extraordinarily driven and committed team that share in our purpose, 5Cs principles and core values. Sustainability continues to increasingly permeate our collective mindset and daily actions. It underpins our growth strategy and drives our transformation as we take part in fulfilling the global 2030 development agenda.

Sincerely,

Praveen Singhavi
President of APRIL

As a leading company in the global forest product sector, we are strongly placed to respond to the growing market demand for sustainable, bio-based products while fulfilling our APRIL2030 agenda. To achieve this, we are improving operational efficiency by investing in digitalization, product innovation and science-based research and development to build on our competitive advantage.





2. OUR YEAR IN SUMMARY

Diversification



IDR33.4 trillion
(US\$2.28 billion)

investment in paperboard packaging mill in Pangkalan Kerinci

Stakeholder Engagement

Dialogues & Collaborations



Collaborated with EcoNusantara and Elang for community engagement initiatives in forest protection activities through agroforestry partnerships



Public Private Partnership supporting Indonesian government by co-developing nursery complex in Rumpin



Collaborated with WCS to achieve a comprehensive Illegal Wildlife Trade (IWT) strategy for the Kampar Peninsula landscape in Riau.

External Recognition

Improved disclosure and rating scores



CDP score for forests



71.5%
score for ZSL SPOTT



Winner in the Sustainable Business category at Singapore Apex Corporate Sustainability Awards 2022



Climate Positive



11 MW

solar energy installed and **Doubled ambition** from 20MW - 50MW by 2030



88.6%

energy from renewable and cleaner sources



14%

reduction in product carbon emissions intensity

Inclusive Progress



18.6%

of total workforce are women working in APRIL



Human Rights Policy

launched in January 2022

2021 Macroeconomic Impact Analysis of APRIL Group Riau Complex (AGRC) :

APRIL's activities estimate to contribute to

38%

of Pelalawan Regency Gross Regional Domestic product (GRDP)

APRIL operations and value chain created jobs for approximately

155,000

people in Riau Province

Thriving Landscapes



13% increase

in plantation productivity 2019-2022



92%

of APRIL Groups forest management is PEFC certified



100%

responsibly sourced fibre (72% PEFC certified and the remainder meeting PEFC controlled sources)



31,288 hectares

of forested community land protected under community conservation partnerships

Sustainable Growth



Achieved **96.3%** **chemical recovery**

and are committed to achieving 98% chemical recovery by 2030



49%

reduction in waste to landfill through waste to value transformation



3. ABOUT THIS REPORT

3.1 SCOPE AND BOUNDARY

APRIL Group's 2022 Sustainability Report is the 14th report that we have published since 2002. Previous Sustainability Reports are archived at www.aprilasia.com.

The 2022 Sustainability Report covers the sustainability performance of APRIL Group inclusive of our long-term suppliers from 1 January 2022 to 31 December 2022. Selected data is also reported for open market suppliers, please see 146. The entities that comprise APRIL Group, as well as supply partners are found in the Appendix.

3.2 REPORTING FRAMEWORK

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core Option and therefore covers topics defined by a materiality assessment carried out in consultation with internal and external stakeholders with 3 indicators being assured.

3.3 ASSURANCE SCOPE

APRIL engaged with KPMG LLP (Canada) to provide limited assurance over selected subject matter information. See page 128 for a copy of the assurance report.

3.4 CONTACT

We deeply value all feedback and suggestions to help us improve our Sustainability Report. Please email your views and inquiries to sustainability@aprilasia.com

Aprilasia.com

Aprildialog.com

[LinkedIn](https://www.linkedin.com/company/april)



4. ABOUT APRIL

Asia Pacific Resources International Holdings Ltd (APRIL), or APRIL Group, is one of the leading organisations in the forest products sector, offering a range of bio-based fibre products with forestry plantations and manufacturing operations in Sumatra, Indonesia.

4.1 WHO WE ARE

APRIL is part of the Royal Golden Eagle (RGE) Group. Headquartered in Singapore, RGE is a resourced-based conglomerate with a global presence in the pulp and paper, palm oil, viscose fibre, energy, property, and asset management sectors. RGE's group of companies are united by a common purpose 'to improve lives by developing resources sustainably'.

APRIL's business is underpinned by responsible forestry and resource-efficient manufacturing practices guided by our founder's 5Cs principle that whatever we do must be good for the community, good for the country, good for the climate, good for customer and only then will it be good for the company.

The company's vertically integrated pulp and paper mill and forestry plantations are located primarily in and around Pangkalan Kerinci in Riau Province,

on the Indonesian island of Sumatra. APRIL started commercial pulp production in 1995, followed by commercial paper production in 1998. In 1999, APRIL started selling its flagship PaperOne™ range of premium quality paper. Since then, APRIL has diversified its product portfolio and market presence, focusing on downstream diversification to respond to the growing demand for non-fossil fuel-based products. In 2018, APRIL diversified into viscose fibre for textile production through its subsidiary company, Asia Pacific Rayon and announced in 2022 the establishment of its paperboard production facility to produce packaging solutions.

Today, APRIL's products are marketed and sold in more than 70 countries worldwide. APRIL is growing its business through a relentless commitment to continuous improvement, backed by an investment in people, science, technology, and innovations.





4.2 APRIL'S PURPOSE AND VALUES

APRIL is dedicated to improving lives through sustainable resource development. Our purpose guides our action, supported by our organisational culture and core values. We are committed to responsibly managing resources, safeguarding biodiversity, and delivering lasting positive impacts on climate, nature, and people. Responsible business conduct is the foundation of APRIL's long-term value creation. We comply with international, national, and local laws.

All employees participate in an annual core values refresher workshop. Our core values, summarized as TOPICC, drive our behavior:

Core Values (T.O.P.I.C.C)

	T COMPLEMENTARY TEAM
	O WNSHIP
	P EOPLE
	I NTEGRITY
	C USTOMER
	C ONTINUOUS IMPROVEMENT

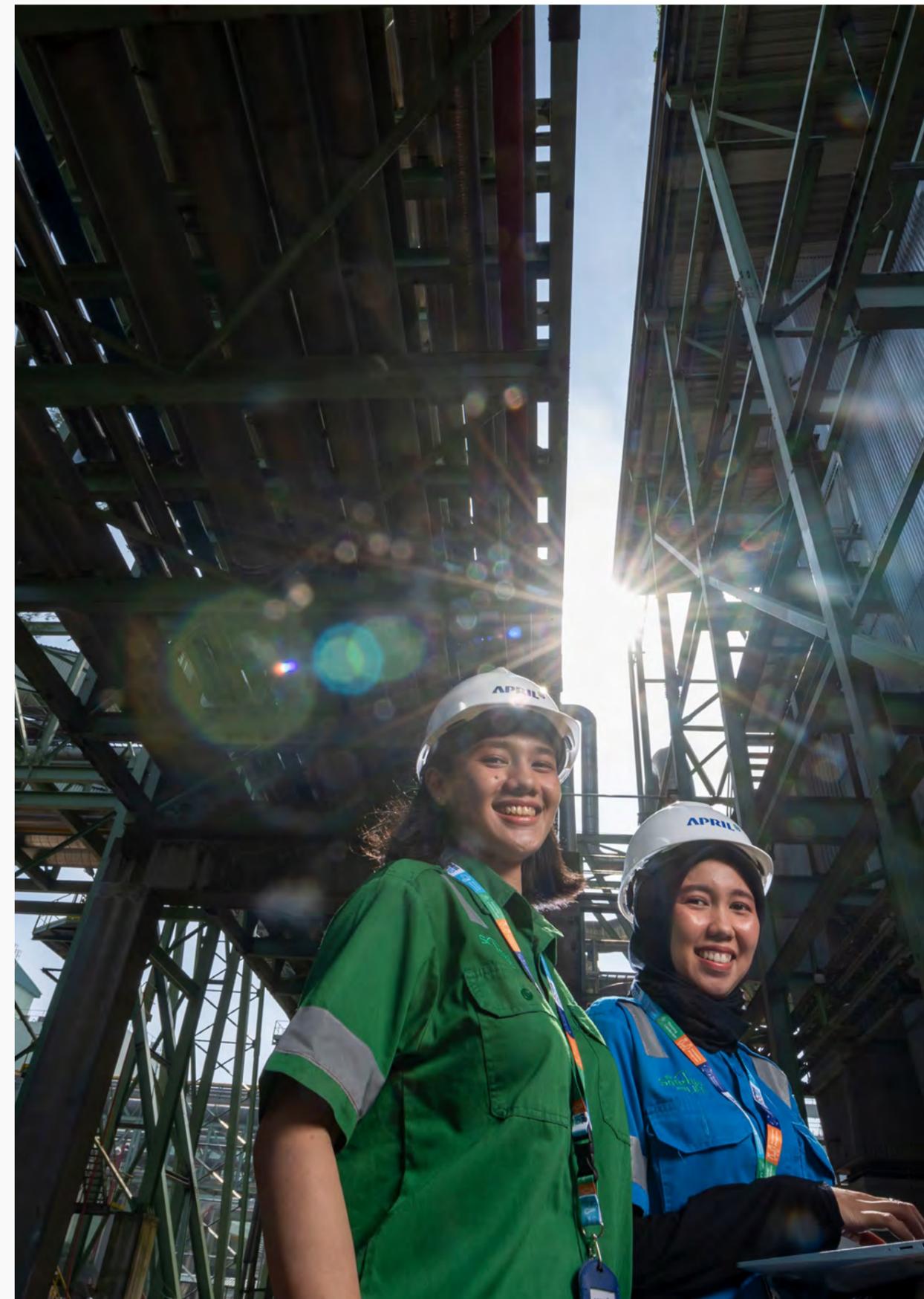
APRIL, as part of the RGE Group, adheres to the RGE Global Code of Conduct, which applies to all business groups, including APRIL and its suppliers. We recognize our corporate responsibility to uphold integrity and comply with the Global Code of Conduct and Code of Procurement Ethics. Non-compliance with the policy is strictly intolerable across all RGE Business Groups and Business Partners.

Our Integrity and Ethics Policy addresses unacceptable business practices, such as bribery and corruption, requiring compliance with applicable laws and regulations in the countries where APRIL operates. As a signatory of the United Nations Global Compact since 2006, we are committed to its Ten Principles for responsible business practices, covering human rights, labor, environment, and anti-corruption. This policy applies to all APRIL employees, contractors, suppliers, consultants, agency staff, and business partners.

Training is provided to personnel to ensure awareness and adherence to this policy, with specific focus on senior positions and those responsible for due diligence assessments. Concerns about suspected policy breaches, misconduct, or ethical issues are encouraged to be reported. Non-compliance will result in disciplinary action, including termination.

Suppliers' adherence to APRIL's Code of Procurement Ethics is mandatory. This commitment promotes fair competition, transparency, and ethical conduct in procuring goods and services, benefiting both APRIL and our suppliers.

We are committed to conducting our business with the highest levels of integrity.



LAND USE

The United Nations Biodiversity Conference in December 2022 reached a landmark agreement to guide global action on nature through 2030. It was at this conference that the new Global Biodiversity Framework was established. This new international agreement will guide the global conservation and sustainable use of biodiversity for the next decade. The framework will set targets and goals for conservation efforts. It will be used to guide policy and decision-making at the global, regional, and national levels to address the drivers of biodiversity loss, such as habitat destruction, pollution, and climate change.

The forestry sector is an integral part of the Global Biodiversity Framework and is expected to play a crucial role in achieving its targets.

As one of the world's leading pulp and paper producers, APRIL has long recognized the importance of conserving forests and adopted a production-protection approach to its forest management. This approach involves balancing the need for sustainable production with protecting and conserving forest ecosystems. APRIL, to date, has implemented a range of measures to protect and restore forests, including establishing conservation areas, implementing responsible management practices, and using innovative technologies to monitor and manage forest resources.

APRIL is responsible for managing a total of 1,045,557 hectares of land concessions. We utilize 454,045 hectares as productive plantation forests and 42,353 hectares as livelihood plantations, manage 361,231 hectares as conservation or restoration areas, and allocate the remainder for community and other uses.

Land allocations are for communities to cultivate timber and non-timber forest products or crops that contribute to food security and community welfare. Land may also be designated for other purposes, such as infrastructure, agricultural land use, or land under land tenure and boundary disputes.

APRIL continues to progress towards its 1-for-1 commitment announced in 2014, where APRIL aims to conserve natural forest areas that are equal in size to its plantation forest areas. We are working diligently to achieve this commitment through conservation areas within and beyond our operational landscape.

Well-managed forests play an essential role in natural carbon and water cycles, biodiversity, and the well-being of local communities. Therefore, as steward of the land it operates in, APRIL is responsible for managing and reducing the impact on the surrounding landscape for the provision of ecosystem services.

1,045,557
hectares

land concessions

454,045
hectares

productive plantation forests

42,353
hectares

livelihood plantations

361,231
hectares

conservation and restoration areas



Production-protection

APRIL's plantation forestry is guided by the production-protection model that balances economic, social and environmental aspects. This integrated approach ensures responsible land management by balancing production, conservation, and restoration, where plantation forestry operations provide a buffer zone to prevent encroachment and illegal activities in conservation and restoration areas.

Years of experience have shown that this is a reliable and effective economic and management model for restoration in Indonesia, given the resources required for ongoing active management.

APRIL's production-protection model demonstrates that sustainable forestry and conservation can coexist.



The model's approach is based on the following overarching principles:



Maintain Ecosystem Integrity

Well-designed plantation forests that are healthy and resilient can strengthen the ecosystem's integrity and enhance ecosystem services in degraded landscapes. A mosaic of plantation forests, restored natural forests, and responsible agricultural practices can achieve positive impacts on biodiversity at a large landscape scale¹.



Stakeholder Involvement

The approach provides opportunities for APRIL to work alongside local communities and to build and maintain positive relationships with stakeholders.



Protect and Enhance High Conservation Value (HCV) Areas

The production-protection approach protects and enhances high conservation values such as riparian zones, habitats for rare, threatened and endangered species.



Economic growth and employment

Plantation forests need to be economically viable to bring value to the environment and society. By creating jobs and safeguarding its environmental impacts, APRIL is able to contribute to economic growth and employment.

¹ <https://newgenerationplantations.org/>



RESPONSIBLE MANUFACTURING

APRIL's production facilities use world-class engineering and technology and apply lean manufacturing practices. APRIL's vertically integrated business enables greater efficiencies, resulting in reduced wastage and economies of scale. The production facilities are certified under ISO 9001:2000, ISO 14001, and OHSAS 18001. The facilities have also been certified under Programme for the Endorsement of Forest Certification (PEFC) Chain of Custody (CoC) standards, ensuring wood fibre is sourced from sustainably managed forests and controlled sources.

APRIL's PaperOne™ products have been certified by Singapore Environmental Council's (SEC) Green Label under its enhanced Singapore Green Label Scheme (SGLS) for pulp and paper products since 2013. The enhanced SGLS serves as a minimum level of conformance to ensure the certified product is sustainably produced and managed throughout its lifecycle.

The EU Ecolabel is the European Union's official label for environmental excellence. EU Ecolabel products have a reduced environmental impact across multiple product lifecycle stages. PaperOne™ has voluntarily met the criteria of the EU Ecolabel and been awarded Ecolabel for the "Graphic Paper" category.





4.3 OUR PRODUCTS

APRIL offers a range of product solutions derived from wood fibre as bio-based alternatives to respond to the growing demand from customers for non-fossil fuel-based products.

Responsible forest management plays a crucial role in this transition as a source of renewable raw materials to meet the growing demand for sustainable products.

APRIL's vertically integrated pulp mill produces a range of products, including bleached hardwood Kraft pulp, dissolving pulp used in textiles and personal care products and a diverse range of paper products, from printing to writing papers and specialty industrial paper products.

As APRIL continues to focus on downstream diversification with a focus on innovation and sustainability, APRIL is committed to growing its business responsibly through continuous improvement, backed by investments in people, science, technology and innovations.



Supplying Pulp for Bio-based Products



Used globally in a wide variety of applications.

Pulp is used widely as the basis of many paper products, ranging from corrugated boards to a wide variety of daily consumer applications. APRIL's high-grade pulp products have been used globally in various applications due to their excellent formation, opacity, low coarseness, and balanced fibre properties. APRIL's high-grade pulp is suitable for all paper-grade segments used in a wide variety of customer applications, including tissue paper, textile personal hygiene, printing and writing paper, magazines, books and packaging materials. APRIL also provides customized pulp for specific end-uses, such as tissue and speciality segments.

For more information, visit <https://www.aprilasia.com/en/>

PaperOne™



Sold in more than **110 countries worldwide**.

PaperOne™, the flagship product of APRIL Group, offers a comprehensive range of Printing and Publishing Paper, Digital Paper, and Office Paper for office, home, and commercial uses. These products are widely used in applications ranging from brochures and marketing materials to books and magazines. Since its launch in 1998, PaperOne™ has established itself as a reliable name in the paper industry, known for its exceptional quality, consistency, and sustainability. PaperOne™ products are sold in more than 110 countries worldwide and are PEFC certified, ensuring that the paper comes from sustainably managed and controlled sources. Additionally, PaperOne™ has been certified by Singapore Environmental Council (SEC) under the Singapore Green Label Scheme (SGLS) and awarded the EU Ecolabel by the European Commission in recognition of environmental stewardship.

For more information, visit <https://www.paperone.com/>

Viscose

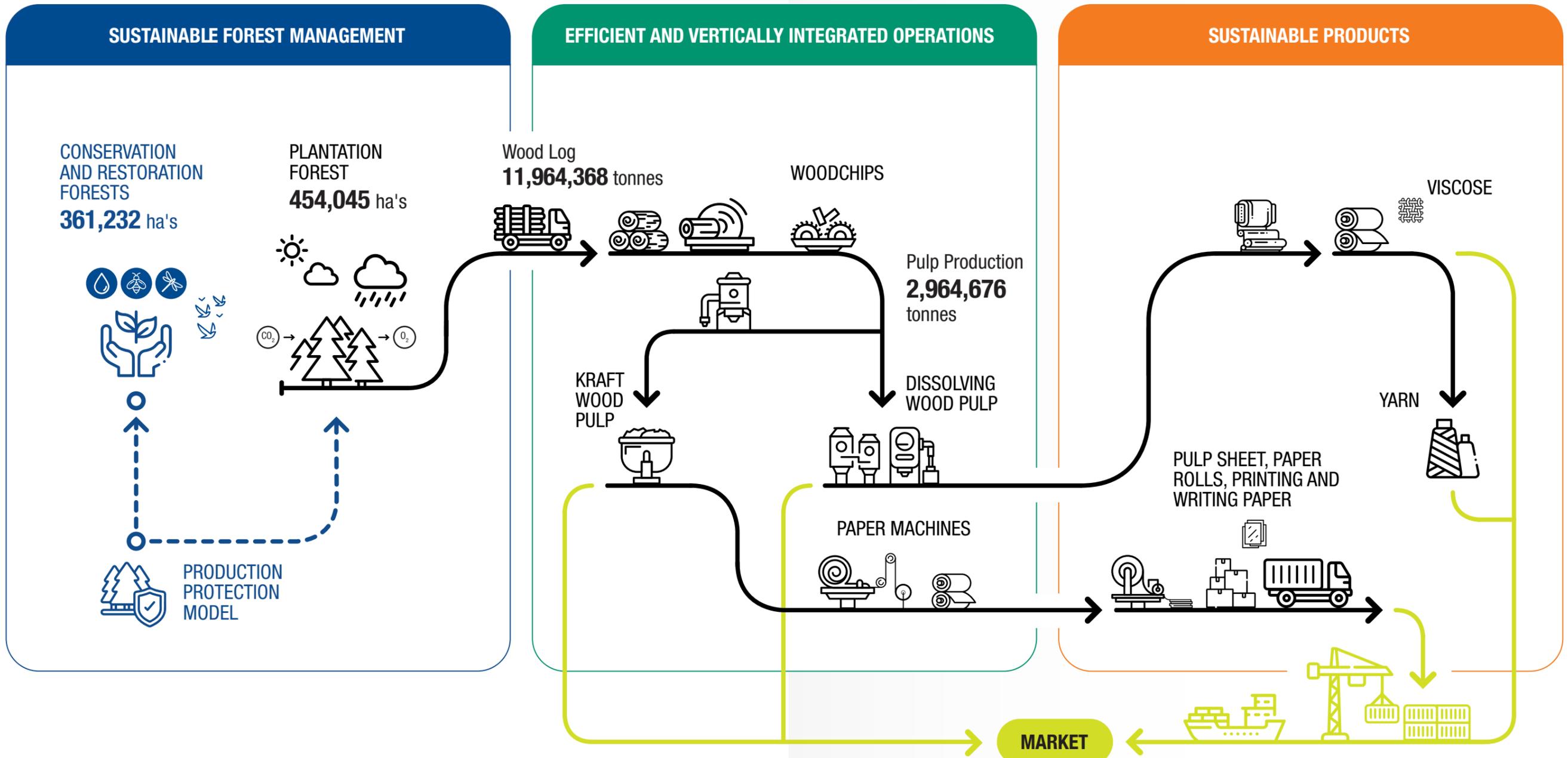


Asia's first fully integrated viscose rayon production facility.

In 2018, PT Asia Pacific Rayon (APR) was established to produce viscose, a renewable, natural and biodegradable fibre used in textiles and medical and personal hygiene products. APR operates a 300,000-ton capacity viscose staple fibre (VSF) mill in the same complex as APRIL. It is Asia's first fully integrated viscose rayon production facility with a complete supply chain from plantation forest to production. Besides supplying dissolving wood pulp to APR, a key raw material used to produce viscose staple fibre, APRIL also supports APR in terms of technology and expertise. The integration also allows APR to use energy from renewable biomass to power its mill and optimize efficiencies, resulting in increased efficiency, reduced wastage and achieve economies of scale. The APR mill adheres to stringent environmental standards exemplifying the company's commitment to responsible and sustainable production practices while delivering high-quality products to meet global market demand.

For more information, visit <https://www.aprayon.com/en/>

OUR INTEGRATED SUPPLY CHAIN



In summary, products that are shipped out to customers are; Kraft Pulp, Dissolving Pulp, Viscose, Yarn, Industrial Paper, Specialty Paper, and PaperOne™



5. OUR SUSTAINABILITY APPROACH

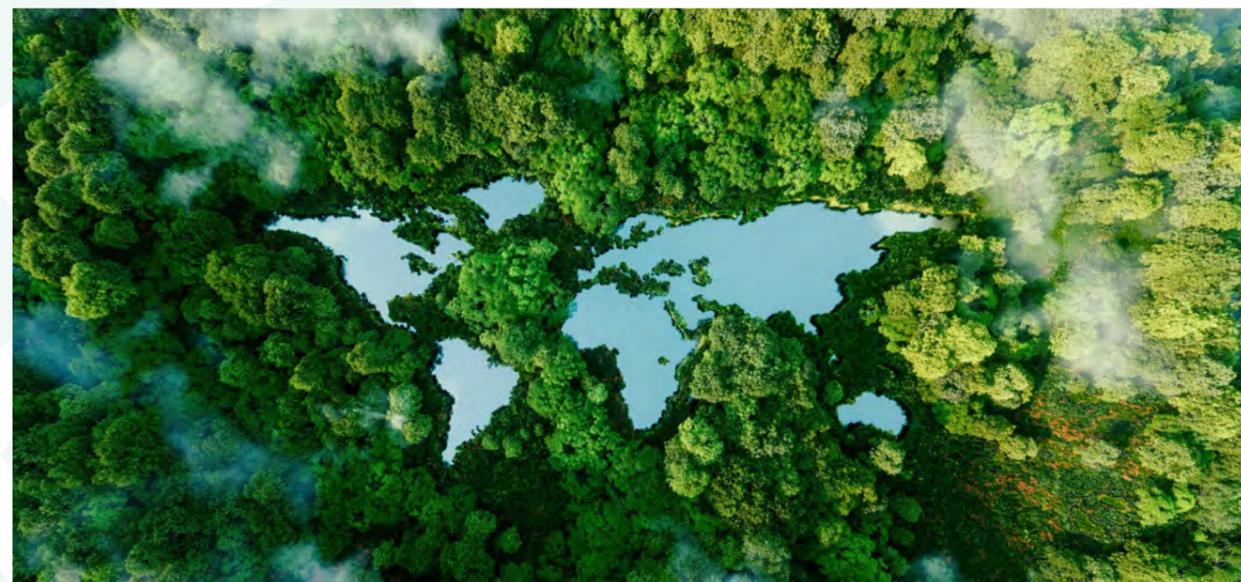
Sustainability is integral to APRIL's business strategy. It is at the core of conducting our everyday business in a responsible manner, and it assumes even greater urgency as we strive to boldly transform the future for the better. Continued investment in climate, nature, and sustainable development is essential to achieving this goal.

With the growing impact of global-scale issues, including climate change, nature loss and inequality, there is increasing spotlight on business to minimise negative impacts and contribute positively to solutions.

At the Sharm el-Sheikh Climate Change Conference (COP27) in 2022, forests and forest-based industries received their section in the final decision text for the first time². The section highlighted the need for businesses like APRIL to implement climate mitigation and adaptation measures, respect human rights and improve supply chain transparency. The Conference concluded that industries that rely on natural capital, such as the forest products sector, must accelerate the integration of sustainability to minimise climate impact.

The rising awareness of the importance of sustainability has impacted markets worldwide. Consumers have become increasingly conscious of their choices, expecting companies to be responsible and transparent about how they produce their goods and services. The market demand for sustainable packaging has grown, particularly for paper-based packaging³.

As a leading manufacturer in the forest products sector, APRIL recognises the importance of providing fair, equitable and diverse solutions to meet the demands of our society whilst addressing global issues and challenges.



² Sources: [Sharm el-Sheikh Implementation Plan](#) and [COP27: Key Outcomes for Food, Forests, Land and Nature at the UN Climate Talks in Egypt](#).

³ Source: [Trends Transforming the Paper Industry in 2022](#).





5.1 MATERIALITY

APRIL's strategic approach to sustainability is grounded in its evolving understanding of material topics, enabling us to effectively adapt to emerging risks and opportunities. We define material topics as those within our value chain that have the most significant impact on the economy, environment, and people. Consequently, managing the risks and opportunities of our material topics supports the increasing alignment of business with stakeholder concerns.

As business landscape and stakeholder expectations constantly evolve, a holistic and clear methodology is critical to effectively identifying APRIL's material topics, ensuring that we have considered global and regional context as well as the perspectives of our internal and external stakeholders.

The following outlines the key processes we have undertaken to identify and define our material topics.

Defining our Material Topics

APRIL monitors forest products sector trends, especially in Asia, through participation in forums and collaboration with our stakeholders. We periodically conduct analyses of key trends of APRIL's peers and sectoral expectations drawn from international standards and frameworks.

Engaging Our Stakeholders

We then align the findings from our external landscape analysis with the results of our materiality assessment involving internal and external stakeholders. The result is an initial list of topics material to our business and stakeholders.

Prioritising our Material Topics

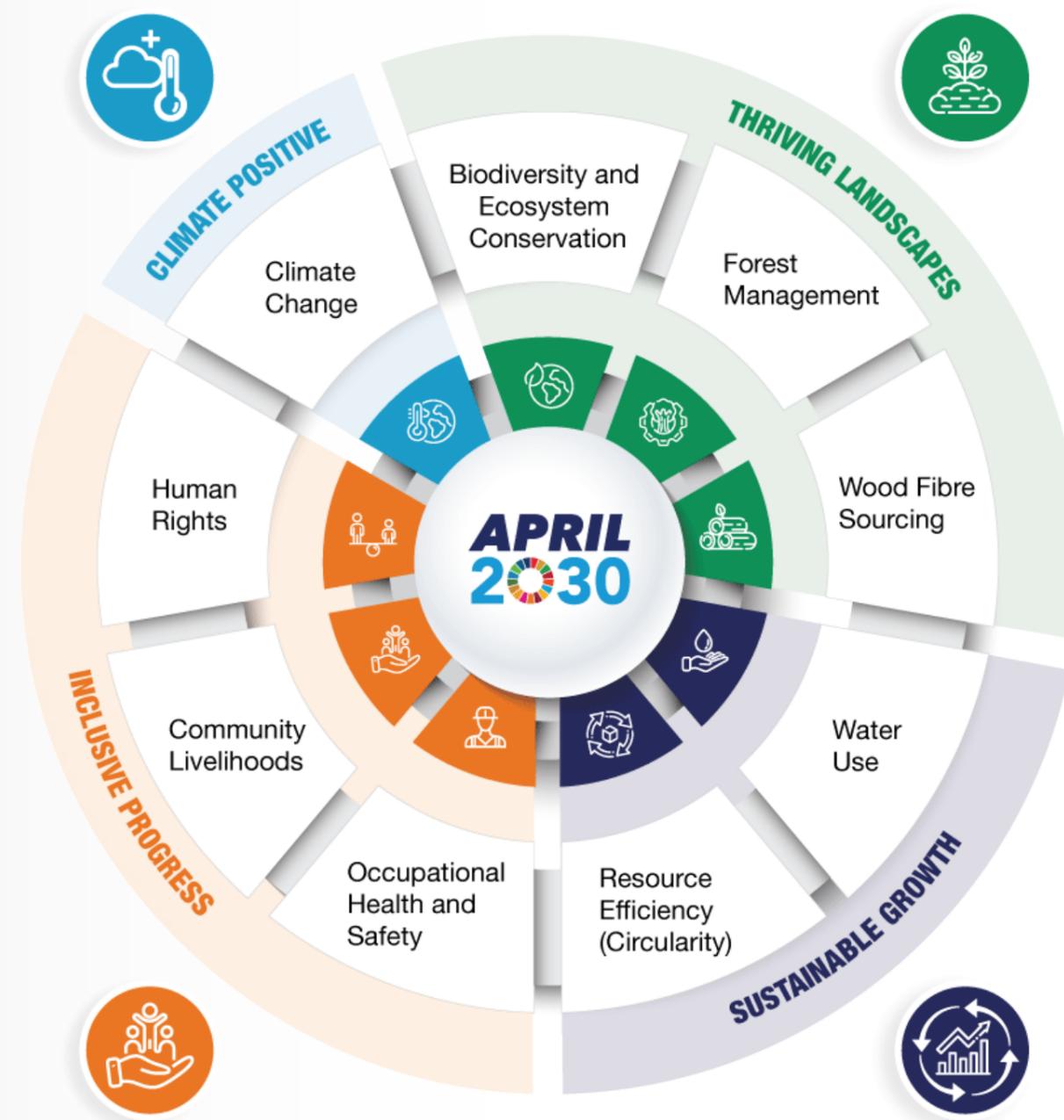
APRIL's Executive Management Committee conducts an internal review to prioritize the initial list of topics according to their relevance to our sustainability purpose and strategy. During this stage, we receive further inputs from management across Sustainability, Fibre Operations, Mill Operations, Human Resources and Social Capital.

A final material topic list was produced for 2022, with nine topics of significance to our business: wood fibre sourcing, forest management, climate change, resource efficiency, water use, biodiversity and ecosystem conservation, community livelihoods, and human rights. These material topics defined the content and material topic boundaries of our Sustainability Report.

We acknowledge that some material topics have increased in significance to our stakeholders in recent years, partly due to the pandemic and the growing urgency to accelerate climate action. Based on our external analyses, Human Rights, Climate Change, and Resource Efficiency have become increasingly important to our stakeholders in 2022.

We have added Occupational Health and Safety as one of our material topics in 2022, as executive management have identified it as a topic of material significance to the organisation and its stakeholders.

APRIL is committed to providing employees and contractors with a safe and conducive work environment.





5.2 OUR APPROACH

APRIL's Sustainability Management Approach is driven by its company Purpose, which is the guiding force behind all of its sustainability efforts and forms the foundation of its business operations.

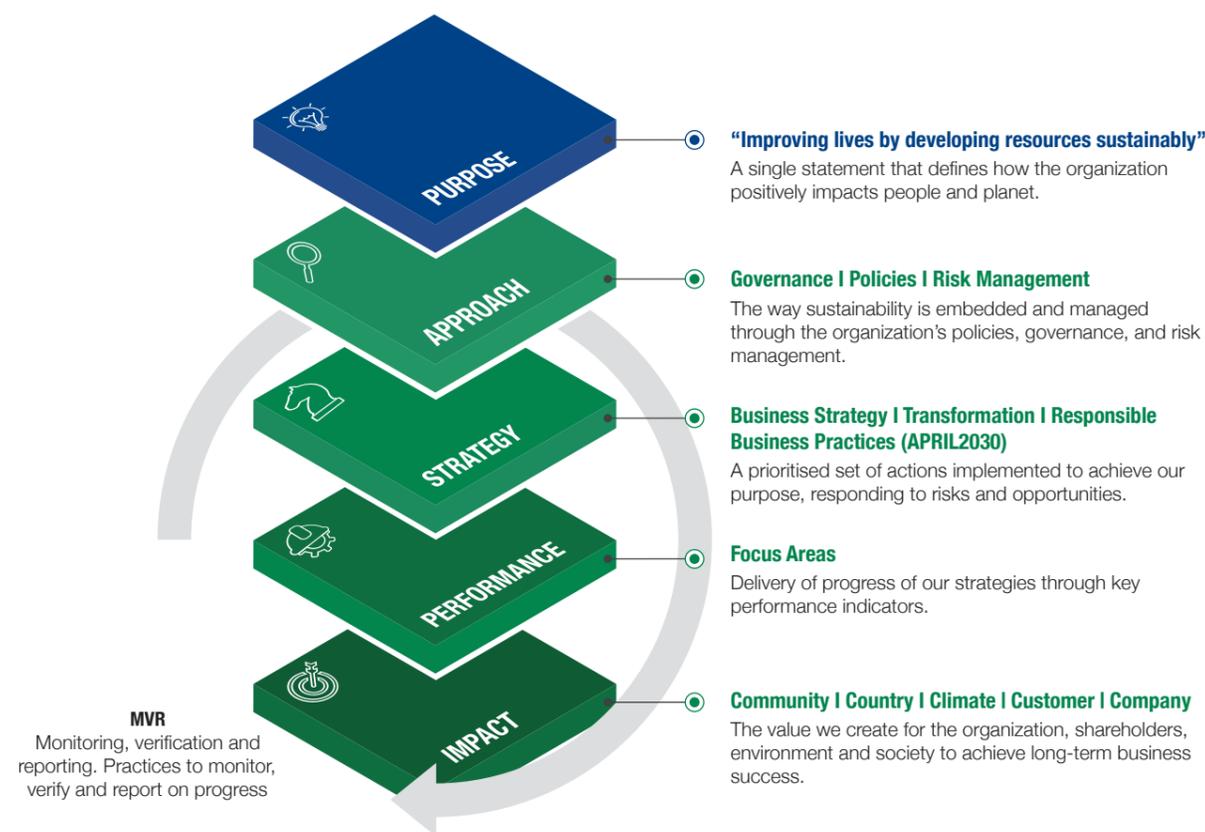
To ensure effective implementation and oversight, APRIL has established a robust governance structure that fosters cross-departmental collaboration, management by executive committees, and guidance from independent stakeholder advisory groups. This structure enables the company to enforce internal controls across all material topics while simultaneously creating long-term value for business and society.

Our business and transformation strategies are built upon responsible business practices, guiding us in conducting our day-to-day operations with a strong sense of responsibility. Simultaneously, sustainability remains a fundamental pillar of our business strategy, with APRIL2030 commitments driving our ongoing transformation.

Our strategies focus on prioritising actions related to our most significant material topics, as well as identifying and addressing associated risks and opportunities. To ensure accountability and track our progress, we have established specific, measurable, relevant, and time-bound targets for the majority of our material topics. Moving forward, we will define key performance indicators for responsible business practices.

APRIL's Sustainability Management Approach 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.

As we continue to mature in our sustainability journey and adapt to evolving stakeholder expectations, APRIL is exploring new avenues to integrate sustainability into the fabric of our organisation. This includes the integration of sustainability principles into organisation-wide policies and risk management practices.



GOVERNANCE

As a distinct corporate entity within the RGE Group, we set and implement our own corporate governance system, where sustainability is integrated and embedded throughout our business operations and is overseen by all levels, from our Executive Leadership to the operational teams across our assets.

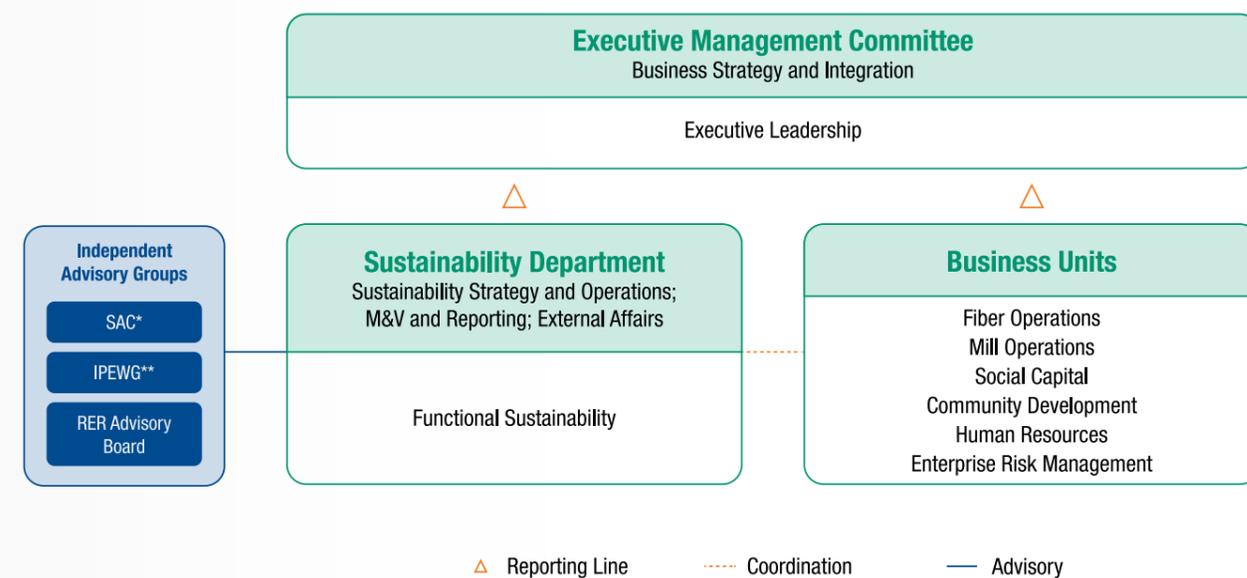
APRIL Group's governance is guided by its Code of Conduct, which outlines the company's core values and principles of business conduct. Within our Company, the Business Units and the Sustainability Department work in coordination to ensure sustainability is integrated into our operations. The Sustainability Department is responsible for the overall sustainability strategy and external affairs while the Business Units focus on the performance of operational activities.

Our governance system also includes oversight and advisory functions from Independent Advisory Groups. They guide our strategic decision making by providing valuable feedback and advice to manage the risks and opportunities on our material issues.

APRIL undertakes regular forums with relevant stakeholders to understand their expectations and transparently shares details about our corporate governance.

To maintain our integrity and transparency, we have established internal control processes and implemented external audits to keep us accountable towards our progress and performance. We regularly report on our governance practices and performance through the annual Sustainability Report and other public disclosures.

The diagram below outlines our governance structure:



*Stakeholder Advisory Committee (SAC)

**Independent Peat Expert Working Group (IPEWG)



Executive Management Committee (EMC)

Our EMC includes the President, Chairman of APRIL Group, Managing Director of RGE, Director of Sustainability and External Affairs, Chief Operations Officer, Fibre Director, Finance and Corporate Control. The primary role of the EMC is to drive forward business strategy in line with APRIL's purpose and culture, including setting the direction to integrate sustainability into the organisation. The EMC is responsible for business imperatives such as driving innovation, setting strategic direction, improving internal accountability, risk management oversight, and organisational development.

In transforming the organisation and meeting our commitments, the EMC conducts quarterly reviews on the progress of APRIL's performance, including progress towards APRIL2030 targets.

In 2022, the EMC engaged in discussions on:

- Increasing the cleaner and renewable energy mix in our energy balance through solar and biofuel projects
- Monitoring and governance processes for our \$1 per tonne conservation commitment
- FSC re-association process
- Increasing restoration and conservation forest areas
- Sustainability-linked loans
- Review of actions, outputs, and milestones under APRIL2030 to better align with targets
- Capital support for a mill decarbonisation strategy that focuses on total energy (steam and electrical) efficiency and acceleration of our solar project to achieve 50 MW by 2025.

Sustainability and External Affairs Department

The Sustainability Department is led by our Director of Sustainability and External Affairs, who reports directly to our Managing Director and President. The Sustainability Department comprises team leads from Strategic Initiatives, Sustainability Operations, Ecosystem Restoration (RER), Mill Sustainability, Stakeholder Engagement, and Communications.

The Department is responsible for managing APRIL's sustainability strategy and operations within the parameters set by the EMC. It works across various business functions in implementing APRIL's

sustainability approach, including our APRIL2030 commitments and targets. This includes a range of functions such as:

- Developing and implementing group level sustainability-related policies
- Driving implementation of our sustainability strategy
- Identifying strategic initiatives to drive the integration of sustainability into our business
- Building partnerships and collaborative engagement to strengthen APRIL's initiatives including with independent advisory groups
- Conducting audit management, supplier compliance and securing certifications
- Monitoring and verification of progress to ensure accountability towards internal and external stakeholders
- Coordinating across business units to support implementation of actions to achieve targets
- Ensuring transparent and accurate sustainability disclosure and reporting.

Independent Advisory Groups

APRIL continues to engage with external independent advisory groups composed of Indonesian and international experts. Our engagements with these groups provide valuable input that complements and strengthens our internal knowledge on key subject matters.

Stakeholder Advisory Committee

The Stakeholder Advisory Committee (SAC) is an independent group of eminent forestry and social experts.

The SAC is tasked with:

- Overseeing the implementation of APRIL's SFMP 2.0 commitments
- Appointing an independent auditor to evaluate our progress
- Hosting stakeholder forums
- Providing advice on APRIL2030 commitments
- Providing key insights directly to the members of the EMC.

During 2022, the SAC met three times. Summary reports of SAC meetings as well as any updates on recommendations made by the SAC and status progress reports published by APRIL Group can also be found on APRIL Dialog website (www.aprildialog.com).

Independent Peat Expert Working Group

The Independent Peat Expert Working Group (IPEWG) consists of distinguished national and international peatland scientists to provide guidance to APRIL on its peatland roadmap implementation. The IPEWG provides advice and inputs on how APRIL can best manage its peatland concessions in a responsible manner, in line with national regulations and established scientific protocols and standards.

This year, the working group discussed the next phase of IPEWG's work, which will focus on three priorities:

- Research and Scientific Understanding
- Peatland Operations Guidance
- Communication and Outreach

As APRIL Group continues to deliver on its commitment to a positive impact on climate, nature and people while growing as a sustainable producer of wood fibre and pulp-based products, we recognize that transparency and reporting are essential in demonstrating our commitment and building stakeholders' confidence.

We are committed to good governance, compliance with applicable laws and regulations where we operate and the APRIL Code of Conduct.

POLICIES

Establishing and implementing robust policies and management systems are crucial enablers of business resilience and embedding sustainability into our business.

We regularly review and align our policies with established international frameworks and best-practice guidelines, including the UN Guiding Principles on Business and Human Rights, the UN Global Compact, the Forest Stewardship Council (FSC), and the World Business Council for Sustainable Development (WBCSD).

We also work with our wider supply chain to guide policy compliance, ensuring that our high ethical standards are applied across our business operations and supply chain.

Our sustainability approach is supported by the development of robust policies to guide the management of organisational risks and transparently disclose the commitments made to address them. These policies help ensure APRIL conducts its business responsibly and are applied consistently across all operational entities.

Our group-level policies include the following:

- Sustainable Forest Management Policy (SFMP) 2.0 which also includes the following addenda policies on:
 - Invasive Species
 - Genetically Modified Organism (GMO) Use
 - Pesticides and Other Hazardous Materials Use
 - Species of Special Concern
- Human Rights Policy
- Occupational Health & Safety
- Environment Policy
- Enterprise Risk Management Policy
- Integrated Management System and Chain of Custody Policy.



MANAGING RISKS AND OPPORTUNITIES

Enterprise risk management (ERM) is crucial to maximising APRIL's ability to achieve and sustain our business. Since establishing our Enterprise Risk Management Policy in 2021, ESG risks are increasingly integrated into the overall risk management process. We integrate the principles of ERM into our business, culture and strategic decision making within a framework comprising clear governance and an effective risk platform.

We also conduct a periodic review to maintain the relevance of our ERM system and its identified risks. In the identification process, our matrix considers the consequence and likelihood of all business risks under various aspects, including sustainability-related risks such as environment, technology, people, and governance. Subsequently, these identified risks are managed through a mitigation and response plan.

The Enterprise Risk Management Committee comprises the APRIL Chairman, President, Chief Operating Officer and Fibre Director and is responsible for oversight and focus on the risks identified. This

Committee is represented within the Executive Committee of APRIL, ensuring that roles and responsibilities of managing material ESG-related risks are clearly defined and reported.

ESG risks often occur at different time scales, affecting the business at a corporate and strategic level. It is necessary to review how to integrate these risks into ERM and refresh the approach to strategic risk management.

A key risk that we are analysing is climate change as it could impact our business operations. This will inform how to strengthen the resilience of our business strategy in responding to uncertain environmental and market changes.

To enable APRIL to systematically integrate ESG into policy, processes, risk universe, risk assessment and response, APRIL will also identify areas for focused improvements. We will have a more informed view of the maturity and readiness of our existing ERM system, policy and processes to integrate ESG-related risks and opportunities and manage them effectively.



SUSTAINABILITY AND GROWTH STRATEGY

To balance the sustainability and growth of our organisation, we drive continuous improvement through three strategic components:

1. Business strategy
2. Transformation strategy (APRIL2030)
3. Responsible business practices.

Business Strategy

Our business strategy delivers sustainable growth through strategic drivers and the operational principles of the company. The strategy sets a clear roadmap for investment and operational decisions. Our focus on QPC (better Quality, higher Productivity, lower Cost), workplace safety and sustainability underpins our business strategy in achieving our purpose. Our business strategy relies on four pillars: growth, operational excellence, active participation in the global bioeconomy, and digital transformation as enablers.

Growth:

In laying the ground for APRIL's growth, we aim to improve our production by de-bottlenecking our operations and increasing our fibre productivity. We are diversifying our downstream product portfolio, to meet the demands for renewable packaging, paper board, lyocell and viscose grade pulp. Productivity efficiencies and improvements in our plantation forests and mills as well as solidifying our long-term supply strategy will continue to underpin our growth strategy while we build market share in growth markets.

Operational Excellence:

Our vertically integrated supply chain enables us to achieve operational excellence and maintain our competitive edge within our industry. Driven by the principle of continuous improvement, APRIL invests in mechanisation of harvesting, logistics and

infrastructure ecosystem improvements to bolster efficiency in fibre operations and materials and product transportation and delivery. APRIL also invests in research and development and scientific capacity to inform the best management decisions on issues such as tree health and productivity, silviculture and responsible peatland management. Operational excellence for APRIL involves a continued focus on workplace safety to ensure employees are healthy and safe in their workplace environment.

Bioeconomy and Circularity:

Our active participation in the bioeconomy supports our continued focus on sustainability and enables us to contribute to the global shift to replace fossil fuel-based products with renewable resources. We are committed to circularity in our manufacturing facilities by keeping resources in the loop, including the waste from product processing to generate energy (waste-to-energy) and increasing our chemical recovery efficiency. We are also increasing the use of renewable and cleaner energy through the expansion of our solar energy project and building our internal capacity to increase usage and produce biofuels for our fibre transportation fleet.

Digital Transformation and Automation:

Digital transformation helps us improve our productivity, agility and accuracy. Investments include sensors and drones to monitor plantation forest growth and fertiliser application. We are also further digitalising and integrating data analytics capability through initiatives such as an integrated command centre for Fibre Supply and Supply Chain Management and Logistics and Manufacturing 4.0 Process Control and digital engagement platforms for Sales, Customers, and Employees.



Transformation Strategy – APRIL2030

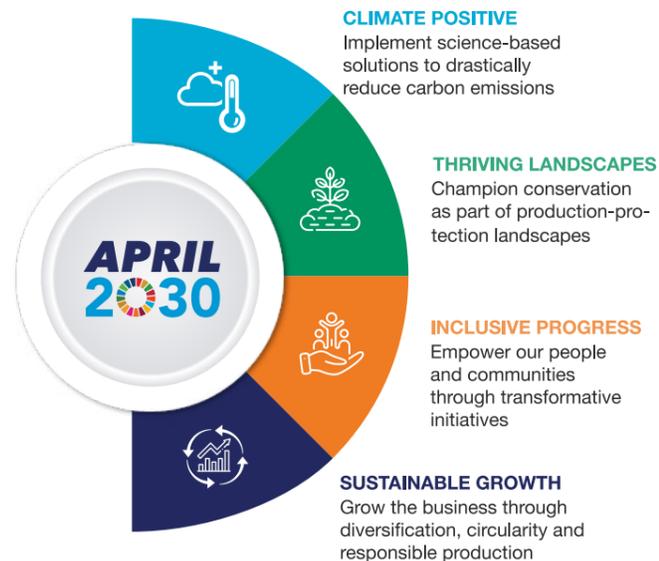
APRIL2030 represents our commitment to transforming our business in four key areas with significant impact and opportunities: climate, nature, people, and sustainable growth.

Building upon the commitments embedded in our Sustainable Forest Management Policy (SFMP 2.0) and the progress achieved in its implementation, APRIL2030 signifies our proactive approach to shaping our sustainability commitments to address the most pressing challenges of our time.

We recognise the critical role we play in contributing to the United Nations' Sustainability Development Goals (SDGs), and we utilise the SDGs as a framework to align our sustainability commitments and strategies with the global development agenda. We assume two crucial roles in contributing to the SDGs. First, we translate the SDGs and global goals into actionable strategies and initiatives that can be implemented at the local level where we operate. Second, we acknowledge the importance of sharing our experience with global shareholders to provide them with a better understanding of the realities on the ground.

To ensure effective implementation and progress towards APRIL2030 commitments, the Executive Management Committee maintains clear oversight of policies, systems, practices, and progress. The Stakeholder Advisory Committee (SAC) facilitates independent scrutiny and guidance, while scientific advice is sought from the Independent Peat Expert Working Group (IPEWG). Annual reporting on progress is provided through our Sustainability Report.

Ownership of performance tracking is embedded at all levels of APRIL, with each commitment area assigned to a senior member of management responsible for forming working groups to achieve key targets. These working groups develop action plans that are integrated into the business unit and departmental management plans. Consequently, APRIL2030 targets are incorporated into individual Key Performance Indicators (KPIs). Performance is monitored on a monthly basis, with quarterly reviews conducted to address future challenges, needs, and changes which are subsequently presented to the Executive Management Committee twice a year.



As we enter the third year of APRIL2030 implementation, we continue to translate our commitments into actions to understand their contribution to the targets. We also closely monitor the evolving sustainability landscape, taking into account new global frameworks such as the Forest, land and Agriculture Guidance (FLAG) from the Science Based Targets Initiatives (SBTi), recommendations from the Taskforce for Climate-Related Financial Disclosures (TCFD), and the Convention of Biological Diversity. These frameworks provide valuable direction in applying best practices to achieve our commitments.

APRIL remains fully committed to tracking progress towards APRIL2030 targets and reporting performance in our Sustainability Report.

We are determined to ensure the next decade is one of action and further transformation for our company as we play our part to impact climate, nature and people positively.

APRIL2030 PROGRESS

TARGETS	2022
CLIMATE POSITIVE	
Net zero emissions from land use	●
90% renewable energy for our mill	●
50% of fibre operations energy needs from renewable sources	●
Reduce product emissions intensity by 25%	●

7 AFFORDABLE AND CLEAN ENERGY | 9 ROBUST INFRASTRUCTURE AND INDUSTRIALIZATION | 13 CLIMATE ACTION | 15 LIFE ON LAND

TARGETS	2022
THRIVING LANDSCAPES	
Zero net loss of conservation areas	●
Investing in landscape conservation	●
Positive biodiversity gains	●
Support wildlife protection	●
Advance tropical peatland science	●
50% gain in fibre plantation productivity	●

8 DECENT WORK AND ECONOMIC GROWTH | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 15 LIFE ON LAND | 17 PARTNERSHIPS FOR THE GOALS

TARGETS	2022
INCLUSIVE PROGRESS	
Zero extreme poverty	●
50% reduction in stunting	●
Promote access to healthcare	●
Promote quality education	●
Advance equal opportunities for women	●

1 NO POVERTY | 2 ZERO HUNGER | 3 GOOD HEALTH AND WELL-BEING | 4 QUALITY EDUCATION | 5 GENDER EQUALITY

TARGETS	2022
SUSTAINABLE GROWTH	
98% chemical recovery	●
80% less solid waste	●
20% recycled textile used in viscose fiber	●
25% less water usage	●

6 CLEAN WATER AND SANITATION | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

KEY
 ● On Track
 ● Progressing
 ● Not progressing
 ● In Development

*Status based on progress against 2019 baseline



Responsible Business Practices

APRIL's responsible business practices reflect our commitment to demonstrating strong business ethics and implementing our code of conduct throughout our value chain to ensure the sustainable sourcing and procurement of materials. It includes operating in a science-based manner, managing and minimizing our environmental impacts and informs our approach to diversity, equity and inclusion. Moving forward, APRIL aims to report its KPIs for its responsible business in its operations. The following are categories of responsible business practices reflecting our material topics and group-level policies.

- Business ethics and code of conduct
- Sustainable forestry
- Sustainable sourcing and procurement
- Responsible peatland management
- Water
- Energy
- Residuals and waste
- Chemicals
- Employees
- Health and safety
- Human rights
- Communities





5.3 STAKEHOLDER ENGAGEMENT

Stakeholder engagements are key enablers to reach our business ambitions and accelerate our progress towards the achievement of our APRIL2030 commitments and targets. We actively engage our key stakeholders to achieve several objectives:

- Listen and understand stakeholder expectations and concerns
- Improve visibility to key stakeholders

- Enhance our reputation in responsible and sustainable forest management practices
- Develop strong and effective relationships which evolve into collaborative partnerships
- Inform stakeholders in a balanced, objective, and accurate manner.

We communicate with our stakeholders through a variety of methods such as, bilateral meetings, consultations, and virtual forums to exchange knowledge and share best practices with our stakeholders.

Our engagement strategy focuses on key internal and external stakeholders.

Stakeholder group	Why we engage	Topics important to stakeholder group	How we engage
<p>Our employees</p> 	<p>Employees are crucial to our business, and by engaging with our employees, we shape our culture and live our values.</p> <p>We invest in talent development for our employees. As well as this, APRIL Group provides support for existing and future employees, offering scholarships, welfare benefits and training programs.</p> <p>Employee training is essential to the success of any business. In a broader context, the skills we help our employees develop help them to find their place in Indonesia's rapidly developing economy.</p> <p>We strive to build a local workforce of increasing depth and expertise as this adds greatly to our strength as a company.</p>	<p>In 2022, our employees discussed topics surrounding human rights, well-being, safety, talent development and gender equality, and we have responded to these through a series of actions and initiatives.</p> <ul style="list-style-type: none"> • APRIL2030 commitments and targets • Safety and Occupational Health • Respect for human rights • Gender equality • Talent development and training 	<p>Group wide intranet and other communication and publications through 'Kick off Meetings' to update our employees on performance and the latest business developments. Other forms of regular communication with employees include triannual newsletters (APRIL Digest), intranet (weekly public messenger and monthly APRIL Now!), quarterly management meetings, regular department meetings, and banners and signboards.</p> <p>Training</p> <ul style="list-style-type: none"> • Human rights awareness training was introduced and integrated into the New Employee Orientation Program, Forestry Trainee Program, Safety Induction and Security Training Program. • APRIL enrolled Human Rights Champions in the UNDP Business & Human Rights Academy: Human Rights Due Diligence (HRDD) Training for Companies Operating in Indonesia. <p>Employee Performance and development</p> <ul style="list-style-type: none"> • Dialogues on developing and monitoring the career path of managers and potential managers to help them reach their potential in the organisation. Facilitate Management Development Review (MDR) sessions, prepare an Individual Development Plan (IDP), and be scheduled for mentoring.
<p>Our communities</p> 	<p>APRIL is more likely to succeed being part of healthy and prosperous communities. Ongoing and transparent dialogue with local communities enables us to collaboratively address challenges, generate employment, empower communities and build trust. We invest directly in the communities, supporting health, education, environmental protection, local enterprise and infrastructure development. We acknowledge the responsibility to contribute positively to these communities beyond our direct operations.</p>	<ul style="list-style-type: none"> • Employment and enterprise support • Partnering with communities on development initiatives and on investment in local infrastructure, such as education, roads, healthcare services • Prioritising local suppliers • Supporting small- medium- and local enterprises • Agricultural livelihoods 	<p>Work plans</p> <ul style="list-style-type: none"> • Engage with village governments to ensure the representation of local community leaders and customary leaders in the organization of Rembuk Desa (village workshops) conducted with 96.7% of all villages. • Discuss current and future operational issues and performance and secure communities' Free, Prior and Informed Consent where applicable. <p>Community development</p> <ul style="list-style-type: none"> • Local economic development program for villages with high poverty rate • Community engagement and social investments • Collaborate with universities and vocational schools to recruit graduates • Facilitate partnering with schools in support of training school supervisors, principals, and teachers on School-Based Management, Teaching and Learning Processes. <p>Grievance Mechanisms</p> <ul style="list-style-type: none"> • Engaging with communities on complaints to address them and set measures to avoid reoccurrences • Independent, confidential and anonymous grievance mechanism, • Various feedback and information mechanisms, such as newsletters and community forums.



Stakeholder group	Why we engage	Topics important to stakeholder group	How we engage
<p>Our Suppliers and Contractors</p> 	<p>We work with our suppliers on challenges we collectively face across the value chain, encouraging supply chain transparency and promoting fair working conditions. We work closely with our contractors to improve practices, ensuring they follow APRIL's policies in areas such as safety, sustainable forest management and business ethics.</p>	<ul style="list-style-type: none"> • Procurement process • Certification systems • Capacity building and resource support • Safety and health (contractors) • Sustainability along the supply chain • Human rights in the supply chain • Deforestation-free supply chain 	<ul style="list-style-type: none"> • Work with our wood suppliers to ensure they meet our due diligence requirements including supporting them in their efforts to obtain forest certification • Constructive engagement with our suppliers in any instances of non-compliance. • Evaluate contractors performance to improve overall Contractor Performance Management System (Evaluasi Kinerja Kontraktor/EKK) • Delivered training for our local small medium enterprises in understanding the concept of responsible business practices • Regular compliance and audits • Engagement with forest certification schemes • Safety training and inductions for contractors
<p>Government</p> 	<p>APRIL has taken intentional efforts to ensure our operations are compliant to relevant national standards.</p> <p>We also comply with permit requirements and to meet local, national and international laws. We engage with national and local governments and regulators to share our intentions, understand their concerns and support their priorities.</p>	<ul style="list-style-type: none"> • Compliance with permits and regulations • Payment of taxes to government • Infrastructure and local development • Consideration of a business/industry perspective when developing new regulations • National reforestation and restoration efforts 	<p>Engagement through industry associations, such as APKI and APHI, as well as other regional and national associations</p> <ul style="list-style-type: none"> • Participation in consultation processes of new laws and regulations • Ongoing monitoring and reporting of legal non-compliances • Agreements with regulators and government authorities to set commitments to meet common goals • Public-private partnerships
<p>Research institutions and Academia</p> 	<p>Science plays an essential role in informing our management practices and our work on the ground, from how we manage our forests and impacts of climate change and setting science-based GHG emissions reduction targets. APRIL collaborates and actively invests in science to guide our responsible peatland management and contribute to global understanding on peat ecosystem.</p> <p>University of Pretoria</p> <p>Changing climate conditions across Indonesia may increase stress on our trees and increase pest and disease occurrence in Acacia and Eucalyptus plantations.</p> <p>The RGE-FABI Tree Health Program (RGE-FABI THP) collaborative venture established to address challenges posed by pests and diseases.</p>	<ul style="list-style-type: none"> • Peatlands • Hydrology • Socio-economic impact • Nature-based Climate solutions • Carbon • GHG emissions from land use <ul style="list-style-type: none"> • Tree/Plant health • Silviculture • Control of Pest and diseases • Tree breeding 	<ul style="list-style-type: none"> • APRIL provides ongoing funding and support for research programs and projects that promote the value of science for the development of practical, sustainable business solutions. This support is made possible through forums, roundtables, dialogues, and panel discussions. • Research funding and collaboration with local science and research institutions. e.g. National University of Singapore and Singapore-MIT Alliance for Research and Technology, Hokkaido University, Université Paul-Sabatier, Université de Toulouse, and Université du Québec a Montreal • Collaboration in Macro Economic Impact Analysis studies • Research findings are published in scientific journals and presented at international scientific conferences <ul style="list-style-type: none"> • International partnerships and global collaboration eg. RGE-FABI Tree Health Program • Research findings are published in scientific journals and presented at international scientific conferences • Research funding and collaboration with local science and research institutions



Stakeholder group	Why we engage	Topics important to stakeholder group	How we engage
	<p>National University of Singapore</p> <p>APRIL collaborates with the National University of Singapore (NUS) to develop a robust science-based approach to responsible peatland management, greenhouse gas (GHG) emissions reductions, and enhancing the credibility and integrity of nature-based climate solutions.</p>	<ul style="list-style-type: none"> • Peatlands • Tree growth • Nature-based solutions • Carbon 	<ul style="list-style-type: none"> • International partnerships • Research funding and collaboration with local science and research institutions.
<p>NGOs</p> 	<p>APRIL engages with local and global NGOs in multi-stakeholder collaborations where together we work on common challenges.</p>	<ul style="list-style-type: none"> • Responsible wood sourcing (and human rights) • Rights of communities and indigenous people • Deforestation and sustainable forestry • Ecosystem restoration • Peatland operations • Community livelihoods • Biodiversity conservation and protection from risk of illegal wildlife trade 	<ul style="list-style-type: none"> • Through partnerships and various biodiversity/ecosystem good and services surveys. • Collaborate with an international expert on biodiversity and carbon.
	<p>Fauna & Flora International (FFI)</p> <p>Partners with APRIL with objective to improve RER's management practices pertaining to biodiversity assessment and protection, climate issues and community liaison, and to promote landscape-level conservation.</p>	<ul style="list-style-type: none"> • Biodiversity • Carbon stock • Ecosystems services 	<ul style="list-style-type: none"> • Through partnerships and various biodiversity/ecosystem good and services surveys. • Collaborate with an international expert on biodiversity and carbon.
	<p>Bidara</p> <p>APRIL collaborates with Bidara to implement community-empowerment program that support villages and communities to be more economically independent.</p>	<ul style="list-style-type: none"> • Ecosystems services • Community livelihoods 	<ul style="list-style-type: none"> • Community engagement • Training
	<p>Wildlife Conservation Society (WCS)</p> <p>WCS is strategically collaborating with APRIL in preventing the illegal wildlife trade</p>	<ul style="list-style-type: none"> • Biodiversity • Wildlife trade 	<ul style="list-style-type: none"> • Strategic partnership • Training and awareness to prevent illegal wildlife trade



Stakeholder group	Why we engage	Topics important to stakeholder group	How we engage
	<p>Forest Peoples Programme</p> <p>Engages with APRIL to develop and strengthen forestry enterprise models.</p>	<ul style="list-style-type: none"> • Customary rights • Indigenous people • Human Rights • Community livelihoods 	<ul style="list-style-type: none"> • Discussions and dialogue
<p>Forest Product Sector Associations</p> 	<p>APRIL works with national and international industry groups to keep updated on best practices in forestry and to provide inputs on major global issues.</p> <p>We are a member of industry associations and are involved in developing and sharing industry best practices related to climate change, sustainable forestry, forest restoration.</p> <p>RECOFTC</p> <p>FPP</p>	<ul style="list-style-type: none"> • Sustainable forest management practices • Conservation • Climate mitigation • Gender equality • Climate change • Resource efficiency • Support for research programs 	<ul style="list-style-type: none"> • Panel discussions and dialogues • Pilot testing of GHG Protocol for land sector and removals guidance • Multi-stakeholder collaborative platforms, e.g. WBCSD, World Economic Forum, 1t.org and others • Local (multi-stakeholder) partnerships and agreements • Memberships, such as PEFC

Collaborative platforms and initiatives	Why we engage	How we engage
 <p>The Programme for the Endorsement of Forest Certification (PEFC™)</p>	<p>The PEFC is an international non-profit organisation dedicated to promoting sustainable forest management through independent third-party certification.</p>	<p>International stakeholder members are part of the PEFC General Assembly, the highest decision-making body of the organization, which sets the strategic direction of PEFC.</p> <p>APRIL is a member of PEFC International and we actively participate in their processes and improvement of governance systems and certification standards. The list of APRIL's PEFC certificates for all certified operations can be found at https://www.pefc.org/find-certified</p>
 <p>Forest Stewardship Council™ (FSC™)</p>	<p>The FSC is an international non-profit, multi-stakeholder organization to promote responsible management of the world's forests.</p>	<p>We continue our engagement with the Forest Stewardship Council (FSC) and in 2022, the FSC General Assembly was held where FSC members passed the motion to make changes to the FSC principles and criteria to enable implementation of the Policy to Address Conversion (PAC). During 2022, APRIL and FSC also continued to engage in dialogue towards ending disassociation. This dialogue is supported by a Memorandum of Understanding between the two organizations.</p>
 <p>CDP</p>	<p>CDP is a corporate transparency initiative. It plays an important role in disclosing high-quality, comparable data on company environmental performance to investors.</p>	<p>In 2022, we continued to disclosed on forests. More than 15,000 companies disclosed through CDP in 2022. APRIL achieved a 'A-' rating for its forest disclosure.</p>



Collaborative platforms and initiatives	Why we engage	How we engage
	<p>SPOTT, an assessment tool, is designed to measure companies' transparency in public disclosures of best practices and sustainability commitments to promote industry transparency and accountability to drive the uptake and implementation of environmental and social best practices in high biodiversity impact sectors.</p>	<p>SPOTT conducts thorough reviews of APRIL's publically available reports and publications. APRIL achieved a 71.5% in 2022, with APRIL remaining in the top 10 in the annual global assessment report, which covers 100 timber-related companies worldwide across 179 ESG indicators.</p>
	<p>The WBCSD is a global, CEO-led community of over 200 of the world's leading sustainable businesses, working collectively to accelerate the system transformations needed for a net zero, nature positive and more equitable future. APRIL has been a member of the WBCSD since 2007.</p>	<p>We have actively participated in the WBCSD Leadership Program which aimed to help business leaders navigate difficult and cross-disciplinary issues that will shape the future, while also empowering people and organisations to lead, change, and succeed. To date, APRIL has sent six managers to participate in the program.</p>
	<p>A voluntary initiative to encourage businesses worldwide to reinforce socially responsible business practices and demonstrate commitment to universal principles in the areas of human rights, employment, environment and anti-corruption.</p> <p>APRIL is a signatory of the United Nations Global Compact (UNGC) since 2006 and remains committed to UNGC's Ten Principles for responsible business practices. APRIL is also a member of the Global Compact Network in Indonesia and Singapore.</p>	<p>Our Communication of progress (CoP) submitted in 2022 met the requirements for an Advanced Level of reporting. The CoP reporting requirements are incorporated into our annual Sustainability Report.</p> <p>In 2022, APRIL participated in the Singapore Apex Corporate Sustainability Awards 2022, organized by UN Global Compact Network Singapore (GCNS), the local chapter of the United Nations Global Compact.</p>
	<p>The Indonesia Business Council for Sustainable Development (IBCSD) is the regional chapter of the World Business Council for Sustainable Development (WBCSD).</p>	<p>We were active participants in initiatives that helped businesses transform their operations to achieve net-zero emissions and a more equitable future. We also advocated for a more sustainable supply chain and supported the government's net-zero goals.</p>
	<p>The Indonesian Chamber of Commerce and Industry, is a non-governmental trade association that serves as the sole umbrella organization for businesses in Indonesia.</p>	<p>APRIL is a member involved in several committees. APRIL is working with KADIN to promote circularity, waste management, sustainable fashion, and international relations in South America.</p>



Climate Positive

We are implementing science-based solutions to drastically reduce carbon emissions and expand our usage of renewable energy solutions.

1.8%

increase in renewable and cleaner energy for our mill operations

9%

increase in renewable and cleaner energy use in forestry operations

14%

reduction in product emissions intensity since 2019



6. CLIMATE POSITIVE

Climate change is a significant and defining global challenge that is expected to have a major impact on the economy, society and environment. The Sixth Assessment Report⁴ of the Intergovernmental Panel on Climate Change (IPCC), highlights the increasing severity and frequency of climate events, which pose a risk to the safety, well-being, and rights of people and the natural environment

Climate change is expected to affect the productivity of the agriculture and forestry sector due to changes in temperatures, humidity and precipitation, which will influence the sector's productivity⁵. At COP27, the United Nations Climate Change Conference, Nature-Based Solutions (Nbs) were included in a UN climate negotiations' cover decision that encouraged Parties to consider Nbs or ecosystem-based approaches when addressing intensifying climate risks. Nbs are actions that avoid greenhouse gas emissions and increase carbon storage capacity in forests, grassland and wetlands. Forest conservation, restoration and improved land management are some of the well-known examples of Nbs. These initiatives not only return forests to a healthy state, but also increase the amount of carbon sequestered, improve biodiversity and the quality of soil and water in the ecosystem, and provide economic benefits to communities that depend on those ecosystems.

Indonesia offers an opportunity to contribute to tackling climate change by deploying natural climate solutions and increasing carbon sequestration and storage through the protection, improved management, and restoration of the region's drylands, peatlands, and mangrove ecosystems. The private sector plays a critical role in reversing deforestation by eradicating it from supply chains and investing in "nature-positive" initiatives, such as forest conservation and restoration, which will benefit biodiversity, climate and people. These initiatives offer emission reduction benefits while supporting human health and well-being, making them a sustainable solution to addressing climate change.

As an organisation that relies on natural capital assets, climate concern inevitably brings about risks and impacts on our organisation as well as our ability to deliver value to our stakeholders.

As such, APRIL is developing a consolidated climate strategy. With its APRIL2030 Climate Positive targets, it

continues to move forward on mitigation efforts centred on emissions reduction, avoidance, removals and Nbs.

The key approaches to achieving our Climate Positive targets, include:

- Assessing and measuring our carbon footprint grounded on research and science
- Establishing our GHG inventory and model science-based targets
- Implementing actions to reduce our GHG footprint, which includes:
 - Improving sustainable forestry management practices grounded on zero deforestation principles, and improved plantation forestry practices
 - Identifying and implementing opportunities for avoiding and reducing emissions in our operations through conservation, restoration, and increased operational efficiencies
 - Prioritising energy efficiency and increasing cleaner and renewable energy utilisation
- Unpacking climate-related risks and opportunities for our business in line with the best practices recommended by the Task Force on Climate-Related Financial Disclosure (TCFD)

We collaborate as a multifunctional team across APRIL's business to ensure that we are implementing the appropriate frameworks and standards, as well as exploring opportunities for the best available solutions and technology. Our continual commitment to climate action is demonstrated by moving from policy integration to research, as well as setting science-based targets and undertaking climate risk identification using TCFD.



4 Source: Sixth Assessment Report (IPCC)

5 Source: ADB, Country Climate Risks Report - Indonesia



Table 1. Climate Positive Targets and Progress

Target and Indicator	Baseline*	Key Actions in 2022	Performance 2022
 <p>Net Zero emissions from Land-use GHG emission and removals from land use and land use change, measured as the net tCO₂e emissions</p>		<ul style="list-style-type: none"> Establish Tier 3 emissions factors for land-use change (LUC) and land management. Completion of the Restorasi Ekosistem Riau (RER)'s carbon project using the globally accepted Verified Carbon Standard. Piloting the GHG Protocol Land Sector and Removal Guidance. Near-term target modeling based on the Science-based Targets initiative (SBTi) Forest Land and Agriculture Guidance (FLAG). 	●
<p>90% renewable and cleaner energy for our mill Renewable energy use measured as a percentage of total energy consumption</p>	87%	<p>1.8% increase in renewable energy use to 88.6%</p> <ul style="list-style-type: none"> Solar project achieved 11 MW generation capacity Increased use of biomass in energy mix 	●
<p>50% of fibre operations energy needs from renewable resources Renewable energy use measured as a percentage of total energy consumption</p>	19%	<p>9% increase to 28% energy demand provided from renewable energy sources</p> <ul style="list-style-type: none"> Increasing biodiesel mix in fibre transportation and machinery 	●
<p>Reduce product carbon emissions intensity by 25% Product-specific gate-to-gate emission measured in tCO₂e/product tonne</p>	0.55 TCO ₂ eq/T	<p>14% reduction to 0.47 TCO₂eq/T</p> <ul style="list-style-type: none"> Efficiency projects that contribute to the decarbonisation strategy 	●

*2019 baseline

KEY ● On Track ● Progressing ● Not Progressing ● In Development

6.1 ASSESSING AND MEASURING OUR CARBON FOOTPRINT

To manage our emission footprint, APRIL considers it essential to understand and measure it. Our organisation follows the Greenhouse Gas (GHG) Protocol for accounting Scope 1 and Scope 3 GHG emissions annually, based on the operational control approach. The Global Warming Potential rates used in our calculations were referenced to IPCC, 2013⁶.

Scope 1 Emissions

Land use is identified as our largest source of emissions. APRIL is currently focusing on scientific research, measurement, and monitoring to derive Tier

3 emission factors as encouraged by IPCC Guidance in calculating land use emissions and removals. Tier 3 factors are more demanding in terms of complexity and data requirements, which gives an organisation and their stakeholders more confidence in the accuracy and validity of their GHG Inventory.

To ensure our calculations are representative and accurate, APRIL's tier 3 emission factors for land use change were derived from two research projects:

- The first project involves monitoring above and below-ground carbon stock changes using several hundred permanent sample plots established by APRIL across different land use types, such as plantation, conservation and restoration areas.
- The second project involves monitoring GHG emissions and removals across various land

- use types using LICOR Eddy Covariance tower instrumentation. This scientific research is published via collaborative and peer reviewed scientific publications.

Specifically on peatland, APRIL actively monitors peat GHG emissions and removals through a research project that aims to:

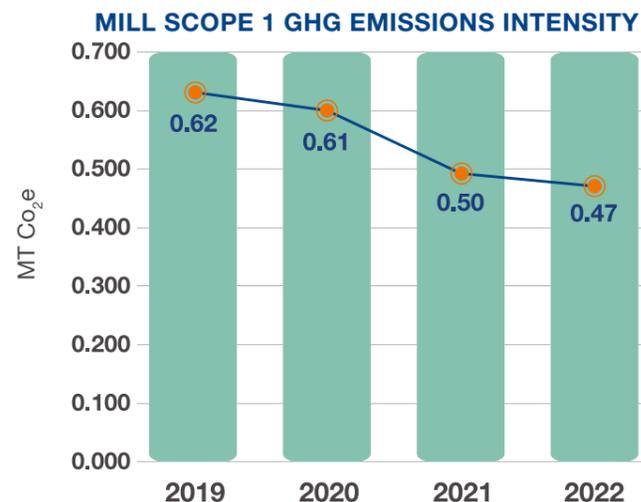
- Improve information on CO₂, methane (CH₄), and nitrous oxide (N₂O) emission factors
- Improve process-based understanding to guide science-based peatland management practices for reducing GHG emissions at a landscape level

In 2022, APRIL's mills accounted for a total of (2,065,848) tCO₂e, a reduction of 2.3% from 2021. The emissions are from stationary sources such as fossil fuel combustion, biomass combustion (non-CO₂ emissions), transportation and mobile combustion, waste management, and make-up chemicals as defined by the GHG Protocol. We adopted sector-specific tools developed by the National Council for Air and Stream Improvement, the International Council of Forest and Paper Associations, as well as the GHG protocol, for calculating emissions for the mills.

⁶ <https://www.ipcc.ch/report/ar5/wg1/>



The graph below displays Scope 1 emissions for our mill facilities:



Scope 2 emissions

Our scope 2 emissions are negligible in our overall inventory because our manufacturing fulfils the majority of its electricity, heat and steam needs through our own energy production.

Scope 3 emissions

APRIL's Scope 3 emissions refer to the indirect GHG emissions arising from activities associated with assets and/or operations that APRIL does not own but exists within our value chain. This category includes all emission sources outside of Scope 1 and Scope 2 emissions and falls within the 15 categories defined by GHG Protocol. APRIL continues to calculate scope 3 emissions in our value chain using screening tool which ensures that the most significant categories are assessed based on applicability and data quality.

The following categories are significant to APRIL: Purchased goods and services, Processing of sold products, End-of-life treatment of sold products, Downstream transportation and distribution, Fuel- and energy- related activities, Capital goods, Use of sold products, and Upstream transportation and distribution.

Table 2. Absolute Mill Scope 1 GHG emissions

Scope 1 GHG Emissions	2019	2020	2021	2022
Total Tonne CO ₂ eq	2,385,430	2,496,761	2,113,746	2,065,848
Total Nett CO ₂ equivalents per tonne Product	0.6227	0.6183	0.5022	0.4701

APRIL will continue to annually review its organisational GHG emissions inventory in accordance with the latest revision and development of GHG protocols and guidances, and verification is conducted when necessary.

6.2 ESTABLISHING OUR GHG INVENTORY AND SCIENCE-BASED TARGETS

Companies in land-intensive sectors play a crucial role in the transformation to a low-carbon economy since Agriculture, Forestry and Other Land Use (AFOLU) emissions represent nearly a quarter of global GHG emissions, with significant potential for increased removals. However, GHG accounting and target-setting in this sector have been challenging. To address this, the draft GHG Protocol Land Sector and Removals Guidance was released in September 2022, which aims to improve the accuracy, completeness, consistency, relevance, transparency, and comparability of companies' GHG inventories. It will provide clarity on the steps, methods and data needed to calculate GHG emissions and removals from land-based and technological CO₂ removal activities.

At APRIL, we are committed to aligning our disclosures and processes with global standards and guidance for establishing our GHG inventory and setting targets. As part of our efforts to advance our understanding of best practices for climate action, APRIL participated in a pilot program with 140 companies globally to unpack the new global guidance. We will use the final version of the guidance for our annual GHG inventory moving forward.

In addition, the Science Based Targets initiatives (SBTi) released sector-specific guidance for the forestry, land and agriculture (FLAG) sector in September 2022. Companies that meet the relevant criteria are required to account for their land-related emissions and removals from activities occurring within their value chains and include them in a FLAG Target.

Some of the key requirements of setting a FLAG target include the following:

- No-deforestation commitment: Companies setting FLAG targets are required to publicly commit to no deforestation covering all scopes of emissions.
- Set near-term FLAG science-based targets: 5-10 - year emission reduction targets in line with limiting warming to 1.5°C.
- Account for removals in targets such as improving forests management practices, enhancing soil carbon sequestration on working lands and restoration.
- Companies with emissions related to timber and wood fibre must use the commodity pathway.

Based on this guidance, APRIL will continue near-term target modelling using the timber and wood fibre pathway. We have selected 2019 as our base year as verifiable data exists for the base year across all sources and activities for all scopes and is representative of APRIL's typical emissions profile ensuring consistency and comprehensiveness in reporting and disclosure.

6.3 IMPLEMENTING ACTIONS TO REDUCE OUR GHG FOOTPRINT

As a leading manufacturer in the paper and pulp industry, APRIL understands that it is critical to take swift and effective action in managing our impacts and overall climate performance. We have taken proactive measures to address our carbon footprint and continuously seek opportunities to avoid, reduce and mitigate our GHG emissions. Additionally, we aim to optimise our energy efficiency by replacing fossil fuel-based energy with renewable and cleaner sources where possible.

AVOIDED EMISSIONS

Avoided emissions (sometimes called 'Scope 4 emissions') refer to the greenhouse gas (GHG) emissions that are prevented from being released into the atmosphere due to the implementation of measures that reduce or eliminate the emissions.

These measures could be the adoption of renewable energy sources, the implementation of energy efficiency measures, or changes in land use, among

others⁷. Avoided emissions can provide insight into the broader societal climate gains that may not be fully reflected in a company's GHG emissions inventory. As we advance, APRIL will continue to follow the developing guidance from the GHG Protocol, which provides key principles and criteria for determining the robustness, consistency, and validity of avoided emissions assessments and defined reference scenarios. Currently, the guidance stipulates any quantification of avoided emissions must be reported separately from a company's Scope 1, Scope 2, and Scope 3 emissions, using intervention accounting methods and should not be included or deducted from the inventory.

APRIL's Nbs mitigation opportunity includes:

- **Continuous commitment to zero deforestation and conversion. By protecting natural forest and peatland ecosystems as conservation areas, APRIL actively avoids emissions from deforestation or conversion and secures above and below-ground carbon.**
- **Improving sustainable forestry management practices through fire prevention and management within our operations and in the broader landscape as well as responsible peatland management:**
 - **With our increasing understanding of peatland hydrology, we are actively implementing water table management, including recovering and bringing degraded or shrub peatlands under management to avoid carbon emissions and fire risks.**
- **Driving emissions reductions and removals from the land bank and forestry operations by protecting, managing, and restoring natural carbon sink functions of forests and peatlands.**

7 Girault. 2023. The WBCSD Report on Avoided Emissions – what businesses need to know. [online] Available at: <https://www.sweep.net/library/the-wbcd-report-on-avoided-emissions-what-businesses-need-to-know> [Accessed 31 May 2023]



SPOTLIGHT



FIG 1: Aboveground biomass data acquisition using permanent sampling
Photo credit: NUS-CNCS Team

Technology-driven innovations for enhancing the credibility and integrity of nature-based climate solutions

Collaborator: National University of Singapore - Centre of Nature-based Climate Solutions (CNCS)

Research objective: As a nature-based climate solution, peat swamp forest conservation and restoration aim to reduce atmospheric greenhouse gas concentration in the atmosphere in two ways, i.e., avoid emissions from protecting ecosystems to release carbon (C) into the atmosphere and improve carbon sequestration by restoring the ecosystem. Current methodologies of estimating C-stock and C-flows rely on field-based measurements using permanent sampling plots, peat depth plots, flux chambers, and eddy covariance towers. These field-based measurements are limited by scale, time and cost.

APRIL and CNCS realised using remote sensing methods can present an opportunity to provide data to C-flux models over a large area quickly and affordably. The use of light detection and ranging (LiDAR) technology will help in enhancing the credibility and integrity of nature-based climate solutions, such as forest conservation and ecosystem restoration. By using this technology, the research collaboration aims to develop realistic models of C-stocks and flows by integrating remote sensing data and field measurements, creating near-real-time, context-specific, wall-to-wall carbon prospecting maps of the carbon project site.

The project commenced in July 2021 and collected the data of various ground measurements such as peat depth, aboveground biomass (AGB), groundwater level (GWL), rainfall, net ecosystem CO₂ exchange (NEE-CO₂), and also satellite and LiDAR data. The data collected were then used to model the above and belowground C-stock, GWL, and NEE-CO₂. In 2022, we have conducted the initial LiDAR-carbon model and additional AGB data acquisition to build the initial peat depth and GWL model. Moving forward, APRIL and NUS-CNCS will upscale the NEE-CO₂ across RER and estimate the emission reduction by protecting and managing the forest from degradation. Research findings will be published in 2024.

Timeframe: 3 years (2021-2023)



FIG 2: Aboveground data acquisition using aerial LiDAR
Photo credit: NUS-CNCS Team

REDUCING PRODUCT EMISSIONS INTENSITY

We are committed to reducing our carbon emissions and have taken concrete steps to reduce our carbon intensity. In 2022, we have implemented a manufacturing specific decarbonisation strategy, focusing on total energy efficiency for both steam and electrical energy.

The strategy is focused on two areas:

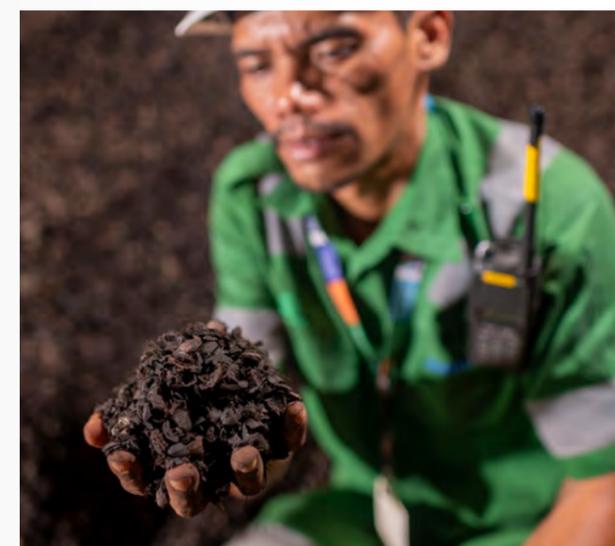
- Achieving operation excellence by prioritising non-capital-intensive projects.
- Investment in proven technology that has potential to improve total energy efficiency.

Improved total energy efficiency will result in a reduction in energy production and lesser dependence on fossil fuels. This will translate into lower emissions per product tonne and a higher biomass/fossil fuel ratio in our overall energy balance.

Since 2019, we have reduced product emissions intensity by 22%.

This has been made possible by targeted investments to reduce reliance on fossil fuels and increase energy efficiency across our operations.

Within our mill operations, we conduct regular monitoring, accounting and data analysis. We share our daily reports with national, provincial and district environmental agencies to ensure transparency and compliance with regulatory requirements.



LOW CARBON ENERGY TRANSITION THROUGH RENEWABLE AND CLEANER ENERGY

In 2022, we achieved 88.6% renewable and cleaner energy in overall energy balance for our mill, which represents a 4.6% increase compared to the previous year. Additionally, we achieved 28% renewable and cleaner energy use in fibre operations, representing a 9% increase. These results were achieved through a number of efforts implemented in both our mill and fibre operations:

- **Increasing our Solar Panel Capacity**
In 2022, we installed and energised an additional 10MW solar at our manufacturing complex, bringing our total renewable capacity to 11MW solar. This solar energy feeds directly into our integrated energy network resulting in 20,000 MWh/year of solar energy production. The installed 11MW solar leads to 9,500 tonnes of CO₂eq avoided emissions per year.
- **Increasing biodiesel mix in our fibre operations**
APRIL owns and operates motor vehicles for harvesting and transporting wood. We also run generators at our estates. We have identified that increasing the biodiesel mix for fuel use in our existing fleet can reduce reliance on diesel in the near term. Biodiesel is a renewable, biodegradable fuel manufactured from vegetable oils. Our efforts to increase the biodiesel mix from 30% to 35% in a portion of our fleet has already resulted in gains.
- **Transitioning to Electric Vehicles**
APRIL owns and operates motor vehicles such as buses and trucks at our mill complex for employee commuting and general operations. We recognise that this segment can contribute to healthier air, lower emissions, leading to better working and living complex environment. We are transitioning our fleets to run on electricity generated by renewables. In 2022, we have added six electric buses to our company fleet.



6.4 CLIMATE-RELATED RISKS AND OPPORTUNITIES

To successfully implement the Paris Agreement, it is imperative to undertake ambitious climate action and establish comprehensive global climate resilience measures. This would require businesses to identify and access their climate-related risks and opportunities, and subsequently enact adaptive strategies to align with the dynamic nature of changing climate.

APRIL's Executive Management Committee, chaired by RGE Managing Director together with the APRIL Group President, and the management team consisting of senior executives from across Group operations, provides oversight of the climate commitments and progress towards the targets. The Executive Committee reviews the annual GHG inventory, target setting process with Science-based Targets Initiative (SBTi), and implementation of decarbonisation actions.

In 2022, climate change-related risk was specifically identified as a standalone risk in the Group's enterprise risk management system. Climate change-related risks are managed and, where possible, mitigated by our operational management teams.

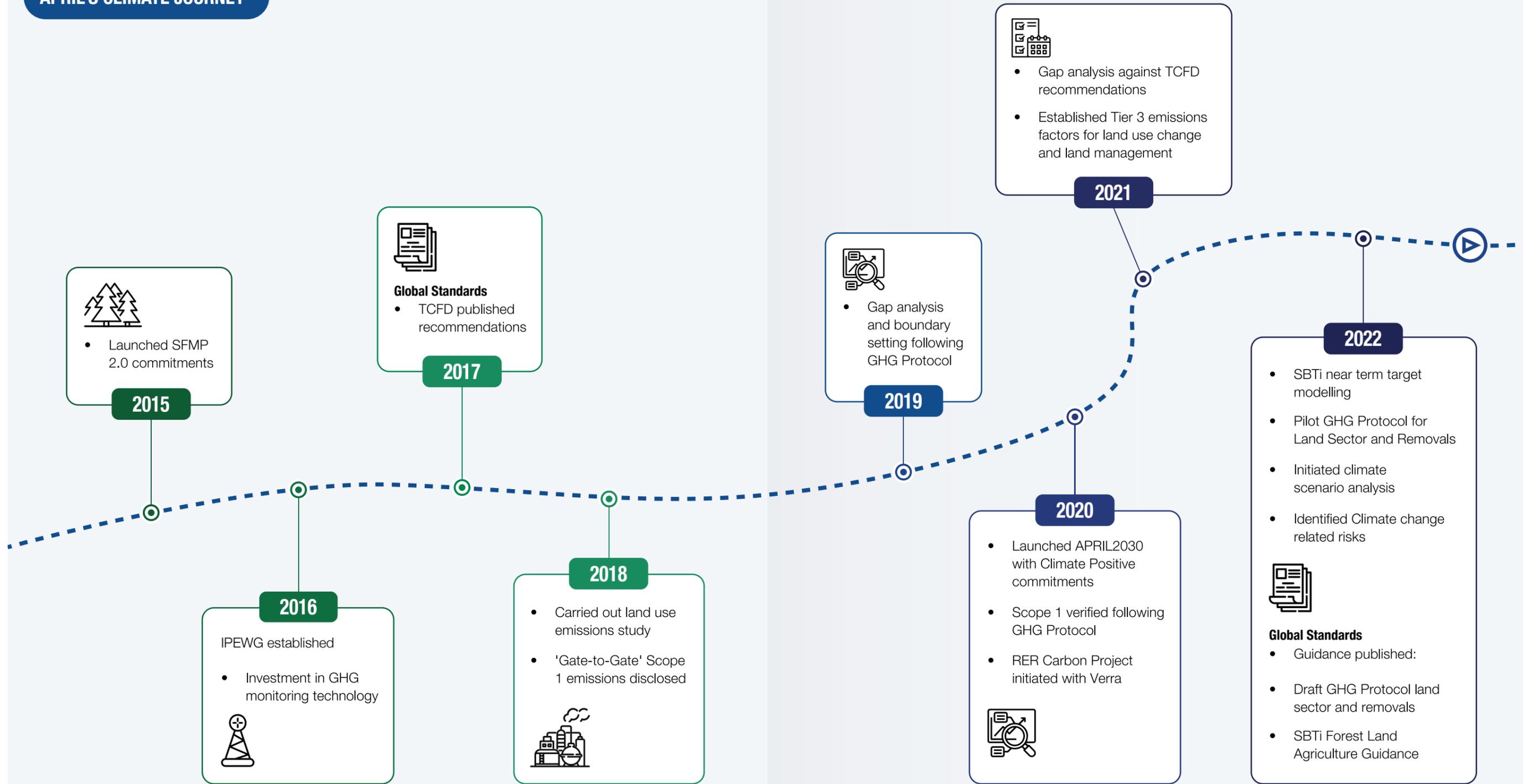
We recognise that the impact of climate change gives rise to key physical and transitional risks and clear opportunities for our business. Currently, APRIL is following through with The Task Force on Climate related Financial Disclosures (TCFD) recommendations. These facilitate clear disclosure of our governance, strategy, risk management and metrics and targets in relation to climate change related risks and opportunities, enabling transparent disclosure on how we are taking action on climate. APRIL's business strategy anticipates increasing risks from climate change, with physical risks to forestry assets being the primary threat. However, the global transition toward a net-zero economy presents positive opportunities for the forestry sector.

APRIL initiated a climate scenario analysis process in 2022 to enhance its understanding of climate-related risks and opportunities across the organization. The process began with internal consultations on the objectives and methodology of the analysis, with TCFD as the guiding framework. Going forward, APRIL will continue to evolve our understanding of climate change related impacts on our business and consider the impact of climate scenarios on our risk management and approach to strategy.





APRIL'S CLIMATE JOURNEY





Thriving Landscapes

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

502.87 ha

of areas restored

13%

increase in plantation productivity from 2019-2022



7. THRIVING LANDSCAPES

To protect nature, the Kunming-Montreal Global Biodiversity Framework, established under the 2022 UN Biodiversity Conference (COP15), set ambitious targets, including halting the extinction of threatened species and reducing the rate of all species' extinction tenfolds by 2050.

The framework aims to conserve and manage 30% of land and oceans by 2030 and reduce the loss of high biodiversity importance and high ecological integrity areas to near zero.

Biodiversity is a crucial component of healthy functioning forests and other important ecosystems. Healthy forest ecosystems provide essential services, such as pollination, climate regulation, water purification, nutrient cycling, and control of agricultural pests.

APRIL operates in Indonesia, a megadiverse country, where the World Wide Fund's Living Planet Report 2022 reveals a 55% decline in species populations since 1970 within the Asia Pacific region. APRIL recognizes the impact and dependence of healthy landscapes on its business operations, making the conservation and restoration of biodiversity a top priority. APRIL contributes to conservation and restoration efforts in Indonesia and supports biodiversity protection, positively impacting Indonesia's climate and sustainability goals.

APRIL is championing conservation as part of our production-protection approach where forestry plantation operations surround the perimeter of conservation and restoration areas to provide protection and actively fund ecosystem restoration and forest protection.

APRIL is firmly committed to zero deforestation, and supporting best practices in forest management in all countries where we source wood. These commitments apply to APRIL, supply partners and any other third party wood suppliers thereby ensuring only sourcing our wood-fibre from certified and non-controversial sources.

APRIL acknowledges the direct impacts of forest management on biodiversity and ecosystem services, requiring the company to take concrete action in these areas. We implement an adaptive management approach, assess each working area using a variety of environmental assessments, and develop appropriate conservation programme in consultation with key stakeholders.

To maintain effective conservation management of land, APRIL ensures a significant portion of our landscape is conserved, protected, and biodiverse to deliver Thriving Landscapes. This includes expanding conservation and restoration areas outside our operating footprint and striving for zero net loss of protected forest areas to achieve measurable gains in ecosystem values. As of December 2022, APRIL is managing 361,231 hectares of natural forest and wetland areas to protect ecosystem functions and conserve biodiversity. Of this area APRIL conserves, restores and protects 150,693 hectares managed under the Restorasi Ekosistem Riau (RER) project with the remainder being the conservation forest within the operational concession areas of APRIL.

Our Thriving Landscapes commitment focuses on the following:

- Biodiversity and ecosystem services
- Forest management

Responsible management and stewardship of APRIL's concessions through commercial plantation forests, conservation and restoration aligns with and contributes to the SDGs. For links to the alignment between APRIL's commitments and SDG targets, see the APRIL2030 website and appendix F. The following sections further elaborate on our approach targets, performance, and focus areas in the topics above.





Table 3. Thriving Landscapes Targets and Progress

	Target and Indicator	Baseline*	Key Actions in 2022	Performance 2022
	Zero net loss of conservation areas	0 ha Net loss	-552 ha Net Loss	●
	Net change of conservation and restoration area, measured in hectares			
	Investing in landscape conservation	\$0.70/ton	<ul style="list-style-type: none"> Consistent allocation of 1\$/ton since 2020 Established guidance with clear criteria for conservation fund spending to include Operational, Conservation Projects and Partnerships. 	●
	USD invested per tonne of plantation wood delivered to mill annually.			
	Positive Biodiversity Gains	275 ha	502.87 ha of areas restored	●
	Area of forest restored to increase potential habitat			
	Support wildlife protection in Indonesia		Illegal Wildlife Trade strategy finalized in collaboration with Wildlife Conservation Society.	●
	Number of initiatives established or supported to protect wildlife in Indonesia			
	Advance tropical peatland science and contribute to global knowledge and practice (cumulative)			
	Number of scientists from universities and research institutions collaborating with APRIL in a calendar year (#)	9	Collaborations: 84	●
	# of participation in national/international conferences	6	Conferences: 35	
	# of peer-reviewed scientific publications	1	Publications: 4	
	50% gain in fibre plantation productivity	20T/ha/yr	Increase of 13% to 22.61/ha/yr	●
	Delivered MAI to the mill, measured in tonnes/ha/year			

*2019 baseline

KEY ● On Track ● Progressing ● Not Progressing ● In Development



7.1 BIODIVERSITY AND ECOSYSTEMS

We seek to manage and mitigate our impacts on biodiversity and ecosystems by designating areas for plantation forestry and providing financial and technical support for the maintenance of specifically designated conservation and restoration zones. According to our production-protection approach, APRIL identifies and safeguards biodiversity values within or immediately adjacent to our concession. Our plantation forests effectively act as a buffer zone that protects the natural forest landscape. Due to active conservation management, the impact from potential human threats such as illegal logging, encroachment, fire, and wildlife poaching is reduced.

The following details the approach taken to protect biodiversity and ecosystems:

- Conservation Forest Management Framework
- Wildlife protection

Conservation Forest Management Framework

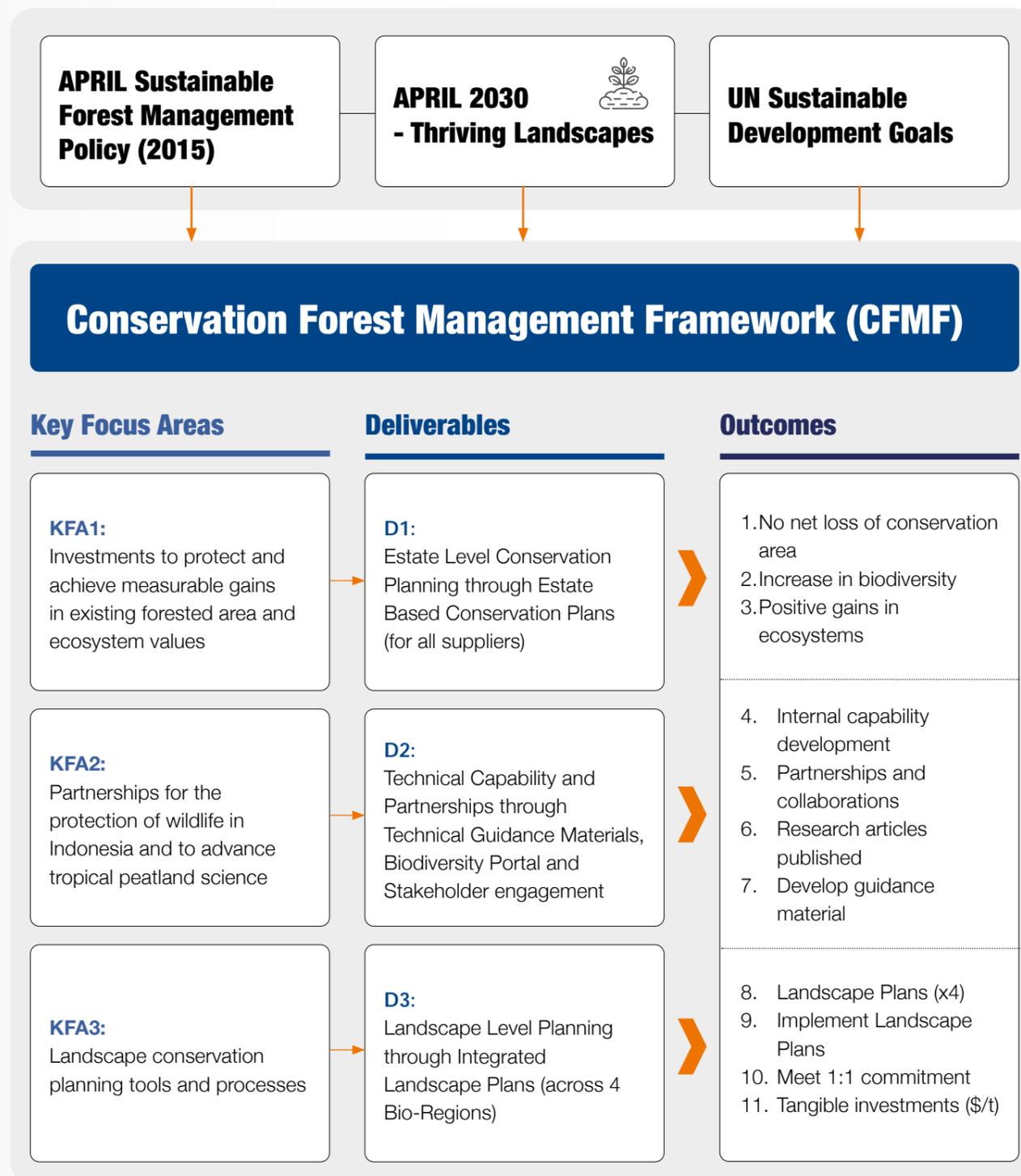
APRIL commits to taking a landscape approach to the conservation of forest, peatland and other important environmental and social values.

The Conservation Forest Management Framework (CFMF) supports APRIL's commitments and addresses these commitments through collaboration with

local communities, government and other relevant stakeholders at the landscape level. The Framework was developed inclusively by working with our key stakeholders to protect and enhance identified conservation values, in line with our conservation commitments. This constitutes a critical aspect of APRIL's plan to promote forest conservation, protection, and restoration activities in all operational locations by implementing best practices in social, environmental and economic activities.

The vision of the CFMF is to foster collaborative partnerships with local communities, government agencies, and technical experts to protect and enhance conservation and ecosystem values across all operational areas. To support the realisation of this vision, three goals have been defined:

1. To develop and implement conservation planning at three separate levels, Estate-Based Conservation Plans, Community Conservation Plans, Priority Species Conservation Plans.
2. Develop effective partnerships to protect identified conservation values and wildlife in Indonesia and promote the advancement of tropical peatland science.
3. Develop effective and practical landscape conservation planning tools and processes. The specific objective is to deliver landscape-level planning across the four identified landscapes.





LANDSCAPE RESTORATION

APRIL's approach to landscape restoration demonstrates the company's commitment to responsibly produce forest products for society and protect ecosystem functions on the same landscape. This is demonstrated on two landscapes; the 700,000 hectare Kampar Peninsula and the 110,000 hectare Padang Island. These areas experienced wide-spread forest degradation between 1970-2000 due to uncontrolled timber harvesting, peat drainage, forest encroachment, fire, and wildlife poaching. In the early 2000's, APRIL obtained licenses from the Indonesian Ministry of Environment and Forestry to establish productive Acacia fibre plantations in place of the most degraded forests on the coastal ring.

In 2013, APRIL established a multi-year ecosystem restoration programme, Restorasi Ekosistem Riau (RER), to protect and restore 150,693 hectares of degraded peat forest located on the central peat domes of the Kampar Peninsula and Padang Island. Today, RER's 60-year licenses, in combination with the plantation forests, have stabilized land use change on these landscapes and contain peat forests that provide habitat for over 840 species of flora and fauna and nearly 100 species that are either globally threatened (IUCN) or protected by the Indonesian government. The RER program will not be possible without the support of the government in granting the long-term restoration licenses.

Drawing on the expertise of APRIL Group, FFI and Bidara as well as local communities, RER employs a four-phase model of Protect, Assess, Restore and Manage to rejuvenate previously degraded forest areas and peatland. RER's forest protection and security rangers work closely with forest users and government agencies to prevent forest threats.

RER's partners, Fauna & Flora International, Wildlife Conservation Society, BIDARA and PJHS conduct baseline assessments on carbon stocks, biodiversity and community well-being to identify gaps, needs and opportunities where restoration and management activities are. The coordination between stakeholders in these landscapes is an on-going process to maintain open channels of communication that build trust, cooperation and ensure minimal land use change.

To enhance this landscape restoration programme, APRIL in 2015 committed that for every hectare of the commercial plantation forest, the company will protect and manage an equal area of natural forest for conservation. We have accomplished 80% of this commitment. All RER concessions have recently been certified by the Programme for the Endorsement of Forest Certification's (PEFC) sustainable forest management certification, providing assurance that the forest is managed per credible global standards.

WILDLIFE MONITORING AND RESEARCH

Understanding and documenting the plant and animal species in an ecosystem is crucial for effective conservation management. The RER program focuses on biodiversity monitoring through remote camera trapping and direct observations of wildlife, with the aim of establishing a biodiversity baseline on the Kampar Peninsula. This baseline data is essential for researchers to analyse population trends, habitat use, and recommend restoration and management activities.

RER deploy a stock of 150 camera traps across 173,000 hectares of peat and plantation forests to monitor wildlife and establish the biodiversity baseline. Additionally, annual observations of migrating raptors and waterfowl, along with focused monitoring of the Sumatran tiger and Flat-headed cat, have been implemented. In 2020, RER successfully tracked a Sumatran tiger in a peat landscape for five months using a GPS/radio collar to document habitat utilization and feeding preferences.

RER has hosted researchers from Universities in Indonesia, Singapore, the United Kingdom, Germany, Netherlands, the USA and Canada that has enabled students to achieve undergraduate, master and PhD degrees on a range of conservation topics such as:

- Song-bird trade
- Forest canopy density and vegetation mapping

- Paleo-ecological studies of peat soils
- Odonata diversity
- Mammal diversity and distribution on a human-modified landscape
- Socio-cultural habits, practices and livelihood of Serkap River fishers

The baseline surveys and research highlight the importance of peat swamp forests in Indonesia and the region. Interesting findings include:

- The research identified first sightings and range extensions of at least 11 bird, mammal or amphibian species on the Kampar Peninsula.
- The Kampar Peninsula is also home to 58 species of migratory raptors that pass over the forest twice a year, providing habitat utilised by 42% of Sumatra's 758 bird species.
- 13 new *Odonata* (dragonfly) species records for Riau province.
- The camera trap study identified more than 50% of the 25 medium-large mammal species utilising both the natural peat forest and surrounding plantation forests.
- The research also shows that fishermen on the Serkap River remain up to 18 days per month.



Mammal Survey & Distribution on Kampar Peninsula

Expanded camera trap surveys by deploying it to three watersheds with the assistance of the University of Kent. The data collection have captured 61 mammals to date including Sumatran Tiger.



Ecological, Economic and Social Study of Fishing Activities - University of British Columbia

survey total	recorded from	These include
71 species	11 families	1 endangered, 2 vulnerable and 1 data deficient species



APRIL monitors and reports on flora and fauna species found throughout our concessions.

Table 4. Species of special concern

Taxa	Critically Endangered	Endangered	Vulnerable
 Mammals	3	9	9
 Amphibians & Reptiles	3	3	3
 Birds	2	6	17
 Plants	3	1	5
 Fish	2	1	2
 Odonata	0	2	1
TOTAL	13	22	37



7.2 FOREST MANAGEMENT

Forest management is critical in ensuring the sustainable supply of wood and fibre to forest-based industries that produce products that people use in everyday life, including but not limited to timber for construction, paper for communication, packaging, and hygiene products.

Plantation forests not only contribute to meeting the world's increasing demand for forest products but also provide numerous environmental, social and economic benefits, including:

- The provision of biodegradable, renewable, reusable and recyclable products and by-products, as well as non-timber products and services.
- Regulate and support photosynthesis, enhance air quality, store carbon, improve water quality and contribute to efficient land use. Additionally, they aid biodiversity conservation by providing habitats and shelter for wildlife and plant species.
- Provides socio-economic contributions through sustainable jobs, income, skills transfer, and social development, particularly in rural, remote, and impoverished communities.

Sustainable forest management ensures that the plantation forestry are healthy, productive, and well-managed.

Our approach to sustainable forest management is governed by our SFMP 2.0 commitments. The policy includes the various commitments made by APRIL and informs our wood procurement practices such as conducting a due diligence process on all the wood suppliers prior to and during the contract term.

APRIL's management practices supporting this objective include research and development, soil and site management, precision silviculture, fire management and pest control.

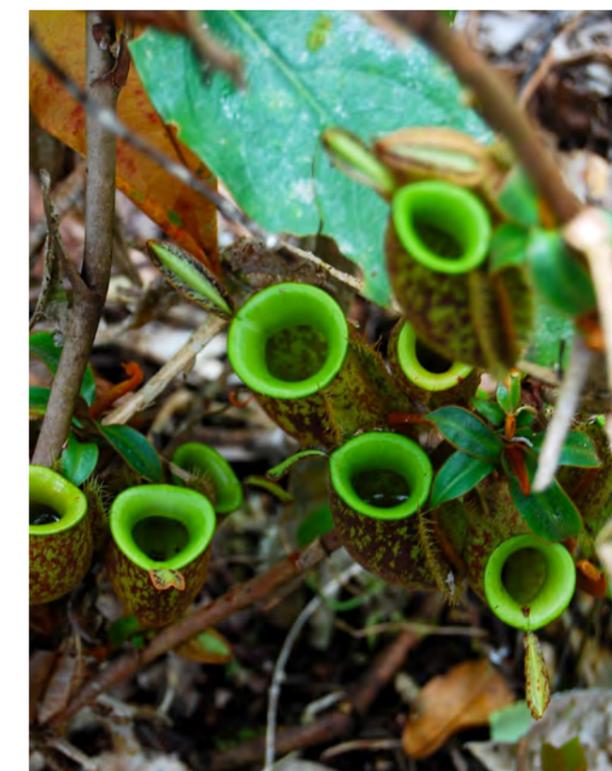
Our management practices are complemented and constantly refined with our collaboration with the academic community, international industry groups and communities, detailed in the following chapter.

FOREST CERTIFICATION

As of December 2022, APRIL's plantation forestry concessions encompassing 744,949 hectares are PEFC certified. APRIL also expanded the area certified under PEFC to include RER, an area of 150,693 hectares, demonstrating our commitment to managing forests according to international standards. In total 92% of APRIL's concession area is certified to PEFC. More on this can be found in Appendix C Sustainability Figures.

Since 2013, our products have been certified under the Singapore Environmental Council's (SEC) Green Label, which ensures that the product is sustainably produced and managed throughout its life. The Enhanced Singapore Green Labelling Scheme assesses the applicant's readiness and commitment to practising sustainable forest management on peatland and fire prevention to safeguard peatland forests. The standards also ensure that resources gathered or harvested from forests or plantations are done in a responsible manner, minimising disturbance of natural ecosystems and conserving biodiversity.

On a national level, APRIL holds Sustainable Production Forest Management (PHPL) and Sistem Verifikasi Legalitas Kayu (SVLK) certifications, which certify the legality of Indonesian timber products since 2012 and 2013 respectively.





PRECISION FORESTRY

Our responsible forestry practices include abiding by our commitments to the best management practices for soil and peat. These involve analysing our soil to improve soil fertility where needed, matching species to the soil types of our areas, and researching potential pests and diseases that may impede the growth of our trees. In addition, APRIL established a research and development programme focused on improving the productivity of our sites including:

- Genetic improvement and integrated pest and disease management
- Site-specific management regimes
- Professional Contractor development and mechanisation

With the abovementioned strategies, APRIL increased its **plantation forest productivity by 13% from its baseline of 2017-2019.**



RESEARCH AND DEVELOPMENT

The Fibre Research and Development (R&D) department has three main areas of focus – tree improvement, plant health, and silviculture. The main goals are as follows:

- Higher productivity
- Better pulping properties
- Increased resilience to pests and diseases

These goals fall in line with APRIL's focus:

- Propagations and fast tracking of high performance hybrids
- Maximise tissue culture for better root development and uniform growth
- Reliable genetic screening for pests and diseases to preclude genotype susceptibility to pests and disease
- Intensify identification and efficient monitoring of pest and disease control

The overarching objective is to enhance tree growth and fibre productivity to produce more fibre from a consistent plantation footprint.

The department currently employs 272 people and has made significant developments in forestry research and nursery management in recent years. The team uses a range of technological tools and processes to support these areas of work, such as:

- Study of physical and chemical soil properties;
- Study of wood properties and fibre yield;
- Molecular identification of genetic material and plant pathogens;
- Control pollination methods to further improve certain tree traits;
- Tissue culture production of Acacia and Eucalyptus

Throughout the year, the APRIL R&D team studies the health and productivity among populations of clones of Eucalyptus and Acacia crassicarpa.

As part of our structured tree breeding programme, the R&D team focuses on developing and deploying new Acacia and Eucalyptus genetic materials (clones and families) with high growth productivity, better wood properties (basic density, pulp yield), tolerance to pest and diseases (P&D), and tolerance to wind damage. This is complemented with site-specific allocation (genotype vs environment interaction) to ensure high propagation performance at the nursery and tissue culture laboratories.

In our bio-molecular laboratory, the selection of good fibre characteristics, such as fast-growing, resistant genetic materials, has become faster due to the technological advancement in DNA tagging and fingerprinting.

It is worth noting that APRIL has a strict GMO policy and does not use any genetically modified organisms in any of its research programs, initiatives, nor any areas where research takes place under its direct or indirect responsibility. See APRIL's GMO Policy [here](#).





SPOTLIGHT

Tissue Culture in Plants

At the heart of APRIL's technological advancement is tissue culture, the controlled cultivation of organic materials in an artificial environment. Tissue culture, also known as micropropagation allows for the cloning of flora and the controlling of their propagation and development by creating sterile conditions and environmental factors affecting plant growth.

By harnessing the power of micropropagation in plant tissue culture, productivity can be unlocked without increasing the environmental footprint. The controlled approach also means plants can be grown throughout the year, regardless of weather and season.

Plants grown through the tissue culture process are protected from predation and incubated against diseases that affect seedlings in the field.

Tissue culture is a highly efficient method for producing plant material compared to traditional farming and propagation techniques.

Key Fact: Tissue culture has the potential to generate ten times more plant material while using only a tenth of the space required by conventional methods.

A drawback of tissue culture is the requirement for specialised knowledge, investments in scientific equipment, and the need for skilled workforce to ensure success.

The five key steps involved in the tissue culture of plants include:

1. Selection - Our scientists choose fast-growing, pest-resistant plants
2. Multiplication – Once selection is made, our lab technicians then clone these sprouts in a sterile condition
3. Elongation - the stems are then nurtured in the tissue culture medium
4. Induction –Once they are strong enough, the plants are induced to form roots
5. Acclimatization - Temperature, humidity, and light are controlled so plants can adjust to outdoor conditions

The Tissue Culture lab, produces around 36 million high-quality, disease resistant Eucalyptus and Acacia plantlets annually.

INTEGRATED PEST AND DISEASE MANAGEMENT

APRIL is committed to minimising the use of chemical pesticides as part of its Integrated Pest Management (IPM) programme. Our IPM strategies focus on the long-term prevention of pests and diseases (P&D) through integrated techniques, including screening tolerant planting material, accurate diagnosis and identification of P&D, continuous monitoring, biological control, and sound silviculture practices such as, pesticide application when necessary.

APRIL provides training to workers on pest management and the application of pesticides. Within nurseries, the IPM programme includes monitoring and control activities to collect data on P&D infestation levels at the early stages through the installation of both sticky traps and light traps.

P&D are monitored in all of our plantations, especially during the critical age of plant growth, where the chances of pest infestation are higher. When pests are detected to be above the threshold limit, insecticides will be applied only in the required area. Preliminary evaluations indicate that mixing Trichoderma biocontrol agents into nursery media reduces the impact of diseases. Control activities include mixing Trichoderma biocontrol agents into nursery media to reduce the impact of diseases and releasing Trichogramma eggparasitoids and green lacewing predators to control pests.

Our IPM strategy has reduced insecticide application in our plantations by 27% between 2020 and 2021.

In 2022, APRIL worked with partners to research and find an alternative to Imidacloprid, an insecticide banned in some countries. We also reduced insecticide usage with new products with fewer active ingredients. Technology for more efficient application allowed a reduction of 50% volume per hectare of insecticide usage compared with standard procedures. APRIL's R&D teams conduct intensive research programs to prevent P&D from affecting tree growth in nurseries and plantations. Several diagnostic tools are used to rapidly identify plant pathogens that affect tree growth in nurseries and plantations in a cost-effective manner.

Technology has also helped our laboratory identify P&D that are not easily detectable through conventional

morphological methods. Findings are used to screen plant materials, particularly to determine their tolerance to P&D. Appropriate pest-tolerant materials are selected through a screening facility that has the capacity to test over 10,000 plants each year.

In 2022, our R&D team focused on the Quality, Productivity and Cost concepts by implementing new standard operating procedures (SOPs) for P&D management, mass multiplication of biological control to achieve the set targets and screening of genetic material of Eucalyptus clones and Acacia Crassicarpa against major diseases. The team also focused on optimising the monitoring of P&D to prescribe appropriate actions. With this, the number of applications of chemicals to minimise pests were reduced. Research on biological control agents allows the identification of new parasitoids that can be integrated as part of IPM. Further development of this technology will speed up the mass breeding multiplication to achieve field evaluation.

SITE AND SOIL MANAGEMENT

APRIL implements best soil and site management practices centred on our "No Burn" policy and water table management. Standard operating practices such as minimal soil tillage, spot soil preparation, and harvesting techniques are designed to minimise soil disturbance and compaction and maximise the retention of soil nutrients and water. Additionally, APRIL uses minimal soil tillage and spot soil preparation to minimise water runoff and installs permanent soil sample plots to monitor soil fertility changes across rotations. Soil erosion control is achieved by preparing the site based on its topography.

Other best practices around soil conservation are to minimise sedimentation, establish buffer zones, and minimise disturbances on steep slopes and areas with insufficient vegetation cover. To protect watercourses and riparian zones, buffer zone specifications are implemented. In cases where adverse impacts on soil are identified from actual or previous activities, corrective action is taken to reduce or eliminate negative impacts and restore the soil's health, such as soil erosion control and appropriate soil cultivation. In early 2022, APRIL developed and implemented a soil cultivation matrix across all plantation forests that considers factors like slope, soil type, erosion risk and soil cultivation equipment to reduce soil erosion. A decision matrix for species allocation were implemented, and the soil fertility was assessed in low mean annual increment (MAI) areas to improve soil fertility if necessary.



APRIL continues to invest in research on soil management to match soil and site characteristics that enable optimum seedling survival across various field conditions. For instance, clones more tolerant to wind were assigned to areas with a high risk of wind damage, while clones susceptible to water conditions were assigned to low-lying areas. Our site specific management regimes have the following objectives:

- Enhance and refine site quality characterization and apply to clone allocation
- Develop extreme weather damage index and strategy to reduce damage
- Overarch site species genotype matching with best silvicultural practices and develop site specific silvicultural prescriptions

SILVICULTURE

We seek to improve the productivity and quality of our plantation forests sustainably through silviculture practices, conducting scientific research and development to enhance our practices.

Our R&D team focuses on silviculture and provides technical expertise on improving operational procedures in plantation management. This includes recommendations for cost-effective fertiliser regimes, optimal spacing, singling/pruning procedures, and weed control.

The principle of IPM is also followed in our weed control programme, with weeding rounds only within the first two years of planting. A new weeding regime using pre-emergent herbicides was tested to reduce the chemical pesticide utilisation in our plantation. The remainder of the rotation is need-based and depends on plantation age, stand condition, weed condition types, and coverage.

Our pesticides used in our operations are in accordance with the FSC Pesticide policy whereby the objectives are to:

- Promote best practices to minimise associated risks to human health and the environment when using chemical pesticides
- Reduce the overall volume and number of chemical pesticides in use
- Eliminate the use of the most hazardous chemical pesticides.

INCREASING OPERATIONAL EFFICIENCY

In 2019, APRIL implemented a new mechanised approach to harvesting in our plantations. The approach involves implementing the cut-to-length system where trees are harvested on plantation areas with equipment that makes the harvesting more efficient, and safer for our operators. The ergonomically designed machinery reduces the level of manual operations needed.

The cut-to-length system utilises mechanised harvesters, forwarders, and sledges to deliver improved wood quality in debarked wood, reduced wood waste, and increased machinery efficiency. This approach also reduces operational costs while minimising the environmental impact as the cut-to-length system helps to spread organic matter across field areas, improving soil nutrition and limiting soil erosion. This approach upholds APRIL's sustainability commitments to improve yield while optimising productivity and helps to fulfil APRIL's Professional Contractor development and mechanisation goals:

- Contractor ownership and accountability
- Use of UAV technology to guide precision silviculture
- Pilot appropriate technology development and required support services
- Improve log quality and reduce fibre losses
- Increase debarking from all wood sources
- Review harvesting systems where required and select the appropriate system for the site.



PEATLAND MANAGEMENT

Peatlands, which cover only about 3% of the global terrestrial area, store twice as much carbon as all the world's forests⁸. As one of the largest natural terrestrial carbon stores, responsible management of peatland production landscapes is crucial. Additionally, peatlands play a critical role in preserving global biodiversity, minimising flood and drought risk and helping to address climate change⁹.

According to the International Peat Society (IPS), responsible peatland management means undertaking activities in a transparent and accountable manner,

following principles to promote stewardship of peatlands that will be acceptable to future generations.

APRIL is responsible for approximately 4% of the total peatland area in Indonesia, which brings with it the responsibility of sound science-based peatland management. Of this area, around 249,093 hectares form part of APRIL's forestry plantation and 295,097 hectares are of conservation areas. The responsible operations on peatland are managed in line with national regulations and established scientific protocols and standards. This includes rigorous data collection, measurement, and analysis processes.



⁸ <https://www.wetlands.org/our-ork/peatlands/>

⁹ IUCN. 2022. Peatlands and climate change. [online] Available at: <https://www.iucn.org/resources/issues-brief/peatlands-and-climate-change> [Accessed 26 January 2023].



Good Governance

The Independent Peat Expert Working Group (IPEWG) was established with distinguished national and international peatland scientists to provide guidance to APRIL on its peatland roadmap implementation. IPEWG met on four occasions in 2022 to build upon the efforts from the first three IPEWG phases. The Working Group discussed the next phase of IPEWG work to focus on three priorities:



Research and Scientific Understanding

Build scientific understanding of emissions, subsidence, fire, species and impacts of water management on production and yields.



Peatland Operations Guidance

Work with APRIL to incorporate scientific understanding into management plans and operations on plantations and conservation/restoration areas on peat.



Communication and Outreach

Support further scientific publications and outreach to and capacity building of local scientists.

Knowledge and capacity building

APRIL has invested in science to guide our peatland management practices. The main goal is to build and transfer a robust scientific understanding to deliver a balance between production, protection and social development without further loss or degradation of peat. This comprises the practical implementation of land management practices:

- To minimise the negative environmental impact (carbon loss and subsidence) while improving plantation productivity on peat;
- To maintain and improve restoration and conservation areas on peatland as Nature-based Solutions (NbS).

APRIL also collaborates with a diverse group of leading national and international scientists from various universities and research institutions on various projects within the company. In terms of our peatland operations, several ongoing research programmes have been established in consultation with IPEWG and other research collaborators to directly contribute to its enhancement.

Until the end of last year, APRIL has four peer-reviewed publications, including one in Geoderma in December: *Long-term trajectory and temporal dynamics of tropical peat subsidence in relation to plantation management and climate.*

Established in 2015, the Independent Peat Expert Working Group (IPEWG) has provided science-based guidance and understanding to inform APRIL's management of its peatland production and protection landscapes.

PEATLAND SCIENCE PROGRAM

Long-term trajectory and temporal dynamics of tropical peat subsidence in relation to plantation management and climate

When groundwater levels fall below the surface in peatlands, subsidence of the peatland surface occurs from a combination of compaction of peat above the water level, consolidation of peat below the water level and decomposition of peat above the water level. This presents a challenge for the long-term management of agriculture on peatlands¹, increasing the risk of periodic flooding or inundation of land, and may lead to a reduction in productivity. A new study of subsidence on tropical peatlands conducted by a scientific team led by Professor Chris Evans of the UK's Centre for Ecology and Hydrology, supported by Indonesian, UK and Finnish scientists, has been published in the international peer-reviewed journal, Geoderma.

The study, which is based on one of the largest and longest-running subsidence monitoring datasets available for tropical peatlands, analysed peat subsidence measurements from Acacia plantations and adjacent peat swamp forest in Sumatra, Indonesia. It builds on an earlier study published in March 2019². The study analyses peat subsidence measurements from over 400 plantation and forest plots, with a unique set of 62 sites monitored since 2007. The study estimated the long-term subsidence rates, assessed their influencing factors and disaggregated the effects of plantation management and climate perturbation on overall rates of subsidence within Acacia plantations and native forest landscapes.

The study finds evidence of declining subsidence rates as a function of time since initial drainage, consistent with previous instrumental records from high-latitude peatlands³ and recent satellite data analysis from tropical peatlands^{4 5}. Subsidence rates decreased from 4.89 to 3.74 cm yr⁻¹ over 12 years monitoring period (2007 to 2018) in the Acacia plantation. The results suggest that the more extreme scenarios based on sustained constant subsidence rates⁶ may overestimate the long-term trajectory of peat subsidence. Multivariate analysis did not show a clear influence of distance from the nearest canal on forest subsidence rates. This finding is in line with a previous analysis² of spatial variations in subsidence rates across a larger dataset, that did not show clear evidence of plantation impacts on water table depth or subsidence beyond around 300 m from the plantation edge.

The study reveals a profound influence of climate fluctuations on subsidence rates within both plantation and forest landscapes. Subsidence rates over the study period were strongly affected by the large ENSO/IOD-linked drought event in 2015–16, which caused an acceleration of subsidence across all sites. This raises the possibility that repeated extreme droughts in the region could lead to long-term degradation of peat swamp forest ecosystem^{7 8}.

Given the low-lying nature of Southeast Asian peat landscapes, the magnitude of future subsidence will determine impacts on drainability and susceptibility to flooding. Resolving uncertainties in future subsidence projections for these economically important but vulnerable, carbon rich ecosystems requires continued and expanded subsidence monitoring, and an improved understanding of the interacting effects of plantation management and intensifying climate perturbations on peatland function.

1 Erkens, G., Van der Meulen, M. J., Middelkoop, H. 2016. Double trouble: subsidence and CO2 respiration due to 1,000 years of Dutch coastal peatlands cultivation. Hydrogeology Journal, 24(3), 551.
 2 Evans, C.D., Williamson, J., Kacaribu, F., Irawan, D., Suardiwerianto, Y., Hidayat, M.F., Laur'en, A., Page, S., 2019. Rates and spatial variability of peat subsidence in Acacia plantation and forest landscapes in Sumatra, Indonesia. Geoderma 338, 410–421.
 3 Hutchinson, J.N., 1980. Record of peat wastage in the East-Anglian fenlands at Holme Post, 1848–1978 AD. J. Ecol. 68, 229–249
 4 Hoyt, A.M., Chaussard, E., Seppäläinen, S.S., Harvey, C.F., 2020. Widespread subsidence and carbon emissions across Southeast Asian peatlands. Nat. Geosci. 13, 435–440.
 5 Umarhadi, D.A., Widyatmanti, W., Kumar, P., Yunus, A.P., Khedher, K.M., Kharrazi, A., Avtar, R., 2022. Tropical peat subsidence rates are related to decadal LULC changes: Insights from InSAR analysis. Sci. Total Environ. 816, 151561.
 6 Hooijer, A., Page, S., Jauhainen, J., Lee, W.A., Lu, X.X., Idris, A., Anshari, G., 2012. Subsidence and carbon loss in drained tropical peatlands. Biogeosciences 9, 1053–1071.
 7 Garcin, Y., Schefuß, E., Dargie, G.C. et al. Hydroclimatic vulnerability of peat carbon in the central Congo Basin. Nature 612, 277–282 (2022). <https://doi.org/10.1038/s41586-022-05389-3>
 8 Dadap, N. C. et al. Climate change-induced peatland drying in Southeast Asia. Environ. Res. Lett. 17 (7), 074026 (2022).



FOREST PROTECTION

APRIL is committed to protecting our plantation forests from fire and other risks. We also commit to combat hunting and illegal trade; hunting is not permitted except with explicit agreement and recommendations from the relevant regulatory bodies. Several measures are in place to protect forest areas from illegal activities. They include land cover change monitoring, security patrols, community engagement and boundary demarcation. Patrols are conducted to identify any illegal activity. Our patrol team records activities that infringe on the law or our policies, along with the details of the parties involved and the location coordinates of the activity. Any breaches of law or regulations are reported to the relevant authorities. In the case of an emergency, i.e., fire, natural disasters or illegal encroachment, an Emergency Response Team (ERT) is deployed to cordon off the concession area and report to relevant authorities internally and externally as required by our standard operating procedure.

Land Cover Change Monitoring

Monitoring land cover change using satellite imagery aids APRIL's efforts to protect forest areas across production, conservation and restoration areas from unauthorised or illegal encroachment, settlement, or other illegal activities. Our team of remote sensing analysts gather detailed satellite images every 16 days and conducts comparisons, identifying potential land cover change as a result of deforestation activities. After a land cover change is identified and recorded, a field team is sent to assess and verify the change on the ground. Since natural forests are dynamic systems - new trees grow and old or ill trees decay - distinguishing forest cover change linked to encroachment and other illegal activity is best confirmed visually.

The field team uses Global Positioning System (GPS) technology to locate the land cover change area. The team then investigates the area either on foot or using drones. During the assessment, evidence of the causes of change is collected and reported to APRIL's management. Suppose the land change is deemed to be caused by illegal forest clearance, immediate actions are taken, including reporting to external authorities and ensuring the area is protected from further disturbance.

Fire Management

APRIL, and its suppliers, has implemented a strict 'No Burn' policy. This policy reflects our commitment to not using fire in any of our operational forestry practices or for any other purposes. Furthermore, APRIL adheres to the Indonesian Government's legal requirements in addressing the risks posed by fires. Our approach to reducing the risk of forest fires consists of four key elements which forms a comprehensive fire management approach. These are: fire prevention, fire preparation, fire suppression, and fire recovery. APRIL continues to support integrated fire management efforts across the landscapes in which it operates.

APRIL has invested significantly in fire suppression resources. We use fire detection resources and other technologies that complement the spotting capabilities of APRIL's fire monitoring towers and closed-circuit television camera towers around the plantation forests. Our Rapid Response Team – 260 professional fire fighters and 39 community-based fire prevention and control groups, are deployed rapidly to contain and extinguish fires when detected. As a pre-emptive measure, our programme recognises and manages fires up to three kilometres outside our concessions. We also support fire suppression activities carried out by the local government authorities.

APRIL regularly engages with local communities, employees, and contractors, to inform them of our fire management practices. This communication takes place before each fire season as declared by APRIL and/or the Government of Indonesia to ensure everyone is aware of the measures in place to prevent and manage fires. These groups are made aware of our policies and the national law applicable to our concession areas. Our Fire Free Village Programme (FFVP) is one such programme that aims to educate and raise awareness on responsible land management among local communities.

Resolving Land Claims

A number of interrelated factors can contribute to land disputes, such as overlapping jurisdictions that cause legal uncertainty, lack of law enforcement, and the hike in global demand for food, land, infrastructure, renewable energy and conservation.

APRIL has a long history of engaging and supporting local communities where it operates and where land tenure and access continues to be an area of long-standing concern.

Together with stakeholders, APRIL actively works to resolve land claims through its Land Dispute Resolution Mechanism. A land dispute is noted as any dispute on the ownership, control, management and use of the particular land. The types of land disputes listed are land claims and land encroachment. Land claims are further categorised to ensure they are addressed through appropriate legal processes. A procedure that guides the settlement and resolution of disputes is compiled regardless of the time needed to achieve a resolution.

APRIL continues to negotiate mutually acceptable remediation outcomes with communities that have land claims within a concession area and makes use of participatory mapping approaches to understand and document the extent of those claims. As the concession holder of state land, the company can voluntarily enter into agreements with communities,

including those making land claims, that respect their land use preferences and/or provide requested support, such as community development works, technical assistance or employment with contractors. Such voluntary agreements provide opportunities to develop innovative approaches to the resolution of land claims that respect principles within internationally recognized frameworks such as the UN Declaration on Rights of Indigenous Peoples and applicable national law.

APRIL continues working progressively in resolving land claims by identifying the claimants and facilitating due process as needed. All claims are reported to the local and provincial authorities in line with relevant laws and regulations. Land claims on conservation areas are also processed through the company's Land Dispute Resolution Mechanism.





RESPONSIBLE WOOD SOURCING

APRIL is firmly committed to eliminating deforestation and conversion in our operations and supply chain, including all wood suppliers.

APRIL is committed to sourcing wood in an environmentally and socially responsible manner and to avoid the risk of contributing to unsustainable and/or illegal practices. This applies to APRIL's own operations, including those of our subsidiaries, mills, plantation forests we own and/or manage, and all third-party fibre suppliers. This is implemented through a wood sourcing due diligence system, including risk assessments, to evaluate and mitigate risks and avoid material from unacceptable sources.

Wood supplier due diligence system

Our wood is sourced from APRIL plantation forests, supply partners and open market suppliers, all of which are responsibly managed and supply legal wood from non-controversial sources. The origins of all wood we procure are assessed and traceable to ensure that credible and robust assurance processes are in place. Our wood suppliers are subjected to and monitored by our rigorous due diligence system, based on the responsible wood sourcing criteria of our SFMP 2.0 and national regulations. Our due diligence process requires wood suppliers to provide relevant documentation about the legality of the plantation forests, compliance with environmental and employment regulations and traceability. During field inspections, wood suppliers are required to provide relevant and up-to-date documentation which are critical information to ensure APRIL's wood supply is from responsible sources.

We continue to work with our suppliers to meet these due diligence requirements, including supporting their efforts to obtain forest certification in an efficient and cost-effective manner. Where breaches occur, we constructively engage our suppliers to resolve and prevent further instances of non-compliance. We then track implementation and results through a robust and transparent monitoring mechanism.

Where appropriate, APRIL takes the lead in sharing new initiatives, procedures, and practices that can improve our suppliers' operations.

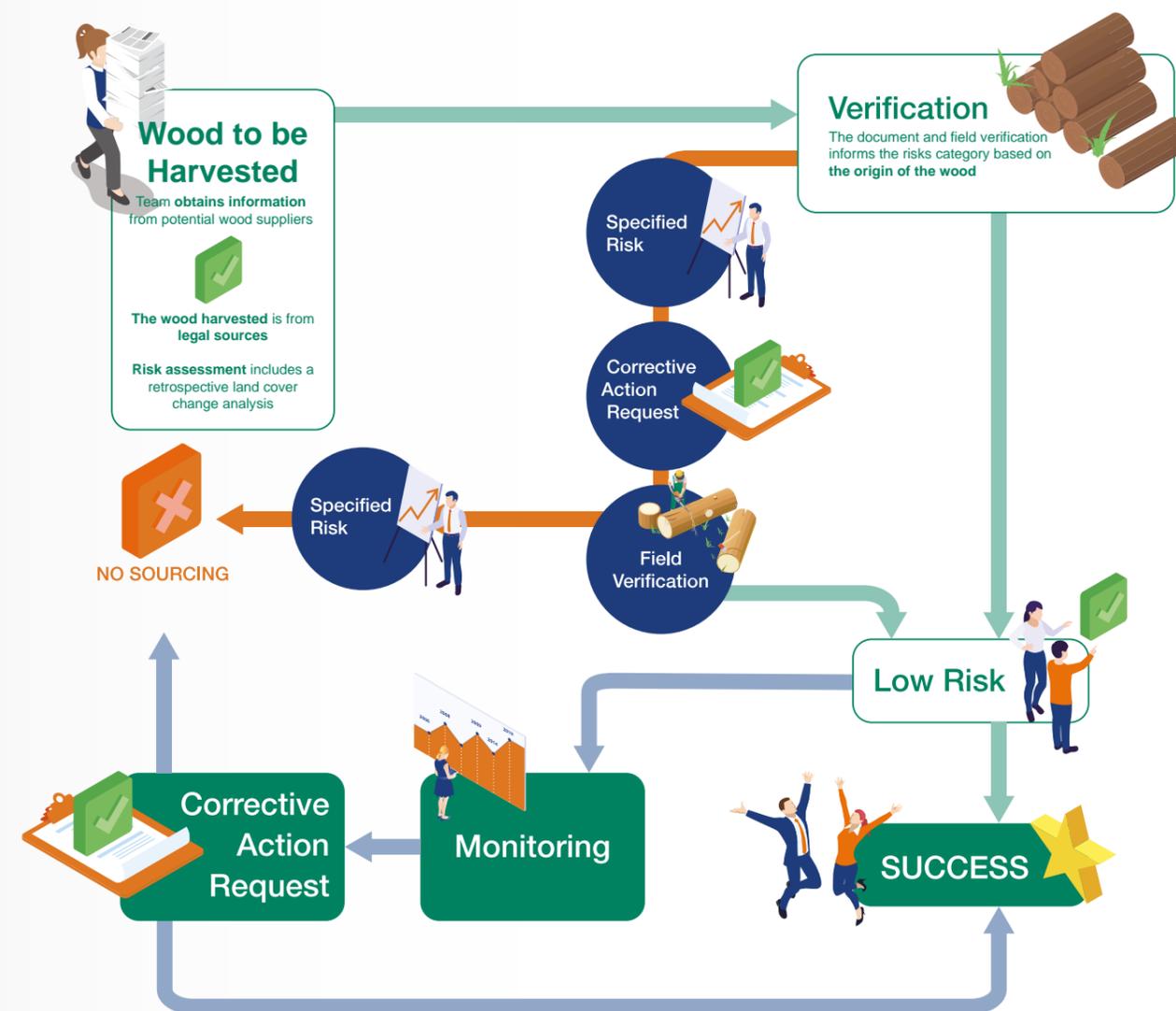
During 2022, we improved the SMK3 Certification of open market suppliers from 33% in 2021 to 75% in 2022.

By providing clearer communication processes and better information flows, we are able to exchange knowledge and best practices that will benefit the company and its stakeholders.

In 2022, APRIL's total wood supply was covered by timber legality certification – IFCC-PEFC, Pengelolaan Hutan Produksi Lestari (PHPL), and/or Sistem Verifikasi Legalitas Kayu (SVLK). Compliance with these third-party verification and certification systems and Indonesia's legality system is part of our commitment to only source from responsible sources. We work with open market suppliers that provided approximately 15% of the total supply in 2022 and suppliers of community forest plantations that made up approximately 1% of our total wood supply in 2022.



Acknowledging the critical importance of forests and natural ecosystems in combating climate change, protecting and enriching biodiversity and natural resources, and sustaining community livelihoods, APRIL is firmly committed to eliminate deforestation and conversion in our operations and supply chain.





Inclusive Progress

We are empowering our people and communities through transformative initiatives

Reduced the rate of children with stunting to

17% in 2022 from

22.3% in 2021 within the Riau Province

29%

increased representation of women participating in our Community Development program



8. INCLUSIVE PROGRESS

As a company in the forest products sector, APRIL acknowledges its role to contribute to society and improve the livelihoods of people. We understand that to build a responsible business, we need to invest in our workers' wellbeing, empower communities and respect human rights.

We have analysed how we can contribute to social improvement through our APRIL2030 commitments and responsible business practices. This delivers the impact and demonstrates the value we create for the Country, Community, Climate, Customer, and Company.

The relevant policies to the topics are SFMP 2.0, the Occupational Health and Safety and Human Rights. The following sections elaborate on our targets, approach, performance, and initiatives for every topic.

Inclusive Progress covers four key topics:

- Human rights
- Workers' wellbeing, health and safety
- Equal opportunities and participation
- Community livelihoods.





Table 5. Inclusive Progress Targets and Progress

	Target and Indicator	Baseline*	Key Actions in 2022	Performance 2022
Eradicate extreme poverty within a 50 km radius of our operations	Extreme poverty rate in villages within 50km of APRIL operations	3%	To be assessed in 2024 Signed Memorandum of Understanding (MoU) with Riau Province on initiatives relating to poverty, education and health; Conducted trainings on access to digital marketplaces and sustainable farming for the communities	●
50% reduction in stunting prevalence	Stunting prevalence among children below 5 years of age in target villages	In development	Signed MoU with Riau Province, BKKBN, and 4 District. Program design for 4 stunting reduction initiatives: national strategy, digital initiative for Bidan/ midwives, Rumah Anak SIGAP, and Tim Pendamping Keluarga mobilization. Implementation of Rumah Anak SIGAP with Tanoto Foundation	●
Promote quality education	Proportion of students meeting the minimum level in APRIL supported schools:	In development	To be assessed in 2024 Signed MoU with 5 Heads of Districts & Education Board (endorsement to school partners) Conducted a literacy and numeracy baseline study (EGRA EGMA INAP) for 172 school partners.	●
Promote access to healthcare services for target villages in Riau	Proportion of households in target villages that have access to health facilities meeting national standards	In development	To be assessed in 2024 Completed baseline assessment of 10 Primary Health Care Services in Pelalawan District against 5 Ministry of Health minimum service standards for primary health care services Program Design on Promoting Access to Primary Health Care Services in Pelalawan District	●
Advance equal opportunities and participation for women	50% women in CD programs	34%	63% achieved to date Ongoing monitoring of gender ratio in CD beneficiaries	●
20% of women employees in the workforce	2571 women employees and contractor workers	18.6%	Continue development of gender action plan	●
20% of women in leadership positions	55 women employees in leadership position	10.7%	Continue identifying recruitment and promotion opportunities that can be prioritized for women candidates	●

*2019 baseline

KEY ● On Track ● Progressing ● Not Progressing ● In Development



8.1 HUMAN RIGHTS

There are increased legal, moral, and commercial needs for businesses to recognise the importance of human rights and implement strategies for respect. APRIL is aware and understands that our business plays a part in safeguarding human rights throughout its value chain.

MANAGING HUMAN RIGHTS

In January 2022, APRIL published its Human Rights Policy to demonstrate the company's commitment to respecting and managing human rights. The human rights policy commits APRIL to act in accordance with the following internationally recognized human rights conventions and standards:

- International Bill of Human Rights
- International Labour Organisation's Declaration on Fundamental Principles and Rights at Work
- UN Guiding Principles on Business and Human Rights
- UN Declaration on the Rights of Indigenous Peoples
- International treaties ratified by the Government of the Republic of Indonesia
- Local and national laws where APRIL operates
- United Nations Global Compact principles

Human Rights Governance

APRIL's respect for human rights is integral to our overall management approach and sustainability commitments. Our Executive Management Committee, comprising the President and senior leaders from across the business, ensures the implementation of robust sustainability governance, including human rights, in APRIL. We regularly review and report on progress made in identifying, mitigating and remedying our actual and potential human rights impacts. A multi-functional team has been established within APRIL to drive the implementation of our human rights due diligence process.

EMPLOYEES AND CONTRACTOR RIGHTS

As a member company of the RGE Group, we require our employees to adhere to the RGE Global Code of Conduct (CoC) (refer to Chapter 4) and act responsibly as individuals and collectively in accordance with the CoC. We provide an annual refresher to all our employees in regard to the RGE CoC and core values.

APRIL strives to offer equal opportunities for all, regardless of age, gender, race, religion, or nationality. APRIL is committed to promoting equal opportunity and diversity in the workplace, including equal opportunity and participation for women, and to prohibit and eliminate all forms of discrimination and harassment.

The relevant regulations apply to the working relationship between parties in the recruitment process and employees' working hours, leave, wages, benefits, and occupational health and safety. The Collective Labour Agreement also promotes a fair and equitable workplace with no discrimination, forced labour, and no child labour. As of 31 December 2022, employee and contractor participation in labour groups is 46%.



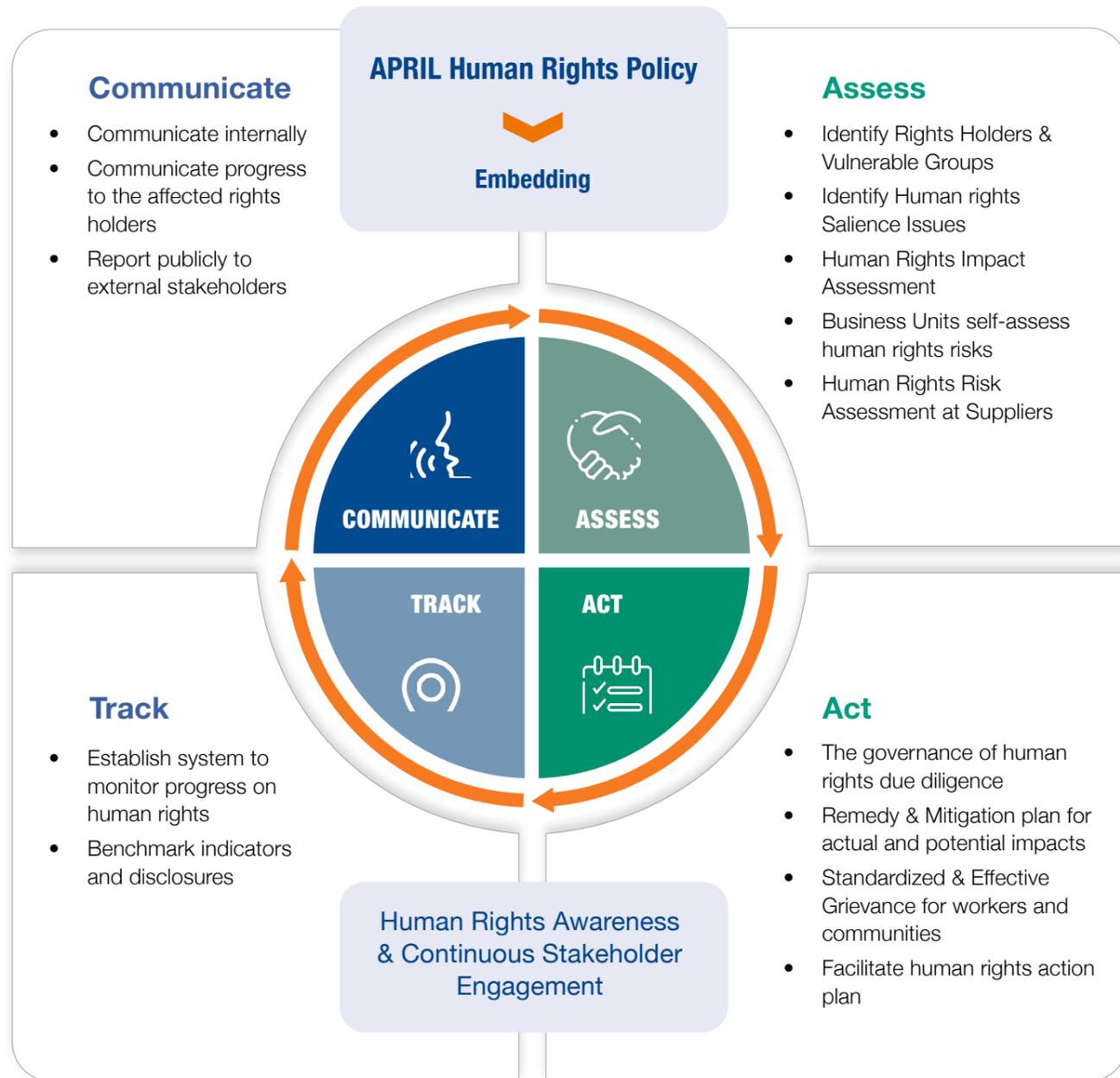
OUR HUMAN RIGHTS JOURNEY

As part of our responsible business practices our human rights journey has achieved noteworthy milestones:



 <p>United Nations Global Compact</p> <p>Commit to UNGC Principles:</p> <p>3. Collective bargaining without fear of retaliation</p> <p>4. No forced labor</p> <p>5. No child labor</p> <p>6. Non-discrimination, diversity, and equal opportunities</p>	<p>SFMP 2.0</p> <p>Policy commitments</p> <p>Respect the Rights of Indigenous Peoples and Communities</p> <p>Responsible Practices in Our Work Places</p>	<p>Occupational Health & Safety Policy</p> <p>Commitment to a dynamic and comprehensive Health and Safety programme</p>	<p>APRIL 2030</p> <p>Commitment to an inclusive progress for local community and women leadership</p>	<p>WOMEN'S EMPOWERMENT PRINCIPLES</p> <p><small>Established by UN Women and the UN Global Compact Office</small></p> <p>Women Empowerment Principles offering guidance to business on how to promote equality and women's empowerment</p>	<p>Human Rights Policy</p> <p>Reinforce the importance of our commitment to respect human rights and through human rights due diligence to manage and mitigate human rights impacts</p>
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Our Human Rights Policy, is in accordance to the UN Guiding Principles on Business and Human Rights and commits to the establishment of our Human Rights Due Diligence. Our Human Rights Due Diligence (HRDD) identifies, manages, tracks, and reports on our actual and potential human rights impacts. Throughout the process, there is a continuous awareness raising and stakeholder engagement.



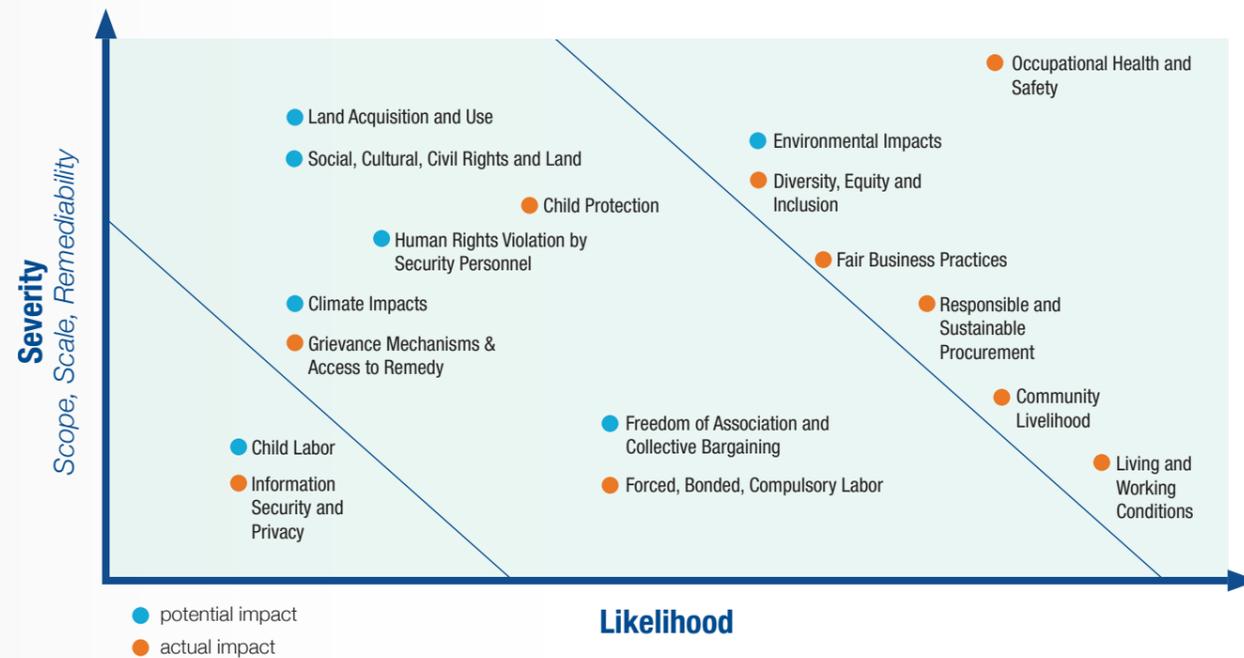
Assess Impacts: Expanding our Human Rights Coverage

Our Human Rights Due Diligence process began with a human rights salience review in 2021, together with a global non-profit organisation and sustainability consultancy with expertise in human rights. The review prioritised the 16 most salient potential human rights issues for APRIL. This process also identified our rights holders and the vulnerable groups among them.

We commenced our Human Rights Impact Assessment (HRIA) in 2022 with external, independent experts. The HRIA follows methodologies considered global best practice, is gender-sensitive, and considers the voices of marginalized groups, such as people with disabilities and migrant workers. The scope of the HRIA is organisation-wide, covering our manufacturing and forestry operations and surrounding communities.

The HRIA identifies actual human rights impacts and potential human rights impacts. Based on the review, the following human rights issues are summarized based on their salience (severity x likelihood) level:

APRIL Human Rights Impact Assessment



We also updated our mapping of impacted and affected rights holders and most vulnerable groups as seen below:

Table 6. APRIL's rights-holders including the vulnerable groups

Rights Holders	Vulnerable Groups	
Employees	Women employees	Employees with disabilities
	Non-permanent employees	
Contractors and Suppliers	Contractor and supplier workers	Migrant workers
	Women workers	Workers' children
Local communities	Poor & marginalized communities	Religious minorities
	Indigenous peoples	Customary groups
	Ethnic minorities	Migrant communities
Customers		



Our Human Rights Policy
9 Principles of Respect



Respect for human rights is fundamental in our entire organization. We recognize the importance of respecting the human rights of everyone in the workplace and in the surrounding communities. Let's continue to demonstrate this in our daily actions

APRIL incorporates human rights best practices in our supply chain. Our Human Rights Policy applies to all APRIL Group employees, business units and legal entities. We also engage with our suppliers and others within our value chain to support them in meeting national and international human rights standards. Non-wood suppliers must sign on the Code of Procurement Ethics that complies with RGE's Sustainability Framework and APRIL Policies.

The HRIA identified the potential human rights impacts of our contractors' performance. We delivered training for our SMEs, who are part of our supply chain, in understanding the concept of responsible business practices. We will work closely with our contractors to expand our human rights due diligence implementation to manage human rights risks in our supply chain.

Human Rights Awareness

In 2022, human rights awareness training was introduced and integrated into the New Employee Orientation (NEO) Program, Forestry Trainee Program, Safety Induction and Security Training Program. APRIL began with the provision of training to the future trainers of our Industrial Relations and APRIL Learning Institute program, followed by the module adaptation for NEO. Recognising the challenges of local contractors, we initiated our first awareness session with local SMEs in our supply chain.

This year, a digital campaign was initiated to commemorate International Human Rights Day and raise awareness. A message from the company's President's announcing our human rights policy was communicated to all employees and long-term suppliers in March 2022.



Human Rights Capacity Building

APRIL continues to build the capacity of all business units to perform their Human Rights Due Diligence in the next two years. We have enrolled two Human Rights Champions in the UNDP Business & Human Rights Academy to build this capability. Following the training, we will launch HRDD training for managers in 2023 and participate in the UNGC-led Human Rights Accelerator Programme with SHIFT for Indonesia Country Chapter.

APRIL intends to track indicators of our progress on the implementation of our human rights remedy and mitigation plans.

Grievance Mechanisms and Access to Remedy

APRIL launched its grievance resolution mechanism in 2016 to ensure all our rightsholders can raise any potential concerns related to APRIL's operations. We have established multiple online and offline channels to ensure accessibility, such as the grievance hotline and email, or through an offline channel, whereby complainants can directly communicate their grievances to APRIL's personnel at the estate level. If preferred, the complainant can request their identity be kept confidential when submitting grievances.

All grievances and concerns raised are logged, investigated, and resolved in a timely manner through equitable and legitimate processes, including dialogues and engagements. Throughout this process, the complainant will be kept informed of progress. In 2022, 17 incoming grievances were recorded and followed up for further verification. 15 have been resolved and the remaining two are still in progress.

An appeal process is available when the complainant feels that the action taken to resolve the grievance is not optimal and wishes to elevate the issue to the grievance committee. The grievance committee

consists of representatives of APRIL's senior management and an external party, who will review the appeal case and provide recommendations.

Our grievance resolution mechanism's effectiveness is reviewed and assessed regularly using the United Nations Guiding Principles (UNGPs) on Business and Human Rights as a guideline. In 2021, an evaluation on our grievance mechanism was conducted, resulting in a grievance resolution SOP revision. The revision includes the formalisation of raising grievances directly to APRIL's personnel as an offline grievance channel.

Apart from our grievance mechanism, we maintain a confidential whistleblowing hotline which grants complete anonymity for all employees to raise their concerns.

Improvement of the internal grievance mechanism for workers has been initiated as part of the implementation of the Human Rights Due Diligence process. A complainant can seek an informal approach which is solved with the supervisor, or a formal complaint pathway that will be managed by the Industrial Relations team.



Grievance Online Access Point

Hotline: +62 811 7602 111

Email: grievance_response@aprilasia.com



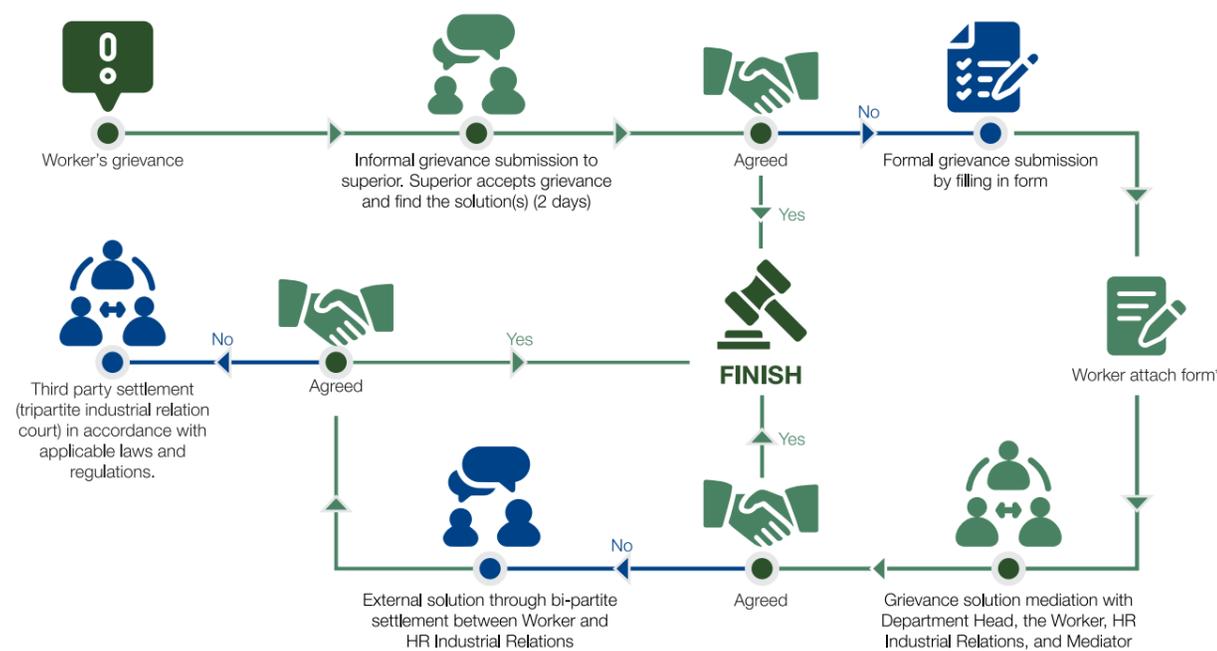


Table 7. Grievances and concerns raised in 2022

Grievance Mechanism	No. of Complaints Received	Solved	In Progress	Type of Case
Human Resources Department	12	10	2	workplace complaints
Whistleblowing Mechanism	7	5	2	staff grievances
Social Capital Department	17	15*	2	Dust, operational vehicles, recruitment process, and community's landuse

*wrongly categorised complaints have been added to the platform.

GRIEVANCE MECHANISM FOR WORKERS



We are committed to promoting decent work and fair employment conditions in our operations and value chain.

8.2 WORKERS' WELLBEING, HEALTH, AND SAFETY

The wellbeing, personal development, health and safety of our employees and contractor workers is a critical factor in contributing to the success of our business. It contributes to improved trust, employee engagement, and collaboration.

APRIL Group has 12,638 employees and 21,915 contractor workers as of December 2022, working across all business functions and locations. We are committed to providing a safe, productive, and conducive workplace for all.

PROMOTING EMPLOYEES' WORKING CONDITIONS AND WELLBEING

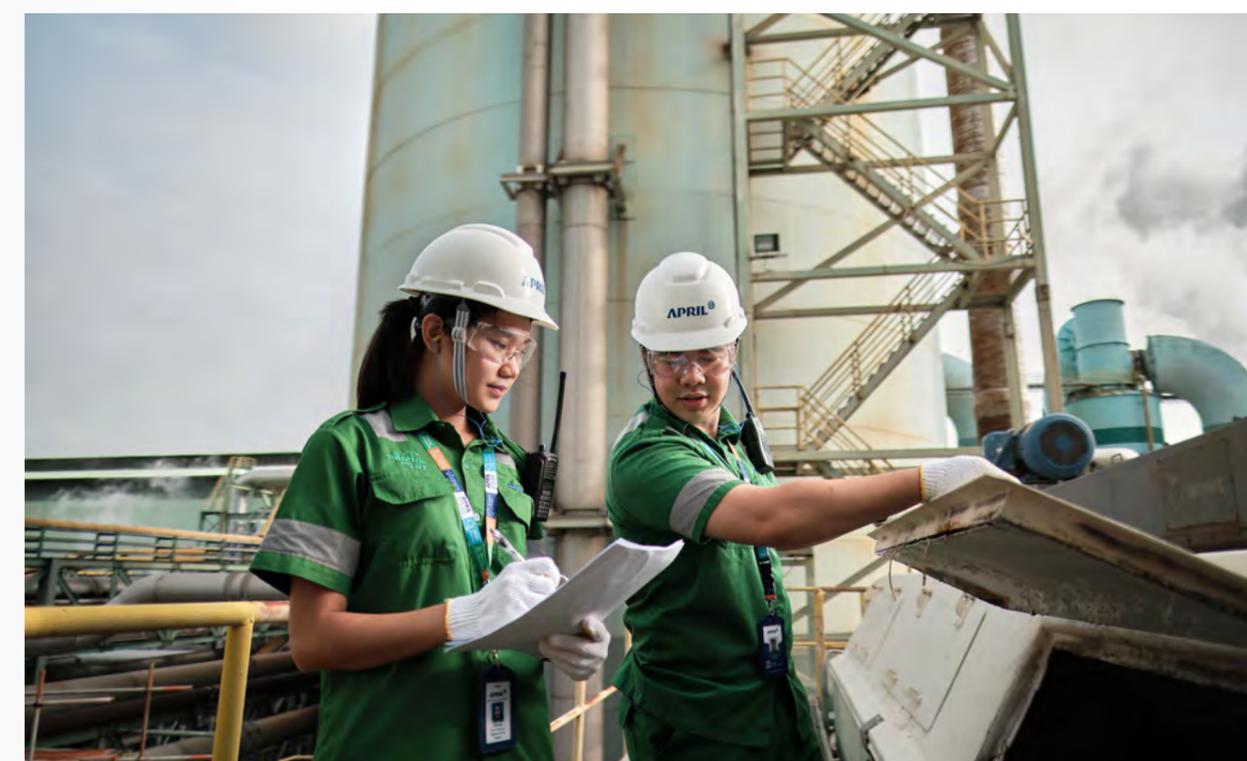
As part of APRIL's commitment to responsible business practices, we promote employees' work-life balance and provide accommodation to more than 10,250 employees and their families on-site in Pangkalan Kerinci and within our forestry plantation estates. Our townsites are equipped with 24-hours health clinics, schools, cafeterias and sports facilities. Our communities are multinational and multicultural. We promote social gatherings and events such as the celebration of Indonesia National Independence Day, Founder's Day, sporting competitions and host

family gatherings. This year, 159 employees' children received the Eagle Wing Scholarship (Beasiswa Sayap Garuda) - a scholarship programme from high school to university level - from the company.

Our employees are entitled to insurance benefits by Badan Penyelenggara Jaminan Sosial Kesehatan (BPJS), covering labour and health aspects. For labour, the insurance covers incidents and accidents related to work and death due to working incidents and accidents, life and disability, and pension for workers after the age of 56. For medical, coverage includes parental leave, medical insurance and additional life insurance.

All workers, including contractor workers, must undergo an annual medical check-up (MCU). High-risk workers, such as those applying pesticides in forestry plantation operations, undergo an MCU every six months. The Clinics team are now adding CVD (cardiovascular diseases) risk screening for all employees regardless of age, beginning in 2023.

APRIL respects a worker's right to privacy. It maintains the confidentiality of the worker's personal health-related information and ensures that a worker's personal health-related information and their participation in any of the occupational health services is not used for any favourable or unfavourable treatment of workers.





MANAGING OCCUPATIONAL HEALTH AND SAFETY (OHS)

We want our people to work safely, feel safe and go home safe. Workplace health and safety and the wellbeing of our people are crucial to maintaining a conducive place to work and our ability to thrive as a company. As a global company, we strive to apply good practices such as the ILO Code of Practice on Safety and Health in Forestry Work and the FAO Compendium on Occupational Safety and Health in Forest harvesting and silviculture.

APRIL has established Occupational Safety and Health Committees P2K3/Panitia Pembina Keselamatan dan Kesehatan Kerja) in three layers of management. The Chief Operating Officer leads the OSHAC for mill operations, all Business Unit Heads lead at the business unit's level, and all Department Heads lead at

the department level. Similar structures are in place in the forestry operations cascading down to the estate level. The Estate Managers chair the Estate Safety Committee and are responsible for organising monthly meetings. The Committee facilitates communication between management, employee, contractors and all workers. All Safety Committees are registered with the Provincial Labour Office. Similar requirements are mandated for all our contractors.

To ensure our OHS system is at the forefront in the industry sectors, APRIL established two departments: the Occupational Health and Safety Department that manages the fibre operation, and the Loss Prevention and Control (LP&C) Department for the mill operation. Both OHS systems comply with the Indonesia Regulation on OHS (SMK3) and are certified with ISO 45001. We achieved 95.78% SMK3 coverage for mill operations and 95.83% for fibre operations.

Table 8: Health and safety programme

Components	Responsibilities and Objectives
Monthly Health and Safety Committee Meetings and Operational Review Meetings	Chairperson – Relevant Leader Held at all levels of the organisation from business unit to estate level Review safety issues and performance and recommend improvements
Staff Daily Briefing/Safety Talk/Awareness	Demonstration of engagement and leadership in areas related to health and safety. Improve employees' awareness and knowledge on health and safety Encourage behavioural change from employees, eg. NOSA – stop unsafe actions and unsafe conditions
Occupational Health and Safety Department and Loss Prevention and Control Department	Oversee issues related to health and safety. Implement policies, lead behavioural change, and provide guidance during implementation.
Training/Specialist Training	Specialised skills training to ensure safe operating practices
Internal Audit Team	Internal auditing of SMK3
Internal OHS Inspections	Planned and unannounced inspections
External Audits	ISO 45001, SMK3, PHPL, IFCC, SGLS

Table 9. Occupational Health and Safety performance

OHS targets	Total	Mill	Fibre
LTIFR > 0.12 Lost Time Injury Frequency Rate	0.62	1.47	0.39
Reduce motor vehicle accidents by > 50%	147	92	59
Increase NOSA & or Near miss Reporting ≥ 30.000/annum	3462 NOSA & Near Misses	7 Near Miss Reported	294 Near Miss Reported 3161 NOSA reported with 31% cases High Potential Incidences

Health and Safety Targets

We have set the following health and safety targets:

- No fatalities
- A lost time injury frequency rate below 0.12
- Reduce motor vehicle accidents by > 50%
- Increase NOSA (no safety, no activity) and or Near miss Reporting ≥ 30.000/annum

Anyone finding him or /herself working or seeing colleagues working in unsafe conditions or undertaking an unsafe act must stop the activity. We have established and updated our Safety Golden Rules based on Hazard Identification, Risk Assessments, and Determining Control. We encourage a culture of learning and improving from incidents within the operations and a no blame approach.

HIGH-CONSEQUENCE WORK RELATED INJURIES

It is with deep sadness and regret that we report in 2022 seven fatalities in our operations. Of these, four occurred as a result of motor vehicle-related accidents. One involved falling from a height, one was due to manual tree felling, and one caused by a traffic accident in our logistics area. Three people were APRIL employees and four were supplier and contractor employees.

APRIL has expressed its deepest condolences to the family members of the deceased. Thorough investigations are conducted after all incidents to learn and improve action plans to address causes, reduce risk and prevent repeat incidents. The incidents are also reported to the relevant provincial and government authorities.

Encouraging Behavioural Change

Safety is everybody's business. Every day as management, employees and contractors, we all have one thing in common-a duty of care to protect ourselves and our colleagues in the workplace. APRIL promotes "No Safety No Activity" (NOSA) culture.

Safety Focus

Starting in 2023, APRIL's Contractor Performance Management System will undergo a transformation to align with the enhanced OHS and labour compliance standards for our supply chain.

Based on the Hazard Identification, Risk Assessment, and Determining Control, the OHS Fibre Team will focus on four key areas: manual felling, road safety, workshop and infield maintenance areas and worker transportation.

We are strengthening the Safety Traffic Light System (STLS) and aim to achieve 95% on time actions close out on our internal OHS inspection findings. We aim to increase hard controls by >10% for high risks identified. All involved in the supply chain, employees, and contractors will continue to be involved and encouraged to make health and safety suggestions, implement solutions, and enforce accordingly. We continue to monitor and measure the effectiveness of our approaches to health and safety in our workplace.



Safety Golden Rules



- Working at height
- Lifting operations
- Energy isolation (loto)
- Working in confined space
- Working on or nearby rotary machine
- Hot Work
- Working with electrical high voltage



- Felling and Bucking with Chainsaw Machine
- Hot Work
- Log Transportation
- Working at Height
- Working with Heavy Equipment
- Worker Transportation
- Working with Electrical Equipment
- Chemical Handling

APRIL runs a Safety Academy that delivers safety induction to 100% of workers and visitors. In 2022, 24,530 people participated in the safety induction under Fibre OHS.

Safety Traffic Light Systems have been implemented to improve our overall safety performance and monitor the implementation of health and safety measures across all activities.

Modernising Operations for Safer Working Environment

Manual Harvesting remains the highest risk in our forestry operation. APRIL is focussing on mechanising this operation to reduce risk.

Since 2020, APRIL has continued to build its Contractor Performance Management System (Evaluasi Kinerja Kontraktor/EKK) that evaluates contractors' performance on four criteria: productivity,

safety, environment, and legal compliance, supported by 26 indicators. Two contractors reached an excellent performance rating, and none were found to have poor performance. APRIL plans to add more indicators to track compliance, accidents, and response to internal audit findings in 2023.

Responding to COVID-19 Pandemic

APRIL has aligned with the government protocols in the re-opening of its operations.

Employees with COVID-19 symptoms are encouraged to report to a clinic to get tested and receive treatment and isolate if tested positive, in line with governmental health protocols. APRIL sends a care package for employees in confinement with COVID-19. APRIL's COVID-19 Special Task Force remains on alert for new developments.

TALENT DEVELOPMENT

We recognise the importance of developing our people, attracting and retaining talent and providing the necessary technical and managerial skills. APRIL has mechanisms in place to develop and manage our talent. All our employees are involved in the Performance Review Program (PRP). The progress of the PRP is evaluated at the Executive Committee Meeting annually, and corrective and/or improvement actions are implemented. These activities are mainly facilitated by the Human Resources Department and the respective departments responsible for the development of their staff.

Developing Our Employees

In 2022, we continued to focus on developing and monitoring the career path of more than 500 managers and prospective managers to help them achieve their potential in the organisation. Many of them will have the opportunity to go through the Management Development Review (MDR) process, prepare an Individual Development Plan (IDP), and be scheduled for mentoring.

Employees go through the MDR on an annual basis. We maintain clear and frequent communication with our employees through town hall meetings to provide updates on the latest operational developments. Other forms of regular communication include APRIL Digest, published three times a year, weekly public messages and monthly APRIL Now! Intranet communications, quarterly management meetings, regular department meetings, and banners and signboards displayed at operational sites.



APRIL Learning Institute

The APRIL Learning Institute (ALI) is responsible for delivering the company's people development programme. ALI supports people managers in identifying suitable capacity building modules for the people they supervise.

On average, employees underwent 15.56 training hours in 2022, up from 8.4 hours in 2021. The increase is due to the resumption of in-person training after lifting Covid-19 restrictions.

For employees at the managerial level, a Manager Training Program (MTP) was developed by ALI to equip and align them with company strategies and values.

APRIL provides scholarships for its employees to advance their education. In 2022 we supported 96 employees to up-level their education. APRIL management is committed to doubling the number of employees receiving scholarships in 2023.

Table 10. Total training hours in 2022

Group	Total Training Hours			Participant by Gender			
	Female	Male	Grand Total	Female	Male	Grand Total	Ratio of Female:Male
Total	19,447	177,256	196,703	703	5,885	6,588	1:8.4



APRIL has a range of initiatives to support new employees. All new employees undergo a 48-hour New Employee Orientation (NEO) programme, including a safety induction and code of conduct guidelines. Starting in November 2022, we added a human rights awareness module to the NEO program.

Table 11. Total NEO participants attended induction training

Participants	2020	2021	2022
Male	196	261	503
Female	56	107	208
TOTAL	252	368	711

Note: not all NEO participants are newly recruited in the reporting year

Leadership Development Program

We identify potential successors for every leadership position and prepare a tailored succession plan to prepare future leaders. Selected candidates are registered for the RGE-led Executive Leadership Program (ELP), and senior managerial employees are registered for the Future Leadership Program (FLP). Both programmes are six-year programmes that emphasise on-the-job experience, coaching from subject-matter experts, and classroom instruction. APRIL has registered four women managers for the FLP program group in 2022.

WBCSD Leadership Programme

The annual WBCSD Leadership Program provides education on sustainable development challenges and opportunities that feed into strategic business decision-making. The WBCSD delivers this curriculum in partnership with Yale University in collaboration with its member companies. The programme aims to help business leaders navigate complex and cross-disciplinary issues that will shape the future while empowering people and organisations to lead, change, and succeed. To date, APRIL has sent six managers to participate in the programme. APRIL remains committed to its participation in this programme.

Traineeship Program for Fresh Graduates and Young Professionals

APRIL collaborated with 11 universities and vocational schools to enlarge its talent pool.

APRIL has established a Plantation Centre of Excellence Programme (PCOE) since 2005. The PCOE has committed to recruiting and training recent college or diploma graduates who wish to enrol in our forestry program. As a result, we have trained 6117 people and, in 2022, recruited 613 graduates. In line with our gender equality commitment, we have also increased the proportion of women trainees to 20% compared to previous years.

One of the most popular fresh graduate recruitment programmes is the Engineering Development Traineeship which began in 2004. The uptake was increased to 119 in 2022, and we now have 44 women engineers enrolled in the programme, more than double the previous year's intake.

APRIL Sustainability Professional Readiness Program

The APRIL Sustainability Professional Readiness Programme (ASPIRe) is an 18-month accelerated talent development programme designed to recruit and train graduates passionate about sustainability and its contribution to our business. Candidates are exposed to a range of sustainability-focused roles and challenges in APRIL through rotations across several different disciplines. Throughout the rotation, a mentor will be assigned to provide insights, technical input and supervise the achievement of the projects and related assignments. Since its inception in 2018, this programme has successfully supported the career development of seven trainees.

We recognise the importance of developing our people, attracting and retaining talent and providing the necessary technical and managerial skills

8.3 EQUAL OPPORTUNITIES AND PARTICIPATION

APRIL is committed to a diverse workforce and ensuring equal opportunities and participation are open to all employees. Diversity, equity, and inclusion are essential to achieving a harmonious and non-discriminatory workplace while supporting employee retention and engagement.

As a company with a multicultural workforce, we can make meaningful contributions to advancing the inclusion of women and people with disabilities in the communities where we operate.

After conducting an assessment using the UN Women Empowerment Principles gender gap analysis tool and identifying opportunities to do more to advance

gender equality in our business, we are developing a 2023-2030 gender action plan to support an increase in female leadership to one for every four managers by 2030. Additionally, APRIL became a signatory to G20 Empower in 2022, which aims to accelerate women in leadership among businesses. We also joined the Indonesia Business Coalition for Women Empowerment to benefit from their technical know-how and knowledge-sharing network. The President Director of PT RAPP, a subsidiary of APRIL group, was chosen as one of the G20 Empower Advocates during Indonesia's G20 Presidency in 2022.

The commitment to increase female leadership, as stated in our APRIL2030, represents a significant turning point in APRIL's journey towards gender equality. We recognise, however, that we are just at the beginning of this journey.





Achieving Gender Equality

APRIL continues to work on awareness raising of matters related to gender equality and identifying the gaps in addressing such. With support from Indonesia Business Coalition for Women Empowerment, APRIL is developing an SOP in response to gender equality

and fair practice. Training has been undertaken to gain a shared understanding of what, why, and how to respond to such concerns around fair practice and gender equality while prioritising the needs of the individual. A monthly campaign was also launched to prevent gender equality and harassment within APRIL's operation areas.

Table 12. Total workforce in 2022 split by gender

Roles	Gender	2020		2021		2022	
		Number	%	Number	%	Number	%
Executive Committee	Male	5		5		5	
	Female	1	17%	1	17%	1	17%
Manager and up	Male	428		440		475	
	Female	59	12%	57	11%	58	11%
Employees	Male	9636		7845		11048	
	Female	1120	10%	1064	12%	1590	13%
Contractors	Male	16966		17186		17074	
	Female	5208	23.49%	4868	22.07%	4841	22.09%
TOTAL WORKFORCE		33423		31466		35092	

Highlights:

- **Increased number of women in our trainee programs**
- **Inclusive environment**
 - **Provision of a lactation Room in office building at our main site in Pangkalan Kerinci**
 - **Female Forum – Initiated within the Paper Business Unit, which has doubled the number of women in their business unit in 2022. The discussions on women employee related issues on lactation rooms, clean toilets, grievance mechanisms and gender equality.**
 - **Founder's Day Harmony in Diversity Forum hosted a 2-hour talk show in collaboration with the IBCWE**
- **Harmony in Diversity 'The Journey of Women in Career' discussing how women can overcome barriers.**



APRIL takes note of the challenges in attracting women talent to the forest product sector. We prefer to grow inhouse talent for women leadership so that it will increase women employee retainment rate too. We are strengthening our policy and strategy in the coming year and evaluating bottlenecks in retaining our women colleagues in our operation sites. A review on women employee experience will support our gender action planning.

We continue to look for opportunities to contribute to a more inclusive workplace in 2023, including enhanced child care service and education.

8.4 COMMUNITY LIVELIHOODS

APRIL respects the rights of the local communities and indigenous people adjacent to our operations. Our Social Capital Department engages directly with local communities.

APRIL recognises the importance of regular community engagement to ensure concerns are effectively raised and addressed. This engagement provides APRIL with direction to support the future development of local communities while at the same time helping to reduce the potential for conflict and improve our knowledge of community needs and expectations. This community engagement with local communities is embedded across our operations.

There are two methods used to engage local communities:

- **Stakeholder Consultation Forums**
The Stakeholder Advisory Committee (SAC) conducts an annual consultation forum with a diverse range of stakeholders, including government institutions, community representatives, customers, international and national NGOs, international organisations, law firms, financial institutions, academia, business associations and technical service providers. One of the successful outcomes of these forums was the enhancement of the SFMP assurance indicators.
- **Community Engagement**
APRIL conducts annual community engagement, where we listen to community feedback and collaboratively consider the necessary changes required to address their concerns. This results in a review of our impacts areas potentially affecting local communities. In 2022 approximately 178 villages across operational areas were engaged. The Community Development team discusses their community development Work Plan and coordinates with the village government to ensure the representation of local community leaders and local customary leaders in Rembuk Desa (village workshop) to discuss APRIL's plan for community development. In 2022, 91 villages conducted Rembuk Desa, with 1,548 people having attended the discussion.



We value feedback from all stakeholders, especially from vulnerable groups. Our management team maintains consistent and respectful engagement with communities from the village level to the provincial level.

In 2022, agreements with the Local Government were signed:

- MoU with Riau Province for an Education and Public Health Program. We are committed to supporting local government programs in increasing the quality of education through our school improvement program.
- MoU with BKKBN Riau and MoU (also MoA) with the Districts of Pelalawan, Siak, Kampar, and Kepulauan Meranti, for the Stunting Reduction Program. We are committed to supporting local government programs to strengthen their team capacity in behaviour change communication to targeted beneficiaries. We also built two childrens' centers, *Rumah Anak SIGAP*.

Through our Community Development (CD) program, we engage with communities to empower them and assist with improving livelihoods. Based on our assessment, our operations have the opportunity to create shared value and benefit for 178 villages in Riau. In 2022, 88 villages were impacted through our livelihood related program, 131 in health program, and 110 in education program.

APRIL's overall community development strategy and decision-making lies with the Executive Management Committee of APRIL, while the Community Development team operationalises and monitors the progress of the strategy. The CD team reports to the Social Capital Department Head. Each program has a clear action plan and milestones for the short, medium and long term, with its performance reviewed annually. Starting in 2019, we conducted a social impact assessment to understand the impact of our operations. Using an ethnographic approach, the assessment will focus on the areas identified and prioritised as of significance to APRIL operations.

Twenty-one community capacity building sessions took place in 2022, with 594 community representatives directly engaged. A notable achievement of our social infrastructure development project is the support provided to the collaboration between Pelalawan Regency and urban experts from Institut Teknologi Bandung (ITB) to develop the Pelalawan Smart City concept. We also have new and continued

partnerships with Bina Swadaya Consultant, Boemihijau Institute, Bidara and Krealogi (Du Anyam) for Livelihood Program, Yayasan Cipta Cara Padu and Tanoto Foundation for Stunting Program and Earthworm Foundation for Community Conservation Program.

APRIL also supports the Social Infrastructure Development Project in Riau across 57 villages building schools, mosques, village centres, sports arenas, community halls, roads, and other related facilities.

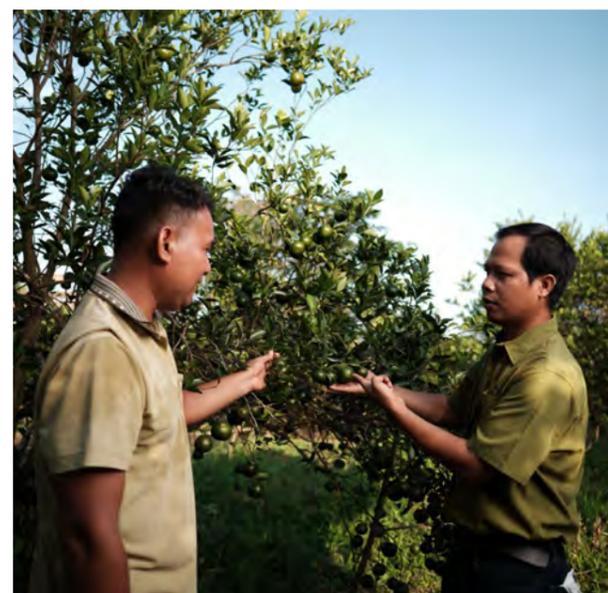
IMPROVING COMMUNITY LIVELIHOODS

We initiated a local economic development program in 46 villages with the objective to contribute to the improvement of community livelihoods.

We collaborated with the National Team for the Acceleration of Poverty Reduction (TNP2K) to ensure alignment of our APRIL2030 strategy with the Government's Poverty Reduction Acceleration Strategies. The four pathways are:

- Improvement of social protection programs
- Improvement of access to essential basic services by the poor
- Community empowerment
- Inclusive development.

Based on TNP2K data, Meranti Islands Regency was listed as a top priority due to its high poverty rate. We have enrolled an additional 20 villages from the Meranti Islands in our CD program, joining the 46 villages.



SPOTLIGHT

SEMARAK program with Krealogi

In 2022, APRIL collaborated with *Krealogi* (Du Anyam) - a digital supply chain platform for craft enterprises to digitize order management, product planning, inventory management, and cost tracking – thus developing the SEMARAK program (SEMARAK).

SEMARAK focuses on improving digital literacy, marketing and supply chain management, and product knowledge to increase business sustainability.

SEMARAK commenced in January 2022 with an assessment on the potential of 38 Small

Medium Enterprises in crafting, fashion and food in five regencies; Siak, Kampar, Pelalawan, Kuantan Singingi, and Meranti. 30 MSMEs were eventually selected for the program.

A total of 23 modules, complemented by eight business consultation sessions, and eight steps of product design development and marketing, were delivered to the selected MSMEs, focusing on craft and culinary arts.

Krealogi reported that after three months of the training, there was a 91% improvement in the participants' ability to use digital media and applications such as Zoom, Google Forms, Krealogi's mobile app, as well as Facebook Business and WhatsApp Business.





COMMUNITY EMPOWERMENT

Micro, small and medium enterprises (MSMEs) are the backbone of the Indonesian economy. MSMEs contribute 61% of the country's GDP and employ 97% of the workforce¹⁰. Supporting MSMEs creates a multiplier effect in reducing poverty by enabling more people to be employed and improving the workers' livelihoods.

Our approach to developing the MSMEs is twofold:

Engagements with Local Businesses

APRIL encourages local MSMEs to be actively involved in our business operations. They can provide direct ancillary services, become our supplier (MSMEs in-line), or contribute to the local economy without directly working with APRIL (MSMEs offline). The CD program provides assistance in various forms, such as technical and managerial upskilling, financial management training, support to achieve legal compliance, and any specific topic that may relate to the business.

In 2022, 242 MSMEs were engaged as suppliers across six business sectors: transportation, water truck, labour supply, harvesting service, construction, and material supply.

Growing Entrepreneurs

Entrepreneurship is one of the many ways to earn a living and reduce poverty, but the journey can be challenging. To reduce the barriers to entry for business establishment, APRIL collaborates with the Ministry of Micro-, Small and Medium Enterprises of Indonesia to equip entrepreneurs with the necessary and relevant skills.

Our CD team supports local businesses and mentors them on business acumen topics such as the application for financial support from local banks and product and service marketing.

We also raise awareness among local communities on entrepreneurial skills. In 2022, ten of our mentored entrepreneurs have successfully obtained business loans from local banks and established their businesses.

¹⁰ Indonesia in Full Swing to Strengthen its Economic Backbone (jakartaglobe.id)

CAPACITY BUILDING FOR FARMERS

APRIL's Agribusiness Program provides knowledge on sustainable farming practices and agricultural assistance to local farmers. The program aims to help farmers in the adoption of economically viable

farming methods. We also provide production tools, seedlings, and fertilisers to increase productivity and develop the market through promotion and sales. In 2022, we helped 77 farmer groups and distributed production materials to 21 farmer groups.

SPOTLIGHT

Twenty-two-year-old farmer earned his first profit through watermelon farming

Twenty-two-year-old Elvis Nardi followed his father's footsteps to become a farmer in his hometown, Sako Village in Kuantan Singingi Regency. He joined the Farmer Cooperative "Air Mengalir" and became its youngest member. Having graduated from vocational school, he found it difficult to obtain a job, hence he started to help in his father's farm and gained an interest in watermelon farming.

He joined APRIL's Community Development Program, which provided agriculture technical assistance to modernise farming techniques. Currently, Elvis rents a 2.5 ha piece of land for his watermelon farms and within the first three months, he successfully harvested 3 tons of watermelon.





THE CLIMATE VILLAGE PROGRAMME

The Climate Village or Desa Proklim is an initiative by the Ministry of Environment and Forestry (MoEF) since 2012 to engage local communities to understand their climate vulnerabilities and be empowered to take informed actions to mitigate and adapt to climate change. Supporting the target of the Riau Province Office for the Environment and Forestry Service, APRIL has committed to supporting 50 villages in developing their Desa Proklim initiatives by 2024. One of APRIL's signature efforts in Desa Proklim is its integration with our forest and land fire prevention programme, the Fire Awareness Community. Examples of community-driven activities in Desa Proklim are reforestation and drought prevention, improvement of food security, as well as the management of solid and liquid waste by applying the 3R concept of reuse, reduce and recycle.

Since 2016, the MoEF has given awards to villages that meet their maturity targets in strengthening community resilience and promoting a low-carbon lifestyle. Of the 30 Desa Proklim villages facilitated by APRIL to date, 26 received the Major Climate Village Program award, and four received the Intermediate Proklim Certificates for their contribution on carrying out integrated climate change adaptation and mitigation actions.

IMPROVING THE SOCIAL PROTECTION

Recognising that vulnerable families can easily regress to below poverty rates, APRIL remains committed to support local community resiliency against disasters and other unforeseen disruptions.

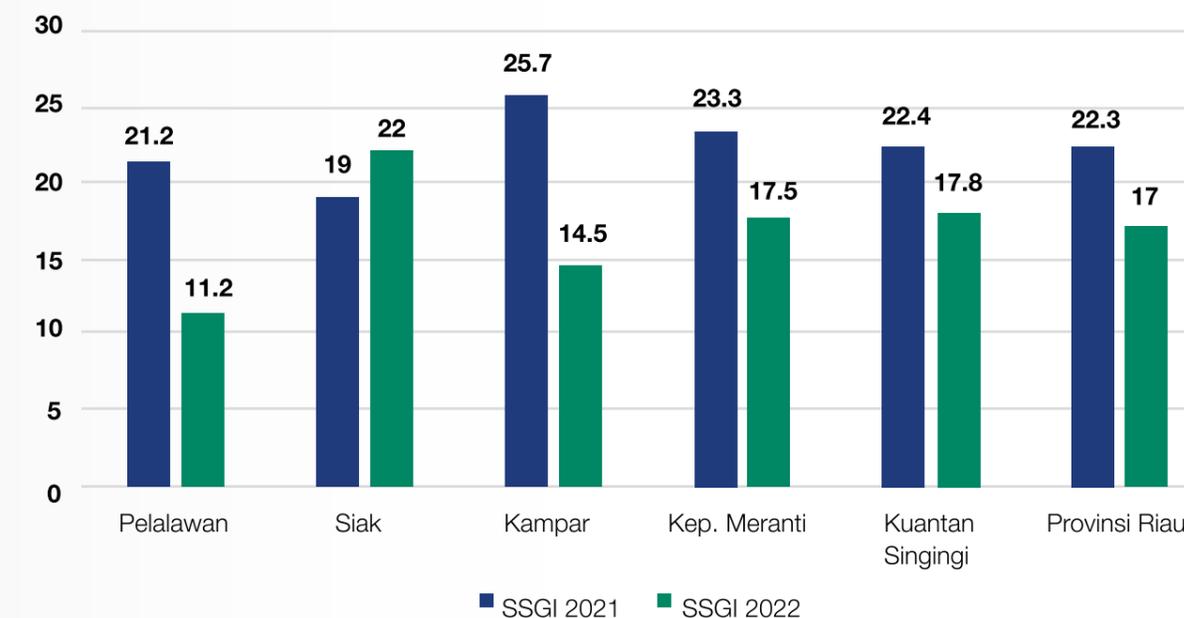
- In 2022, due to cooking oil scarcity and price hikes, we supported the local government's open market operations on cooking oil by distributing coupons that allowed for the redemption of two litres worth of cooking oil at the base price to more than 100,000 households across 135 villages within five Regencies.
- Throughout 2022, we supported the local government in providing the first payment for Labour Social Security Card (BPJS Ketenagakerjaan) regarding the death insurance (JKM) and work accident insurance (JKK) for 3,000 informal workers such as the religious leaders (*Imam*) and mosque workers.
- In 2022, APRIL, in collaboration with Bina Swadaya Konsultan, conducted a pilot poverty alleviation program for 120 families in three villages in Riau through a chicken farming program. This initiative was a result of the Community Livelihood Assessment that was conducted in 2021.

REDUCTION IN STUNTING

Stunting refers to children whose growth and development is impaired due to malnutrition. It is an irreversible condition with short- and long-term impacts on cognitive and physical development and, affecting mortality rates beyond childhood and adolescence. Stunting affects 24.4% of children under five years in Indonesia¹¹ and an estimated 150 million children globally¹².

The Indonesia Nutritional Status Survey (*Survey Status Gizi Indonesia –SSGI*) estimated the stunting rate for children under five years in Riau Province dropped to 17% in 2022, from 22.3% in 2021. The Indonesia Government has set a target to reduce the rate to 14% by 2024.

Stunting Prevalence in APRIL's Intervention Areas



To accelerate the reduction of stunting cases in Riau, APRIL and the Tanoto Foundation are collaborating with the Yayasan Cipta to support the local government of Pelalawan, Siak, Kampar, and Kepulauan Meranti in the delivery of the national strategy to accelerate the reduction of stunting rates. Complementing this effort, APRIL is working to achieve a 50% reduction in stunting among children below five years old in villages in Riau, focusing on communities in Kampar, Kep. Meranti, Pelalawan, Kuantan Singingi and Siak in Riau. These areas currently indicate stunting among 21-32% of all children under five years.

Village Integrated Healthcare Post (Pos Pelayanan Terpadu = Posyandu)

The CD program has supported 295 Posyandu in our operational area through cadre capacity building. Cadres were trained to manage the operation of Posyandu and deliver counselling to parents and expectant mothers while monitoring the growth of children under five who attend Posyandu Day. This year, 57% of the Posyandu received a new kit for physical measures of a children's size, form, and functional capacities. The Posyandu is the frontline for identifying children with stunting.



11 Cegah Stunting (2022) Mengenal Studi Status Gizi Indonesia 2021

12 World Bank data retrieved 14th March 2023, [Joint child malnutrition estimates \(JME\) \(UNICEF-WHO-WB\)](#)



In collaboration with Posyandu, we have two main programmes to address stunting:

1. Provision of Recovery Complementary/ Supplementary Feeding (PMT Pemulihan)

Recovery Supplementary Feeding is one of APRIL's efforts to recover children under five who are indicated to be behind in growth, both in height and weight, compared to the average growth rate of children their age.

2. Provision of Counselling Complementary/ Supplementary Feeding (PMT Penyuluhan)

The *PMT Penyuluhan* aims to increase the participation of mothers and children attending Posyandu Day. The food provided is also tailored to local/regional tastes to promote a higher interest, and we distributed 33,198 packages of supplementary food to 16,841 CU5 and expectant mothers from 295 Posyandus.

Several new initiatives were developed and initiated in 2022 to accelerate our Stunting Reduction Program. They include:

A. Capacity Building

- The CD program supported the Riau Province Health Training Institute (Bapelkes) in delivering the Ministry of Health's Certified Training of Trainers to 28 nutritionists from 28 Community Health Services (puskesmas) on nutrition and feeding counselling for children under five years old (PMBA). The trainers then rolled out the program to 227 Posyandu cadres in our operational areas.
- The CD program also supported the Riau Province Population and Family Planning Office (BKKBN) in facilitating the workshop for strengthening 'Tim Pendamping Keluarga' (TPK/ Team of Family Assurances) and the rolled out in 4 Regencies where we operate.
- Two Rumah Anak SIGAP (Siapkan Generasi Anak Berprestasi) were built and operated in Pelalawan and Siak in collaboration with Tanoto Foundation – as a space for new parents to learn about early childhood education and care.

A. Nutrition and Health Education Campaign

- Support 'The First 1000 Days of Life' Health Campaign. We managed to reach out to 125 villages with 3,540 parents, CU5 caregivers, and community leaders.
- Stunting Prevention Campaign to 526 high school students.

PROMOTE QUALITY EDUCATION

A World Bank study has revealed that due to Covid-19, the Indonesian education system had to shift to distance learning model, leading to an estimated learning loss of between 0.9 and 1.2 years. Additionally, there has been a decrease in reading competence of 25 to 35 points on the Programme for International Student Assessment (PISA) reading score up to June 2021.

The School Improvement Program was developed to increase the amount of well-literate students to 4% per year. The Program was initiated in 2018 by APRIL in collaboration with the Tanoto Foundation and five regencies in Riau, focusing on improving the quality of education in 60 elementary schools.

The Inclusive Progress commitment in the APRIL2030 agenda aims to achieve 10% above the national PISA ranking in APRIL-supported schools.

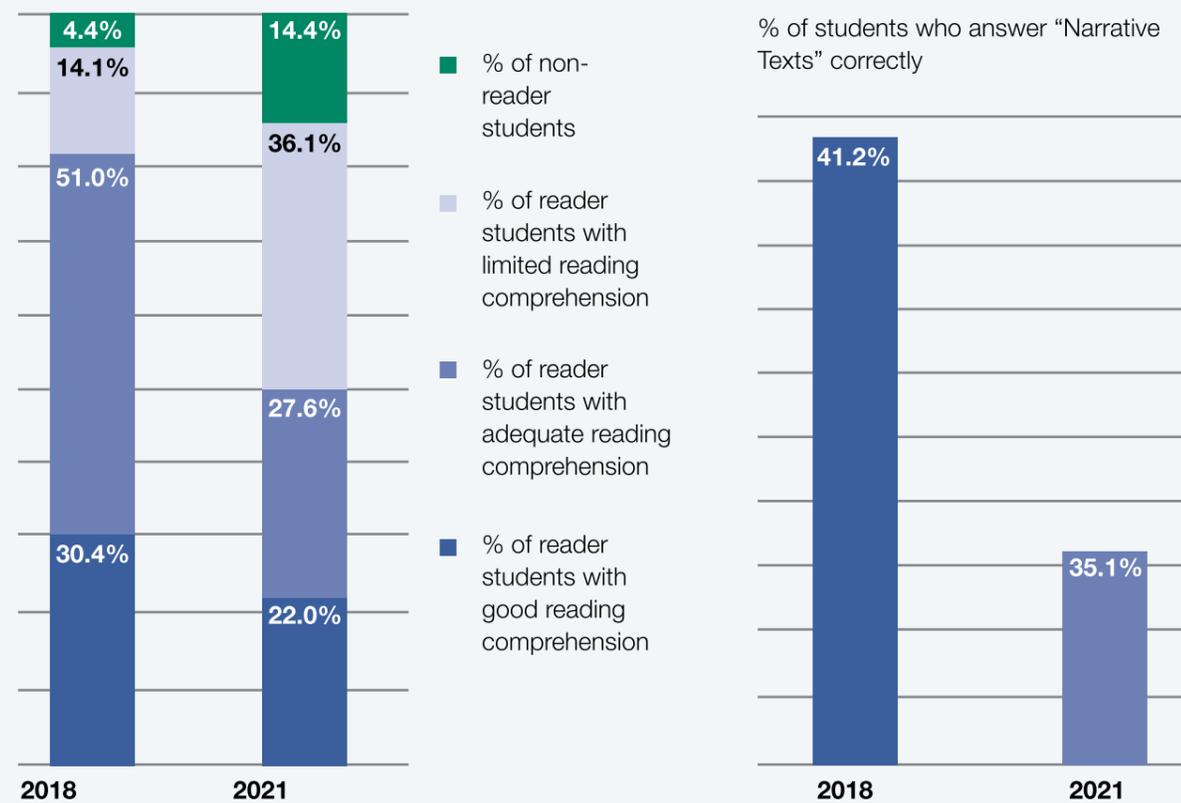
SCHOOL IMPROVEMENT

Recognising the adverse impact of COVID-19 on the education sector, in 2022, APRIL conducted a study in 60 elementary schools that are part of our School Improvement Program since 2018, with the support from Myriad Consulting. The study assessed 2nd and 3rd grade students in Pelalawan, Siak, Kampar, Kuantan Singingi and Meranti Island Regencies on their numeration and literacy ability as well as the learning environment at school.



Learning Loss Occurred

The 2022 EGRA-EGMA studies confirmed that the COVID-19 pandemic caused a learning loss in students, defined as the loss of abilities and learning opportunities.



The EGRA results show that the number of students with good reading and comprehending abilities declined by as much as 8% from 2018 to 2021. On the other hand, the number of students in the "non-reader" category has increased by as much as 10%.

Just like literacy, the students' numeration ability has also been declining. This can be seen on the EGMA assessment of 683 students, which tests the ability to recognise numbers, do addition and subtraction, and answer story-related questions.

Of those 60 schools mentioned before, there has been a 6% drop in the number of students who answered correctly from 2018 to 2021.





Following the findings, APRIL decided to increase the number of partner schools to 172 elementary schools across five regencies in Riau. We also increased the number of school facilitators to 168, consisting of subject teachers, school principals and supervisors involved in this program. Through this program, school supervisors, principals, and teachers receive training on School-Based Management, Teaching and Learning Processes, and other thematic training as needed.

SCHOLARSHIPS

Recognising the high dropout rate of young people pursuing higher education, APRIL has continually invested in supporting local aspiring students from low-income families to continue their education. Annually, we provide around 400 scholarships, of which 75% provide access to vocational schools and 25% to university level. In 2022, 48% of our university scholarship recipients were women.

INCLUSIVE DEVELOPMENT

As we make progress with our business, we understand the need to share value with the community where we operate. We have three streams of work that can accelerate the inclusion of local and young people into our workforce.

Teaching Factory (TeFa) Program: Accelerating Employment Access through Local Vocational School

We created a teaching factory with four vocational schools (SMK) in Riau by providing a 6-month student apprenticeship program, complemented by knowledge sharing from our staff as guest lecturers. Twenty teaching sessions took place in 2022. To boost the teachers' understanding of industry development, six underwent training with our technical team to experience the updated engineering skills we use.

Among the 28 participating students in 2022, 12 were recruited as operators and 16 as mechanics, with six mechanics being female.

Aside from the teaching factory, APRIL also accommodates apprenticeship needs of vocational school students to gain industry specific experience. Ninety-seven students completed this program in 2022.

APRIL has supported the University of Riau (UNRI) in expanding our talent pool by establishing a Vocational

Program (Diploma 3 – D3TPK UNRI) on Pulp and Paper since 2019. The six-semester programme, which includes a nine-month internship in our facilities, was accredited in 2020. APRIL also contributed to our experts in giving lectures and providing internship opportunities. This program has shown a remarkable impact, where the industry immediately hired 98% of its first graduates in 2022. UNRI aims to have Southeast Asia's best Pulp and Paper Vocational Education Program by 2035.

In 2022, we received the 2022 Vocational Development Best Practices Award from the Ministry of Industry for our collaboration with Riau University (UNRI) in developing a pulp and paper diploma program since 2018.



FIRE FREE VILLAGE

APRIL's Fire Free Village Programme (FFVP) aims to raise awareness about the adverse impacts of land burning among local communities in Riau, Indonesia.

Established in 2015, the programme involves collaborating with multi stakeholders to replace the need for fire as a land clearing tool, reducing the risk of fire spreading to surrounding areas. The program runs in three stages:

- 1. Fire Awareness Community (FAC)** is the initial stage in FFVP where the focus is to introduce the hazards of forest fire, the impact of smoke haze to health, and the basics of forest and land fires prevention. Villages that have completed FAC and have a high fire risk will be encouraged to sign up on the FFV after a year.
- 2. Fire Resilient Community (FRC)** is the graduate stage of the FFVP where villages have independently led the fire prevention strategy.

- 1. Fire Free Village (FFV)** is a community led fire prevention strategy that enables villages to qualify for No Burn Rewards for zero burnt incidents. FFV also helps communities to find alternative land preparation for agriculture without using fire as a tool. We also encourage to establish a governance system and empowered the Village Fire Crew Leader. Upon two years of FFV, communities will continue to be engaged through FRC.

FIRE FREE VILLAGE PROGRAM



- Community based fire prevention program that addresses the root causes of fire through community engagement.
- Reduced burnt land area by >90% since 2015



Engaged with nearly 150 communities since 2015



902,872 ha covered under voluntary MoUs



39 communities have graduated as Fire Resilient Communities



Burnt area reduced by >90% since 2015



343 schools engaged in Fire Free programs since 2016

Integrated program base on education, capability building and incentives

An extension of APRIL's strict no-burn policy

More than half FFV have completely eliminated fire

Scaled across Southeast Asia through Fire Free Alliance

Complemented by Fire Danger Periods



Sustainable Growth

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

96.3%

Chemical Recovery

49%

reduction in waste to landfill through waste to value transformation

83%

of the water withdrawn from Kampar River was treated and returned





9. SUSTAINABLE GROWTH

The fourth commitment under our APRIL2030 is Sustainable Growth. It is based on our business becoming more efficient, diversified, and producing responsibly within the circular bioeconomy.

Circular bioeconomy principles offer opportunities to create business value while maximising our resources. In a circular bioeconomy, resources are renewable, sustainably managed, recovered and reused as much as possible. We promote circularity and material efficiency across our operations via chemical recovery, reducing solid waste, recycling textile waste for viscose, and reducing our water use. We are also working to scale our contributions to a circular bioeconomy through our investment in resource optimisation, primarily via innovation. Furthermore, the disruption of water cycles resulting from global warming makes it imperative for APRIL to minimise potential negative impacts and reduce our water

consumption intensity, especially with the increased dependency and need for water throughout our value-chain.

APRIL takes responsibility for product stewardship to reduce the environmental footprint of our products and manufacturing operations while striving for workable and cost-effective solutions that benefit the wider society over the long term.

We continue to progress towards our APRIL2030 targets through various initiatives implemented in 2022. The related targets and their progress are detailed in the following section.





Table 13. Sustainable Growth Targets and Progress

Target and Indicator	Baseline*	Key Actions in 2022	Performance 2022
98% chemical recovery Percentage of chemical recovery of lime and soda	96%	96.3% Expanded from one to two lime reclamation facilities improving our lime reclamation recovery process capacity by 83%. Continued dual-purpose initiative to enable the removal and recovery of soda from brown-fibre through washing for use as fuel substitute. Implementation of centrifuge system to replace Dregs Filter	●
80% less solid waste to landfill Solid waste sent to landfill per tonne of product – pulp, paper, rayon	71kg/T	49% reduction achieved 34.9kg/T Transforming waste to value by reusing 23,352 tonnes of bottom ash as a road subbase. Manufacture fertilisers using mill residuals	●
20% recycled textile used in viscose fibre Percentage of cellulosic fibre from recycled textile used per tonne of viscose produced	0%	Trial feedstock secured Demo plant testing in progress with capacity of either 24 tons of 100% RT or 120 tons 20% RT. Identified and secured several sources of suitable feedstock and are working with our partner to assess suitable equipment and integrate our patented technology into a demo.	●
25% Less process water use per product tonne Process water used per tonne of product –pulp, paper, rayon	28m³/T	28 m³/T 12 projects implemented under the water reduction strategy leading to ~400l/s saving.	●

*2019 baseline

KEY ● On Track ● Progressing ● Not Progressing ● In Development

These targets are well-defined to monitor, analyse and optimise our production processes related to quantity, quality as well as different cost aspects by improving throughput, rate of return and overall production efficiency.

Our approach to Sustainable Growth involves the following:

- Reducing the use of chemicals and increasing chemical recovery for re-use;
- Reducing waste generation, optimising circularity of all industrial waste;
- Monitoring water use and wastewater treatment before discharge.

APRIL complies with all relevant laws and regulations and meets industry standards and processes. The EU-BAT Reference Document for integrated kraft process mills and the CEPI standards set the benchmark for our water management in our mill operations. Our environmental monitoring of manufacturing operations is based on a mandatory Environmental Impact Assessment and reported in conformance with regulatory requirements. There were zero incidents of environmental regulatory noncompliance in 2022.

We apply principles of safe, responsible, sustainable, and economical use and reuse of chemicals, where practicable through the chemical lifecycle – from procurement, storage, use, re-use, repurposing, and transportation to safe disposal. This is managed in

accordance with national and regional hazardous and toxic substances regulations set out in both the Rotterdam and Stockholm Conventions. We are committed to clean manufacturing and understand the impacts of the chemicals we use in our processes.

The following sections elaborate on our approach, performance, and focus areas.



9.1 CHEMICAL REDUCTION AND RECOVERY

We are committed to clean manufacturing and understand the impacts of the chemicals we use. Although we have an elemental chlorine-free bleaching process, we are mindful of chlorine dioxide consumption and have been able to reduce our use. We were able to achieve this by prioritising bleaching stages like oxygen delignification. We set annual internal targets aimed at continuous reduction and recovery in chemical utilisation.

We adopt an efficiency and circularity approach where possible for APRIL's chemical use. In 2022, we leveraged on the strength of our vertically integrated facility with our sister company Asia Pacific Rayon (APR), by substituting sodium sulphate, commonly used as a make-up chemical in the kraft liquor cycle, with sodium sulphide, a by-product from the APR process. With the high sulphur content in sodium sulphide, it has successfully reduced our sodium sulphate consumption of over 6 million tonnes compared to 2021, nearly halving our sodium sulphate consumption per product tonne.

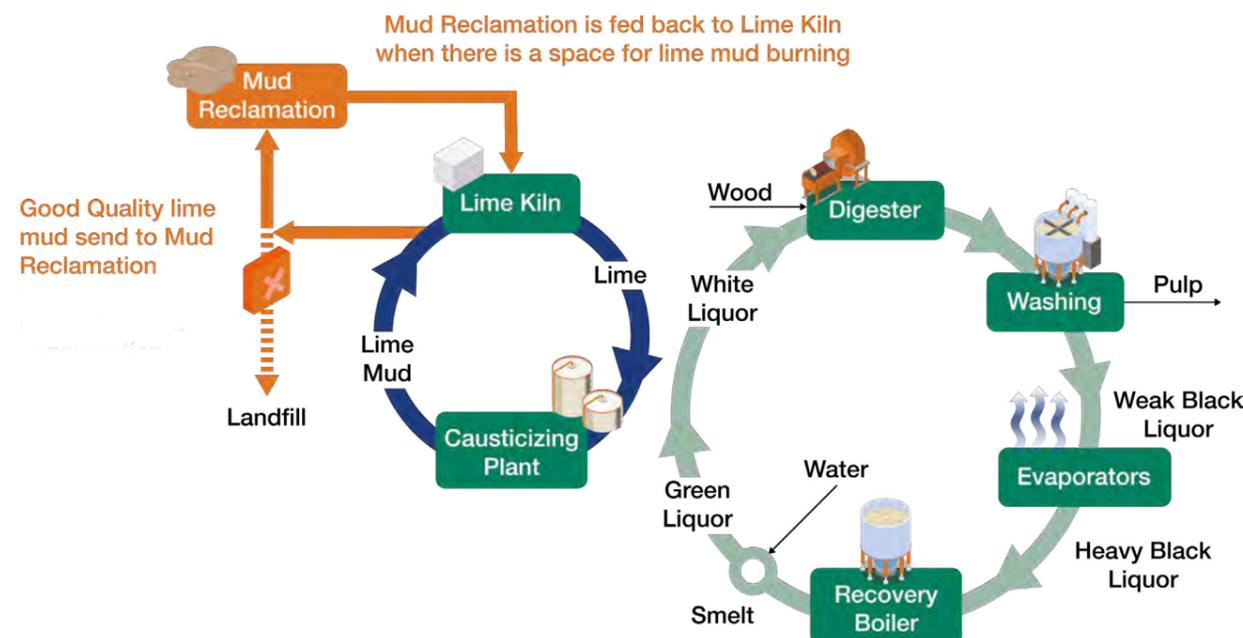
Table 14. Use of Sodium Sulphate

Description	UoM	2021	2022
Sodium Sulphate	kg	14,639,097	8,491,821
	kg/Adt	5.10	2.86

In addition to reducing our utilisation of chemicals, we are also committed to achieving 98% chemical recovery for lime and soda. Lime is an important input for the kraft liquor cycle in the pulp and paper industry.

During the combustion of black liquor in the recovery boilers for energy, inorganic chemicals in the black liquor collect as a molten smelt at the bottom of the furnace, as explained in the figure below. This smelt is dissolved in water to form green liquor, which is transferred to a causticising tank, where lime (calcium oxide or calcium carbonate) is added to convert the solution back to white liquor for return to the digester system. Lime mud precipitates from the tank and is heated in the lime kiln to regenerate quicklime. In 2022, we expanded our efforts and established a second lime reclamation plant to improve our lime reclamation recovery process capacity by 83%. With our second lime reclamation plant, we recovered 49% of lime in 2022, a 22% improvement from 2021.

Throughout 2022, we furthered our technical feasibility of potential technologies that would result in improved efficiency of our re-causticising process.



9.2 SOLID WASTE MANAGEMENT

Our waste management regularly assesses hazardous and non-hazardous waste produced across all waste generation points during the year. The areas for improvement are communicated to operations to act as internal guidance on waste management monitoring improvement.

REDUCING SOLID WASTE TO LANDFILL

APRIL aims to reduce 80% of its industrial waste to landfill by maximising material efficiency and enabling circularity in our production process. We optimise our use of materials, which not only improves material efficiency but also reduces waste generation that requires to be landfilled. Our operation generates solid waste, which are classified into industrial hazardous waste and non-hazardous waste.

Table 15. Industrial waste composition in metric tons (MT)

Type of Industrial Waste Composition (BDMT)	2019	2020	2021	2022
Hazardous Waste				
Boiler ash	27,064	25,624	34,625	40,336
Lime mud	4,454	10,980	10,980	28,853
Dregs and grits	32,685	27,027	37,744	53,286
Sludge	78,998	61,314	81,504	74,759
Fly ash	141,830	118,183	150,521	148,825
Purged ash	0	21,916	178	11,778
TOTAL	285,030	265,044	315,552	357,837
Non-hazardous Waste				
Non recyclables (MT)	98,710	39,423	129,819	134,656

In 2022, we reduced landfill waste by reusing 182,647 tonnes of waste as by-products, generating cost savings. This data was tracked monthly by actual weighbridge and SAP transactions.

The hazardous industrial waste includes dregs and grits, lime mud and various types of ash. We have assessed that some of our hazardous wastes could be recycled, including dregs and grits, which we have been taking active steps to reduce and repurpose.

The remaining industrial hazardous waste produced from production activities is disposed of at landfills at the Pangkalan Kerinci complex. At the same time, a licensed third party handles waste produced during non-production activities. However, we are constantly innovating and researching ways to reduce, reuse and recycle our hazardous waste.

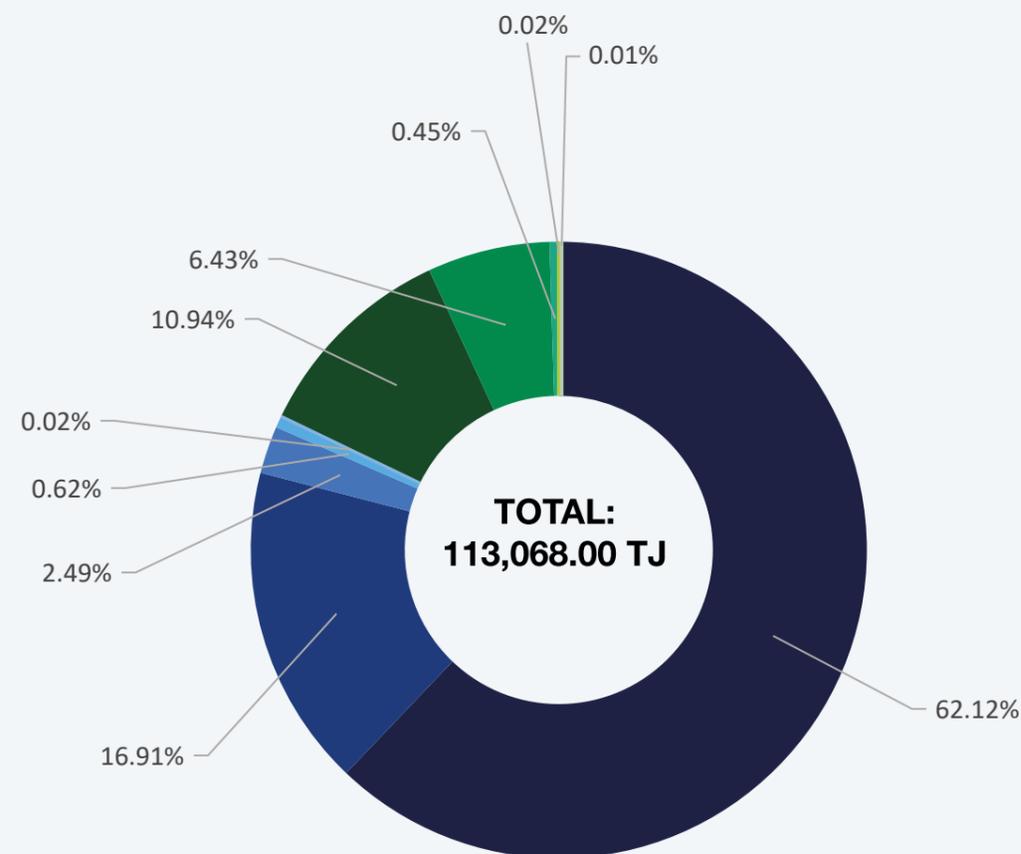


9.3 ENERGY PERFORMANCE

We produce our own energy from both renewable and non-renewable resources. The primary source of our energy consumption is from renewable resources such as black liquor, bark and methanol which are by-products from the production facility. Our energy composition and consumption for the past three years are presented in the Appendix.

When clarifying pulp and paper mill wastewater, fibre and inorganic material solids will be generated. The materials such as waste water sludge will then be used as fuel to generate energy for our production facilities from a renewable energy. We have installed drying technology to reduce moisture and improve fuel efficiency of the sludge.

RENEWABLE & NON-RENEWABLE CONSUMPTION



Renewable Energy

- Black Liquor 62.12%
- Biomass 16.91%
- Sludge 2.49%
- Methanol 0.62%
- Solar 0.02%

Non-Renewable Energy

- Coal 10.94%
- Natural Gas 6.43%
- Heavy Oil (Boiler) 0.45%
- Heavy Oil (Kiln) 0.02%
- Diesel Oil 0.01%

In addition, we implemented a new dual-purpose initiative in 2021 that enabled the removal and recovery of soda from brown-fibre through washing. This helps to improve the brown fibre quality for use as fuel substitute for mill's power boiler.

MANAGING OUR ENERGY FOOTPRINT

We continuously identify, monitor and invest in opportunities to optimise energy and process efficiencies, in a bid to uphold our operational excellence and in managing our environmental footprint. We are committed to championing sustainability in our procurement of materials for energy production and conduct regular consultations with our mill operations management.

At APRIL, we implement certified environmental and energy management systems, supported by our robust internal monitoring and measuring processes, to see these initiatives through. These enable us to track, benchmark and evaluate our performance to ensure we meet our targets.

An effective energy management system is not just good for business; it is a requirement. We have adopted ISO 50001, an international standard that outlines globally recognised energy management practices. APRIL has implemented ISO 50001 since 2020, and it has helped us to achieve energy conservation, reduce costs and meet environmental requirements.

Improved total energy efficiency will result in reduced energy production and dependency on fossil fuels, reduced emissions per product tonne, and a higher biomass/fossil fuel ratio in our overall energy balance.

Highlights

- Undertook an improvement project to increase the biomass load in one of our multi-fuel boilers, increasing our use of biomass to 111 tonnes per day. We have exceeded our target volume and maintained the consumption without any losses or impact on our boiler performance.
- Reduced our reliance on fossil fuels by using bark, palm husk, screen rejects and sludge. This is an improvement from the previous year by 1.67%.
- Achieving operation at excellence by implementing non-capital-intensive projects like substituting fluorescent lights for LEDs, installing variable speed drives, increasing the number of heat exchangers, and improving maintenance of stream traps.

MANAGING AIR EMISSIONS

NOx, SOx and PM2.5 emissions are important environmental indicators of air quality. Long-term exposure to these pollutants is associated with adverse social impacts, such as a higher risk of health issues and mortality. APRIL has generally reduced our SOx and Particulate Matter, but it observed that NOx emissions increased in 2022.

Table 16: Air Emissions (tonnes)

	2019	2020	2021	2022
Nitrogen Oxide (NOx)	5,253	5,901	2,648	3,619
Sulphur Oxide (SOx)	1,289	3,221	3,910	2,467
Particulate Matter (PM)	2,658	6	2,487	2,104



9.4 WATER STEWARDSHIP

Global usable water supplies are dwindling due to extreme weather conditions and increasing global demand. Nationally, rainfall intensity and drought risk are expected to increase due to climate change. We recognise the importance of water stewardship as most of our operations requires fresh water. We acknowledge that manufacturing paper and pulp is water intensive. Thus, it is of the utmost importance that APRIL safeguards the quantity and quality of water in our environment through responsible management of freshwater and wastewater in the face of increasing rainfall variability.

APRIL adheres to Governmental water standards and consults industry standards as guidance for going beyond compliance. The EU-BAT Reference Document for integrated kraft process mills and the CEPI standards set the benchmarks for water

management in our mill operations. Water withdrawal, consumption, and effluent discharge are recorded continuously using calibrated water flow meters at several distribution points throughout our mills. Each business unit within APRIL is responsible for implementing, monitoring, and improving the various internal requirements as well as those by appropriate governing bodies. Our dedicated Certification and Compliance department ensures timely reporting to the government and undertakes internal audits or prepares for external audits when necessary.

Water is required in every stage of our operations, from production, heating, and cooling to cleaning. APRIL has set a target of 25% less process water used per product tonne and aims to achieve this through recycling and improving water efficiency of our water-intensive facilities by upgrading or retrofitting equipment.

Total Water Consumption

Table 17. Water Consumption (megalitres)

Year	2020	2021	2022
Total water consumption (ML)	117,310	123,039	125,800



In 2022, total water withdrawal from the Kampar river was 125,800 megalitres, 2% higher compared to 2021. This increase corresponds with the increase in production and the start-up of new supplementary processes in the fourth quarter of the year.

APRIL has a water reduction strategy in place that involves a range of initiatives. We continue to reap the benefits of the water pre-treatment facility installed in 2020 that processes withdrawn water, including clarification and filtration. The facility has helped us optimise our water usage to reduce the need for pumping and heating fresh batches of water. We also implemented 12 projects in 2022 under the water reduction strategy leading to ~400l/s saving. These projects include eliminating leaks, redirecting water for reuse in various processes, and increase in reuse of condensates.

WASTEWATER MANAGEMENT

We treat all wastewater and discharge it well below the threshold stipulated by the environmental regulation into the Kampar River. About 83% of the water withdrawn was treated and returned to the Kampar River.

Our production process produces wastewater containing biological and inorganic elements that must be treated or removed before discharge. We are committed to ensuring our wastewater discharge are well within the limits of local environmental regulation through technology. We also go beyond the basic requirement by ensuring our discharge does not affect water quality or aquatic life.

Our integrated wastewater treatment plant treats up to 280,000 m3 of wastewater daily. This facility is able to treat wastewater continuously throughout the operation processes, such as removal of sludge, nutrient supply to the bacterial pond, and utilities maintenance.

APRIL discharged 33.64 m3/adt of wastewater back to the Kampar River, well below the permissible threshold of 85 m3/adt under local environmental regulations in 2022.

WASTEWATER QUALITY MONITORING

Every day, our mill facility technicians conduct wastewater volume measurements and quality assurance to monitor the treatment plant's overall performance and ensure processes are in line with our environmental impact assessment. We also engage an accredited third-party laboratory to ensure integrity and accuracy in our data collection methodology and test our wastewater quality. Our monitoring and reporting are done per regulatory requirements on various pollutant parameters, specifically TSS, BOD, COD, nitrogen, phosphorus, and an absorbable organic halogen (AOX).

In line with our commitment, we maintain the government mandated treated wastewater online monitoring system in our mill facilities since 2020. The system has been providing uninterrupted data transmissions to the Ministry of Environment and Forestry to provide APRIL's real-time wastewater quality monitoring. Our current system is calibrated annually by a national organisation of standardisation accredited laboratories and tracks metrics such as BOD, COD, Total suspended solids (TSS), pH, flow rate, and volume of treated wastewater.

REDUCING CHEMICAL OXYGEN DEMAND IN OUR DISCHARGE

Chemical oxygen demand (COD) is a measure of the capacity of water to consume oxygen during the decomposition of organic matter in water. In 2021, we identified area specific contributors to COD in wastewater and charted a detailed progressive mill-wide COD reduction plan linked to departmental performance ratings.

The team developed a multiphase strategy, starting with the implementation of phase 1, which includes optimisation of the existing wastewater treatment process, chemical application and equipment modification as well as undertaking a technical feasibility study on the utilisation of Free Radical Oxidation (FRO) technology to further remove COD from wastewater. The feasibility study will be concluded in early 2023 and if deemed successful, be implemented as phase 2 of the reduction strategy. With this approach, we achieved a 6.6% annual reduction in chemical oxygen demand (COD), exceeding our 3% target, that resulted in the decrease of >25% in biological oxygen demand (BOD) due to their empirical relationship.

In 2023, APRIL will commit to reducing 3% COD and achieve a COD output 75% below local government requirements in 2023.



APPENDIX

A. KPMG ASSURANCE STATEMENT



APRIL INTERNATIONAL ENTERPRISE PTE. LTD.
Limited Assurance Report
 July 20, 2023



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INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT

To the management of APRIL Group (the "Entity")

We have been engaged by the management of APRIL International Enterprise Pte. Ltd. to undertake a limited assurance engagement on certain Subject Matter Information of the Entity, included in the accompanying Sustainability Report (the "Report") and as described in the table below, as at and for the year ended December 31, 2022.

Subject Matter Information	Reported amount and units
Total energy usage at mill facilities	113,068 TJ
General training completed	196,703 Hours
Ratio of female:male employees who have complete general training	1:8.4

Other than as described in the preceding paragraph, 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.

Management's Responsibility

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

There are no mandatory requirements for the preparation, publication or review of the Subject Matter Information. As such, APRIL has applied its own internal reporting guidelines and definitions (found in the Glossary section of the Report (collectively "the applicable criteria").

Management is responsible for determining the appropriateness of the use of the applicable criteria.

Management is also responsible for determining the Entity's objectives in respect of sustainability performance and reporting, including the identification of stakeholders and material issues.

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.

Practitioner's Responsibilities

Our responsibility is to express a limited assurance conclusion on the subject matter information based on evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standards on Assurance Engagements (ISAE) 3000 *Attestation 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

based on the procedures performed and evidence obtained, any matter(s) has come to our attention to cause us to believe that the subject matter information is materially misstated.

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. Accordingly, it is not a guarantee that a limited assurance engagement conducted in accordance with this standard will always detect a matter that causes the practitioner to believe that the subject matter information is materially misstated.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of our report.

The nature, timing and extent of procedures performed depends on our professional judgment, including an assessment of the risks of material misstatement, whether due to fraud or error, and involves obtaining evidence about the subject matter information.

Our engagement included: assessing the appropriateness of the subject matter information, the suitability of the criteria used by the Entity in preparing the subject matter information in the circumstances of the engagement and evaluating the appropriateness of the: methods, policies and procedures, and the reasonableness of estimates made by the Entity.

Our engagement included, amongst others, the following procedures:

- Inquiries with relevant staff at the corporate level to understand the data collection and reporting processes for the subject matter information,
- Assessment of the suitability and application of the applicable criteria in respect of the subject matter information;
- Where relevant, performing walkthroughs to test the design of internal controls relating to data collection and reporting of the subject matter information;
- Comparing the reported data for the subject matter information to underlying data sources on a sample basis;
- Inquiries regarding key assumptions estimates and the appropriateness of the associated methods, policies and procedures,
- Re-performance of calculations on a sample basis; and,
- Reviewing the presentation of the subject matter information in the Report to determine whether the information presented is consistent with our overall knowledge of, and experience with, the environmental performance of the Entity.

The engagement was conducted by a multidisciplinary team which included professionals with suitable skills and experience in both assurance and in the applicable subject matter, including environmental, social and governance aspects.

Practitioner's Independence and Quality Management

We have complied with the relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional

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APRIL INTERNATIONAL ENTERPRISE PTE. LTD.
Limited Assurance Report
July 20, 2023

accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International 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 Entity's reporting methodology which can be found in the relevant footnotes of 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 described above and disclosed in the Entity's Report as at and for the year ended December 31, 2022, is not prepared and presented, in all material respects, in accordance with the applicable criteria as at the date of our report.

Chartered Professional Accountants
July 20, 2023
Vancouver, Canada

B. GRI CONTENT INDEX

GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Section References / Reasons for Omission
GENERAL DISCLOSURES			
GRI 2: General Disclosures 2021	Organisation profile		
	2-1	Organisation Details	4.1 Who We Are
	2-2	Entities included in the organization's sustainability reporting	3. About This Report
	2-3	Reporting period, frequency and contact point	3. About This Report
	2-4	Restatements of information	Not applicable
	2-5	External assurance	3.3 Assurance Scope
Activities and Workers			
	2-6	Activities, value chain and other business relationships	4. About April
	2-7	Employees	Not disclosed
	2-8	Workers who are not employees	Not disclosed
Governance			
	2-9	Governance structure and composition	5.2 Governance
	2-10	Nomination and selection of the highest governance body	Not disclosed
	2-11	Chair of the highest governance body	Partial Disclosure (2-11b was not disclosed)
	2-12	Role of the highest governance body in overseeing the management of impacts	5.2 Governance Partial Disclosure (2-12c was not disclosed)
	2-13	Delegation of responsibility for managing impacts	5.2 Governance
	2-14	Role of the highest governance body in sustainability reporting	5.2 Governance



GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Section References / Reasons for Omission
	2-15	Conflicts of interest	Not disclosed
	2-16	Communication of critical concerns	8.1 APRIL Human Rights Journey (Grievance Mechanisms and Access to Remedy)
	2-17	Collective knowledge of the highest governance body	5.2 Governance Not disclosed
	2-18	Evaluation of the performance of the highest governance body	Not Disclosed
	2-19	Remuneration policies	Not Disclosed
	2-20	Process to determine remuneration	Not Disclosed
	2-21	Annual total compensation ratio	Not Disclosed
	2-22	Statement on sustainable development strategy	1. President Message
	2-23	Policy commitments	4.2 APRIL's purpose and values 5. Our Sustainability Approach
	2-24	Embedding policy commitments	5.2 Governance
	2-25	Processes to remediate negative impacts	8.1 APRIL Human Rights Journey (Grievance Mechanisms and Access to Remedy) 5.2 Governance
	2-26	Mechanisms for seeking advice and raising concerns	8.1 APRIL Human Rights Journey (Grievance Mechanisms and Access to Remedy)
	2-27	Compliance with laws and regulations	4.2 APRIL's Purpose and Values
	2-28	Membership associations	5.3 Government & Industry Association 5.3 Sectoral and Knowledge Association
Stakeholder Engagement			
	2-29	Approach to stakeholder engagement	5.3 Stakeholder Engagement

GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Section References / Reasons for Omission
	2-30	Collective bargaining agreements	8.1 Employees and Contractor Rights
MATERIAL ISSUES			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	5.1 Materiality
	3-2	List of material topics	5.1 Material topics for 2022
CLIMATE POSITIVE			
GRI 3: Material Topics 2021 GRI 302: Energy 2016	3-3	Management of Material Topics	6. Climate Positive
	302-1	Energy Consumption within the organization	9.3 Energy Performance
	302-2	Energy consumption outside of the organization	Not disclosed as Scope 3 is not disclosed.
	302-3	Energy intensity	9.3 Energy Performance (302-3d was not disclosed as energy consumption outside of organisation/Scope 3 was not disclosed)
	302-4	Reduction of energy consumption	Partial disclosure (302-4a,c was not disclosed) 9.3 Energy Performance
	302-5	Reductions in energy requirements of products and services	9.3 Managing our energy footprint Partial disclosure (302-5a, b was not disclosed)
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	9.3 Energy Performance Partial Disclosure (305-1e was not disclosed) 6.1 Assessing and measuring our carbon footprint
	305-2	Energy indirect (Scope 2) GHG emissions	Not Disclosed



GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Section References / Reasons for Omission
	305-3	Other indirect (Scope 3) GHG emissions	Not Disclosed
	305-4	GHG emissions intensity	Not Disclosed
	305-5	Reduction of GHG emissions	Not Disclosed
	305-6	Emissions of ozone-depleting substances (ODS)	Not Disclosed
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Partial Disclosure (305-7a, b not fully disclosed) 6.1 Assessing and measuring our carbon footprint

THRIVING LANDSCAPE

GRI 3: Material Topics 2021 GRI 304: Biodiversity 2016	3-3	Management of Material Topics	7.0 Thriving Landscape
	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	7.1 Landscape Restoration 7.2 Forest Management
	304-2	Significant impacts of activities, products and services on biodiversity	7.1 Wildlife Monitoring and Research
	304-3	Habitats protected or restored	Partial Disclosure (304-3a,b,c) 7.1 Wildlife Monitoring and Research
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	7.1 Wildlife Monitoring and Research
GRI 13	13.5	Soil Health	7.2 Site and Soil Management
	13.6	Pesticides use	7.2 Silviculture
	13.12	Local Communities	

GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Section References / Reasons for Omission
	13.13	Land and Resource Rights	7.2 Resolving Land Claims 7.2 Responsible Wood Sourcing 5.3 Our Communities
	13.23	Supply Chain Traceability	5.3 Our Suppliers & Contractors 7.2 Responsible Wood Sourcing

INCLUSIVE PROGRESS

GRI 3: Material Topics 2021 GRI 403: Occupational Health and Safety 2018	3-3	Management of Material Topics	8. Inclusive Progress
	403-1	New employee hires and employee turnover	8.2 Managing Occupational Health and Safety (OHS)
	403-2	Hazard identification, risk assessment, and incident investigation	8.2 Managing Occupational Health and Safety (OHS) 8.4 High Consequence Work related injuries 8.4 Safety Focus
	403-3	Occupational health services	8.2 Promoting Employees' Working Conditions and Wellbeing
	403-4	Worker participation, consultation, and communication on occupational health and safety	8.2 Promoting Employees' Working Conditions and Wellbeing 8.2 Managing Occupational Health and Safety (OHS)
	403-5	Worker training on occupational health and safety	8.2 Managing Occupational Health and Safety (OHS)
	403-6	Promotion of worker health	8.2 Workers' Wellbeing, Health, and Safety
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	8.2 Workers' Wellbeing, Health, and Safety



GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Section References / Reasons for Omission
	403-8	Workers covered by an occupational health and safety management system	8.2 Workers' Wellbeing, Health, and Safety
	403-9	Work-related injuries	Partial Disclosure (403-9 partial disclose on a,b,c,e) 8.4 High-Consequence Work Related Injuries
	403-10	Work-related ill health	Partial Disclosure (403-10 partial disclose on a,b,c,d) 8.4 High-Consequence Work Related Injuries
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	8.4 Talent Development
	404-2	Programs for upgrading employee skills and transition assistance programs	8.4 Talent Development
	404-3	Percentage of employees receiving regular performance and career development reviews	8.4 Talent Development
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	8.5 Equal Opportunities and Participation
	405-2	Ratio of basic salary and remuneration of women to men	Not disclosed
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	5.3 Our Communities 8.6 Community Livelihoods programs
	413-2	Operations with significant actual and potential negative impacts on local communities	5.3 Our Communities 8.6 Community Livelihoods
SUSTAINABLE GROWTH			
GRI 3: Material Topics 2021			
GRI 303: Water and Effluents 2018	3-3	Management of Material Topics	9. Sustainable Growth

GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Section References / Reasons for Omission
	303-1	303-1 Interactions with water as a shared resource	Partial Disclosure (303-1b was not disclosed) 9.4 Water Monitoring and Reduction 9.4 Wastewater Management
	303-2	Management of water discharge-related impacts	9.4 Wastewater Management
	303-3	Water withdrawal	9.4 Water Monitoring and Reduction 9.4 Wastewater Management
	303-4	Water discharge	9.4 Water Monitoring and Reduction 9.4 Wastewater Management
	303-5	Water consumption	9.4 Water Monitoring and Reduction
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Not disclosed
	306-2	Management of significant waste-related impacts	Partial disclosure (306-2b not disclosed) 9.1 Chemical Reduction and Recovery 9.2 Reducing Solid Waste to Landfill 9.3 Recycling of textile Waste for Viscose Fibre
	306-3	Waste generated	9.2 Reducing Solid Waste to Landfill
	306-4	Waste diverted from disposal	Not disclosed
	306-5	Waste directed to disposal	Partial disclosure (306-5b and c are not disclosed) 9.2 Reducing Solid Waste to Landfill



C. SUSTAINABILITY FIGURES

TABLE OF FOREST CONCESSION AREAS

	Total Area	Plantations Area	Livelihood Plantations	Infra-structure	Conservation	Community & Other Uses	Plantation Forestry Concessions	PEFC Certified Ecosystem Restoration Concessions
LANDHOLDING	1,045,557	454,045	42,353	21,810	361,231	166,118	744,949	150,711

TABLE OF TOTAL VOLUME PULP SOURCED AND CERTIFICATION STATUS

Country	Certification status	Volume Metric tonnes
Germany	PEFC™	38,217
Chile		
Sweden		
Belgium		
Netherland		
New Zealand	FSC®	38,217
Finland	PEFC™	
Brazil		
Canada	PEFC™ FSC®	

TABLE OF PRODUCTION

	Wood Supply Tonnes	Pulp Production Tonnes	Paper production
2022 APRIL Group	11,964,368	2,964,676	1,116,000

TABLE OF SCOPE 1 EMISSIONS FOR OUR MILL FACILITIES

GHG Sources	Tonnes Carbon Dioxide Equivalent (tCO ₂ e)			
	2019	2020	2021	2022
MILL FACILITIES				
1. Stationary – fossil fuel combustion	2,258,389	2,356,886	1,980,654	1,933,820
2. Stationary – biomass combustion	72,649	76,438	84,343	84,967
3. Transportation and mobile combustion	14,327	10,499	15,056	19,245
4. Waste management	28,128	30,238	30,227	30,032
5. Make-up chemicals	74,945	94,874	84,108	70,705
6. CO ₂ removal from PCC Plant	55,190	64,070	68,859	61,876
7. Excluded Direct emissions from stationary (others)	7,818	8,104	11,784	11,045
TOTAL TONNE CO₂eq	2,385,430	2,496,761	2,113,746	2,065,848
TOTAL NETT CO₂ EQUIVALENTS PER TONNE PRODUCT	0.6227	0.6183	0.5022	0.4701



TABLE OF WATER INTENSITY AND WATER QUALITY

	UoM	2022
Water Consumption for Pulp and Paper Production	Megalitres	142,631
TSS Treated Waste Water	mg/L	17.79
	Measured kg/adt	0.60
COD Treated Waste Water	mg/L	190.700
	Measured kg/adt	6.396
BOD5 Treated Waste Water	mg/L	16.493
	Measured kg/adt	0.552
Nitrogen in Treated Waste Water	Tonne	22.699
	Measured kg/adt	0.082
AOX treated waste water	Tonne	1.442
	Measured kg/adt	0.005
Phosphorus in Treated Waste Water	Tonne	2.367
	Measured kg/adt	0.009

TABLE OF IUCN RED LIST SPECIES AND NATIONAL CONSERVATION LISTED SPECIES IDENTIFIED

Taxa	CR	EN	VU	NT	LC	DD	NA	CITES	GOI
Mammals	3	9	9	13	43	1	0	26	18
Amphibians & Reptiles	3	3	3	3	80	2	12	19	5
Birds	2	6	17	58	235	0	0	46	78
Plants	3	1	5	6	35	1	147	27	0
Fish	2	1	2	7	43	5	29	0	0
Odonata	0	2	1	4	46	1	4	0	0
TOTAL	13	22	37	91	482	10	192	118	101

IUCN Classification

CR: Critically Endangered

EN: Endangered

VU: Vulnerable

NT: Near Threatened

LC: Least Concerned

DD: Data Deficient

NA: Not Assessed/Evaluated



TABLE OF TOTAL ENERGY CONSUMPTION AND ENERGY INTENSITY AT MILL FACILITIES

	2020	2021	2022	
Total energy consumption from renewable/recycled sources (TJ)	Black liquor*	63,864	68,737	70,235
	Biomass*	18,106	19,197	19,120
	Sludge*	525	2,915	2,812
	Methanol*	328	514	703
	Solar	0	2	20
	TOTAL	82,823	91,365	92,890
Total energy consumption from non-renewable sources (TJ)	Coal	15,568	12,591	12,367
	Natural gas	6,733	7,217	7,265
	Diesel oil	749	795	509
	Heavy oil (Boiler)	863	33	14
	Heavy oil (kiln)	0	23	22
TOTAL	23,913	20,659	20,177	
Total Energy Consumption (Renewable and Non-Renewable)	106,736	112,024	113,068	
Energy intensity	22.9 GJ/adt	21.6 GJ/adt	22.6 GJ/adt	

*Black Liquor, bark, sludge and methanol are by-products of pulp production





D. PESTICIDES INGREDIENTS LIST

Pesticide Group	Active ingredient
Additive	Alkylaryl polyglycol ether
Adjuvant/Sticker	Fatty alkyl sulphate + Fatty alkyl betain
Bactericide	Streptomycin sulfate
Fungicide	Azoxystrobin + Difenoconazole
	Carbendazim + Mancozeb
	Copper oxysulfate
	Cupric acetate + Tebuconazole
	Difenoconazole
	Hexaconazole
	Mancozeb
	Mancozeb + Acilbenzolar-S-metil
	Mancozeb + Mefenoxam
	Oxolinic acid
	Propineb
	Tebuconazole
	Glyphosate
Herbicide	Fluroxipyr
	Methyl-metsulfuron
	Triclopyr

Pesticide Group	Active ingredient
Insecticide	Acephate
	Acetamiprid
	Alpha Cypermethrin
	Amitraz
	Carbaryl
	Chlorpyrifos
	Clothianidin
	Cyantraniliprole
	Deltamethrin
	Dimethoate
	Dinotefuran
	Fipronil
	Imidacloprid
	Lambda Cyhalothrin
	Profenophos
	Propargite
	Refined petroleum distilate
	Spinetoram
Sulfoxaflor	
Tiamethoxam	



E. SCOPE OF REPORT

The 2022 Sustainability Report covers the 17 entities that comprise APRIL, a limited liability company, as well as Supply Partners who have long-term agreements with the company.

APRIL GROUP COMPANIES

PT Riau Andalan Pulp and Paper	PT Riau Prima Energy	PT Esensindo Cipta Cemerlang
PT Riau Andalan Kertas	PT Asia Prima Kimiaraya	PT Gemilang Cipta Nusantara
PT Anugrah Kertas Utama	PT Prima Transportasi Servis Indonesia	PT Sinar Mutiara Nusantara
PT Riau Andalan Paperboard International	PT Kawasan Industri Kampar	PT The Best One Unitimber
PT Intiguna Primatama	PT Bangun Dwipantara Indah	PT Global Alam Nusantara
PT APRIL Management Indonesia (APRIL Jakarta)	APRIL International Enterprise Pte Ltd	

'Supply Partners' are long-term fibre supply partners and contribute to the company's 1-for-1 commitment, where APRIL has pledged to conserve or restore one hectare of forest for every hectare of plantation. Details of APRIL Group's fibre suppliers are published on its [Sustainability Dashboard](#). From hereafter, APRIL will refer to APRIL Group.





F. SDG INDEX

SDG	SDG 2030 Targets	APRIL's impacts in FY22	Page
	<p>1.1 By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day.</p> <p>1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions.</p>	<ul style="list-style-type: none"> APRIL initiated community livelihood programs in 68 villages and local economic development programs by engaging with 242 local micro-small- and medium enterprises, growing entrepreneurs and provided assistance to 77 farmer groups. 	<p>Improving Community Livelihoods (Page 104)</p> <p>Community empowerment (Page 106)</p>
	<p>2.2 By 2030 end all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons.</p> <p>2.4 By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality</p>	<ul style="list-style-type: none"> APRIL collaborated with village integrated health care post, provide supplementary food for children and conducts nutrition and health education campaign. 	<p>Reduction in stunting (Page 109)</p>
	<p>3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.</p>	<ul style="list-style-type: none"> APRIL continued to improve our social protection programs 	<p>Promoting Employees' Working Conditions and Wellbeing (Page 95)</p>
	<p>4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes.</p> <p>4.2 By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education.</p> <p>4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.</p>	<ul style="list-style-type: none"> APRIL promotes quality education through our school improvement programs, scholarship for poor families as well as actively including young people into our workforce. 	<p>Promote Quality Education (Page 111)</p>
	<p>6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.</p> <p>6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.</p> <p>6.6 By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes.</p>	<ul style="list-style-type: none"> APRIL is developed a proprietary technology for wastewater quality monitoring and developed a multi-phase strategy to reduce chemical oxygen demand in our discharge. We maintain the government mandated treated wastewater online monitoring system in our mill facilities since 2020. The system has been providing uninterrupted real-time waste water quality monitoring data transmissions to the Ministry of Environment and Forestry in Jakarta. 	<p>Water Stewardship (Page 126)</p>



SDG	SDG 2030 Targets	APRIL's impacts in FY22	Page
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	<p>8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors</p> <p>8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead.</p> <p>8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.</p> <p>8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.</p> <p>8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.</p>	<ul style="list-style-type: none"> APRIL adopted a new mechanised approach to harvesting to increase machinery efficiency and decrease operational costs. APRIL identified the potential human rights impacts from our contracts and we will focus on mitigating risks in our supply chain. 	<p>Increasing Operational Efficiency (Page 74)</p> <p>Human Rights (Page 88)</p> <p>Managing Occupational Health and Safety (Page 96)</p> <p>Talent Development (Page 99)</p> <p>Equal Opportunities and Participation (Page 101)</p>
	<p>9.4 By 2030 upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes.</p>	<ul style="list-style-type: none"> We ensure a safe and secure working environment for all workers by encouraging behavioural changes, conducting safety induction to 100% workers and visitors. We continue to develop and monitor the career path of more than 500 managers and potential managers as well as conducting traineeship program for fresh graduates and young professionals. 	<p>Increasing Operational Efficiency (Page 74)</p>
	<p>10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.</p> <p>10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.</p>	<ul style="list-style-type: none"> APRIL adopted a new mechanised approach to harvesting to increase machinery efficiency and decrease operational costs. 	<p>Equal Opportunities and Participation (Page 101)</p>
	<p>12.2 By 2030, achieve the sustainable management and efficient use of natural resources.</p> <p>12.4 By 2020 achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.</p> <p>12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse.</p> <p>12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.</p>	<ul style="list-style-type: none"> APRIL is creating a 2023 -2030 gender action plan to outline what needs to be done to increase female leadership to one in every four managers. We increased number of women employees in business untis with historically low ratio of women representation and continued our efforts to foster an inclusive environment. 	<p>Chemical Reduction and Recovery (Page 122)</p> <p>Solid waste management (Page 123)</p>



SDG	SDG 2030 Targets	APRIL's impacts in FY22	Page
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13.2 Integrate climate change measures into national policies, strategies and planning.

13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

- We expanded our efforts for chemical reduction and chemical recovery with two lime reclamation facilities and recovery of soda.
- We recycled 23,352 tonnes of bottom ash waste from our production into material for road construction.
- We continued exploring setting up a demonstration plant for recycling of textile waste into viscose fibre.

Implementing actions to reduce our GHG footprint (Page 51)



15.2 By 2020 promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.

15.3 By 2030 combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world.

15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.

15.7 Take urgent action to end poaching and trafficking of protected species of flora and fauna and address both demand and supply of illegal wildlife products.

15.a Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems

15.b Mobilize significant resources from all sources and at all levels to finance sustainable forest management and provide adequate incentives to developing countries to advance such management, including for conservation and reforestation.

15.c Enhance global support for efforts to combat poaching and trafficking of protected species, including by increasing the capacity of local communities to pursue sustainable livelihood opportunities

- APRIL increased our use of biomass and solar energy achieving 28% renewable and cleaner energy use in fibre operations. We are also transitioning our fleet to electric vehicles.
- We also raised awareness among local communities about their climate vulnerabilities through the Climate Village Programme (Desa Proklam).
- We are finalising our near-term FLAG target modelling using the timber and wood fibre pathway as well as aligning our Net Zero from Land Use target under APRIL2030 Climate Positive with the SBTi guidance.
- Three year collaboration with Centre of Nature-based Climate Solutions to development technology-drive innovations to enhance the credibility and integrity of nature-based climate solutions.
- Completion of assessment, validation, and registration of the Restorasi Ekosistem Riau (RER)'s carbon project using the globally accepted Verified Carbon Standard.

Biodiversity and Ecosystems (Page 64)

Forest management (Page 69)



17.16 Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries.

17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.

- Improving sustainable forestry management practices through implementation of forest management and silviculture practices, fire prevention and management within our operations and in the broader landscape, and responsible peatland management
- In 2022, APRIL signed a voluntary conservation agreement with 5 villages to protect 31,288 hectares of forested community land.
- We have also managed to significantly reduce attempted poaching of songbirds with regular patrols along with collaborative educational initiatives.

Stakeholder Engagement (Page 34)



APRIL 