



APRIL Group Invests in Sustainable Paperboard Packaging Mill to Support Indonesia's Economic Development

- *New production facility is aligned with the Indonesian Government's plans to develop green economy and drive sustainable development*
- *Additional supply for expanded production capacity will come entirely from APRIL's existing supply chain*

Pangkalan Kerinci, Riau, Indonesia - 29 March 2022: Leading sustainable fibre and product producer Asia Pacific Resources International Limited (APRIL Group) has strengthened its commitment to supporting the growth of the green economy in Indonesia. The company is set to expand its product portfolio in the downstream sector by investing IDR33.4 trillion in a sustainable paperboard production facility.

The construction of the new facility - which will be located at APRIL's operations in Pangkalan Kerinci, in Riau province, Sumatra - is one of the largest manufacturing investments in Sumatra in the last decade. The investment is expected to support Indonesia's continued economic development and recovery following the COVID-19 pandemic through the diversification of sustainable downstream fibre products with added value.

When completed, the paperboard packaging facility will be capable of producing 1.2 million tons of folding box board annually that is fully recyclable and biodegradable. This growth is to meet the demand for more environmentally friendly packaging products in the domestic and international markets.

Speaking at a ceremony to mark the construction of the new production facility, **Airlangga Hartarto, Coordinating Minister for Economic Affairs** said: "We warmly welcome this investment by APRIL Group, which will improve the wellbeing and prosperity of the local communities while also boosting national economic development. The government will continue to develop strategies to support the recovery of national exports through strengthening market access and helping to improve product competitiveness".

Agus Gumiwang Kartasasmita, Minister of Industry, said: "The increased manufacturing of paperboard in Indonesia will reduce our dependence on imports for this product, while also boosting our foreign exchange reserves through export-oriented sales. This development is also aligned with our Government's focus to reduce reliance on imports and boost Indonesia's industrial and manufacturing development."

Sihol Aritonang, President Director, PT Riau Andalan Pulp and Paper, the operating arm of APRIL Group, said that the investment was the latest stage in the company's development of its operations in Riau and was part of APRIL's long term commitment to the region.



“This is our largest single investment here since the company was founded almost 30 years ago. This product diversification strengthens our commitment to grow our business sustainably, in line with our existing sustainability commitments and our APRIL2030 targets. The new facility will have a significant positive multiplier effect on our surrounding cities and towns, with over 4,000 construction jobs and nearly 1,000 permanent roles planned,” he said.

APRIL launched its APRIL2030 targets in November 2020 to deliver a positive impact on the climate, nature and people, while growing its business sustainably over the next decade.

The development comes as a global focus on reducing the use of plastics, polyester and other fossil fuel-based materials gathers pace. Demand for recyclable and biodegradable options for everything from packaging to fashion is being driven by consumer preference via expanding e-retail purchases in high-growth markets such as China, Indonesia, India and Vietnam.

The global paperboard packaging market is expected to grow by 3% this year, also driven by increased food production linked to population growth and lifestyle changes such as the preference for individual packaging and food deliveries.

APRIL Group’s fibre supply comes from 100% renewable plantation sources. Additional supply for expanded production capacity will come entirely from its existing supply chain. The company has posted a 40% increase in fibre yield over the past five years from its existing plantations while also committing US\$1 per tonne of plantation fibre produced towards landscape conservation. The company has targeted a 50% gain in fibre plantation productivity by 2030.

The investment in downstream diversification and value added products is also in compliance with APRIL Group’s Sustainable Forest Management Policy 2.0 which includes no deforestation. It will directly contribute to the achievement of the company’s APRIL2030 commitments, including net zero emissions from land use, zero net loss of conservation areas, positive biodiversity gains and zero extreme poverty in its communities.

About APRIL Group:

APRIL Group is a leading producer of fibre, pulp and paper with plantations and manufacturing operations in Riau Province, Indonesia. We are committed to sustainability in our business and in the broader landscapes where we operate. Under our production-protection model, we adopted a unique 1-for-1 goal where we aim to conserve one hectare of forest for every hectare of plantation, and currently conserve and restore approximately 364,996 hectares of forests, including the largest peatland restoration project in Indonesia. For more information, visit www.aprilasia.com and follow Twitter @aprilpulp



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