

Report on APRIL Group's Implementation of Sustainable Forest Management Policy 2.0

Submitted to APRIL Stakeholder Advisory Committee on May 12, 2022

KPMG Performance Registrar Inc.
400 – 777 Dunsmuir Street
Vancouver BC
Canada

May 12, 2022

Table of contents

1. STAKEHOLDER ADVISORY COMMITTEE OBSERVATIONS	3
2. SUMMARY AND CONCLUSIONS	5
3. BRIEF OVERVIEW OF APRIL'S OPERATIONS	7
4. SFMP 2.0 AND THE DEVELOPMENT OF PERFORMANCE INDICATORS	10
5. THE ASSURANCE PROCESS	11
6. APPROACH TO REPORTING	15
7. STATUS OF PRIOR YEAR ACTION PLANS	16
8. SUMMARY OF SFMP 2.0 INDICATOR PERFORMANCE	18
I. LONG TERM SUSTAINABILITY INDICATORS.....	18
II. FOREST PROTECTION AND CONSERVATION INDICATORS	27
III. PEATLAND MANAGEMENT INDICATORS	34
IV. CONTINUOUS REDUCTION OF CARBON FOOTPRINT INDICATORS.....	38
V. PROACTIVE SUPPORT OF LOCAL COMMUNITIES INDICATORS	42
VI. RESPECT THE RIGHTS OF INDIGENOUS PEOPLES AND COMMUNITIES INDICATORS.....	49
VII. RESPONSIBLE PRACTICES IN OUR WORK PLACES INDICATORS.....	53
VIII. LEGAL COMPLIANCE AND CERTIFICATION INDICATORS.....	59
IX. GOOD CORPORATE GOVERNANCE, VERIFICATION AND TRANSPARENCY INDICATORS.....	63
X. SFMP 2.0 ADDENDA	67
APPENDIX 1: SFMP 2.0	73
APPENDIX 2: SUMMARY OF INDICATORS.....	79
APPENDIX 3: ACTION PLANS FOR NEW OPPORTUNITIES FOR IMPROVEMENT	86
APPENDIX 4: UPDATE ON ACTION PLANS FOR HISTORIC OPPORTUNITIES FOR IMPROVEMENT	90

1. Stakeholder Advisory Committee

Observations

Message from the Co-Chairs

This is the 9th report to the Stakeholder Advisory Committee (SAC) from KPMG Performance Registrar Inc. (KPMG PRI) since the APRIL Group (APRIL) announced its original Sustainable Forest Management Policy (SFMP) in 2014.

Since 2016, the reports have focused on providing assurance over key indicators of SFMP 2.0 performance and APRIL's overall progress in implementing and maintaining its SFMP 2.0 commitments. These reports provide the SAC with an understanding of APRIL's progress in implementing its commitments and allow us to focus on areas where there remain ongoing challenges.

2022 was the third year during which the assurance process had to work within the constraints associated with the COVID-19 pandemic. However, as a result of some easing of travel restrictions, we were happy to see a return to a field-based assurance process by the KPMG PRI team this year. Field assessments were able to be completed on a sample of PT. RAPP, Supply Partner, Open Market Supplier and community forest concessions in Riau, Jambi and Kalimantan. While these assessments continue to be adapted to reduce COVID-19 transmission risks, we were happy to see that KPMG PRI were also able to meet with community leaders at a number of villages during the process.

Overall, the results of the assurance process indicate that APRIL continues to make progress in relation to its key SFMP 2.0 commitments. In particular,

- managing land recovery to limit development to areas that are not forested and were not forested at the time APRIL's mixed hardwood moratorium was announced in 2015;
- driving improvements in stand productivity to meet its fiber self-sufficiency objectives;
- achieving low levels of fire across its concessions;
- continuing to implement dispute resolution processes to address land use disputes and bring non-forested land back into production; and
- continuing to invest in an improved safety culture through the implementation of its Contractor Safety Management System (CSMS).

KPMG PRI noted seven new opportunities for improvement in this report as well as two existing opportunities for improvement which remain in progress from prior reports. We expect APRIL's timely implementation of the action plans they have developed to address these findings will drive continuous operational improvement across both APRIL and its suppliers as well as transparency.

As we look forward to next year, we hope that the impact of the pandemic will continue to abate, allowing for a greater degree of engagement with local stakeholders in the design and implementation of the assurance process.

As always, we would like to thank the APRIL staff for working alongside KPMG PRI to enable the production of this report. This also holds true for APRIL suppliers, contractors and other critical personnel who provided access to the KPMG team during difficult times.



Ida Bagus Putera Parthama & Prof. Jeffrey Sayer
Co-Chairs
APRIL Stakeholder Advisory Committee

2. Summary and Conclusions

In 2022, KPMG PRI completed a limited assurance engagement over 34 indicators of APRIL Group (APRIL)'s implementation of its Sustainable Forest Management Policy (SFMP) 2.0 commitments. This report describes the scope of the work conducted and KPMG PRI's findings.

Objective of the engagement

We were engaged by the independent Stakeholder Advisory Committee (SAC) of APRIL to undertake a limited assurance engagement over:

- APRIL's progress in implementing action plans related to two opportunities for improvement identified in our September 2021 limited assurance report and four remaining opportunities for improvement related to prior assurance reports; and,
- APRIL's performance under 34 SFMP 2.0 indicators for the period from January 1, 2021 to December 31, 2021 and related conformance with SFMP 2.0

The SFMP Performance Indicators

The SFMP 2.0 performance indicators were developed by APRIL with the input of its SAC to provide quantitative information on APRIL's progress implementing its commitments under SFMP 2.0. The development process for the indicators included input from both local and international stakeholders.

Given the nature of the subject matter and the available methods for determining quantitative and qualitative performance data for indicators of this type there are inherent limitations in the degree of precision that can be achieved. Management has developed methodologies for each of the indicators, which may change over time and can impact measurements and comparability.

Management's responsibilities

APRIL management is responsible for the preparation and presentation of the SFMP performance indicator data in accordance with APRIL's internal guidelines and definitions for SFMP reporting. APRIL management is also responsible for the development and implementation of the action plans to address the identified opportunities for improvement which are detailed in Appendix 3.

Our responsibility

Our responsibility is to perform a limited assurance engagement and to express a conclusion based on the work performed. The engagement was carried out in accordance with ISO 17021, which is the standard most commonly applied globally for sustainable forest management certification engagements.

Our approach

A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the selected SFMP indicator performance data and applying analytical and other evidence gathering procedures to the data, as appropriate. Our procedures included:

- Inquiries with relevant staff at the corporate and operational level to understand the data collection and reporting processes for the SFMP performance indicator data;

- Comparing the reported data to the underlying data sources;
- Inquiries of management regarding key assumptions and where relevant, the re-performance of calculations; and,
- Field inspections at two PT. RAPP Sectors, three Supply Partner Concessions, one Open Market Supplier Concession and one Community supplier to assess field conditions for consistency with reported data.

The extent of evidence gathering procedures performed in a limited assurance engagement is less than that for a reasonable assurance engagement, and therefore a lower level of assurance is obtained.

Our Findings and Conclusions

Based on our examination:

Performance Indicator Data and Conformance with SFMP 2.0 – based on the procedures performed, nothing has come to our attention that causes us to believe that the APRIL SFMP 2.0 performance indicator data presented in the report have not been prepared and presented, in all material respects, in accordance with APRIL’s internal guidelines and definitions for SFMP reporting;

- we did not identify any non-conformances in the implementation of SFMP 2.0 requirements during the reporting period.
- we identified **seven** new opportunities for improvement. These are summarized in Appendix 3 of our report along with formal corrective action plans developed by APRIL to address the opportunities identified.

Status of Action Plans Developed to Address Previous Assurance Findings – based on the procedures performed, nothing has come to our attention that causes us to believe that APRIL’s assessment of action plan status presented in Section 7 of this report has not been prepared and presented, in all material respects, in accordance with the criteria for determining action plan status described in Section 7.

Good Practices – While our assurance process was not specifically designed to identify and report on Good Practices, in the course of our work we did identify 3 Good Practices that were considered to be appropriate to report in order to provide the Stakeholder Advisory Committee with context on APRIL’s implementation of their SFMP 2.0.

Our findings are also provided on an indicator-by-indicator basis within Section 8 of our report, along with explanatory notes on the performance information.

Use of the Report

Our assurance report is provided solely to the independent Stakeholder Advisory Committee of APRIL in accordance with the terms of our engagement. Our work has been undertaken so that we might report to the Stakeholder Advisory Committee on those matters we have been engaged to report upon in this assurance report, and for no other purpose. We do not accept or assume responsibility to anyone other than the Stakeholder Advisory Committee for our work, for this assurance report, or for the conclusions we have reached.

KPMG PRI

KPMG Performance Registrar Inc.
Vancouver BC Canada
May 12, 2022

3. Brief overview of APRIL's Operations

APRIL Group maintains an integrated pulp and paper mill in Pangkalan Kerinci, in Riau Province, Sumatra. The mill is capable of producing 2.8 million tonnes of pulp and 1.15 million tonnes of paper per year.

Fiber for the pulp and paper mill is derived from approximately 450,000 hectares of plantations maintained by PT. Riau Andalan Pulp and Paper (PT. RAPP) as well as Supply Partner concessions located on Sumatra. APRIL Group and its Supply Partner plantations currently supply approximately 84% of the mill's fiber needs, the remainder being met by Open Market Suppliers in Sumatra and Kalimantan.

A map showing the general location of PT. RAPP and Supply Partner concessions is provided in Figure 1 below. A map showing the location of Open Market Supplier concessions is provided in Figure 2 on the following page. Further information on APRIL's operations can be found at www.aprilasia.com.

Supply Partners are those suppliers that have long-term partnerships with APRIL, providing all their plantation fiber to APRIL as well as contributing toward APRIL's to 1:1 conservation commitment. The remaining supply sources are smaller scale community forests (which provide approximately 1% of current supply) and Open Market Suppliers, which are larger scale concession managers with which APRIL contracts for log purchases. Open Market Suppliers may sell fiber to third parties and do not contribute to APRIL's 1:1 conservation commitment.

Further information on APRIL, its sustainable forest management commitment and related maps and supplier data are provided on APRIL's sustainability dashboard, located at <http://sustainability.aprilasia.com>.

Figure 1 General Location of PT. RAPP and Supply Partners

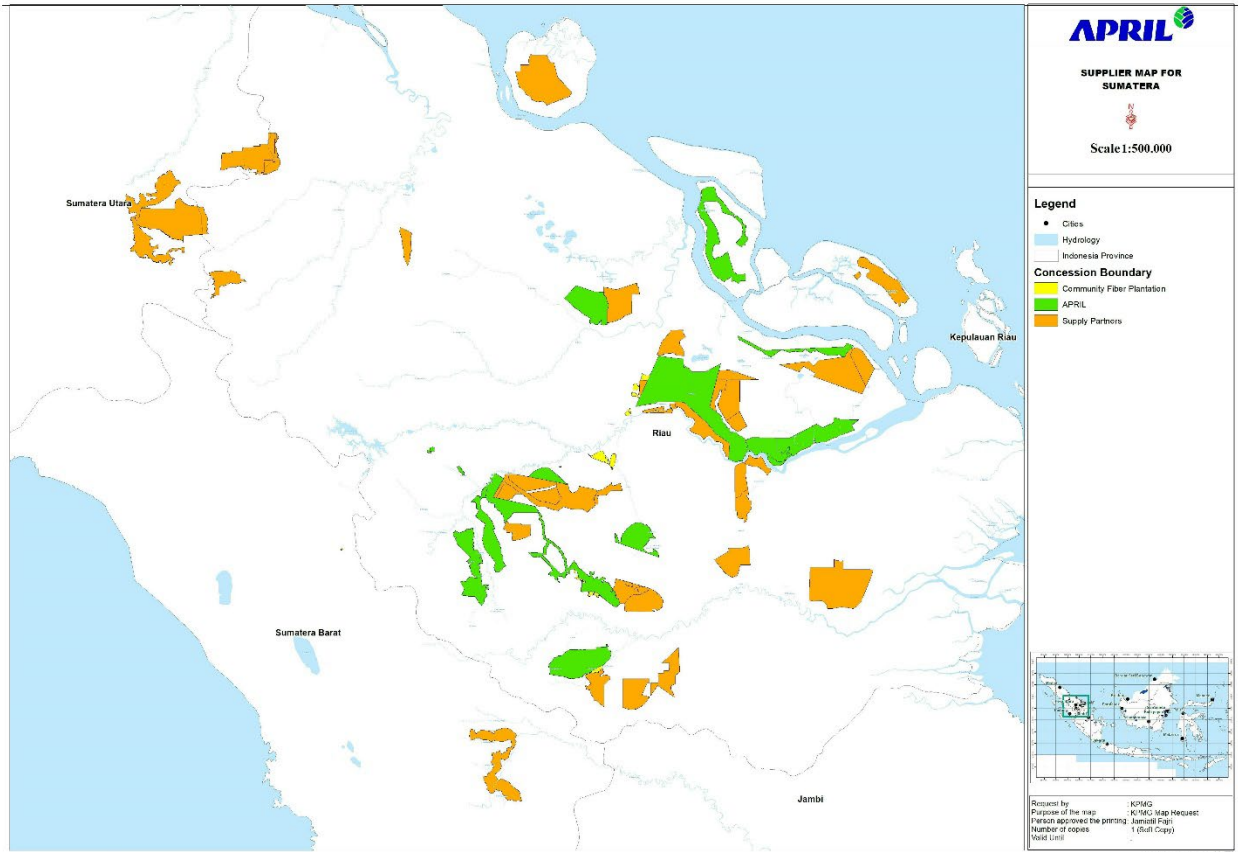
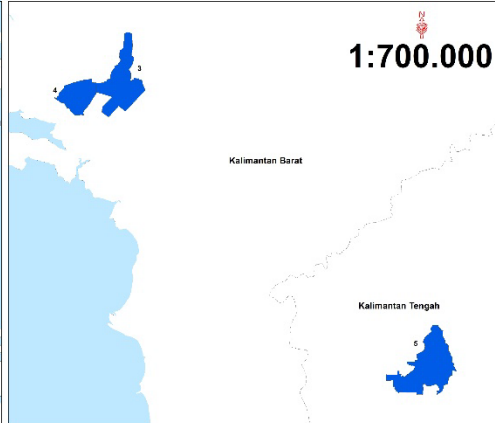
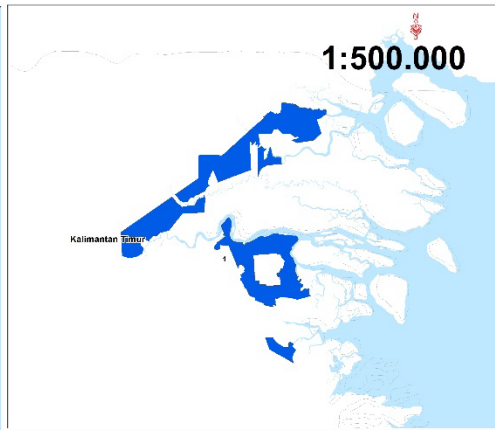
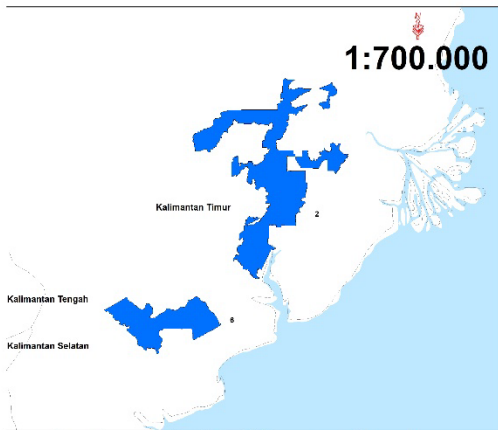


Figure 2 General Location of Open Market Suppliers



APRIL

OPEN MARKET MAP FOR KALIMANTAN & SUMATERA

Legend

- Cities
- Hydrology
- Indonesia Province

Concession Boundary

1. PT. Adindo Hutani Lestari
2. PT. ITCI Hutani Mawanggal
3. PT. Mayangkara Tenaman Industri
4. PT. Wana Subur Lestari
5. PT. Korintiga Hutani
6. PT. Fajar Surya Swadaya
7. PT. Wanasuka Nusanora
8. PT. Wahana Lestari Makmur Sukses
9. LPHD Kerejestasi Gunung Sahlan

Prepared by : APRIL
 Purpose of the map : OPMG Map Request
 Person approved the printing : Anandhi Raju
 Number of copies : 1 (S&M Copy)
 Year 2018

4. SFMP 2.0 and the Development of Performance Indicators

Independent Stakeholder Advisory Committee

Since 2014, APRIL has maintained a Stakeholder Advisory Committee (SAC or Committee) of independent sustainable forestry and social experts. The Committee was created to oversee implementation of APRIL's Sustainable Forest Management Policy.

SFMP 2.0 was announced publicly on June 3, 2015 and is the second iteration of APRIL's Sustainable Forest Management Policy. The policy can be found at www.aprilasia.com/en/sustainability/sustainability-policy and in Appendix 1 of this report.

Starting in 2015, the SAC appointed KPMG PRI to undertake public assessments of APRIL's progress on its SFMP 2.0 commitments. KPMG PRI reports its findings directly to the SAC. Historic reports presented to the SAC can be found at <https://sustainability.aprilasia.com/en/sustainable-forestry-management-policy-2-0/>

Minutes of SAC meetings and recommendations made by the SAC can be found at

<http://www.aprilasia.com/en/sustainability/stakeholder-advisory-committee/meeting-updates>

SFMP 2.0 Indicators

Purpose of Indicators – The SFMP 2.0 indicators have been established in order to track implementation of SFMP 2.0 over time. A full list of all indicators can be found in Appendix 1.

Indicator Development – Since 2015, APRIL has worked with its independent SAC and external stakeholders to maintain a set of indicators that tracks implementation of key commitments under SFMP 2.0. The indicators were subject to stakeholder consultation with both local and international stakeholders during the development process.

The indicators are refined annually and the current set of 34 indicators was adopted following review by the SAC in its meeting of February 2-3, 2022.

The indicator set is not expected to remain static for future reporting periods, and will be adjusted over time to reflect:

- The availability of new data that is better suited to monitoring SFMP 2.0 performance;
- Changing areas of interest identified by stakeholders through both APRIL and SAC stakeholder engagement processes;
- Emerging areas of interest identified by APRIL's SAC; and
- Public feedback on the indicators, which are publicly available on APRIL's sustainability dashboard.

5. The Assurance Process

About KPMG Performance Registrar Inc.

KPMG Performance Registrar Inc. (KPMG PRI) is a wholly owned subsidiary of KPMG LLP Canada (the ultimate parent of KPMG PRI), which is the Canadian member firm of KPMG International. KPMG PRI operates as a certification and verification body under the ISO 17021 (management system assurance) and ISO 14065 (GHG assurance) programmes.

KPMG PRI is accredited to conduct certification as follows:

- PEFC chain of custody
- SFI chain of custody
- PEFC Forest Management certification (Canadian Standards Association and Sustainable Forestry Initiative standards)
- ISO 14001 (Environmental Management Systems)
- ISO 9001 (Quality Management Systems)
- ISO 14065 (Greenhouse Gas Verification)

KPMG PRI supports KPMG's Center of Excellence in Forestry in providing field-based assurance over forestry practices. A separate wholly owned subsidiary, KPMG Forest Certification Services Inc. provides FSC forest management and chain of custody certification.

KPMG staff have specific expertise in forestry, biology and social audits and work alongside local Indonesian field teams to provide assurance under SFMP 2.0.

Conduct of the Engagement

The engagement was carried out in accordance with ISO 17021, which is the global standard most commonly applied to sustainable forest management certification audits.

Engagement Phases– The engagement was undertaken as follows:

- Planning

A representative for KPMG met with the Stakeholder Advisory Committee to describe the proposed assurance approach to be undertaken in 2022 as well as the indicators to be assured. The proposed scope of indicators was also presented at this meeting for consultation.

Subsequently, the proposed approach and indicators to be assured were reviewed and finalized with the SAC. The SAC review of the indicators can be found here: <https://sustainability.aprilasia.com/en/sac-meeting-minutes-2-3-feb-2022/>

A formal assurance plan with detailed site visit logistics and documentation requirements was shared with APRIL immediately before the initiation of assurance activities.

- Concession field visits – February 2022

Seven field visits were undertaken as described in Table 1 below. In addition, the corporate office at the Kerinci mill site was visited between February 14-26, 2022 to conduct interviews with APRIL staff as well as to undertake document and record review and assessment of chain of custody over wood flows into the mill.

As a result of the continuing COVID-19 pandemic, modifications were required to the standard approach to field visits in order to reduce the risk of COVID-19 transmission. These included the absence of stakeholder observers, a reduced level of meetings with local communities and a focus on one on one and small group meetings (such as with the village head) rather than open community meetings. While this approach allowed for field visits to occur in 2022 it is recognized by the SAC and KPMG PRI that local stakeholders would prefer to see more community involvement in the assurance process. Methodology changes to accommodate an increased level of local involvement in the assurance process were deferred in the current year due to the ongoing pandemic but are expected to be implemented once health risks reduce.

Table 1: Location of site visits

Sector / Concession	Ownership	Dates
PT. Adindo Hutani Lestari North Kalimantan	Open Market Supplier	February 1-3, 2022
HR. Koperasi Penarikan Jaya Riau	Community Supplier	February 9, 2022
Sector Logas Riau	PT. RAPP	February 15-18, 2022
Sector Pulau Padang Riau	PT. RAPP	February 15-18, 2022
PT. Sumatera Riang Lestari (Sector Pulau Rangsang) Riau	Supply Partner	February 21-24, 2022
PT. Sumatera Sylva Lestari (Sector Utara, Padang Lawas) Riau	Supply Partner	February 21-24, 2022
PT. Rimba Lazuardi (Sector Lubuk Jambi) Jambi	Supply Partner	February 23-25, 2022

- Report development and review with the independent Stakeholder Advisory Committee – April 2022

In the reporting phase, the engagement team reviewed additional documentation supporting indicator performance and gathered explanations to support key assertions in the indicators. Initial conclusions were fact-checked with APRIL prior to finalizing the draft report.

The draft report was then developed and submitted to the Stakeholder Advisory Committee for comment prior to finalization.

- Action planning and acceptance – April 2022

APRIL developed and submitted corrective action plans for the findings identified during the assurance process. These corrective action plans were reviewed by KPMG PRI for adequacy and once determined to be adequate, accepted.

Timely and effective implementation of corrective action plans is the responsibility of APRIL. Future reviews will assess the implementation of these corrective action plans.

Team – The engagement team consisted of eight professionals as shown in Table 2.

Table 2: Engagement Team

Chris Ridley-Thomas	Professional biologist (RPBio) and environmental auditor (EP EMSLA). Over 20 years forest certification experience using PEFC, FSC, SFI and CSA standards. Experience in North America, Eastern Europe, South America, South East Asia. Environmental due diligence experience related to tropical concessions and REDD projects. Direct experience conducting regulatory investigations of logging practices as well as advising companies on controls over elimination of illegal harvest. 8 years experience with forestry in Indonesia
Bodo Von Schilling	Professional forester (RPF) and environmental auditor (EP EMSLA). Over 28 years experience with forest management and auditing with experience using PEFC, FSC, SFI and CSA standards as well as field testing standards. Previous experience as a forestry investigator working for a Government oversight agency. Experience in North America and South East Asia. Over 40 forest based GHG audits, including REDD type projects.
Michael Buell	Professional forester (RPF). Over 20 years experience in sustainable forest management as well as assessment and implementation of forest carbon offset and ecological projects. Experience with private industry, pension funds, TIMO/REITs, government and First Nations clients on projects spanning North America, South America and Asia. Historic experience in assessing, developing, and managing forest carbon offset projects, data preparation and modeling to support baselines and project activities, project documentation, forest carbon inventory design and development, field sampling, use of satellite imagery, audit and project management support.
Yudi Iskandarsyah	Forester with a degree in Forestry from the Faculty of Forestry, Bogor Agricultural Institute and a Masters in Environmental Management from Yale School of Forestry and Environmental Studies. Extensive Indonesian experience over 27 years covering sustainable forest management, FSC forest management and controlled wood auditing, HCV and HCS assessment. Previous experience with TNC, including Deputy Program manager of TNC-WWF Alliance to Promote Forest Certification and Combat Illegal logging in Indonesia.
Nawa Irianto	Forester with a degree in Forest Product Technology from the Faculty of Forestry, Bogor Agricultural Institute. Extensive Indonesia / Liberia /Laos experience over more than 20 years covering sustainable forest management, FSC forest management /controlled wood auditing, community and small-scale forestry and biodiversity assessment. Previous experience as head of operations for 4 forest concessions in Indonesia , with TNC as Manager of Improved Forest Management and with TFT as Forest Certification Specialist and East Indonesia Program Manager.
Agus Putera	Forester with a degree in Forestry from the Faculty of Forestry, Bogor Agricultural Institute. Extensive Indonesian experience as well as South and North American experience over 30 years covering sustainable forest management, FSC forest management and controlled wood auditing, verification of legal compliance and wood legality, chain of custody and remote sensing.
Michelle Champion	Environmental professional with a degree in Environmental Sciences, Queens University. Over 5 years experience in sustainability assurance reporting, social return on investment, and greenhouse gas verification and validation. With experience in pulp and paper manufacturing, forestry, energy, and not-for-profits.
Alicia Kurnia Liono	Jakarta based ESG professional with a background in sustainable finance, corporate sustainability, and research. Holds a Biology degree from Imperial College London. Previous experience on the APRIL engagement providing language support to the assurance team in Kerinci.

Stakeholder Observers – Stakeholder observers are typically involved in the field inspections to support transparency of the assurance process. However, due to COVID 19, the stakeholder observer process was postponed until field assessment activities are able to be conducted without limitations on social interaction.

6. Approach to Reporting

For each of the performance indicators, information is presented from two sources:

- APRIL's own quantitative data related to the indicator; and,
- KPMG PRI's information on the work undertaken to assess the indicator data and the KPMG PRI findings.

Each performance indicator is presented in the following general format:

Table 3: Format of performance data presented in Section 8.

INFORMATION PROVIDED BY APRIL	APRIL data for the period from January 1 to December 31, 2020	The report presents quantitative performance data prepared by APRIL in relation to each of the performance indicators in order to set a performance baseline against which future progress can be gauged
INFORMATION PROVIDED BY KPMG PRI	Evidence Reviewed	The key evidence reviewed by KPMG PRI in relation to performance
	Findings	Additional information to provide context to the indicator data and explain the link between the indicator data and SFMP 2.0
	Non-Conformances	Non-conformances are raised where the indicator data or the lack of indicator data is associated with a breach of the requirements of SFMP 2.0.
	Opportunities for Improvement	Opportunities for improvement are raised where KPMG PRI identifies opportunities for improvement in the scope of the indicator, the indicator data collection and quality control processes, or in the nature of the underlying SFM practices and monitoring undertaken by APRIL in relation to the indicator. In such cases a specific breach of SFMP 2.0 has not been identified.
	Good Practices	Good Practices are identified where KPMG PRI identifies specific practices being undertaken by APRIL or its suppliers that clearly demonstrate the potential of SFMP 2.0 to drive continuous improvement. While our assurance process was not specifically designed to identify and report on Good Practices, we include these practices in our report in order to provide the Stakeholder Advisory Committee with context on APRIL's implementation of the performance indicators.
	Observation	Observations are raised in order to draw attention to information important to an understanding of APRIL's performance. These are not non-conformances and relate to topics where APRIL already has continuous improvement initiatives underway and therefore an "Opportunity for improvement" is not warranted and an action plan is not necessary.

7. Status of Prior Year Action Plans

APRIL data related to status of open actions for prior non-conformances and opportunities for improvement

Table 4a: Status of action plans related to non-conformances.

There were no open action plans related to non-conformances at the beginning of the year.

Table 4b: Status of action plans related to opportunities for improvement.

SFMP 2.0 Policy Element	# of open action plans from prior years	# of action plans "Closed"	# of action plans "In Progress"	# of action plans "In Development"
I. Long-term sustainability	1	1	-	-
II. Forest protection and conservation	1	-	1	-
III. Peatland management	N/A	N/A	-	-
IV. Continuous reduction of carbon footprint	N/A	N/A	-	-
V. Proactive support of local communities	N/A	N/A	-	-
VI. Respect the rights of indigenous peoples and communities	1	-	1	-
VII. Responsible practices in our workplaces	1	1	-	-
VIII. Legal compliance and certification	N/A	N/A	-	-
IX. Good corporate governance, verification and transparency	2	2	-	-
Data Reporting	N/A	N/A	-	-
Total	6	4	2	-

KPMG Comments and Findings

The six open action plans from KPMG's September 2021 assurance report relate to two new opportunities for improvement issued in 2021 and four remaining opportunities for improvement related to prior year reports.

The current status of each action plan is rated as either Closed (the required actions to address the issue have been undertaken and the issue is being addressed), In Progress (the required actions are in the process of implementation but are not yet complete) or In Development (the approach to implementing the action plan has not yet been finalized and the issue has not yet been addressed).

Four of the six open action plans have now been closed. The two actions plans that remain in progress relate to findings initially issued in 2020:

- An opportunity to Improve corporate oversight over APRIL's grievance process, specifically in relation to grievances filed at individual estates or concessions rather than under APRIL's corporate process. A revised SOP has been developed to guide this process but has not, to date, been implemented.

- An opportunity to develop a broad plan to address the rehabilitation, where possible, of the significant backlog of historic encroachment. APRIL remains in the process of re-analyzing its existing land cover estimates for conservation area that is not currently forested to assess whether there are additional restoration needs beyond the existing annual restoration activities on each concession.

8. Summary of SFMP 2.0 Indicator Performance

I. Long Term Sustainability Indicators

Indicators Assessed

Five Long Term Sustainability performance indicators were assessed as follows:

I	Long Term Sustainability:
<i>Overall objective: By increasing the productivity of our own plantations and those of our suppliers on our existing plantation footprint and eliminating mixed hardwood from natural forest from our supply chain.</i>	
a.	Tonnes and % of fiber supply by region (PT. RAPP, Suppliers (concessions, community forests, outgrower programs)
b.	# of Ha developed by category (Forested, Non-Forested and HCV ¹ /HCS ² and non-HCV/HCS)
c.	Land or licenses acquired by APRIL after 3 June 2015 and # of hectares of associated development (HCV/HCS and non-HCV/HCS)
d.	Third party mill deliveries (# of tonnes) from post June 3, 2015 clearing of HCV, HCS forests or forested peatlands.
e.	Progress toward fiber supply self-sufficiency

¹ High Conservation Value

² High Carbon Stock

Indicator Performance

I	Long Term Sustainability:
a.	Tonnes and percentage (%) of fiber supply by region (PT. RAPP, suppliers (concessions, community forests))

APRIL data for the period from January 1, 2021 – December 31, 2021

This table shows the breakdown of wood deliveries to the PT. RAPP pulp and paper mill in Kerinci by source.

Wood Source	2021 Deliveries		2020 Deliveries	
	(Tonnes)	(%)	(Tonnes)	(%)
Plantation				
PT. RAPP	5,055,435	42.89%	4,126,772	37.18%
Supply Partners	4,827,396	40.95%	4,362,569	39.31%
Open Market Suppliers	1,787,322	15.16%	2,271,565	20.47%
Community Forestry	117,330	1.00%	338,027	3.05%
Sub-Total	11,787,483	100%	11,098,933	100%
Mixed Hardwood (MHW)				
PT. RAPP	-	-	-	-
Supply Partners	-	-	-	-
Open Market Suppliers	-	-	-	-
Community Forestry	-	-	-	-
Sub-Total	-	-	-	-
Total	11,787,483	100%	11,098,933	100%

Evidence Reviewed

APRIL provided information on deliveries by supplier to the Kerinci mill for 2021. The information was cross-checked against scale delivery data on a sample basis to check the accuracy of amount received, its source and its plantation status. We also conducted mill, wood yard and concession inspections to confirm that only plantation species were being supplied.

Findings

This indicator tracks the source of supply for PT.RAPP's Kerinci mill.

PT. RAPP and Supply Partner plantations supplied approximately 84% of the total fiber to the Kerinci mill for pulp production and all of the fiber supplied was from plantation sources. Most of the Open Market Supplier fiber is sourced from Kalimantan. Consistent with SFMP 2.0, no mixed hardwood deliveries were received after December 31, 2015.

Indicator Performance

I	Long Term Sustainability:
b.	Hectares (Ha) developed by category (Forested, Non-Forested, HCV/HCS, and non-HCV/HCS)

APRIL data for the period from January 1, 2021 – December 31, 2021

PT. RAPP and Supply Partners		2021 (Ha)		2020 (Ha)	
		PT. RAPP	Supply Partners	PT. RAPP	Supply Partners
New development		0	0	0	0
Initial planting on previously deforested (non-HCV/HCS) land	Mineral Soil	71	472	765	1,921
	Peatland	401	1,574	0	733

Evidence Reviewed

Planting records related to new (first rotation) plantations were reviewed to assess whether the planting was related to areas being newly developed or areas that had been historically developed.

A sample of recently recovered areas scheduled for future planting was also reviewed for sites that had previously been under land claim.

For a sample of sites, the absence of native forest cover between the moratorium implementation date (May 15, 2015) and the date of planting was checked using a combination of historic aerial imagery, planting records and field observations.

Findings

This is a key indicator of conformance with SFMP 2.0 commitments restricting new development of forested land after May 15, 2015.

Ongoing land recovery activities are leading to a gradual increase in the plantation footprint. These activities are bringing land that has been denuded at some point prior to May 15, 2015 and remains non-forested back into production. Field inspections indicate that this land is generally a matrix of scrub resulting from slash and burn agriculture and failed or abandoned agricultural plots created by local communities and burned areas. In each of the cases reviewed, APRIL was able to provide evidence that the site had been previously deforested and was not currently forested. Where there was a known claimant to the land an agreement had been reached with the claimant to develop the land. Where no known claimant exists, a process of socializing the proposed land recovery is undertaken to attempt to identify potential claimants in advance of recovery.

In general, increasing amounts of land recovery is a positive outcome as this brings productive land that is not natural forest back into production, helping to achieve fiber supply self-sufficiency for APRIL and resulting in clear management rights on the land through agreement with the previous claimants.

APRIL's land recovery SOP guides the process of determining whether areas can be planted based on the current status of the land and evidence of loss of forest cover prior to May 15, 2015. However, the SOP is intended as an interim process until such time as High Carbon Stock (HCS) and High Conservation Value (HCV) assessments, which

are referenced in SFMP 2.0 as required for determining non-forested status, are complete. Given the increasing amounts of land recovery, the following Opportunity for Improvement is raised:

2022 Opportunity for Improvement #1

APRIL SFMP 2.0 has a clear commitment to HCS assessment ahead of development activities. Recognizing that HCS has evolved significantly since the SFMP 2.0 commitments were made and that HCS assessment takes significant time, in the interim APRIL have developed a land recovery SOP to guide retention of residual forest values during land recovery of ex-dispute areas in order to mitigate risk to residual forest values. Our assessment found that while this SOP is being implemented:

- the SOP is designed for small scale land recovery. As the areas recovered increase in scale, there is a need to re-evaluate the SOP and particularly, to clarify where the scale of recovery requires HCS assessment.
- For existing land recovery operations there is an opportunity to clarify standards for the quality of photographic evidence required to support the current, and historic, deforested status of the land that is necessary for the land to be eligible for development.

In addition, field inspections led to the following observation:

Observation

Field inspections noted that in some cases land that is classified as under land claim had been re-classified to plantable prior to formal resolution of the claim (primarily to ensure that the planning process for planting is started in a timely manner). We did not find instances where subsequent planting had occurred prior to the claim being resolved but this practice may increase the risk of this occurring if APRIL does not ensure that effective controls are in place to avoid premature planting.

Open Market Suppliers

In 2020, a claim was raised by a third party related to potential new development on the PT. Adindo Hutani Lestari (“Adindo”) concession in Kalimantan, which included an estimate of 7,291 hectares of potential “deforestation” on the concession since the implementation of APRIL’s moratorium on new development in 2015. Remote analysis was conducted by KPMG in both 2020 and 2021 to assess whether new development had occurred that was inconsistent with SFMP 2.0. This work did not identify significant new development but did raise **2021 Opportunity for Improvement #1** related to the lack of assessment of land recovery operations in APRIL’s supplier due diligence checklist.

In 2022, KPMG were able to conduct a field assessment at Adindo at the request of APRIL’s independent Stakeholder Advisory Committee. The objective was to field verify conclusions reported to the Committee in 2020 and 2021 regarding the 2020 deforestation claims.

The field verification was able to gather more detailed evidence of prior land use and land cover at sites identified as a concern for natural forest loss during the remote assessment conducted in 2020 and 2021. The field verification confirmed that the findings reached regarding Adindo new development and land recovery activities in 2021 remain appropriate.

KPMG were also able to determine that in response to the KPMG findings raised in 2021, Adindo has established new land recovery procedures and currently has a moratorium on land recovery activities that together mitigate further risks to natural and secondary forest associated with land recovery pending completion of an ongoing HCS assessment.

The field verification also determined that APRIL’s due diligence process and land cover change monitoring process has been improved to effectively identify and follow up on land recovery activities conducted by suppliers for compliance with SFMP 2.0 resulting in the closure of **2021 Opportunity for Improvement #1**.

One new recommendation was made related to the need for APRIL to clarify how, when and at what scale it will deploy HCS assessments to support its commitment to retaining natural forest values.

Indicator Performance

I	Long Term Sustainability:
c.	Land or licenses acquired by APRIL after 3 June 2015 and # of hectares of associated development (HCV/HCS and non-HCV/HCS).

APRIL data for the period from January 1, 2021 to December 31, 2021

Land or licenses acquired by APRIL
No new land or licenses were acquired.

Evidence Reviewed

We reviewed a summary of fiber sources to the mill and compared this to existing Supply Partner and Open Market Supplier concession data. The fiber deliveries list was cross-checked against scale data and delivery records to determine whether all sources of supply were included. We assessed land bank and land cover change data for significant changes in concession boundaries

We also conducted management interviews regarding license changes and new licenses since June, 2015.

Findings

A number of SFMP 2.0 commitments apply to new land or licenses acquired, including specific approaches to the identification of High Conservation Values (HCV) and High Carbon Stock (HCS) prior to development, constraints on the development of forested peatland and a commitment to free prior and informed consent by indigenous peoples and local communities prior to operations being started.

Consistent with prior years, no evidence of new land acquisition or licenses was identified. Interactive maps showing the location of existing concessions from which fiber is sourced are publicly available on APRIL's website at <http://sustainability.aprilasia.com/>.

Indicator Performance

I	Long Term Sustainability:
d.	# of tonnes MHW deliveries utilized by the Kerinci mill after the December 31, 2015 cut-off date.

APRIL data for the period from January 1, 2019 – December 31, 2019

This table shows the Kerinci mill's mixed hardwood (MHW) deliveries.

Wood Sources	MHW Deliveries (Tonnes)
	January 1- December 31, 2021
PT. RAPP	-
Supply Partners	-
Open Market Suppliers	-
Total	-

Evidence Reviewed

Wood delivery reports for the Kerinci mill were tied to reported utilization. The wood delivery reports were tested on a sample basis back to base delivery records from the scales at the Kerinci mill.

Inspections were also undertaken at the Kerinci wood yard and biomass inventory storage. Site visits were made to a sample of estates and concessions to assess the presence of mixed hardwood in the supply chain.

Findings

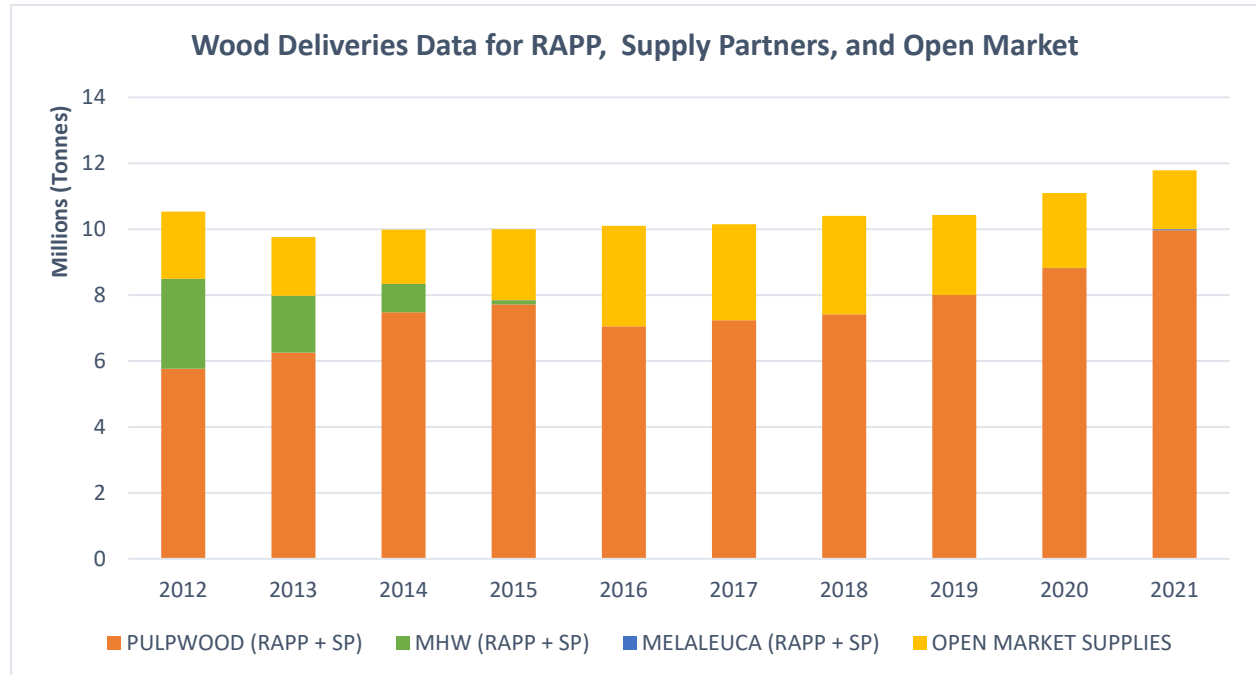
This is a key indicator of compliance with the SFMP 2.0 commitment to phase out the use of mixed hardwood from natural forest in the Kerinci mill.

No evidence was identified of mixed hardwood delivery during 2021.

Indicator Performance

I	Long Term Sustainability:
e.	Progress toward fiber supply self-sufficiency

APRIL data for Indicator I.e



Evidence Reviewed

We compared delivery data by supply source (PT. RAPP, Supply Partners, Open Market Suppliers) to historic records and assessed the change over time.

We assessed APRIL's calculated productivity improvement and compared this to plantation growth rates observed during site visits to a sample of PT. RAPP, Supply Partner and Open Market Supplier plantations.

Findings

This indicator tracks progress toward the Kerinci mill's fiber self-sufficiency from PT.RAPP and Supply Partner plantations.

APRIL's 2015 natural forest harvest moratorium led to a marked increase in fiber purchases from Open Market Suppliers. However, by 2021, PT. RAPP and Supply Partner plantation production had increased to the point where it had replaced historic natural forest harvest volume with a consequent decline in open market sources.

APRIL has set a 2030 target of a 50% gain in plantation productivity. To date, the rolling average productivity gain for 2019-2021 is 5%, which is consistent with the projected increase for the period in APRIL's 2030 forecast.

Field inspections at PT RAPP and Supply Partner concessions noted significant improvements in plantation productivity across all sites, resulting from improved seedlings, improved reforestation practices and a switch from acacia to eucalyptus on mineral soil sites.

Good Practice

Concession field visits indicated a significant emphasis on productivity gains which is being realized in current plantations.

II. Forest Protection and Conservation Indicators

Indicators Assessed

Three Forest Protection and Conservation Performance Indicators were assessed as follows:

II	Forest Protection and Conservation:
<i>Overall objective: To increase the amount of conservation area to at least match that of our plantations and to develop and transition toward landscape based plans for our concessions and our long term supplier concessions to protect ecosystem functions and conserve native biodiversity.</i>	
a.	Hectares and % of conservation and restoration area impacted by fire, development or encroachment
b.	Ratio of conservation area to total plantation area
c.	Hectares of APRIL and supplier concessions under Ecosystem Restoration Planning Processes and Hectares of APRIL and supplier concessions that have implemented Conservation Forest Management Planning

Indicator Performance

II	Forest Protection and Conservation:
a.	Ha and % of conservation and restoration area impacted by fire, development, or encroachment

APRIL data for the period from January 1, 2021 – December 31, 2021

	Conservation area ¹ as of December 31, 2021 (Ha)	Ha and % of conservation area loss by cause in 2021 ²					Conservation area loss in 2020	
		Fire (Ha)	Development (Ha)	Encroachment (Ha)	Total (Ha)	(%)	Total (Ha)	(%)
PT. RAPP	69,608	0	0	106	106	0.15%	11	0.02%
Supply Partners	139,881	0	0	89	89	0.06%	101	0.07%
Ecosystem Restoration Licenses (RER)	150,711 ³	0	0	0	0	0.00%	0	0.00%
Total	360,200	0	0	195	195	0.05%	112	0.03%

¹ Conservation areas include forested and open areas, as well as small amounts of agriculture and infrastructure areas, and excludes conservation areas under land claim.

² Conservation area loss reported is only for MHW forest cover.

Evidence Reviewed

The hectares of conservation area presented above were agreed to APRIL's "Landbank", the system used by APRIL to track land use changes on PT. RAPP and Supply Partner concessions. The accuracy of the landbank data is sample checked during field inspections of PT. RAPP sectors and Supply Partner concessions and through review of satellite imagery based land cover change data.

The extent of fire, encroachment and development activity was assessed through a combination of field inspections and review of satellite and aerial imagery.

Findings

This indicator tracks APRIL's success in maintaining the quality of conservation areas.

No new fires or plantation development within forested conservation areas were identified in 2021. However, APRIL did identify new encroachment activity within forested conservation areas of both PT. RAPP and Supply Partner concessions. Consistent with 2020, the loss of forested conservation area was minimal overall.

Potential land cover change associated with encroachment is tracked using satellite imagery and field verified at the concession/estate level. Consistent with previous years, no new fires, plantation development, and encroachment activities occurred in ecosystem restoration (RER) areas in 2021.

The number of hectares of conservation that are currently forested (as opposed to agriculture, infrastructure, open area, or scrub) is not separately disclosed due to the ongoing updates and improvement of data related to historic (pre-

2015) encroachment activities and claims that continue to be entered into the Company's "PIMS" system, which has been developed to track the status of encroachment activities and areas subject to land claims.

We note that APRIL continued to conduct restoration activities in 2021 in relation to conservation areas that have been encroached or burned.

APRIL's action plan to address **2020 Opportunity for Improvement #4** regarding the rehabilitation, where possible, of the significant backlog of historic encroachment remains in progress while APRIL re-analyzes its existing land cover estimates for non-forested conservation area to assess whether there are additional restoration needs beyond the current annual restoration activities on each concession. Our field observations in 2022 continue to indicate opportunities for additional restoration and noted that the quality of conservation area across concessions is quite variable, and in some cases there has been considerable loss of forested area to encroachment within conservation areas¹. At one supplier concession it was noted that while the conservation forest management matrix developed for the concession focuses on protection of remaining quality forested conservation it does not yet include any restoration objectives despite historic loss of most of the natural forest in the conservation area to encroachment. The Conservation Forest Management Planning process being implemented by APRIL is expected to provide the tools to determine where restoration of conservation area is a priority.

¹ Impacted conservation area is predominantly conservation area that is also under land claim and therefore excluded from the conservation area hectares reported by APRIL as part of its 1:1 commitment.

Indicator Performance

II	Forest Protection and Conservation:
b.	Ratio of conservation area to total plantation area ¹

APRIL data as of December 31, 2021

	Conservation area ¹	Total plantation area	Ratio
PT. RAPP	69,608	203,495 ³	34%
Supply Partners	139,881	236,184	59%
Community Forestry	-	8,305	0%
Ecosystem Restoration Licenses (RER) ²	150,711	-	100%
Total - December 31, 2021	360,200	447,984	80%
Total - December 31, 2019²	365,751	448,639	82%

¹Conservation area for the purpose of this indicator excludes 11,502 ha of PT. RAPP and 20,800 ha of Supply Partner conservation area that is under land claim.

²Ecosystem Restoration Licenses are granted by the Indonesian Government for degraded forest areas and allow for the restoration of these sites through the implementation of long-term ecosystem restoration activities. The ecosystem restoration activities are multi-year projects involving collaboration between APRIL, civil society, NGOs and Government.

³Excludes area classified as plantation in PT. RAPP RCU that is actually mixed hardwood

Evidence Reviewed

Recalculation of ratio based on plantation and conservation area data maintained in Landbank.

Findings

This indicator tracks progress on APRIL's commitment to establish conservation areas equal in size to its plantation areas. The ratio currently considers all conservation areas (regardless of quality) except those that are subject to land claim.

Changes in the ratio of conservation area to total plantation area occur as a result of changes in boundary measurements as well as changes in the overall amount of land under claim and changes in land use categories.

There was a decline of 4,319 hectares in reported conservation between 2019 and 2021, which is closely mirrored by an increase in conservation area under land claim (which is excluded from the reported figures). This reflects better categorization of existing conservation areas rather than new claims and relates to lands that had historically been cleared, primarily for agriculture, rather than forested conservation.

In addition to this change, a significant amount of conservation area under land claim (which is not reported) was moved to new (non-conservation) land use categories during the period. Field inspection of a number of these areas indicated that they comprise a mix of cover types ranging from small patches of residual mixed hardwood to scrub,

² Throughout this report the historic comparative data for individual indicators reflects the most recently available data over which KPMG has provided assurance. In some cases (such as Indicator IIb above), the most recent year is the year ended December 31, 2019 rather than 2020).

active and abandoned agricultural land as well as some older acacia plantations and generally do not meet the SFMP 2.0 definition of conservation which needs to be of appropriate size, shape, connectivity, and representativeness to protect ecosystem functions and to conserve native biodiversity.

The removal of these areas from a conservation land use category did not impact the amount of conservation reported as they remain under claim and was not related to areas identified as non-forested.

The existence of areas within conservation that were not fully functional has previously been noted and **2020 Opportunity for Improvement #4** identified the need for APRIL to develop a broad plan to address the rehabilitation, where possible, of the significant backlog of historic encroachment within conservation areas. The action plan to address this opportunity remains in progress while APRIL undertakes the process of re-analyzing its existing land cover estimates for conservation area that is not currently forested to assess whether there are additional restoration needs beyond the existing annual restoration activities on each concession.

Indicator Performance

II	Forest Protection and Conservation:
c.	<ul style="list-style-type: none"> - Hectares of APRIL and supplier concessions under Ecosystem Restoration Planning Processes - Hectares of APRIL and supplier concessions that have implemented Conservation Forest Management Planning

APRIL data as of December 31, 2021

	# of ecosystem restoration licenses	Hectares under ecosystem restoration planning processes
Kampar Peninsula	4 licenses	130,094 ha
Pulau Padang	1 license	20,616 ha
Total	5 licenses	150,711 ha

	PT. RAPP	Supply Partners
# of concessions that have implemented Conservation Forest Management Plans	11 of 11 Estates 340,732 ha	28 of 32 concessions 468,623 ha

Evidence Reviewed

Ecosystem restoration area was compared to Landbank, license documentation and spatial topology analysis.

Conservation forest management planning status was assessed on a sample basis through review of Conservation Forest Management matrices, plans and mapping for individual estates to confirm the status of implementation of:

- Conservation management matrices
- Conservation management plans

Hectares under conservation forest management planning was compared to land bank.

Findings

APRIL's Conservation Forest Management Framework is a tool developed by APRIL to build on existing high conservation value (HCV) assessment reports at the concession level and intended to draw all conservation efforts under a consistent framework, including identified threats, root causes, action plans, indicators and monitoring plans. The framework factors in conservation opportunities and threats that lie outside the boundaries of the concession, leading to outcomes that consider the broader landscape.

The initial phase of the conservation forest management process is the development of risk matrices for risks to conservation values and related action plans for their protection. All PT. RAPP and supply partner estates report these being in place and implemented, which was consistent with our field observations.

The second phase of the conservation forest management process is the development of formal conservation forest management plans and requires the incorporation of HCV assessment data. All PT. RAPP estates have

implemented this process. As some of the supply partner estates were developed prior to the HCV assessment process being implemented by APRIL these have required the development of new HCV reports. Approximately half of the estates required new HCV reports to complete the planning process at the end of 2019. Significant progress has been made since then with only six supply partner estates across four concessions yet to finalize conservation management plans. The remaining HCV reports required to complete the planning process are expected to be complete in 2022.

III. Peatland Management Indicators

Indicators Assessed

Two Peatland Management Indicators were assessed as follows:

III	Peatland Management:
<i>Overall objective: Minimize greenhouse gas emissions and impacts on peatland function by halting further development of forested peatland and developing and implementing best practices on peatland that is currently non-forested or has established plantations.</i>	
a.	# of Ha of plantation, conservation, and ecosystem restoration on peatland.
b.	# and % of Independent Peatland Expert Working Group (IPEWG) recommendations implemented on schedule

Indicator Performance

III	Peatland management:
a.	# of Ha of plantation, conservation, and ecosystem restoration on peatland

APRIL data as of December 31, 2019

This table shows the ratio of conservation area to plantation area on peatland.

	PT. RAPP	Community Fiber Suppliers	Supply Partners	Total (2021)	Total (2019)
Plantation on peatland (Ha)	108,629	6,632	129,011	244,271	245,145
Conservation* on peatland (Ha)	44,350	-	100,118	144,468	144,060
Ecosystem Restoration on peatland (Ha)	150,711	-	-	150,711	150,711
Total conservation and ecosystem restoration (Ha)	195,060	0	100,118	295,178	294,771
Ratio of conservation and ecosystem restoration to plantation	1.8	-	0.8	1.2	1.2

* Conservation area includes forested and open areas as well as small amounts of agriculture and infrastructure and excludes conservation area under land claim.

Evidence Reviewed

APRIL data was cross-checked against land use designations in Landbank. Field checks were conducted at the concession level to assess the accuracy of the data supporting conservation area.

Findings

Although minor changes occurred in conservation and plantation area at the individual concession level (e.g. due to boundary adjustments) the overall ratio of conservation area to plantation area on peatland remains relatively stable. Approximately 55% of the area managed by APRIL on peatland is maintained as conservation.

Indicator Performance

III	Peatland management:
b.	# and % of Independent Peatland Expert Working Group (IPEWG) recommendations implemented on schedule

APRIL data for the period from January 1, 2019 to December 31, 2019

	2021	2020	2019	2018	2017
New IPEWG Recommendations	6	1	5	2	17
Previously completed	-	-	2	-	13
Completed in 2021	1	1	-	-	1
Status of Recommendations	1 complete 5 in progress	1 Complete	2 complete 3 in progress	2 in progress	14 complete 3 in progress

Evidence Reviewed

IPEWG Meeting Summary Reports were reviewed to determine if recommendations were captured. KPMG reviewed the status of a current and prior year recommendations through review of subsequent meeting reports and presentation materials as well as through interviews and field assessment at PT. RAPP operations on Pulau Padang.

Findings

The IPEWG was established in order to provide inputs and recommendations to APRIL on:

- Best management practices to be implemented in existing plantations on peatland;
- Actions required to ensure conservation of forested peatland and critical peatland landscape;
- Development options for non-forested peatland.

APRIL also committed to avoid construction of canals where new plantation development is taking place without first receiving input from the IPEWG.

The first IPEWG meeting was in January 2016 and has remained active since then, playing both a strategic role in supporting science-based best management practices as well as an operational role in reviewing proposed operations on peatland.

In 2021, IPEWG held virtual meetings due to COVID 19. These meetings resulted in six new recommendations, one of which was completed during the year. A further four of these recommendations were completed in early 2022 and are recorded as in progress on December 31, 2022.

Most of the recommendations that remain in progress from prior years relate to longer term initiatives or require collaboration that has been limited by COVID 19.

The following opportunity for improvement was identified:

2022 Opportunity for Improvement #2:

Publication of the IPEWG minutes is an important demonstration of APRIL's approach to implementing best management practices on peatland. However, the IPEWG has not published formal minutes for any meetings since

mid-2020 reducing transparency in relation to this important process. The proposed publication of a progress Report later in 2022 that is intended to cover recent IPEWG activities is expected to help improve transparency to the process.

IV. Continuous Reduction of Carbon Footprint Indicators

Indicators Assessed

Three Continuous Reduction of Carbon Footprint Indicators were assessed as follows:

IV	Continuous reduction of carbon footprint:
<i>Overall objective: Reduce the lifecycle GHG emissions footprint of our products by increasing mill energy efficiency and use of renewable fuel sources and establishing an accurate baseline for land based emissions from which to initiate emission reductions.</i>	
a.	% of mill energy consumption by energy source (renewable /non-renewable)
b.	Scope 1 (direct) mill GHG emissions (t CO ₂ e)
c..	Overall carbon footprint

Indicator Performance

IV	Continuous reduction of carbon footprint:
a.	% of mill energy needs met by energy source (renewable / non-renewable).

APRIL data for the period from January 1, 2021 – December 31, 2021

Energy Consumption	Mill energy use (TJ)	
	2021	2019 ³
Fossil fuel energy consumption	20,658	23,679
Biomass energy consumption	91,365	78,724
Total energy consumption	112,023	102,403
% of external energy needs met from biomass	82%	77%
% of external energy needs met from fossil fuel	18%	23%

Evidence Reviewed

Review of energy calculations and related assumptions. Data sources were reviewed and reported data was agreed to SAP systems, inventory systems and spreadsheets developed for the Kerinci pulp and paper mill.

Findings

Total energy needs of the mill increased by 9% between 2019 and 2021 as a result of production expansion at the mill. The increased energy needs were met through additional biomass use, with the energy produced from biomass increasing by 16% between 2019 and 2021. The overall amount of energy produced from fossil fuels decreased by 13% between 2019 and 2021.

APRIL2030 targets have been set to continue to increase biomass use with a 90% target for energy from biomass by 2030.

³ APRIL 2019 data has been restated using improved estimates of the calorific value of coal based on lab testing. This leads to a slightly lower percentage of energy needs met from biomass in 2019 of 77% rather than the original reported 79%.

Indicator Performance

IV	Continuous reduction of carbon footprint:
b.	Scope 1 Mill GHG emissions (tonnes CO ₂ e)

APRIL data for the period from January 1, 2021 – December 31, 2021

Scope 1 Mill GHG emissions	2021	2019
Scope 1 Mill GHG emissions (tonnes CO ₂ e)	2,113,746	2,385,430 ⁴

Evidence Reviewed

Greenhouse gas calculations supporting Scope 1 emissions were reviewed against the applicable methodologies and emission factors. Data supporting emissions calculations was traced back to source in APRIL's SAP systems, inventory systems and spreadsheets.

Findings

Scope 1 GHG emissions are affected by production volume, selection of fossil fuel, the extent to which biomass substitutes for fossil fuels and internal energy efficiency improvements at the mill. APRIL has made progress in relation to selection of fossil fuel, the extent to which biomass substitutes for fossil fuels and internal energy efficiency improvements, with increases in production partially offsetting some of these improvements.

APRIL set a new 2019 baseline as part of its APRIL2030 initiative which includes a target to reduce emissions intensity by 25% from the 2019 baseline. The emissions intensity per tonne of production has reduced by 19% to date, reflecting some of the improvements made at the mill. Overall scope 1 mill GHG emissions have reduced by approximately 12% over the same timeframe

⁴ APRIL 2019 data has been restated using improved estimates of the calorific value of coal based on lab testing. This leads to slightly higher GHG emissions in 2019 of 2,385,430 tonnes rather than the original reported amount of 2,094,481 tonnes.

Indicator Performance

IV	Continuous reduction of carbon footprint
c.	Overall carbon footprint

APRIL data for the period from January 1, 2021 – December 31, 2021

<p>Regarding the calculation of GHG emissions for land use, this is still under development and is not yet available.</p> <p><u>The reasons for this are provided below:</u> Globally Forestry, Agriculture and Other Land Use emissions represent a significant proportion of annual GHG emissions, but also significant removals. Recently there have also been advances in climate change and land science, and while there has not previously been a standard method for companies to account for and set targets for emissions in the land sector there is now guidance under development.</p> <p>The Greenhouse Gas Protocol is developing new guidance on how companies account for and report the following activities in their greenhouse gas inventories:</p> <ul style="list-style-type: none"> • Land use, land use change • CO2 removals and storage • Biogenic products across the value chain <p>Importantly the new guidance is designed to create consistency and transparency in the way companies such as APRIL quantify and report GHG emissions and removals from land use, land use change, biogenic products and carbon removal technologies and track progress toward GHG mitigation goals, following a credible approach.</p> <p>The guidance is currently being developed through a multi-stakeholder development process and until the guidance is publicly available (expected in early 2023), APRIL is not in the position to complete the calculation of its overall carbon footprint in line with globally accepted methodologies.</p> <p>Through APRIL's participation in the technical working group on the development of the new guidance, APRIL will be pilot testing the guidance (under WRI & WBCSD supervision) from July 2022 after which an overall carbon footprint calculation in 2023 and disclosure may be possible.</p> <p>Although APRIL is currently following some recommended guidance, gathering data and undertaking calculations for land use emissions this currently does not follow any globally recognized standard/guidance.</p>	

Evidence Reviewed

Review of indicator disclosure and comparison to our understanding of the current status of the APRIL carbon footprint and related reporting methodologies.

Findings

Amendments to guidance for calculating and reporting land use emissions remain in progress. It is logical for APRIL to wait for improved guidance before publishing emissions. As an active participant in the piloting of improved approaches for land use reporting APRIL is well placed to develop and publish emissions once the finalized guidance is available.

V. Proactive Support of Local Communities Indicators

Indicators Assessed

Six performance indicators on Proactive Support of Local Communities were assessed as follows:

V	Proactive support of local communities:
Overall objective: To continually seek opportunities to consult and align with the interests of communities.	
a.	<ul style="list-style-type: none"> - Total \$ spent on social infrastructure projects. - KMs of road built. - # of social infrastructure projects completed. - # of social infrastructure projects for which materials were provided
b.	# of education scholarships provided
c.	# of SMEs contracted by APRIL and suppliers
d.	# of villages engaged in fire prevention programs
e.	# of farmers trained to cultivate farmland
f.	# of farmer groups supported with agricultural materials

Indicator Performance

V	Proactive support of local communities:
a.	<ul style="list-style-type: none"> - \$ spent on social infrastructure projects - KM of road built - # of social infrastructure projects completed - # of social infrastructure projects for which materials were provided

APRIL data for the period from January 1, 2021 – December 31, 2021

	PT. RAPP	Supply Partners	Total 2021	Total 2020	Total 2019
Total \$ spent on social infrastructure projects	\$62,740	\$4,137	\$66,877	\$233,500	\$280,000
KMs of road built	0 km			0 km	0 km
# of social infrastructure projects completed	7	1	8	33	15
# of social infrastructure projects for which materials were provided	105	160	265	183	393

Evidence Reviewed

APRIL provided a breakdown of social infrastructure projects undertaken by PT. RAPP and Supply Partners during 2020. On a sample basis, we traced the information back to proof of project completion through signed agreements with the local village (handover report), evidence of payment (invoice), and/or physical inspection of the projects. and evidence of payment.

Findings

Social infrastructure projects included the building of a mosque, wells, and market stalls, the repair of bridges, traditional buildings, and the cleaning of a canal to support the social, cultural, religious, and other activities and needs of local communities. The projects were supported by signed contracts acknowledging completion with the heads of villages in which the projects were completed.

Materials provided included materials to complete the construction of projects (e.g. cement, sand, rocks) and equipment such as grass trimmers, livestock, food, vitamins, office equipment, medical supplies, and sports equipment. Total dollar spent includes the above as well as sponsorship of community events.

Total spending on social infrastructure projects declined significantly in 2021 for both PT. RAPP and Supply Partners. The decline in spending is attributed to two factors:

- delay in one road development project, budgeted for over 210,000 USD, due to an inability to secure sufficient contractors during the COVID-19 pandemic.
- APRIL is now implementing its APRIL2030 initiative with specific performance targets set for Inclusive Progress. As this initiative is implemented it is leading to changes in the way community spend is directed, which is likely to result in less spend focused on infrastructure and more spend on health, economic development and education initiatives. This may result in a need to modify indicators related to APRIL's support of local communities in future reports to effectively capture the range of actions being undertaken.

The following Observation is made based on the results of 2022 site visits:

Observation

As APRIL aligns its Community Development program with its 2030 goals for inclusive progress the programs are becoming more focused. Interviews with community leaders at a sample of concessions and RAPP sectors found that in some cases leaders still felt there were opportunities for the programs to become more effective in targeting of improvements to those most in need. Field observations also identified requests from villages that had been met where the requests themselves were not well suited or timed to the village's needs.

Indicator Performance

V	Proactive support of local communities:
b.	# of education scholarships provided

APRIL data for the period as of December 31, 2021

	PT. RAPP	Supply Partners	Total
# of SMA (high school) scholarships provided	300	0	300
# of talent pool scholarships provided	0	0	0
# of university scholarships provided (besides talent pool)	97	0	97
Total Scholarships Provided (2021)	397	0	397
Total Scholarships Provided (2019)	429	0	430

Evidence Reviewed

APRIL provided a breakdown of all scholarships granted by PT. RAPP which are valid as of December 31, 2021. On a sample basis, we traced the information back to scholarship agreements signed by both the company representative and the student.

Findings

PT. RAPP provides two types of scholarships:

- SMA (high school) scholarships which provide monetary support to students completing their high school diploma; and,
- Talent pool scholarships, which provide monetary support to students completing university programs and include a job with APRIL upon graduation
- University scholarships which provide monetary support to students completing university programs but do not lead to a position with the company.

While all programs remain active, there were no new talent pool scholarships in 2021. No scholarships were provided by Supply Partners.

There is a slight decline in the total number of scholarships provided this year as compared to 2019 but the number of SMA scholarships provided remained the same.

Indicator Performance

V	Proactive support of local communities:
c.	# of SMEs contracted by APRIL and suppliers

APRIL data for the period from January 1, 2021 - December 31, 2021

Wood Sources	# of SMEs Contracted
PT. RAPP	222
Supply Partners	77
Total (2021)	299
Total (2019)	322

Evidence Reviewed

APRIL provided a list of all Small and Medium Enterprise (“SME”) organizations contracted by PT. RAPP and Supply Partners in 2021. On a sample basis, we traced the information back to signed contracts or purchase orders for services and goods purchased by PT. RAPP and signed by both the Company and the SME.

Findings

SMEs are suppliers to APRIL, owned by individuals from local communities and in business through support from APRIL. The SME program aims to provide opportunities for individuals within local communities to engage with APRIL through commercial activities that support the Company’s operations and includes up-front capital and training. Areas of contracted work include supplying nursery growing material, harvesting, pallet making, and transportation. The total number of SMEs contracted in 2021 remains similar to 2019.

Indicator Performance

V	Proactive support of local communities:
d.	<ul style="list-style-type: none"> - # of villages engaged in fire prevention program - # of villages achieving their bonuses

APRIL data as of December 31, 2021

	Fire Free Village Program	Fire Resilient Communities
Number of villages engaged (2021)	4	26
Number of villages engaged (2019)	9	9
Number of villages achieving bonus (2021)	4	-
Number of villages achieving bonus (2019)	8	-

Evidence Reviewed

The list of villages enrolled in the Fire Free Village Program (“FFVP”) in 2021, provided by APRIL, was cross-checked on a sample basis to FFVP agreements signed between APRIL and village representatives. On a sample basis, we also inquired as to which villages received no-burn rewards and confirmed the reward was provided.

Findings

This indicator tracks APRIL’s success in expanding its FFVP to local villages located on or near APRIL and supplier concessions.

In July 2015, APRIL initiated the FFVP that worked with local villages and provided both training and financial incentives to those villages who were prepared to eliminate fire as a land-clearing tool. The initial program was carried out at villages associated with PT. RAPP plantations and conservation operations and was considered a success in terms of its ability to reduce instances of fire in adjacent areas.

There are three stages to the program for supporting communities in eliminating fire as a tool for land clearance and preparation. The three stages are:

- Fire Aware Community (“FAC”) - the preliminary socialization and engagement performed with villages before entering FFVP. Engagement events are hosted at village markets and schools.
- Fire Free Village Program (“FFVP”) - focuses on educating, equipping, supporting, and rewarding villages that eliminate fire. Villages with no fires receive a set award while villages with under two hectares of fires receive a partial award; and,
- Fire Resilient Community (“FRC”) – villages that have graduated from the FFVP and are no longer eligible for rewards but continue to have ongoing engagement with APRIL. From 2019 to 2021, 17 villages moved to the FRC stage.

In 2021, 3 villages received their full no-burn reward of 100,000,000 IDR and one village received a partial reward of 50,000,000 IDR.

Observation

Field visits to supply partners indicate continuing interest from local villages in expansion of fire awareness programs.

Indicator Performance

V	Proactive support of local communities:
e.	# of farmers trained to cultivate farmland
f.	# of farmer groups supported with agricultural material

APRIL data for the period from January 1, 2021 - December 31, 2021

	PT. RAPP	Supply Partners	Total (2021)	Total (2019)
# of farmers trained to cultivate farmland	586	0	586	236
# of farmer groups supported with agricultural material	44	31	75	45

Evidence Reviewed

APRIL provided a list of all farmer training sessions held by PT. RAPP in 2021. On a sample basis, we traced the information back to the signed attendance list

APRIL also provided a breakdown of farmer groups supported with agricultural materials by PT. RAPP and Supply Partners. The number of farmer groups which PT. RAPP supported with agricultural materials was calculated based on the “kelompok tani” (“KT”) names provided for PT.RAPP and the village (“desa”) for Supply Partners. On a sample basis, we cross-checked the information back to handover reports signed by the farmer groups and invoices as evidence that they received the materials.

Findings

The total number of farmers trained and farmer groups supported with agricultural materials both increased significantly compared to 2019 figures (which are the most recent figures over which KPMG provided assurance).

Formal training takes place in the town of Kerinci and hands-on training is provided in the individual villages of the associated farmer groups. The training provided to farmers by PT. RAPP focused on Integrated Farming Systems (“IFS”) which aim to improve the skills of community farmers through agricultural initiatives such as horticulture, plantation, animal husbandry, fishing, composting, and paddy planting development. A

Consistent with 2019, the Supply Partners did not provide training to farmers in 2021.

Agricultural materials provided by both PT. RAPP and Supply Partners focus on supporting IFS and include hand tractors, livestock and fish feed.

VI. Respect the Rights of Indigenous Peoples and Communities

Indicators

Indicators Assessed

Three performance indicators were assessed addressing commitments to “Respect the Rights of Indigenous Peoples and Communities” as follows:

VI	Respect the Rights of Indigenous Peoples and Communities:
<i>Overall objective: To demonstrate respect for the rights of indigenous peoples and rural communities throughout operations.</i>	
a.	Ha of APRIL and supplier concessions currently inactive due to unresolved land disputes
b.	Existence of publicly available grievance system
c.	% of grievances resolved in accordance with the grievance SOP

Indicator Performance

VI	Respect the Rights of Indigenous Peoples and Communities:
a.	Ha of APRIL and supplier concessions currently inactive due to unresolved land disputes

APRIL data for Indicator VIa

Reporting Year	PT. RAPP		Supply Partners		Total
	Ha inactive	# of claimants	Ha inactive	# of claimants	Ha inactive
2021	22,688	639	72,206	325	94,894
2019	28,249	608	74,704	320	102,953
2018	31,979	611	73,223	306	105,202
2017	31,915	593	72,163	287	104,078

Evidence Reviewed

We assessed changes in the overall level of claims since 2019, investigating significant changes. A media review was conducted to assess the completeness of claims. For resolved claims, evidence supporting the resolution of the claim (such as an MOU with the claimant) was reviewed.

Findings

The reduction in active land disputes is the result of successful claim resolution as well as recognition that some claims are unlikely to be resolvable and removal of those areas that are no longer part of active claim resolution processes from APRIL's plantation and conservation footprint

PT. RAPP's program is more mature than those of supply partners and at this point 62% of the remaining "claim" area relates to areas historically accessed by a third party but with no current information to determine who that third party is. This is consistent with our field observations where in a number of cases, we noted ongoing land use by a third party had been detected but it is hard to determine who is using the land as they don't live there or because the person/people using the land is/are actually changing over time. Only 12% of the supply partner inactive areas relates to unidentified claimants.

Indicator Performance

VI	Respect the Rights of Indigenous Peoples and Communities:
b.	Existence of publicly available grievance system
c.	% of grievances resolved in accordance with the grievance standard operating procedure (SOP)

APRIL data as at December 31, 2021

	PT. RAPP	Supply Partners	Open Market Suppliers
Existence of publicly available grievance system	APRIL's formal grievance process is available to the public on their Sustainability Dashboard. The process covers PT. RAPP and all supplier operations (including Open Market Suppliers).		
Number of formal Grievances received by APRIL	No formal grievances were received in 2021		
Number of formal Grievances resolved by APRIL	There were no formal grievances remaining unresolved from 2020 and no new grievances received resulting in no grievances requiring resolution in 2021		
Established SOP for addressing grievances	Yes	Yes	Yes
Status of grievance process implementation	Implemented	Implemented but not publicly available	Implemented but not publicly available

Evidence Reviewed

Review of APRIL's grievance procedures and a sample of individual company standard operating procedures for grievances. Assessment of tracking processes for both APRIL grievances and grievances submitted and dealt with at the estate/concession level.

Findings

APRIL developed a publicly available grievance SOP through a stakeholder consultation process during 2015-2016 which became available on-line as of August 30, 2016. The SOP specifies processes for responding to and resolving grievances that include:

- Duties and responsibilities of the Grievance Processing Unit (GPU) at APRIL, including the appointment of a Grievance Coordinator to manage the ongoing implementation of the Grievance Resolution SOP and coordinate progress and actions.
- The creation of a Grievance Committee to make management decisions in relation to grievances.
- Accessibility for lodging a grievance, including email, phone, mail or online.
- A set workflow for handling complaints and grievances, including timelines and an appeal process.

There remains limited uptake by third parties of the public grievance process, which has only received one formal grievance since the beginning of 2019 even though APRIL has received reports from ENGOs during this period describing concerns.

At the concession level, our historic discussions with local village representatives indicated a preference for addressing local level grievances with the local community development team. This has led to the need for APRIL to formalize and track grievances being received through this “offline” grievance process managed at the estate/concession level.

During our 2020 assessment, we raised **2020 Opportunity for Improvement #2** due to the lack of management visibility over the type and extent of grievances being received and addressed through the “offline” grievance system in place at the estate/concession level. Since that time a new standard operating procedure has been developed to formalize this process. However, the procedure has not yet been implemented. Field visits in 2022 continued to identify a lack of formality in the grievance process. In all cases there was evidence of recording and addressing grievances at the local level but the documentation of these processes was inconsistent, limiting management’s ability to assess the effectiveness of the process. As a result, **2020 Opportunity for Improvement #2** remains open.

Interviews with local village heads during field assessments in 2022 indicate that previous observations on the need to socialize amended processes for addressing grievances remain relevant given the currently low level of usage of the grievance process by local communities.

VII. Responsible Practices in Our Work Places Indicators

Indicators Assessed

Three Responsible Practices in Our Work Places Performance Indicators were assessed as follows:

VII	Responsible Practices in Our Work Places:
<i>Overall objective: To provide a safe, productive and conducive work environment throughout its wood supply chains where employees including those of sub-contractors, can contribute and advance.</i>	
a.	# of fatalities (mill, PT. RAPP fiber, suppliers)
b.	Grievance resolution mechanism in place for labor concerns raised by APRIL or supplier employees and contractors
c.	% of PT. RAPP, supplier and contractor operations covered by OHS certification

Indicator Performance

VII	Responsible Practices in Our Work Places:
a.	# of fatalities (mill, PT. RAPP fiber, suppliers)

APRIL data for the period from January 1, 2021 - December 31, 2021

	PT. RAPP - Mill	PT. RAPP – Fiber	Supply Partners	Open Market Suppliers
# of fatalities (2021)	2	3	2	Not available
# of fatalities (2020)	1	0	2	
# of fatalities (2019)	1	2	2	

Evidence Reviewed

PT. RAPP's health & safety standard operating procedure and 2021 incident data reports were reviewed. Supply Partner data was reviewed on a sample basis. The completeness of fatality data was assessed via site interviews at the sample of concessions visited as well as through media review.

Findings

This indicator tracks work fatalities for PT. RAPP's mill site, fiber operations, and Supply Partners. At the current time, fatalities data does not include Open Market Suppliers.

Fatalities are formally tracked and investigated for all workers, including contractors, across PT. RAPP and Supply Partner locations. The site interviews with employees and management confirmed both the existence of fatalities for PT. RAPP's fiber operations in Pulau Padang and Logas, and the absence of fatalities at other sites visited.

Overall, fatalities increased in 2021. Despite the increase in the number of fatalities, we note that APRIL continued to ensure all PT. RAPP estates and Supply Partners have the government mandated OHS certification and that OHS training was performed for employees. We also note that APRIL has invested significant recent effort in improving safety processes through the development and ongoing implementation of a Contractor Safety Management System to address the kinds of incidents that have led to fatalities.

Indicator Performance

VII	Responsible Practices in Our Work Places:
b.	Grievance resolution mechanism in place for labor concerns raised by APRIL or supplier employees and contractors

APRIL data as at December 31, 2021

	Description of grievance mechanism in place
PT. RAPP employees	<p>A formal employee grievance standard operating procedure (SOP) is in place for raising grievances through directly raising issues with supervisors, with human resources or via Union representatives.</p> <p>In addition, there is a confidential email and phone number in place to raise issues.</p>
PT. RAPP contractor employees	<p>There is a regulated grievance mechanism in place for contractor companies. All contractor companies are required by local manpower law to create a “Company regulation” which states how HR matters (including grievances) are managed.</p> <p>For larger contractor companies who have a union in place, as required by law, they will have Collective Labor Agreement and an associated Employee Handbook with a more detailed grievance mechanism.</p> <p>PT. RAPP has a requirement in all contractor agreements for the contractor company to follow Indonesian regulations, including those related to manpower, labor and collective bargaining.</p> <p>There is also a universal confidential email and phone number in place for contractor employees to raise issues.</p>
Supply Partner employees	A regulated grievance process exists for all Supply Partners which includes conveyance of any grievance to supervisors, then to union representatives (if the employee is a union member), then to the local manpower agency as specified in their Employee Handbook (CLA).
Supply Partner contractors	A regulated grievance mechanism is required by law as specified above for PT. RAPP contractor employees.
Open Market Supplier employees	A regulated grievance processes exists for Open Market Suppliers.
Open Market Supplier contractor employees	A regulated grievance mechanism is required by law as specified above for PT. RAPP contractor employees.

Evidence Reviewed

Interviews were completed to ensure employees and contractors were aware of grievance processes amongst PT. RAPP and suppliers at the sample of PT. RAPP and Supply Partner concessions visited.

Findings

This indicator tracks the existence of a grievance resolution mechanism for employee and contractor workers consistent with APRIL's commitments to responsible practices in the workplace that include respect for the International Labor Organization's (ILO) principles, freedom of association, anti-discrimination and anti-harassment provisions.

APRIL obtains copies and reviews the content of Employee Handbooks for all Supply Partners and also obtains copies of the Company Regulation for all contractor companies operating on PT. RAPP sectors as part of its standard contractor monitoring process. In addition, the existence of grievance processes is checked for Open Market Suppliers during the due diligence process.

APRIL has also established confidential whistle blowing channels, including a hotline, for reporting misconduct that are available to both employees and business partners.

Employee and contractor interviews indicated general awareness of grievance processes.

Indicator Performance

VII	Responsible Practices in Our Work Places:
c.	% of PT. RAPP, supplier and contractor operations covered by OHS certification

This table tracks the percentage of operations that have completed some form of occupational health and safety certification by December 31, 2021.

	% of Operations Covered by OHS Certification		
	2021	2020	2019
PT. RAPP	100%	100%	100%
Supply Partners	96.75%	97%	81%
Open Market Suppliers	50%	33%	30%

Evidence Reviewed

APRIL provided a listing of Occupational Health and Safety (OHS) certifications for PT. RAPP, Supply Partners and Open Market Suppliers which was cross referenced against evidence of continuing certification. Operations with either ISO 45001 certification or SMK3 Certification (Indonesia specific safety certification) are considered as meeting this indicator.

Findings

This indicator tracks the extent to which a formal third-party certified health and safety management system is in place to address APRIL's commitment to ensure the health and safety of workers is protected and that workers are equipped for protection against occupational health and safety hazards.

SMK3 certification is required by local law for all Indonesian companies who are either assessed as "high-risk" by the Ministry of Labor or for companies with greater than 100 workers. As of December 31, 2021, PT. RAPP had completed SMK3 certifications for all sectors. 31 out of 32 Supply Partners had completed SMK3 certifications and 4 of the continuing Open Market Suppliers at December 31, 2021 had completed SMK3 or ISO 45001 certification.

In addition, to achieving corporate certification, PT. RAPP has developed a Contractor Safety Management System (CSMS) to support contractor safety improvements. PT. RAPP contractors have committed to implement the CSMS and initial implementation is occurring with a number of larger contractors. To date 98 contractors have passed CSMS field audits.

2018 Opportunity for Improvement #9 relating to isolated safety lapses amongst contractor operations remains has been closed. APRIL has addressed this issue comprehensively through the development and implementation of a Contractor Safety Management System (CSMS) and is on track for implementation. As mentioned above, to date 98 contractors have passed CSMS field audits.

Good Practice

The CSMS initiative is a significant investment in safety management for contractors that is designed to improve contractor safety management systems and help instill the safety culture necessary for continuous improvement in safety outcomes.

There will be a continuing need for focus on the CSMS and safety awareness across all APRIL's operations.

Field inspections did identify isolated safety issues, in particular in relation to faller PPE and handling of herbicide. However, the ongoing CSMS implementation is designed to address these issues, which are therefore not raised as a separate finding.

The following opportunity for improvement is raised based on PT. RAPP's inspection process:

2022 Opportunity for Improvement #7

Field inspections identified an opportunity to include temporary housing within RAPP inspection requirements. RAPP currently has a formal inspection process and checklist for permanent and semi-permanent housing that addresses safety and sanitation considerations. However, there is no process to address temporary worker housing which, based on one site visited, did not meet basic standards.

VIII. Legal Compliance and Certification Indicators

Indicators Assessed

Three Legal Compliance and Certification Performance Indicators were assessed as follows:

VIII	Legal Compliance and Certification:
<i>Overall objective: To go beyond legal compliance toward achieving sustainable forest management.</i>	
a.	# of Instances of fire on concessions by cause (APRIL or supplier initiated, or third party initiated)
b.	% of fiber covered by legality certification
c.	# of legal sanctions received and resulting actions

Indicator Performance

VIII	Legal Compliance and Certification:
a.	# of instances of fire on concessions by cause (APRIL or supplier initiated or third party initiated)

APRIL data for the period from January 1, 2021 - December 31, 2021

	# of instances caused by APRIL or supplier	# of instances caused by third parties
PT. RAPP	0	0
Supply Partner	0	4
Total (2021)	0	4
Total (2020)	0	7
Total (2019)	0	10

Evidence Reviewed

An APRIL-developed listing of fires in 2021 on PT. RAPP and Supply Partner concessions was reviewed and cross-checked on a sample basis to fire incident reports to police and government. Land cover change data was sampled to assess the completeness of the fire listing. Field inspections at sites visited were conducted to assess the completeness of fire incident reports and the accuracy of the description of the incident.

Findings

Fire management is a critical element of APRIL's compliance commitments. This indicator tracks the number of instances of fire that occur on APRIL and supplier concessions and the associated cause of the fires.

APRIL maintains an active fire suppression program to address instances of fire on concessions. As a result of the fire suppression program, the total hectares lost to fire on PT. RAPP and its Supply Partner concessions remained at a low level during the reporting period, declining to 7 ha in 2021 from 73 ha in 2020. Consistent with previous years, no fires were identified that were caused by APRIL or its Supply Partners.

It should be noted that at the current time, fire data does not include Open Market Suppliers. Operational fires were not identified as a result of site visits to one open market supplier, although a significant number of third party caused fires were identified in livelihood areas managed by local communities.

Good Practice

PT. RAPP and Supply partners continue to achieve very low levels of loss to fire.

Indicator Performance

VIII	Legal Compliance and Certification:
b.	% of fiber covered by legality certification

APRIL data as at December 31, 2021

Supplier	Legality Certification	Types of certification ¹
PT. RAPP	Yes	PHPL, IFCC and VLK
Supply Partners	Yes	PHPL and IFCC
Open Market Suppliers	Yes	PHPL, IFCC and VLK
Community Fiber Plantations	Yes	DKP IFCC

¹Indonesian wood legality certifications

Evidence Reviewed

Sample based checking of current legality certifications for PT. RAPP and suppliers.

Findings

The indicator tracks the existence of third-party compliance mechanisms for checking wood legality requirements for APRIL's fiber supply.

Consistent with the prior year, all APRIL's supply sources had at least one form of legality certification.

Indicator Performance

VIII	Legal Compliance and Certification:
c.	# of legal sanctions received and resulting actions

APRIL and Supply Partner data as at December 31, 2021

	Operational Status as at December 31, 2021
New Sanctions issued to APRIL and Supply Partners	No new sanctions
Ongoing APRIL and Supply Partners action in relation to previously issued sanctions.	No remaining actions to complete in relation to historic sanctions.

Evidence Reviewed

We received information on the status of historic sanctions from the company and performed also a media review and interviews at corporate and concession level in relation to the existence of new sanctions.

Findings

No new sanctions were identified.

Historic sanctions (the most recent being 2019) were all addressed operationally in prior years.

IX. Good Corporate Governance, Verification and Transparency Indicators

Indicators Assessed

Two Good Corporate Governance, Verification and Transparency Performance Indicators were assessed as follows:

IX	Good Corporate Governance, Verification and Transparency:
<i>Overall objective: To implement best practices in corporate governance and transparency.</i>	
a.	Status of SAC Recommendations
b.	% of new suppliers for which the supplier due diligence process was completed prior to the first wood delivery

Indicator Performance

IX	Good Corporate Governance, Verification and Transparency:
a.	Status of Stakeholder Advisory Committee (SAC) Recommendations

APRIL data for Indicator IXc.

The table below shows the implementation status of SAC recommendations as of December 31, 2019 and December 31, 2021. These recommendations were raised during the 25 SAC meetings that took place between March 21, 2014 and December 31, 2021.

	As of December 31, 2021	As of December 31, 2019
Status of Recommendations	#	#
Cumulative number of meetings	25	17
Recommendations implemented to date	94	77
Recommendations in development	12	11
Recommendations in progress	22	17

Evidence Reviewed

APRIL maintains a list of the Stakeholder Advisory Committee (SAC) recommendations from each of the 25 SAC meetings to date in which all recommendations are assigned a status as of December 31, 2021. We reviewed the status of actions taken and compared this to available data and our knowledge of the implementation status based on the work performed during our assurance engagement.

Findings

The SAC is an independent committee of forestry and social experts and was established in January 2014 in order to oversee the implementation of APRIL Group's Sustainable Forest Management Policy (SFMP). The SAC provides recommendations and inputs related to SFMP 2.0 implementation which are reported in the SAC Meeting Reports available online on APRIL's sustainability dashboard (<http://sustainability.aprilasia.com/category/sac-meeting-reports/12>).

During 2020 and 2021, the SAC met eight times and generated 15 new recommendations as well as guidance comments. These recommendations will be re-visited and updated by the SAC at future meetings.

Observation

Review of the cumulative SAC recommendations and guidance indicates a need for APRIL and SAC to more regularly review the status of outstanding recommendations, retire those that are no longer applicable, consolidate recommendations that relate to the same topic and prioritize their completion.

2022 Opportunity for Improvement #6

While APRIL's independent Stakeholder Advisory Committee remains active, neither the APRIL website nor the APRIL Sustainability Dashboard contain a complete set of meeting minutes reducing transparency in relation to this important process.

Indicator Performance

IX	Good Corporate Governance, Verification and Transparency:
b.	% of new suppliers for which the supplier due diligence process was completed prior to the first wood delivery

APRIL data for the period from January 1, 2021 December 31, 2021

	2021	2020	2019	2018
% of new suppliers for which the supplier due diligence process was completed prior to the first wood delivery	100% (1 of 1)	N/A no new suppliers	N/A no new suppliers	100%

Evidence Reviewed

Review of APRIL's SFMP 2.0 Compliance SOP, supplier due diligence reports, new supplier contract sign-offs and supplier delivery data by month.

Findings

APRIL's SFMP 2.0 Compliance SOP was initiated in November 2016, began socialization with Open Market Suppliers in March and April 2017 and was approved in May 2017. Changes to supplier contractual requirements were made in June 2017 and the data collection process was initiated for Open Market Suppliers. A compliance SOP guides the due diligence procedures and was updated in 2021 to better align with PEFC standards.

Under the Open Market Supplier due diligence process, there is a requirement for initial new supplier due diligence, that includes a retrospective analysis of post-June 2015 clearing, as well as an ongoing annual audit requirement for Open Market Supplier compliance to SFMP 2.0.

APRIL undertook the Open Market Supplier due diligence process in advance of receiving deliveries from the one new supplier during 2021, LPHD Kenegerian Gunung Sahilan, a small-scale community forestry company that received a licence to manage an ex-plantation company area.

The annual audit process for existing Open Market Suppliers was expected to be implemented in 2020 but was delayed as a result of the COVID-19 pandemic. In 2021, the field element of the process continued to be delayed. The SOP was updated (finalized in February 2022) to provide for the implementation of remote audit procedures when field audits are not possible. Field audits are expected to begin later in 2022.

All due diligence forms for current suppliers have been updated within the last year to capture current status. The supplier due diligence forms have also been updated to capture first rotation planting.

Action plans for the two open opportunities for improvement from prior assessments were followed up as per below:

- **2021 Opportunity for Improvement #2** was raised to address the need for modification to the APRIL SOP to increase the amount of remote due diligence when field visits are not practical. These modifications have been made and review of due diligence data as well as a field inspection at one Open Market Supplier determined that this process is collecting sufficiently detailed information in the absence of field audits. As a result, this opportunity for improvement has been closed.

- **2020 Opportunity for Improvement #5** related to weaknesses identified in the completion of due diligence processes and remained open as field audits had been postponed due to COVID-19. As a result of improved remote audit procedures this opportunity for improvement was closed in 2022.

X. SFMP 2.0 Addenda

Indicators Assessed

Four Performance Indicators were assessed in relation to the SFMP 2.0 addenda as follows:

X	Addenda to SFMP 2.0:
<i>Overall objective: To address Sustainable Forest Management Topics of increasing importance since the development of SFMP 2.0 in 2015.</i>	
a.	% of concessions not using WHO Class 1a or 1b pesticides
b.	% of Estates and concessions with invasive species monitoring and management programs
c.	% of plantation footprint where GMOs are planted or used.
d.	# of species of concern identified on ecosystem restoration areas and concession areas.

Indicator Performance

X	Additional Important Indicators:
a.	% of concessions not using World Health Organization (“WHO”) Class 1a or 1b pesticides

APRIL data for the period from January 1, 2021 - December 31, 2021

	2021		2019	
	PT. RAPP	Supply Partners	PT. RAPP	Supply Partners
% of concessions not using WHO Class 1a or 1b pesticides	100%	100%	100%	100%

Evidence Reviewed

APRIL provided summary of all pesticides used and pesticide management SOPs. Pesticide use was further reviewed as part of concession field inspections. Chemical storage areas pesticide manifests were reviewed for consistency with APRIL’s WHO Class 1a and 1b pesticide commitment.

Findings

WHO Class 1a and 1b pesticides are those pesticides classified as extremely hazardous or highly hazardous based on their toxicity. No evidence was identified of these chemicals being in use on concessions in 2021 based on field inspections.

We did note the following Opportunity for Improvement as a result of field inspections:

2022 Opportunity for Improvement #3

Inspection of the chemical inventory at one Open Market Supplier site found the list of chemicals in storage was incomplete and that a number of the Material Safety Data Sheets (MSDS) on site were missing or out of date.

Indicator Performance

X	Addenda to SFMP 2.0
b.	% of estates and concessions with invasive species identification and management programs.

APRIL data Indicator Xb

	% of estates and concessions with invasive species identification and management programs
PT. RAPP	100%
Supply Partners	100%

Evidence Reviewed

Evidence of invasive species management was assessed at a sample of concessions and PT. RAPP estates visited.

Findings

All PT. Rapp and supply partner sites visited had an invasive species SOP in place. However, in the case of one Supply Partner there no evidence of implementation of the SOP. It was also noted during an Open Market supplier field visit that APRIL's Open Market supplier due diligence checklist does not cover invasive species management and that the supplier had not formally addressed this expectation of SFMP 2.0. As a result, the following Opportunity for Improvement was raised:

2022 Opportunity for Improvement #4

Field inspections identified weaknesses in the implementation of commitments related to invasive species at one supply partner estate where a SOP was in place for managing invasive species but had not yet been implemented.

Indicator Performance

X	Addenda to SFMP 2.0
c.	% of plantation footprint where GMOs are planted or used.

APRIL data Indicator Xc

	% of plantation footprint where GMOs are planted or used
PT. RAPP	0%
Supply Partners	0%

Evidence Reviewed

Indonesian federal policy was reviewed on genetically modified tree usage and trials in Indonesia. PEFC audit results were reviewed for PT. RAPP's fiber supply (PEFC does not allow GMOs in the supply chain). Interviews were undertaken to understand whether APRIL's tree improvement practices include GMO research. Field inspections at a sample of sites assessed the absence of genetically modified tree plantations or trials.

Findings

No evidence of GMO use or trials was observed and planting of GMO trees is not allowed in Indonesia.

APRIL's PEFC chain of custody certification audit results did not identify any GMOs in the supply chain for the Kerinci mill.

Indicator Performance

X	Addenda to SFMP 2.0:
d.	# of species of concern identified on ecosystem restoration areas and concession areas.

PT. RAPP data for the period from January 1, 2021 - December 31, 2021

Taxa	CR	EN	VU	TOTAL
Mammals	3	6	9	18
Amphibians & Reptiles	0	3	2	5
Birds	0	4	7	11
Plants	7	9	12	28
Fish	0	0	0	0
Odonata	0	0	0	0
TOTAL	10	22	30	62

RER data for the period from January 1, 2021 - December 31, 2021

Taxa	CR	EN	VU	TOTAL
Mammals	3	5	12	20
Amphibians & Reptiles	3	3	3	9
Birds	1	6	16	23
Plants	3	1	5	9
Fish	2	1	2	5
Odonata	0	2	1	3
TOTAL	12	18	39	69

Evidence Reviewed

Review of the APRIL Biodiversity portal.

Field visits to a sample of concessions and estates assessed implementation of monitoring processes.

Findings

This indicator provides information on the known presence of species of concern on APRIL's ecosystem restoration area and concessions.

APRIL has recently established a biodiversity portal to house data on species at risk across its concessions, which will also be used to support its APRIL2030 goals in relation to biodiversity. At this time, the portal is only used by PT. RAPP. The Supply Partner and Open Market Supplier sites visited were also monitoring species of concern, using a

consistent data collection process. However, at the current time only PT. RAPP data is consolidated in the Biodiversity portal.

Ecosystem Restoration areas (RER) currently follow a separate methodology for data collection.

The following Opportunity for Improvement was noted as a result of site visits:

2022 Opportunity for Improvement #5

Overall, field assessments indicate that there is signage in place at estates to remind workers and contractors of species of concern and expectations for reporting sightings. However, in an isolated case, worker and contractor interviews did not indicate awareness of reporting expectations at one supplier concession.

Appendix 1: SFMP 2.0



APRIL Group's Sustainable Forest Management Policy 2.0

3 June 2015

APRIL Group (APRIL) is committed to sustainable development in all locations where we operate by implementing best practices in social, environmental and economic spheres as guided by our business philosophy that whatever we do must be "Good for the Country, Good for the Community, and Good for the Company".

We commit to eliminating deforestation from our supply chain and to protecting the forest and peatland landscapes in which we operate and to supporting best practice forest management in all countries where we source wood. We commit to respecting human rights and environmental aspects throughout our wood supply chains. Our goal is to be a good and responsible neighbor in the local, national and global community.

APRIL's Sustainable Forest Management Policy (SFMP) 2.0 was developed with inputs from APRIL's Stakeholder Advisory Committee (SAC) and key stakeholders from civil society. This Policy is an evolution of APRIL's SFMP 1.0, launched on 28 January 2014. This Policy incorporates the Royal Golden Eagle (RGE) Sustainability Framework¹.

The commitments made in this document apply entirely and exclusively to APRIL, which is an independently managed company with operations in Indonesia. It also covers all current and future wood suppliers to APRIL as well as any future acquisitions or partnerships.

I. Long Term Sustainability:

APRIL's objective is to establish sustainable plantations that supply wood to its mill, provide employment opportunities and economic wellbeing for the community. APRIL and its suppliers will take a landscape approach to conservation of forest, peatland and other important environmental and social values.

- a. Effective immediately, APRIL and its suppliers will only develop areas that are not forested, as identified through independent peer-reviewed High Conservation Value (HCV) and High Carbon Stock (HCS) assessments;
- b. APRIL and its suppliers will actively protect HCV and HCS areas;
- c. APRIL and its suppliers will follow the HCS Approach as prescribed by the HCS Approach Steering Group;
- d. APRIL and its suppliers will use HCV Resource Network (HCVRN) licensed assessors; if such assessors are unavailable, APRIL will refer to SAC for recommendations of HCV assessors;
- e. To achieve the above, APRIL will seek partnership with relevant stakeholders (NGO, government, companies, local communities and conservation experts) in protecting and managing forests within the landscape where APRIL operates;
- f. APRIL will practice integrated conservation and forest management which incorporates findings from HCV, HCS, social assessments, and on peatland areas, inputs from the Peat Expert Working Group (PEWG);

¹ Refer to Royal Golden Eagle's website at <http://rgei.com/sustainability/sustainability-framework>

- g. By 15 May 2015, APRIL and its suppliers halted all harvesting of mixed hardwoods². Mixed hardwoods harvested before 15 May 2015 will be utilized by APRIL's mill before end December 2015;
- h. Any residual fiber cleared from non-forested land, as defined by HCV and HCS as scrub land, will be utilized by APRIL's mill;
- i. APRIL will not establish a new pulp mill and/or a new pulp line until it achieves plantation fiber self-sufficiency.
- j. APRIL will not acquire any new land, or forestry licenses; or receive wood from land licensed to third parties, where after 3 June 2015 the seller has knowingly cleared HCV or HCS forests or forested peatlands³. This shall not apply to acquisition of land or licences for the purposes of restoration or conservation activities under clause II.d of this Policy.

II. Forest Protection and Conservation:

APRIL enforced a moratorium on natural forest clearance pending the outcome of High Conservation Values (HCV) and High Carbon Stock (HCS) assessments by 15 May 2015. This moratorium also applies to all third-party wood suppliers to APRIL.

- a. APRIL and its suppliers support the conservation and ecosystem restoration of natural forests, and forested peatlands, and other ecologically, hydrologically and culturally important areas where APRIL operates;
- b. APRIL and its Long-Term Supply Partners currently protect and manage more than 250,000 hectares of conservation areas and 70,000 hectares of ecosystem restoration areas;
- c. APRIL will undertake landscape scale assessments and apply a landscape approach to optimize forest conservation and other land uses;
- d. APRIL will establish conservation areas equal in size to APRIL's plantation areas⁴.

III. Peatland Management:

APRIL will implement best practices on peatland management which support the Government of Indonesia's target to reduce greenhouse gas emissions, and maintain other conservation values.

- a. No new development by APRIL and its suppliers on forested peatland;
- b. A Peat Expert Working Group (PEWG) will be established to provide inputs and recommendations to APRIL on:
 - Best management practices to be implemented in existing plantations on peatland;
 - Actions required to ensure conservation of forested peatland and critical peatland landscape;
 - Development options for non-forested peatland;
- c. The recommendations from PEWG will enable APRIL to implement international best practice for tropical peatland to protect areas of forested peatland and to reduce GHG emissions;
- d. Pending input from PEWG:
 - No canals will be constructed where new plantation development is taking place on peatland;

² Under the *de minimis* rule, small isolated areas within existing plantation concessions could be harvested only if they are not classified as HCV or HCS through the assessment process.

³ Plantation land acquisitions will be reviewed by the SAC.

⁴ The conservation areas will be of appropriate size, shape, connectivity, and representativeness to protect ecosystem functions and to conserve native biodiversity.



- Fire/flood prevention measures and maintenance of existing canals will continue in established plantation areas.

IV. Continuous Reduction of Carbon Footprint:

APRIL commits to continuous reduction of its carbon footprint.

- APRIL will continuously improve its material and energy efficiency throughout the supply chain, and optimize utilization of renewable energy;
- APRIL will increase its carbon sequestration through conservation and ecosystem restoration and continuous improvements in sustainable plantation management practices;
- APRIL will track its carbon emissions and report progress on reducing its overall carbon footprint.

V. Proactive Support of Local Communities:

APRIL will continually seek opportunities to consult and align with the interests of communities and create shared value through:

- Strengthened efforts in alleviating poverty in rural communities around APRIL's areas of operation, through creation of jobs, providing better access to quality education, community empowerment, and enhancement of rural livelihood;
- Pro-active Corporate Social Responsibility (CSR) activities especially village entrepreneurship incubations and farming systems;
- Inclusion of smallholders/Small Medium Enterprises (SME) into APRIL's supply chains, where appropriate;
- Engaging stakeholders through regular multi stakeholder forums and focus groups to obtain inputs on social issues and develop a monitoring and reporting system.

VI. Respect the Rights of Indigenous Peoples and Communities:

APRIL respects the rights of indigenous peoples and rural communities and commits to the following:

- Respect the Universal Declaration of Human Rights, national laws and ratified international treaties, on human rights and indigenous people;
- Respect of the tenure rights of indigenous peoples and rural communities;
- Respect of the rights of indigenous peoples and communities to give or withhold their Free, Prior and Informed Consent (FPIC) to operate on lands where they hold legal, communal or customary rights prior to commencing any new operations;
- No tolerance for the use of violence, intimidation or bribery;
- To ensure that relevant international best practices in FPIC are followed, APRIL will actively engage with stakeholders, including communities, government, customers and civil society at the local, national and international levels;
- Resolution of complaints and conflicts through mutually agreed, open, transparent and consultative processes that respect customary rights;
- To develop Standard Operating Procedures (SOP) and maintain processes for the responsible handling of the list of all complaints from communities and other relevant stakeholders. These processes will be developed, updated, improved, monitored and reported to the SAC and other relevant stakeholders.



VII. Responsible Practices in Our Work Places:

APRIL commits to provide a safe, productive and conducive work environment throughout its wood supply chains where employees including those of sub-contractors, can contribute and advance, by ensuring specifically that:

- a. International Labour Organization's Declaration on Fundamental Principles and Rights at Work is respected;
- b. Recruitment best practices are in place, meeting all legal requirements and cultural practices, including proactive recruitment of qualified workforce from local community;
- c. Freedom of association is respected;
- d. Diversity within its workforce is respected;
- e. If provided as part of employment package, accommodation is safe and hygienic;
- f. The health and safety of workers is protected. APRIL shall equip workers to protect them from exposure to occupational health and safety hazards;
- g. No tolerance is given for child labour, forced labour or bonded labour;
- h. No tolerance is given for discrimination, harassment and abuse in any form.

VIII. Legal Compliance and Certification:

APRIL goes beyond legal compliance toward achieving Sustainable Forest Management (SFM).

- a. APRIL reaffirms its commitment to comply with all prevailing laws and regulations, and requires all its wood suppliers to do so;
- b. APRIL participates in global SFM certification schemes and encourages its wood suppliers to do the same;
- c. APRIL currently has and will continue to maintain timber legality assurance certification;
- d. APRIL has strict "No Burn" policy and will follow the National legal requirement addressing impact of fires. APRIL will continue to support fire prevention and fire fighting efforts across the landscapes in which it operates;
- e. APRIL has a robust Chain of Custody (CoC) tracking system and mill wood sourcing monitoring system to ensure all the wood is traceable back to source.

IX. Good Corporate Governance, Verification and Transparency:

APRIL commits to best practices in good corporate governance and transparency.

- a. APRIL will maintain a Stakeholder Advisory Committee (SAC), established in 2014, to ensure transparency and implementation of this SFMP including appointment of an independent verification auditor;
- b. APRIL will establish a transparent, responsive grievance mechanism with input from stakeholders that is readily accessible to stakeholders and will respond to grievances in a timely and transparent way;
- c. APRIL will provide regular progress update on the implementation of APRIL's SFMP to key stakeholders;
- d. APRIL will work collaboratively with Government, industry associations and other stakeholders to support sustainable development including national and local regulatory reform to improve spatial planning, incentivize forest conservation, support role out of "One Map" initiative by the Indonesian Government and promote the utilization of degraded lands.



Addenda to SFMP 2.0

a. Invasive Species Policy

APRIL and its suppliers commit to regular monitoring to identify any spontaneous regeneration, unusual mortality, diseases, insect outbreaks or other adverse ecological impacts. There are clear operational procedures defining effective management actions to control invasive species from sites in which they may regenerate.

b. Genetically Modified Organism Use Policy

APRIL declares that no GMOs are used or are present in license areas or areas where research takes place under the company's direct or indirect responsibility.

c. Pesticides and Other Hazardous Materials Use Policy

APRIL is committed to not using any restricted materials as listed in Annex 3 of the IFCC Standard 2013, the World Health Organisation Type Ia or Ib (2013), the Stockholm Convention (2016) and the Rotterdam Convention (2015).

d. Commitment to Protect Species of Conservation Concern

APRIL and its suppliers commit to protecting rare, threatened and endangered species and their habitats that are present within operational areas using the best information available. This includes reference to the IUCN Red List, Indonesian Regulation and relevant International Conventions ratified by the Republic of Indonesia including CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora) and the Convention on Wetlands

Appendix 2: Summary of Indicators

I	Long Term Sustainability:
<i>Overall objective: By increasing the productivity of our own plantations and those of our suppliers on our existing plantation footprint and eliminating mixed hardwood from natural forest from our supply chain.</i>	
a.	Tonnes and % of fiber supply by region (PT. RAPP, Suppliers (concessions, community forests, outgrower programs)
b.	# of Ha developed by category (Forested, Non-Forested and HCV ¹ /HCS ² and non-HCV/HCS)
c.	Land or licenses acquired by APRIL after 3 June 2015 and # of hectares of associated development (HCV/HCS and non-HCV/HCS)
d.	Third party mill deliveries (# of tonnes) from post June 3, 2015 clearing of HCV, HCS forests or forested peatlands.
e.	Progress toward fiber supply self-sufficiency
II	Forest Protection and Conservation:
<i>Overall objective: To increase the amount of conservation area to at least match that of our plantations and to develop and transition toward landscape based plans for our concessions and our long term supplier concessions to protect ecosystem functions and conserve native biodiversity.</i>	
a.	Hectares and % of conservation and restoration area impacted by fire, development or encroachment
b.	Ratio of conservation area to total plantation area
c.	Hectares of APRIL and supplier concessions under Ecosystem Restoration Planning Processes and Hectares of APRIL and supplier concessions that have implemented Conservation Forest Management Planning

III	Peatland Management:
<i>Overall objective: Minimize greenhouse gas emissions and impacts on peatland function by halting further development of forested peatland and developing and implementing best practices on peatland that is currently non-forested or has established plantations.</i>	
a.	# of Ha of plantation, conservation, and ecosystem restoration on peatland.
b.	# and % of Independent Peatland Expert Working Group (IPEWG) recommendations implemented on schedule
IV	Continuous reduction of carbon footprint:
<i>Overall objective: Reduce the lifecycle GHG emissions footprint of our products by increasing mill energy efficiency and use of renewable fuel sources and establishing an accurate baseline for land based emissions from which to initiate emission reductions.</i>	
a.	% of mill energy consumption by energy source (renewable /non-renewable)
b.	Scope 1 (direct) mill GHG emissions (t CO ₂ e)
c..	Overall carbon footprint

V	Proactive support of local communities:
<i>Overall objective: To continually seek opportunities to consult and align with the interests of communities.</i>	
a.	<ul style="list-style-type: none"> - Total \$ spent on social infrastructure projects. - KMs of road built. - # of social infrastructure projects completed. - # of social infrastructure projects for which materials were provided
b.	# of education scholarships provided
c.	# of SMEs contracted by APRIL and suppliers
d.	# of villages engaged in fire prevention programs
e.	# of farmers trained to cultivate farmland
f.	# of farmer groups supported with agricultural materials

VI	Respect the Rights of Indigenous Peoples and Communities:
<i>Overall objective: To demonstrate respect for the rights of indigenous peoples and rural communities throughout operations.</i>	
a.	Ha of APRIL and supplier concessions currently inactive due to unresolved land disputes
b.	Existence of publicly available grievance system
c.	% of grievances resolved in accordance with the grievance SOP
VII	Responsible Practices in Our Work Places:
<i>Overall objective: To provide a safe, productive and conducive work environment throughout its wood supply chains where employees including those of sub-contractors, can contribute and advance.</i>	
a.	# of fatalities (mill, PT. RAPP fiber, suppliers)
b.	Grievance resolution mechanism in place for labor concerns raised by APRIL or supplier employees and contractors
c.	% of PT. RAPP, supplier and contractor operations covered by OHS certification

VIII	Legal Compliance and Certification:
<i>Overall objective: To go beyond legal compliance toward achieving sustainable forest management.</i>	
a.	# of Instances of fire on concessions by cause (APRIL or supplier initiated, or third party initiated)
b.	% of fiber covered by legality certification
c.	# of legal sanctions received and resulting actions
IX	Good Corporate Governance, Verification and Transparency:
<i>Overall objective: To implement best practices in corporate governance and transparency.</i>	
a.	Status of SAC Recommendations
b.	% of new suppliers for which the supplier due diligence process was completed prior to the first wood delivery

X	Addenda to SFMP 2.0:
<p><i>Overall objective: To address Sustainable Forest Management Topics of increasing importance since the development of SFMP 2.0 in 2015.</i></p>	
a.	% of concessions not using WHO Class 1a or 1b pesticides
b.	% of Estates and concessions with invasive species monitoring and management programs
c.	% of plantation footprint where GMOs are planted or used.
d.	# of species of concern identified on ecosystem restoration areas and concession areas.

Appendix 3: Action Plans for New Opportunities for Improvement

APRIL SFM Policy 2.0 Implementation –Action Plans for Opportunities for Improvement April 30, 2022		
Indicator I.b	# of Ha developed by category (Forested, Non-Forested and HCV*/HCS** and non-HCV/HCS).	
2022 Opportunity for Improvement #1	<p>APRIL SFMP 2.0 has a clear commitment to HCS assessment ahead of development activities. Recognizing that HCS has evolved significantly since the SFMP 2.0 commitments were made and that HCS assessment takes significant time, in the interim APRIL have developed a land recovery SOP to guide retention of residual forest values during land recovery of ex-dispute areas in order to mitigate risk to residual forest values. Our assessment found that while this SOP is being implemented:</p> <ul style="list-style-type: none"> the SOP is designed for small scale land recovery. As the areas recovered increase in scale, there is a need to re-evaluate the SOP and particularly, to clarify where the scale of recovery requires HCS assessment. For existing land recovery operations there is an opportunity to clarify standards for the quality of photographic evidence required to support the current, and historic, deforested status of the land that is necessary for the land to be eligible for development. 	
APRIL action plan	APRIL will review the Land Recovery Analysis SOP, clarifying the scale, perhaps also adding more additional steps and look at the opportunities to improve the quality of photos/images.	Timeframe: September 2022
KPMG PRI Review of action plan	Accepted April, 2022	
Indicator IX.d	% of new suppliers for which the supplier due diligence process was completed prior to the first wood delivery	
2022 Opportunity for Improvement #2	<p>Publication of the IPEWG minutes is an important demonstration of APRIL’s approach to implementing best management practices on peatland. However, the IPEWG has not published formal minutes for any meetings since mid-2020 reducing transparency in relation to this important process. The proposed publication of a progress Report later in 2022 that is intended to cover recent IPEWG activities is expected to help improve transparency to the process.</p>	
APRIL action plan	IPEWG’s 2021 Progress Report is planned to be published later this year which will consolidate all key discussion from 2021 IPEWG Meetings, and APRIL will look at publication of IPEWG 2022 Minutes of Meeting as well.	Timeframe: December 2022
KPMG PRI Review of action plan	Accepted April, 2022	

Indicator X.a	% of concessions not using World Health Organization (“WHO”) Class 1a or 1b pesticides	
2022 Opportunity for Improvement #3	Inspection of the Chemical inventory at one Open Market Supplier site found the list of chemicals in storage was incomplete and that a number of the Material Safety Data Sheets (MSDS) on site were missing or out of date.	
APRIL action plan	APRIL will review and strengthen the verifiers in checklist to include some level of due diligence on Suppliers’ Chemical List and MSDS.	Timeframe: July 2022
KPMG PRI Review of action plan	Accepted April, 2022	
Indicator X.b	% of estates and concessions with invasive species identification and management programs.	
2022 Opportunity for Improvement #4	Field inspections identified weaknesses in the implementation of commitments related to invasive species at one supply partner estate where an SOP was in place for managing invasive species but had not to date been implemented.	
APRIL action plan	APRIL will strengthen the socialization and conduct re-fresh training about the procedure to manage Invasive Species.	Timeframe: September 2022
KPMG PRI Review of action plan	Accepted April, 2022	
Indicator X.d	# of species of concern identified on ecosystem restoration areas and concession areas.	
2022 Opportunity for Improvement #5	Overall, field assessments indicate that there is signage in place at estates to remind workers and contractors of species of concern and expectations for reporting sightings. However, in an isolated case, worker and contractor interviews did not indicate an awareness of reporting expectations at one supplier concession.	
APRIL action plan	APRIL will strengthen the socialization and conduct re-fresh training about the requirement to report on the species of concern.	Timeframe: September 2022
KPMG PRI Review of action plan	Accepted April, 2022	

Indicator IX.a	Status of Stakeholder Advisory Committee (SAC) Recommendations	
2022 Opportunity for Improvement #6	While APRIL's independent Stakeholder Advisory Committee remains active, neither the APRIL website nor the APRIL Sustainability Dashboard contain a complete set of meeting minutes reducing transparency in relation to this important process.	
APRIL action plan	APRIL will make sure that the complete set of 2021 and 2022 SAC minutes of meetings is published.	Timeframe: December 2022
KPMG PRI Review of action plan	Accepted April, 2022	
Indicator VII.c	% of PT. RAPP, supplier and contractor operations covered by OHS certification	
2022 Opportunity for Improvement #7	Field inspections identified an opportunity to include temporary housing within RAPP inspection requirements. RAPP currently has a formal inspection process and checklist for permanent and semi-permanent housing that addresses safety and sanitation considerations. However, there is no process to address temporary worker housing which, based on one site visited, did not meet basic standards.	
APRIL action plan	APRIL will develop inspection checklist requirements for temporary housing.	Timeframe: December 2022
KPMG PRI Review of action plan	Accepted April, 2022	

Appendix 4: Update On Action Plans For Historic Opportunities For Improvement

APRIL SFM Policy 2.0 Implementation – Update On Action Plans For Historical Opportunities For Improvement April 2022	
Indicator I.b	# of Ha developed by category (Forested, Non-Forested and HCV*/HCS** and non-HCV/HCS).
2021 Opportunity for Improvement #1	While APRIL tracks and investigates land cover change at open market suppliers and confirms the presence of supplier processes for resolving land use disputes, the Open Market Supplier due diligence checklist does not explicitly address the maintenance of natural forest during land recovery operations following the resolution of land use disputes with local communities. While land recovery operations generally relate to smaller areas with a history of disturbance the absence of clearly defined criteria for treatment of residual stands increases the risk that the recovery operations could include “new development” prohibited by APRIL’s SFMP 2.0
Summary of completed APRIL actions	APRIL has updated the Open Market Supplier due diligence checklist to explicitly assess land recovery activities and has implemented this revised element of the process.
2022 Status	Closed - Under the revised due diligence process land recovery activities are specifically assessed for conformance with SFMP 2.0. Field testing at one open market supplier determined that the land cover change monitoring process has been updated and captures land recovery activities which are then expected to be subject to supplier feedback and subsequently field verification by the supplier due diligence team.
Indicator IX.d	% of new suppliers for which the supplier due diligence process was completed prior to the first wood delivery
2021 Opportunity for Improvement #2	Elements of the open market supplier due diligence process have not been completed during both 2020 and 2021 as a result of COVID-19. Given the extended timeframe of the reductions in the due diligence processes and the potential for continued periodic disruption of these processes APRIL should consider modifications to their SOP to increase the amount of remote due diligence when field visits are not practical.
Summary of completed APRIL actions	Action: APRIL has updated its due diligence SOP to explicitly provide for remote due diligence activities. In addition, review of updated due diligence processes for open market suppliers indicates that the information to conduct remote assessments is being provided.
2022 Status	Closed - Under the revised due diligence process additional emphasis has been put on remote due diligence in order to mitigate risks associated with an inability to conduct field verifications.

Indicator VII. c	% of PT. RAPP, supplier and contractor operations covered by OHS certification
Opportunity for Improvement #9 2018	<p>During field inspections at PT. RAPP and three Supply Partners, isolated safety concerns were observed as follows: Ineffective personal protective equipment (PPE) in use by staff and contractors, which included and included unprotected lower shin for a chainsaw operator and non-functional safety whistles on lifejackets; Missing fire extinguishers were noted at a planting contractor camp that had fuel storage. One contractor field camp was constructed too close to surrounding forest and did not have a separated kitchen and sleeping quarters as required by the Supply Partner’s SOP. One SME contractor interviewed was unaware of mandatory health and safety meetings and there is no monitoring to ensure that all contractors attend these meetings.</p>
Summary of completed APRIL actions	<p>Development and roll-out of a contractor safety management system (CSMS) comprising 4 different levels of commitment based on contractor scale and activities.</p> <p>The roll-out of the CSMS continued throughout 2020 and 2021, although some delays occurred as a result of the COVID-10 pandemic. Desktop audits of all contractors required to operate under the CSMS have been conducted with the majority of contractors now having updated their documentation to meet CSMS standards. Following successful completion of desktop audits, field audits were initiated in 2021 and these continued into 2022.</p> <p>Once fully implemented, certificates issued on successful completion of field audits will be required for contractors in order to extend their contracts.</p>
2022 Status	<p>Closed - Significant progress has been made in the implementation of the CSMS during 2021 with broad rollout of the program across contractors focused on training and documentation of safety processes followed by the initiation of the field audit process. While the field audit implementation process remains ongoing in 2022 sufficient evidence of field implementation of the CSMS was observed to close the finding. Field audits are expected to be an integral part of the CSMS process going forward.</p> <p>There will be a continuing need for focus on the CSMS and safety awareness across all APRIL’s operations.</p>

**APRIL SFM Policy 2.0 Implementation – Update On Action Plans For Historical Opportunities For Improvement
August 2021**

Indicator VI.f	% of grievances resolved in accordance with the grievance standard operating procedure (SOP)
2020 Opportunity for Improvement #2	<p>Grievance processes have been implemented across both P.T. RAPP and Supply Partners to capture and address site level (“offline”) grievances raised by communities.</p> <p>Management has established mechanisms so that it has visibility into the type and extent of grievances occurring on P.T. RAPP Estates. However, a similar level of management visibility over the type and extent of grievances at supply partner concessions has yet to be established.</p>
Summary of completed APRIL actions	<p>A revised grievance mechanism has been approved that is more streamlined and includes centralized oversight over site level (“offline”) grievances raised by communities which are to be reported on a weekly basis. Additional methods to register grievance have been formalized, including a hotline. This revised mechanism has not yet been implemented.</p>
2022 Status	<p>In Progress - The revised grievance SOP has not yet been implemented across P.T. RAPP or supply partners so APRIL’s oversight of supply partner grievance processes remains limited. Field assessments indicate that pending the implementation of the revised SOP processes at individual sites are inconsistent in the level of documentation maintained related to the resolution of local grievances.</p> <p>Interviews with local village heads during field assessments in 2022 indicate that previous observations on the need to socialize amended processes for addressing grievances remain relevant given the currently low level of usage of the grievance process by local communities.</p>

**APRIL SFM Policy 2.0 Implementation – Update On Action Plans For Historical Opportunities For Improvement
August 2021**

Indicator II.a	Hectares and % of conservation and restoration area impacted by fire, development or encroachment
2020 Opportunity for Improvement #4	An opportunity remains to develop a broad plan to address the rehabilitation, where possible, of the significant backlog of historic encroachment.
Summary of completed APRIL actions	APRIL reviewed their restoration activities for 2019 and 2020 with KPMG. APRIL also investigated the accuracy of existing land cover data for conservation areas (which is based on satellite imagery) and is currently in process of re-assessing areas currently identified as “agriculture” within conservation areas to determine whether there are restoration opportunities within this category beyond those already addressed by existing restoration plans.
2022 Status	<p>In Progress - APRIL remains in the process of re-analyzing its existing land cover estimates for conservation area that is not currently forested to assess whether there are additional restoration needs beyond the existing annual restoration activities on each concession.</p> <p>Our field observations in 2022 continue to indicate opportunities for additional restoration and noted that the quality of conservation area across concessions is quite variable, and in some cases there has been considerable loss of forested area to encroachment within conservation areas⁵. At one supplier concession it was noted that while the conservation forest management matrix developed for the concession focuses on protection of remaining quality forested conservation it does not yet include any restoration objectives despite historic loss of most of the natural forest in the conservation area to encroachment. The Conservation Forest Management Planning process being implemented by APRIL is expected to provide the tools to determine where restoration of conservation area is a priority.</p>

⁵ Impacted conservation area is predominantly conservation area that is also under land claim and therefore excluded from the conservation area hectares reported by APRIL as part of its 1:1 commitment.

APRIL SFM Policy 2.0 Implementation – Update On Action Plans For Historical Opportunities For Improvement August 2021	
Indicator IX.d	% of new suppliers for which the supplier due diligence process was completed prior to the first wood delivery
2020 Opportunity for Improvement #5	<p>Field inspections and interviews of open market supplier due diligence processes identified weaknesses in the completion of these processes, which did not identify the following weaknesses at one Open Market Supplier that are expected to be captured by the due diligence process as follows:</p> <ul style="list-style-type: none"> • the existence of active land disputes. • the fact that the labor complaint SOP had not been communicated to contractors.
Summary of completed APRIL actions	<p>APRIL has updated its due diligence forms to capture monitoring information more effectively but has not yet been able to implement the related field verification processes as a result of the COVID-19 pandemic.</p>
2022 Status	<p>Status: Closed</p> <p>While APRIL does not plan to re-initiate field assessment of open market suppliers until later in 2022 (assuming a reduction in COVID-19 related travel constraints), APRIL’s due diligence process have been updated to incorporate remote assessment options and the revised process has been implemented. This is capturing better quality Open Market Supplier performance data. As a result, the action plan is considered closed. Future assessments will confirm that once COVID-19 related travel constraints have abated the field assessment portion of the program is undertaken.</p>