



Progress Update
November 2021

APRIL2030 is our vision for meeting the challenges of the next decade, and is comprised of four commitments with 18 ambitious targets – Climate Positive, Thriving Landscape, Inclusive Progress and Sustainable Growth.

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4 Delivering on Our APRIL2030 Commitments



Announced in November 2020, APRIL2030 was the most significant forward-focused commitment to climate and sustainable development we have made in our company's history. APRIL2030 is a bold and ambitious series of concrete, time-bound, science-based targets that will make APRIL a more sustainable and circular business by 2030.

With APRIL2030, we joined a global community of progressive companies working to achieve a positive impact on climate, nature and people with a sense of urgency and ambition.

A year on, it has already had a marked positive impact. With APRIL2030, we became one of the first Indonesian companies in any sector to commit to net zero emissions from land use and joined a global community of progressive companies working to achieve a positive impact on climate, nature and people with a sense of urgency and ambition.

APRIL2030 was the culmination of nearly two years of strategy, planning and alignment. The process began in mid-2019 when we established a working group, supported by a steering committee made up of the company's senior leadership to provide ongoing guidance. We then developed an initial model to establish a clear direction of travel and to

test our level of ambition, before refining our commitments and targets in consultation with stakeholders.

As part of this process we factored in our current sustainability policy, the UN Sustainable Development Goals and the Business for Nature framework, as well as acknowledging the imperative for science-based target setting under the Science Based Target Initiative.

Ultimately, we identified 18 targets organised around four interconnected commitments that build on what we have achieved as a business over the past three decades. Climate Positive and Thriving Landscapes add to our conservation and restoration progress with increasing emphasis on biodiversity and decarbonisation; Inclusive Progress responds to the continued need for social advocacy and targeted support among our communities, and Sustainable Growth recognises that our business can continue to grow in a more circular and efficient way while reducing resource impact.

Establishing our baselines and actions plans followed, ensuring our targets were embedded into operational planning and reporting and aligned with our existing sustainability reporting and assurance processes. Each commitment area is championed by an operational leader, who have provided overviews of progress in this update.

These updates tell the story of the progress we have made over the past year, establishing new partnerships and strengthened existing ones, advancing strategic initiatives and building on the foundations we already had in place. You can read more detailed summaries of the progress achieved under each commitment, but I would like to call out

some specific highlights around partnerships, productivity, circularity and carbon emissions reductions:

- In partnership with SMERU, we completed a baseline analysis to inform our approach to tackling poverty and improving nutrition to reduce stunting in children in collaboration with government agencies. We have also collaborated with social enterprise Krealogi to help local SME businesses develop the digital literacy, production planning and marketing skills that will them to engage in online marketplaces.
- We commenced establishing a community conservation pilot project in partnership with five villages on peat landscapes, building on the trust established through our Fire Free Village Program. Protected areas range from 1,000-5,000 hectares and the project involves creating livelihood opportunities to ensure the economic viability of the program and relieve pressure on the landscape.
- Under the guidance of the World Conservation Society, we are working to update our conservation plans for all 32 of our owned and supply partner estates as well as preparing key species management plans and developing strategies to address illegal wildlife trade.
- We have made significant productivity gains based on silviculture enhancements, including genetic improvement, better soil nutrition and improved strategies to combat pests and disease as we innovate to increase our yield from our existing plantation footprint.
- A new Eco-Camp has been established on the boundary of our Restorasi Ekosistem Riau ecosystem restoration project, which includes a research lab that will allow ongoing research into tropical peatland science by experts from around the world.
- The planned installation of 20 megawatt solar panels at our production complex in Kerinci, Riau Province, commenced in July with the commissioning of a 1 megawatt first phase installation project. During our

second phase we will install an additional 4-megawatt of solar panels capacity at our mill facility.

- The first of a fleet of electric buses were introduced at our Kerinci mill complex during September, supporting lower-carbon employee commuting. The incorporation of electric powered equipment in our mill operations is an ongoing priority on our journey to decarbonize our facility.
- We have achieved our recovery targets for chemicals used in our production processes year-to-date and are on track to meet our year-end target. We have also introduced a lime reclamation facility to maximize re-utilisation and reduce the need for new lime purchases.
- A range of specific projects to reduce water use have been introduced that take us further towards our target of reducing solid waste to landfill by 80%. We are now using sludge as a fuel substitute, and we have secured a license from the government to use fly ash from our power boilers and bottom ash from our recovery boilers to renew and repair our Kerinci wood yard roads and surfaces.

The commitment and focus of our business leadership has been a driving force behind APRIL2030 from the beginning. Equally, the commitment and ability to innovate and problem-solve demonstrated by the champions of our commitments has been vital to ensuring the integration of our targets across our operations.

There remains much work to do alongside our partners and communities as we look forward to a safer and brighter 2022. This is a decade long process, but we are pleased to report solid momentum from our first year under APRIL2030. In closing, I would like to thank our partners and stakeholders for their continued encouragement and support as we strive to make a difference for all.

Lucita Jasmin

Director of Sustainability & External Affairs,
APRIL Group



We are living in a world with great challenges, but it is also a hopeful world. The last decades have brought unprecedented global progress. Extreme poverty has been halved since 2000. Many more young people go to school than at any other point in history. Most people are living longer lives and in better health.

Indonesia, the world's fourth biggest nation, has contributed immensely to this progress. Only a few decades ago, Indonesians lived short lives, mostly in deep poverty. Now life expectancy in Indonesia has reached 72 and rising. The nation is on track to become the fourth biggest economy in the world by the middle of the 21st century. This progress is based on three factors: the hard and smart work of millions of people, good political decisions, and vibrant and innovative businesses driving positive change at scale.

The progress in Southeast Asia is not only related to the economy. Southeast Asian companies have also come a long way on the environment, evolving from a more narrow focus on their own business and economic growth, to becoming lead actors for a sustainable future.

A year ago, APRIL moved to the forefront of this evolution in Indonesia and globally when it announced its APRIL2030 commitments and targets. In doing so, it became an early mover in the sea-change that we are experiencing today, where businesses and governments around the world are taking more strident and purposeful action on climate in an effort to

Southeast Asian companies have come a long way on the environment.

stay on a trajectory to limit global warming to 1.5 degrees by 2050.

This momentum is supported by the increasing recognition of climate and nature in government policy and business strategy, alongside traditional socio economic imperatives. It is clear that there needs to be alignment. It is no longer about one or the other.

APRIL's 1-for-1 commitment in Sumatra is a world leading policy to protect and restore as much natural forest as the land area that the company uses for its plantations. It sets an inspiring example for business and politics worldwide as to how we can combine jobs and prosperity with respect for nature and determined climate action. I was deeply impressed seeing the immense beauty of the green forests of Riau with its unique biodiversity. It gives hope to see how well APRIL protects this important forest and its peatlands.

APRIL2030 has contributed to the green momentum in Indonesia, where deforestation rates are now at their lowest point in modern history and the Indonesian government has made good decisions regulating markets and setting standards. APRIL's progressive approach is built on a foundation of strong sustainability commitments and driven by next generation leadership.

A year on, APRIL2030 has been notable for the way it has been embraced by the company's

employees and embedded across its operations, despite restrictions caused by the pandemic. The approach is inclusive, where it balances the needs of climate, nature and people. I have been truly inspired meeting so many APRIL employees, feeling their excitement working for a company which not only does good business and provides jobs and salaries, but also contributes to a better planet.

APRIL2030 has been a comprehensive process right across the company, with people engaged from top to bottom in establishing benchmarks, developing action plans and implementing programs, demonstrating that everyone can make a contribution. Going green can only work if top management is involved.

APRIL looked across its entire business to seek opportunities for positive sustainability impacts, while at the same time looking to grow its business. This is important because there is no known mechanism for successful transition to a greener more sustainable operations model without business growth to support it.

As a result, APRIL2030 is not just about climate - it is much wider. It is about how to make social progress in important areas like infant nutrition and education as well as taking care of nature and protecting species, with specific targets and measurement system in place so progress can be tracked. If we cannot measure, we cannot judge our progress.

Importantly, APRIL2030 incorporates circular economy principles particularly around energy use and fiber recycling or reuse. This is an important concept that solves many other problems, including climate. The future of the planet is circular. We need to stop the waste in electronics, plastics, food, clothes and see our waste as raw materials for new and better products. Within viscose, paper and other product lines, APRIL aims to be a global business leader.

APRIL2030 is an important reminder of the crucial role business can play in combating climate change.

APRIL2030 is an important reminder of the crucial role business can play in combating climate change. It can often be faster and more agile than governments, because it does not need to navigate and negotiate political realities before taking decisive actions. In most parts of the world, business is now well ahead of political leaders. It is not just diplomacy that is driving the change, it is business.

APRIL is working alongside governments as an example of what can be achieved from a developing economy. Sustainability and ESG are now firmly established on business leaders' agendas worldwide. Once a siloed exercise for a small part of a business, now it is mainstream in finance and across business. Climate is now central to the political economy and the real action is happening at the national level and on the ground where it counts most.

There is also positive movement in the U.S. and Europe, which are taking real action in terms of innovation and creating new markets for renewable energy. At the same time, China is the world leader in solar, wind and green hydrogen, and is foresting areas the size of Singapore weekly!

It is all about achieving outcomes where all facets of the world win: a win for climate and nature and a win for people. While creating prosperity and jobs at the same time. Let us build on the global successes of the last decades and move to the bright future of triple wins.

Erik Solheim

Global Policy Advisor on Environment and Development



An Overview

What Is APRIL2030?

In November 2020, APRIL launched our APRIL2030 strategy and commitments, a set of ambitious targets to deliver a positive impact on the environment, climate and the communities where the company operates, while growing the business sustainably over the next decade.

APRIL2030 builds on our Sustainable Forest Management Policy (SFMP) 2.0 and on the progress made in its implementation since 2015. APRIL will continue to adhere to these commitments, with our performance reviewed and reported on by the Stakeholder Advisory Committee and an independent assurance party.

APRIL2030 is comprised of 18 targets spread across four pillars:

- **Climate Positive:** includes targets to reduce and mitigate carbon emissions based on science-based solutions, including net zero emissions from land use and 25% less product carbon emissions.
- **Thriving Landscapes:** focused on championing conservation and biodiversity, in line with the growing call for science-based target setting for nature.
- **Inclusive Progress:** includes targets to empower people and communities through transformative initiatives in healthcare, education and the championing of equal opportunity for women.
- **Sustainable Growth:** focuses on diversification, circularity and responsible production to drive sustainable business growth.

Targets



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

For each of the 18 targets under the four commitment pillars, we defined performance indicators, resulting in 35 performance metrics for the whole of APRIL2030. In order to measure progress against the targets, we established the baselines using 2019 data and these have been independently verified.

How Did It Begin?

APRIL2030 started with the recognition of the global imperatives – to achieve the 2030 development agenda, meet climate targets of keeping global warming below 1.5 degrees C, and support the call for greater protection for nature. These were the bases for the key commitment pillars: Climate Positive, Thriving Landscapes, Inclusive Progress, and Sustainable Growth.

Alignment of Business Strategies

We then reviewed industry benchmarks and also consulted very closely with our leadership team so we could define the level of ambition for the targets. These targets need to be on par with global and national ambitions, are stretched and challenging for our company, while also achievable. The draft targets were then presented to our operational management teams in an internal workshop for review and validation.

Finally, we conferred with our advisors and key stakeholders for their inputs. Once the targets were set, we then identified the key metrics and established the baselines using 2019 data for assurance by KPMG PRI.

Strategic Collaborations

To create and maintain momentum towards the achievement of our APRIL2030 targets, we have pursued a number of strategic partnerships over the last 12 months.

These include:

- In September, APRIL Group supported the launch of the World Economic Forum's 1t.org trillion tree platform. APRIL and other international companies, pledged to help conserve, restore and grow more than 2.5 billion trees by 2030.

APRIL pledged to protect and restore an additional 85,000 hectares of high conservation value forest, which will help the company to achieve its 1-for-1 commitment and support its APRIL2030 targets.

- APRIL also joined the Business for Nature global coalition, which brings together influential organizations and forward thinking businesses. To support our Thriving Landscapes commitments, APRIL joined more than 560 companies around the world and signed up to Business for Nature Coalition's Call to Action to urge for collective action and ambitious nature policies.
- APRIL has continued to engage with the Science Based Targets initiative (SBTi), which is focused on helping companies to specify how much and how quickly they need to reduce their greenhouse gas emissions. The SBTi is a collaboration between Carbon Disclosure Project (CDP), the United Nations Global Compact (UNGC), World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). APRIL was also one of the first companies to join the Science Based Targets Network (SBTN) program as part of our commitment to help protect and restore nature.

Alignment with UN Sustainable Development Goals

APRIL2030 supports the achievement of the Sustainable Development Goals at the national level in Indonesia and more importantly at the village level in the province of Riau.

Since 2018, we have been working with PwC Singapore on a process to identify our priority SDGs and have selected 4 as Core (SDGs 12, 13, 15 and 17) and three as Catalytic (SDGs 3, 4, 6) priorities. Each of the targets can be aligned against specific Goals.

Highlights

Climate Positive



Thriving Landscapes



Inclusive Progress



Sustainable Growth



- Completed the first phase of the planned solar panel installation project with the commissioning of a 1 megawatt panel at our site in Kerinci, which will form part of 20 megawatt solar panels to be completed in 2025.
- Launched two electric buses in Kerinci in September, supporting lower-carbon employee commuting to our mill.
- Awarded license to use effluent treatment sludge, which is classified as biomass, and can be used as a fuel substitute in production.
- Began using the Spatial Monitoring and Reporting Tool, or SMART tool, to allow us to identify risks to wildlife as they emerge on the ground and to protect biodiversity.
- On track to increase mean annual increment to 22 tonnes in 2021, up from 20 tonnes in 2020, through ongoing silviculture enhancements, genetic improvement, better soil nutrition.
- Set up peatland science research lab at Eco-Camp in Restorasi Ekosistem Riau area to allow ongoing research on tropical peatland science.
- Expanded educational support to cover 172 schools including a number outside the 50km radius of our operations.
- Completed study with SMERU Research Institute to identify villages in designated area with serious nutrition problems, in order to target resources appropriately.
- Signed up to the United Nation's Women Empowerment Principles, established by the UN Global Compact.
- Introduced a range of specific projects to reduce water use and increase the recycling of wastewater.
- Carried out simulations at laboratory level on repurposing existing waste types into production cycle.
- Progressed assessment on pre-consumer textile waste sourced from Sri Lanka, Bangladesh and Indonesia to be recycled in cellulosic fiber.

What's Next?

Reporting on performance against the targets will be part of ongoing operational monitoring and reporting on annual basis, and progress reporting in the APRIL Sustainability Report. Performance will be independently verified from 2022 onwards. There will also be reporting on specific milestones, potentially in 2023, 2025 and 2030.



Climate Positive



We are implementing science-based solutions to drastically reduce carbon emissions.



Timothy Fenton

Head of Fiber Planning

APRIL2030 Climate Positive Champion

APRIL's Climate Positive targets will drastically reduce our carbon emissions based on the implementation of science-based solutions. These include achieving net zero emissions from land use by optimising carbon sequestration and storage across landscape types including peatland and minimising emissions through science-based landscape management.

We are also targeting 25% reduction in the carbon emissions intensity of our fibre products through investments in science and technology to further reduce energy use and sourcing most of our mill and fibre operations' energy needs from cleaner and renewable energy sources.

These targets support the Government of Indonesia's Nationally Determined Contribution (NDC), submitted in 2016 and updated in 2021, which commits to reduce emissions by 29% unconditionally and by up to 41% with international assistance against a 2030 business-as-usual (BAU) scenario.

Target:

Net Zero Emissions from Land Use

To track our carbon footprint over time, APRIL engaged Carbon Trust, an independent NGO based in United Kingdom, to verify the baseline carbon footprint related to APRIL's land use (both plantation and conservation area). In addition, APRIL collaborated with another NGO based in Singapore to calculate avoided emissions from its restoration project, Restorasi Ekosistem Riau. From this baseline, APRIL will report an independently assured percentage change over time, as milestones are achieved.

APRIL's process in the development of Greenhouse Gas (GHG) Inventory framework acknowledges that calculating a carbon footprint from land use is challenging, as there are a wide range of land use emission factors with no single, accepted universal approach to the calculation, particularly on tropical peat landscapes. Therefore, APRIL focuses on field measurement and monitoring to derive Tier 3 emission factors as encouraged by IPCC Guidance in calculating land use emissions and removals.

To monitor the above and below ground carbon stock changes, APRIL has established several hundred permanent sample plots.

To monitor the above and below ground carbon stock changes, APRIL has established several hundred permanent sample plots across the land use types: plantation, conservation and restoration areas. APRIL measures the GHG emission and removals from four different land cover types using LICOR Eddy Covariance tower instrumentation, shared with the global scientific community via collaborative and peer reviewed scientific publications.

Based on what has been learned to date operationally, APRIL has initiated a 3-year water management structure improvement program and piloted a cover crop trial following harvesting to reduce emissions at plantation level. APRIL is also participating in a Technical Working Group for the development of new GHG protocol on Land Sector and Removals Guidance led by World Resource Institute (WRI)/World Business Council for Sustainable Development's (WBCSD).



Target:
90% Renewable Energy for Our Mill and Reducing Product Emissions Intensity By 25%

These two targets are critically interlinked as we must achieve 90% target in our mill as a precursor to achieving a 25% reduction in product carbon emissions intensity.

Reducing our coal consumption is an important step towards achieving this goal. Other key steps include increasing the use of biomass and other renewable energy sources, and improving our energy efficiency.

Complementing this transition, we were awarded a license to utilise effluent treatment sludge, which is classified as biomass, as a fuel substitute. This serves a dual purpose by increasing the volume of biomass available as

a fuel substitute and hence reducing land fill deposits.

We are continuing to study ways to optimize cleaner fuel elements from by-products such as methanol purification and study alternative, feasible and scalable technologies that capture heat and carbon capture, pursued as a secondary goal to reduction. For instance, we have established a further dual-purpose project involving washing a by-product called brown fibre.

This project not only increases the utilization of brown fibre as a fossil fuel substitute, but also the recovery of soda captured in the brown fibre which complements our chemical recovery target as part of our Sustainable Growth commitment.



The electric buses deployed by APRIL at its operations in Pangkalan Kerinci, in Riau province, Sumatra, are produced by Indonesian automotive firm Mobil Anak Bangsa. Each of the MD 12E NF Type buses is spacious enough to carry 53 passengers. The bus runs on a water-cooled LifePO battery, which takes about three hours to charge.

We are continuing to study ways to optimize cleaner fuel elements from by-products such as methanol purification.

Another key initiative is the planned installation of 20 megawatt solar panels, which commenced in July 2021 with the commissioning of a 1 megawatt first phase installation project. During our second phase we aim to install an additional 4-megawatt of solar panels capacity at our mill facility.

As well, we launched two electric buses in Kerinci in September, supporting lower-carbon employee commuting to our mill. Overall, the incorporation of electric driven equipment in our mill operations is an ongoing priority on our journey to decarbonize our facility.

Target:
50% of Fiber Operations Energy Needs from Renewable Sources

APRIL has several initiatives underway to contribute to this target. The main strategy is to utilize increased levels of biofuel. In the baseline year, B20 diesel biofuel was

used. Today, APRIL is using B30 biodiesel - a blend of diesel with 30% oil palm biomass - for all operations, employee vehicles and Sector generators.

APRIL is now also trialing B50, a 50% biodiesel blended internally under permit issued by the government. The intent is to utilize a B50 blend for all its log transport, heavy equipment operations, plantation vehicles and electrical generators. For this strategy to be sustainable, both technical and economic conditions must prevail.

In addition, APRIL has ordered for trial, two dual-fuel Liquid Natural Gas (LNG) engines for log hauling of fiber to the mill. This initiative is scheduled to be tested in 2022.

To further support the achievement of the target, APRIL is in the process of procuring solar panels to install in a community area where employees and their families reside. This installation will help measure the stability of using sunlight as a source of power rather than full-time diesel-powered GenSets.



Thriving Landscapes



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



Mark Werren

Fiber Director

APRIL2030 Thriving Landscapes Champion

We are making sure that a significant portion of our landscape is conserved and protected to deliver Thriving Landscapes. A set percentage of revenue from our plantation forests is going towards forest restoration and conservation.

This includes expanding conservation and restoration areas outside our own operating footprint and ensuring zero net loss of protected forest area to achieve measurable gains in ecosystem values.

In parallel, and to minimize the amount of land needed to meet production requirements, we are investing in tree breeding, silviculture research, technology innovation and enhanced operational capabilities to achieve a 50% increase in plantation fiber productivity. Tropical peatland science is also advancing through a new research hub and Eco-Camp in our RER restoration program.

Target:
Investing in Landscape Conservation

APRIL's investment in landscape conservation is funded by a commitment to invest US\$1 per tonne of plantation fiber supplied per year. In 2021, our investment was based on volumes of fiber delivered to the mill in 2020. Our internal analysis shows that we were already spending around 70 cents per dollar per tonne of plantation fiber on conservation and restoration.

Our new and increased commitment effectively locks in conservation funding and provides planning certainty in the long term. This year we have worked across fiber operations and sustainability teams to identify the specific conservation elements

to be targeted for funding. Looking ahead, we are actively seeking other projects to add to APRIL's conservation and ecosystem restoration footprint, even beyond the company's current concession footprint.

This year we have worked across fiber operations and sustainability teams to identify the specific conservation elements to be targeted for funding.

We are also working to establish a community conservation pilot project in partnership with five villages on peat landscapes. The areas range from 1,000 to 5,000 hectares and will establish new conservation buffer zones. Establishing this project requires working closely with village communities and building on the trust established through our Fire Free Village Program.



Our next step is to complete agreements with village communities and collaborating to create livelihood opportunities to ensure the economic viability of the program and relieve pressure on the landscape. This will be a focus area for 2022.

Target: Zero Net Loss of Conservation Areas

Further addressing this target first involved undertaking a risk assessment to understand what we need to do to ensure continued zero net loss of conservation area, a big part of which is ensuring no illegal encroachment. We have now updated our conservation plans for all 32 of our owned and supply partner estates and established a new management matrix that identifies key threats and factors leading to land encroachment.

The matrix approach also identifies best responses to potential encroachment, where funding should be targeted and opportunities to work closely with local communities to protect conservation areas. Threats to address include illegal mining on mineral soil areas alongside rivers as well as illegal logging and hunting.

Fortnightly land cover change analysis where we monitor down to a hectare supported by ground-truthing means we are able to quickly detect and respond to any encroachment caused by these activities, report it to authorities quickly and take action, where necessary.

Achieving this target will also involve areas of land that are subject to community claims and where we are working through a resolution process.

Target: Positive Biodiversity Gains

With no definitive international standards to use as a benchmarking framework, we have set about establishing our own criteria for the unique landscapes we operate on and set seven target outputs.

These include:

1. Forest restoration and recovery
2. Restoring hydrology in damaged peatlands
3. Supporting carbon sequestration in peatland

4. Water regulation flow and quality;
5. Managing community fish catch from conservation areas
6. Developing species conservation management plans
7. Following the government's lead and working with partners to identify key species
8. Maintaining an enrichment planting program for rare or threatened species.

One of the key challenges is sourcing accurate data. Fortunately, we have excellent data on species identification through our Restorasi Ekosistem Riau (RER) program as well as good data from our other conservation areas. Complementing this, we are investing in increasing capability in species identification within our teams on the ground who can input species observations into a centralized database.

We have set about establishing our own criteria for the unique landscapes we operate on.

We are also preparing key species management plans under the guidance of the World Conservation Society which will inform landscape level intervention in 2022. Essentially, we are scaling what has worked successfully in our RER program across APRIL's entire 214,303-hectare concession conservation footprint.

Target: 50% Gain in Fiber Plantation Productivity

Our benchmark for achieving 50% productivity gain is based on delivered Mean Annual Increment (MAI) tonnes to the weigh bridge at the entrance to our Kerinci mill averaged over three years. The baseline, calculated in 2020 as the average total over the period 2018-2020, was 20 tonnes, so achieving a 50% increase by 2030 will require us to reach 30 tonnes.

Currently we are at 22 tonnes to be delivered in 2021 and confident of incremental improvement with genetics providing the quantum leap towards achieving our 2030 target. At the same time, our R&D effort is focused on silviculture enhancements, genetic improvement, better soil nutrition and improved strategies to control pests and diseases.

Increased predictive intelligence also helps drive plantation productivity and we are pushing to achieve early indicators of MAI at 6 and 18 months and subsequently every 12 months up until harvest age. In parallel, we are also developing the core capabilities of our supply partners and tasking them to take ownership of the same targets for their plantation compartments, as well as action plans in place for improved log quality and reducing log losses.

This is a holistic process and while R&D and productivity improvement have always been a focus, APRIL2030 has added impetus and an ambitious but achievable goal.

Target: Support Wildlife Protection In Indonesia

Our wildlife protection target is closely linked to our Positive Biodiversity Gains target and includes working with the World Conservation Society (WCS), where we have been learning about the extraordinary breadth and scale of illegal trade in wildlife in Indonesia. This includes wildlife originating in the forests that we manage and the complex supply chains that enable this illegal and immoral practice.

It has quickly become clear that hunting and poaching are motivated by economics and that the key to breaking the illegal wildlife supply chain lies within the local communities who play no role in driving demand for wildlife but can be instrumental in its protection. We are currently in a learning and engagement phase with WCS who are helping us develop



December 2020, APRIL worked in partnership with the Riau Nature Conservation Agency (BBKSDA - Riau), as well as with local and national authorities, to support the release of a Sumatran tiger, named Corina, into the wild on the Kampar Peninsula.

and inform a strategy and approach to stop the illegal trade in wildlife including community involvement.

This will work in tandem with the species protection plans developed in our Biodiversity

Gains target. We have begun using the Spatial Monitoring and Reporting Tool, or SMART tool, which is a specific platform that allows us to map patrols and undertake risk analysis in real time to identify wildlife protection and threat issues as they emerge on the ground.

Target: Advance Tropical Peatland Science

To advance tropical peatland science and contribute to global knowledge and practice, we continue to identify research areas for responsible peatland management and establishing relationships with research institutions around the world. This includes publishing scientific papers to help establish new international benchmarks.

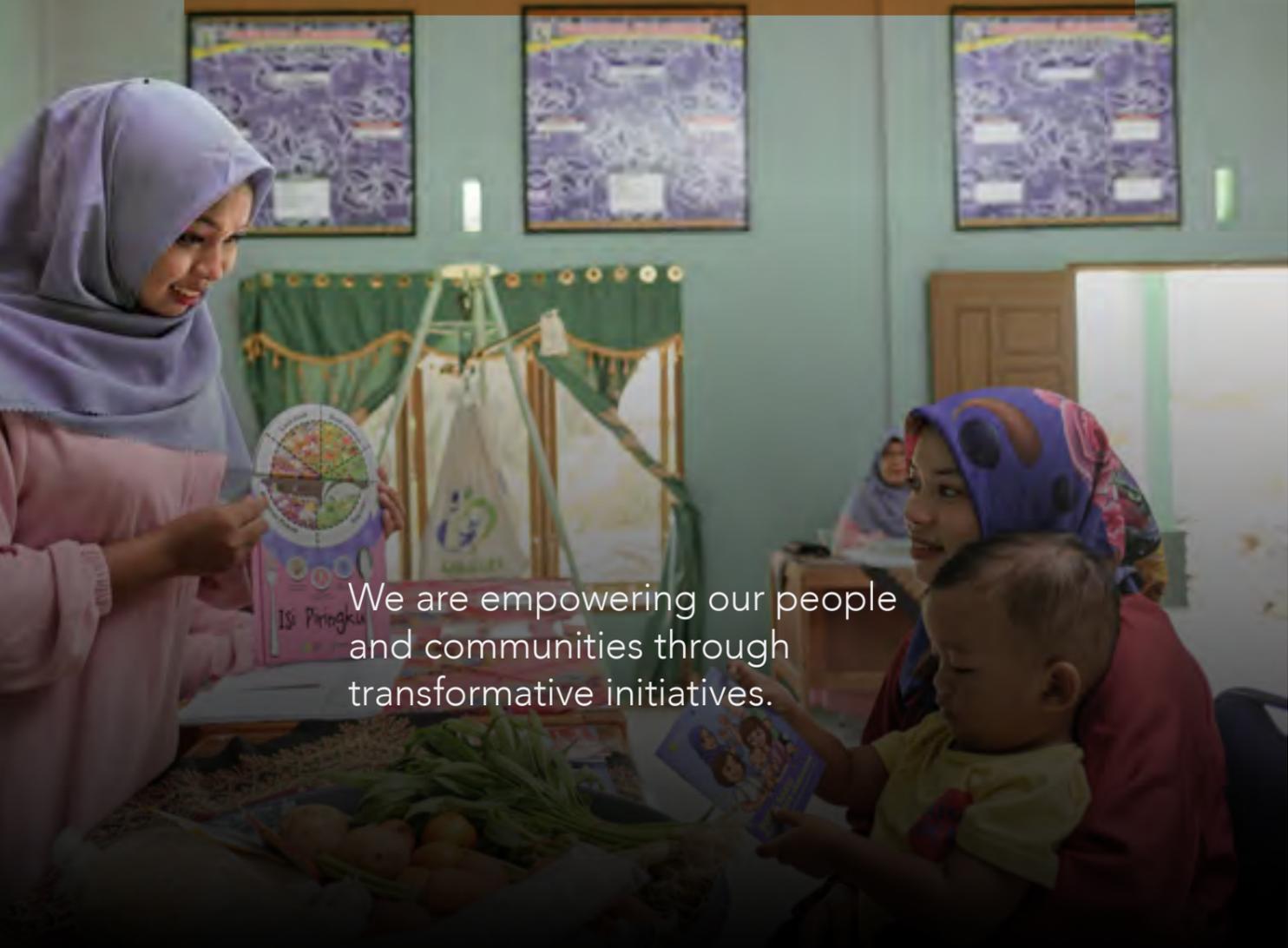
Our research is focused on emissions of peatland across different land use types and strategies to minimize these emissions, based on Flux Tower data. Our Eco-Camp on the boundary of Restorasi Ekosistem Riau includes a research lab that will allow ongoing research into tropical peatland science by scientists and experts from around the world. To our knowledge, this is the only research facility of its kind in the region.



Inclusive Progress



We are empowering our people and communities through transformative initiatives.



Sihol Aritonang

President Director, PT. Riau Andalan Pulp and Paper
APRIL2030 Inclusive Progress Champion

Our Inclusive Progress initiative aims to empower our people and communities through transformative initiatives in healthcare, education and gender inclusion. This includes the eradication of extreme poverty in our communities within a 50 km radius of our operations while boosting education and access to affordable healthcare.

help local SMEs improve their digital literacy, production planning, marketing skills and engaging in online marketplaces.

We are currently designing programs including those aimed at improving outcomes for the 59% of the local population who work in agribusiness.

We are putting particular emphasis on a program to reduce by 50% the prevalence of stunting among children below five years of age in the Riau Province. We also are committed to boosting women’s social and economic participation and ensuring equal opportunities for advancement.

Meeting this target will depend on establishing partnerships with local government and NGOs, and we continue to look for appropriate partners. One initiative is with social enterprise Tani Foundation.

The Tani Foundation conducts capacity building initiatives to link pineapple farmers to the Tanihub digital platform and provide the farmers with access to an online market for their produce. Our aim is to create more of such transformative partnerships in 2022 and beyond.

Target: Zero Extreme Poverty

The scope for this target has been developed by our partner, Indonesia SMERU Research Institute, which set the baseline for extreme poverty and have identified 204 villages which need our help within the 50km radius of our operations. Our aim is to eradicate extreme poverty within all these villages but, in doing so, we have to understand where the greatest and most urgent needs exist.



Following the baseline study and to further inform our approach, we worked with Bina Swadaya to conduct a deep dive study on 10 sample villages. The resulting analysis has identified opportunities to tackle poverty through a range of livelihood programs. We are now designing programs including those aimed at improving outcomes for the 59% of the local population in these villages who work in agribusiness. We are also exploring a partnership with social enterprise Krealogi to

Target: Promote Quality Education

Our progress target for education is to see students at APRIL-supported schools attain 10 percent above the national PISA (Program for International Student Assessment) ranking. Since 2013, APRIL has been working

to improve educational standards in 60 elementary schools. Through APRIL2030, we will continue this commitment and are expanding our program and applying PISA as our measure of success.

PISA is assessed at age 15 or Grade 9, which means we have extended our support to junior high schools to ensure that we move the needle within our communities. Our program now involves 172 schools including a number outside the 50km radius of our operations. At the heart of this initiative is a school improvement program that emphasizes on teacher training and school leadership training.

PISA scores will be the measure of the program's success and will be recorded every three years. An immediate challenge that we must address – in common with students around the world – is the loss of learning time caused by the Covid-19 pandemic and the access to quality on-line learning.

Target:
Promote Access to Healthcare

Our focus this year has been to complete baseline studies to identify where interventions are most urgently needed as we strive to improve access to primary healthcare services for targeted villages in Riau Province.

Our focus is on infrastructure, supply and people – and assessing where resources can best be applied to have a positive impact. Once those strategic decisions have been taken, we will move into the health services improvement stage. While we have implemented healthcare programs for many years, we recognize the need for a more systemic approach to primary healthcare intervention that focuses on improved permanent healthcare infrastructure.

Target:
50% Reduction in Stunting

Our aim is to reduce by 50% stunting prevalence among children below 5 years of age in villages located in Riau province. The most recent data we have indicates that stunting is an issue among 28% of children aged 5 and below in the Riau province.

Our approach has been adapted from a program initiated by the Tanoto Foundation, which is nutrition-based and draws on experience that shows stunting can be addressed through behavioral change.

We are working with district health experts to help design a behavioral approach tool kit and together with regional government we are developing and customizing a tested model that can be scaled.



The most recent data we have indicates that stunting is an issue among 28% of children aged 5 and below in Riau province.

Our baseline study with the SMERU Research Institute created a nutrition map which shows which villages in each district have serious nutrition problems and will be crucial to appropriately targeting resources through data-driven decision making.

Target:
Advance Equal Opportunities and Participation for Women

APRIL has a long-standing commitment to enabling women's effective participation in all sectors of society and providing equal opportunities for workplace advancement. We recognize that we must also address this at the leadership level among APRIL employees and our current goal is to increase the ratio of women leaders from the existing 1:11 to 1:5 by 2030.

In 2021 we signed up to the United Nation's (UN) Women Empowerment Principles (WEP). Established by the UN Global Compact and UN Women, the UN WEP offers guidance to business on how to promote gender equality and women's empowerment in the workplace, marketplace and community. Our action plan includes improved access to training programs for women and a review of the nature and structure of our current programs.

In 2021 and into 2022, we are looking at measures which can have an immediate impact. These include expansion and improvement of the daycare center in Kerinci and adjustments to our recruitment policy to make it more attractive to potential female employees.



Sustainable Growth



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



Eduward Ginting

Chief Operations Officer

APRIL2030 Sustainable Growth Champion

We are committed to the Sustainable Growth of our business which will underwrite our investments in climate, nature and people. This will see our business become more productive, diversified and circular as part of responsible production. An integral initiative will see us increasing material efficiency and circularity through improved chemical recovery, less process water use per product tonne and a significant reduction in solid waste. We aim to harness advances in technology to source fiber supply from recycled textile waste.



Target:

Increased Material Efficiency and Circularity

APRIL's focus on material efficiency and circularity aims to achieve 98% chemical recovery and 25% less process water usage per product tonne. For both targets, we have looked at international peers to establish our ambitious benchmark. In 2021, we have made significant progress, achieving our chemical recovery targets in May, June and July while work is still in progress to achieve the year-end target. We have also introduced a lime reclamation facility to maximize re-utilisation and reducing the need for new purchased lime.

We have also introduced a range of specific projects to reduce water use with the aim of reaching our internal target by year end. This focus will continue into 2022 where we aim to increase the recycling of wastewater, calling on experts to identify solutions for the recycling of the cleanest wastewater in the pulp production process and the points within the process where it can most efficiently and effectively be reused. Overall, our process water target is challenging but we have begun a robust critical review of our entire water balance in pursuit of continuous improvement.

Longer term, we are working towards a benchmarking process with sister company mills and the potential use of a centrifuge system instead of a traditional dreg filter system to reduce material losses. At the same time, we are investigating new technologies to make the pulp washing process - which is where soda is lost - more efficient and enable the level of recycling that will help address the 98% target.

Target:

20% Recycled Textile Used in Viscose Fiber

We are at the beginning of our ambitious journey to source 20% of our cellulosic fiber for viscose from recycled textile. As we near the end of the year, we are about to finish an assessment on pre-consumer textile waste sourced from Sri Lanka, Bangladesh and Indonesia, looking at feasibility including pricing and logistics as we look to implement a solution at industrial scale.

Scale is important because to reach our target we need hundreds of tonnes a day of recycled textiles.

Scale is important because to reach our target we need hundreds of tonnes a day of recycled textile which is a significant volume. In order to achieve this we will need to set up extensive recycling supply chain and partnerships. Currently the majority of pre-consumer textile waste is cotton and polyester, so our research and development team have been studying how to split the polyester and cotton with a specialized treatment and are now in the midst of patenting that process.



High cotton remains our preferred textile as polyester would create new waste streams where there is no market as yet. Decolorization remains another challenge we are working to resolve, specifically how to treat hundreds of tonnes of textile waste every day without impacting wastewater and waste to landfill.

A recent group level partnership between RGU and Nanyang Technological University (NTU) in Singapore is focused on recycling innovation at scale to address these and other challenges.

Target:

80% Less Solid Waste to Landfill

We have made significant progress towards our target of reducing solid waste to landfill by 80%. We are no longer landfilling sludge and are now using it as a fuel substitute and we have secured a license from the government to use fly ash from our power boilers and bottom ash from our recovery boilers as a road stabilizer. We have been using this material to renew and repair our Kerinci wood yard roads and surfaces.

During 2021, we have been diverting an average of 5,000 tonnes of ash a month into road upgrading. We also have estimated that within two years we will have rehabilitated all roads in the area, and therefore research into alternative uses for ash including as a soil ameliorant have begun.

We are in process of analysing exciting new ways of repurposing existing waste types.

With the assistance of our research and development team we are in process of analysing exciting new ways of repurposing existing waste types to replace purchased raw material and avoiding the generation of additional wastes. We have been carrying out simulations at laboratory level and the next step will be to assess if this works at scale in recycling existing waste stream and move us further towards our target of reducing waste to landfill by greater than 30%, while at the same time increasing biomass by greater than 6%.



“Good business is about what is good for community, country, climate, customer and company. Only then will it be sustainable”

Sukanto Tanoto

Chairman, RGE



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