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

Submitted to APRIL Stakeholder Advisory Committee on May 5, 2025

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1. Stakeholder Advisory Committee Observations

Message from the Co-Chairs

This is the 10th SFMP 2.0 Assurance 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 and areas for improvement.

The indicators are intended to focus reporting on the key aspects of APRIL's performance in delivering on its SFMP 2.0 commitments. Stakeholder feedback on indicators and this report will help to further focus the indicators and report in future years. For the 2025 verification, the SAC determined that the existing 19 SFMP 2.0 indicators remain suitable.

Again in early 2025 KPMG PRI completed the assurance process with a full field visit component. The SAC is committed to an open and stakeholder inclusive assurance process and in that regard, it was important that KPMG PRI were able to visit concessions and meet with community leaders at a number of villages during the assurance process. With the continued use of field visits, we were pleased to welcome local stakeholder observers to participate in the process and provide valuable feedback.

For the first time in 2025 three Kalimantan Supply Partners reported under the SFMP 2.0 performance indicators based on the strength of their supply relationships, having previously been reported as Open Market Suppliers. The transition to reporting under the performance indicators with support from APRIL was successful in its first year. The addition of these suppliers is most evident in changes to fire data with a significant number of third-party initiated fires at some of these sites in 2024. However, no fire damage occurred in forest conservation areas.

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,

- no harvesting of native mixed tropical hardwoods;
- in 2024, plantation development on non-forested land was restricted to ex-agricultural land in addition to existing requirements for the land to have remained not forested since the time that APRIL's mixed hardwood moratorium was announced in 2015;
- a broad-based program of community support and development continues;
- continued achievement of low levels of fire across PT. RAPP and Sumatra Supply Partner concessions. Fires in Kalimantan Supply Partner concessions did not result in damage to forest conservation areas;

- continuing implementation of dispute resolution processes to address land use disputes and bring non-forested land back into production or conservation; and
- ongoing investment in an improved safety culture through the implementation of the Contractor Safety Management System ("CSMS") and increasing the percentage of contractors certified through the CSMS approach year after year.

KPMG PRI drew the attention of the SAC to one new non-conformity related to safety culture. This arose despite APRIL's implementation of systems and processes to address safe work practices and focuses on the effectiveness of these systems, particularly their success at changing worker behaviour. Additionally, five new opportunities for improvement are identified in this report. We anticipate APRIL's timely implementation of the action plans they have identified to address these findings. This process will foster transparency, build trust and drive continuous improvement across both APRIL and its fibre suppliers.

As always, we would like to thank APRIL staff for working alongside KPMG PRI to enable the production of this important report. We would be remiss to not also thank the APRIL suppliers, contractors and other critical personnel who hosted and worked with the KPMG PRI team during the assurance process.





Ida Bagus Putera Parthama & Rod Taylor
Co-Chairs
APRIL Stakeholder Advisory Committee

2. Summary and Conclusions

In 2025, KPMG PRI completed a limited assurance engagement over 19 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 five opportunities for improvement identified in our 2024 limited assurance report; and,
- APRIL's performance under 19 SFMP 2.0 indicators for the period from January 1, 2024 to December 31, 2024 and related conformance with SFMP 2.0.

The SFMP Performance Indicators

The SFMP 2.0 performance indicators were adopted by the SAC to provide quantitative information on APRIL's progress implementing its commitments under SFMP 2.0.

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. APRIL has developed reporting 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.

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

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 limited assurance conclusion based on the work performed and the evidence we have obtained. The engagement was carried out in accordance with ISO 17029 *Conformity assessment – General principles and requirements for validation and verification bodies*.

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 one PT. RAPP Sector, two existing Supply Partner Concessions, two new Kalimantan Supply Partner Concessions, and one Open Market Supplier Concession to assess field conditions for consistency with reported data.

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

Our Findings and Conclusions

Based on our examination:

Performance Indicator Data and Conformance with SFMP 2.0 – based on the procedures performed and evidence obtained, no matters have come to our attention that cause us to believe that the APRIL SFMP 2.0 performance indicator data included in the report for the year ended December 31, 2024 is not prepared, in all material respects, in accordance with APRIL's internal guidelines and definitions for SFMP reporting.

In the course of our work related to the APRIL SFMP 2.0 performance indicator data:

- We identified one nonconformance in the implementation of SFMP 2.0 requirements associated with indicator VIIa relating to *Responsible practices in our workplace* and the development of effective action plans to close safety gaps. This finding is summarized in **Appendix 3** of our report along with formal corrective action plans developed by APRIL to address the nonconformity.
- We identified five 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 and evidence obtained, no matters have come to our attention that cause us to believe that APRIL's assessment of action plan status presented in Appendix 4 of this report is not prepared, 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 three 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 report is intended solely for use by the independent Stakeholder Advisory Committee ("SAC") of APRIL for the purpose(s) set out in our engagement agreement. Our report may not be suitable for any other purpose and is not intended for use or reliance by any third parties. While KPMG LLP acknowledges that disclosure of our report may be made, in full, by the SAC, KPMG LLP does not assume or accept any responsibility or liability to any third party in connection with the disclosure of our report.

Our work has been undertaken so that we might report to the SAC on those matters we have been engaged to report upon in this report, and for no other purpose. We do not accept or assume responsibility to anyone other than the SAC for our work, for this assurance report, or for the conclusions we have reached.



KPMG Performance Registrar Inc.
Vancouver BC Canada
May 5, 2025

3. Brief overview of APRIL's Operations

APRIL maintains an integrated pulp and paper mill in Pangkalan Kerinci, in Riau Province, Sumatra. The mill is capable of producing 4 million tonnes (Mt) of pulp, 1.2 Mt of paperboard and 1.15 Mt of paper products which are sold externally.

Fiber for the pulp and paper mill is derived from approximately 607,000 hectares of plantations maintained by PT. Riau Andalan Pulp and Paper (PT. RAPP) and Supply Partner concessions located on Sumatra and Kalimantan. APRIL and its Supply Partner plantations currently supply approximately 84% of the mill's fiber needs, the remainder being met by open market log suppliers in Sumatra, Kalimantan, and Malaysia, open market woodchip supply from Vietnam and a small amount of plantation logs from community forests.

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 1:1 conservation commitment. Supply Partners report under all applicable SFMP 2.0 Indicators. In 2024, three Kalimantan suppliers (PT Adindo Hutani Lestari, PT Itci Hutani Manunggal and PT Nusantara Kalimantan Lestari) were reclassified from Open Market Suppliers to Supply Partners and began contributing toward APRIL's 1:1 conservation commitment, resulting in significant changes to the reported area of both plantation and conservation.

Open Market Suppliers are larger scale concession managers with which APRIL contracts for log purchases as well as woodchip manufacturers in Vietnam. Open Market Suppliers may sell fiber to third parties and do not contribute to APRIL's 1:1 conservation commitment. Open Market Supplier performance is tracked based on supplier scores under APRIL's supplier due diligence process rather than individual indicators. Approximately two-thirds of open market supply is received as logs and one-third is received as woodchips.

The remaining supply sources are smaller scale community forests (which provide approximately 3% of current supply).

The general location of supply sources is shown in Figure 1 (PT. RAPP and Sumatra Supply Partner concessions), Figure 2 (Kalimantan Supply Partner concessions) and Figure 3 (Open Market Supplier concessions). Further information on APRIL's operations can be found at www.aprilasia.com and on APRIL's sustainability dashboard, located at http://sustainability.aprilasia.com.

Figure 1 General Location of PT. RAPP and Sumatra Supply Partners

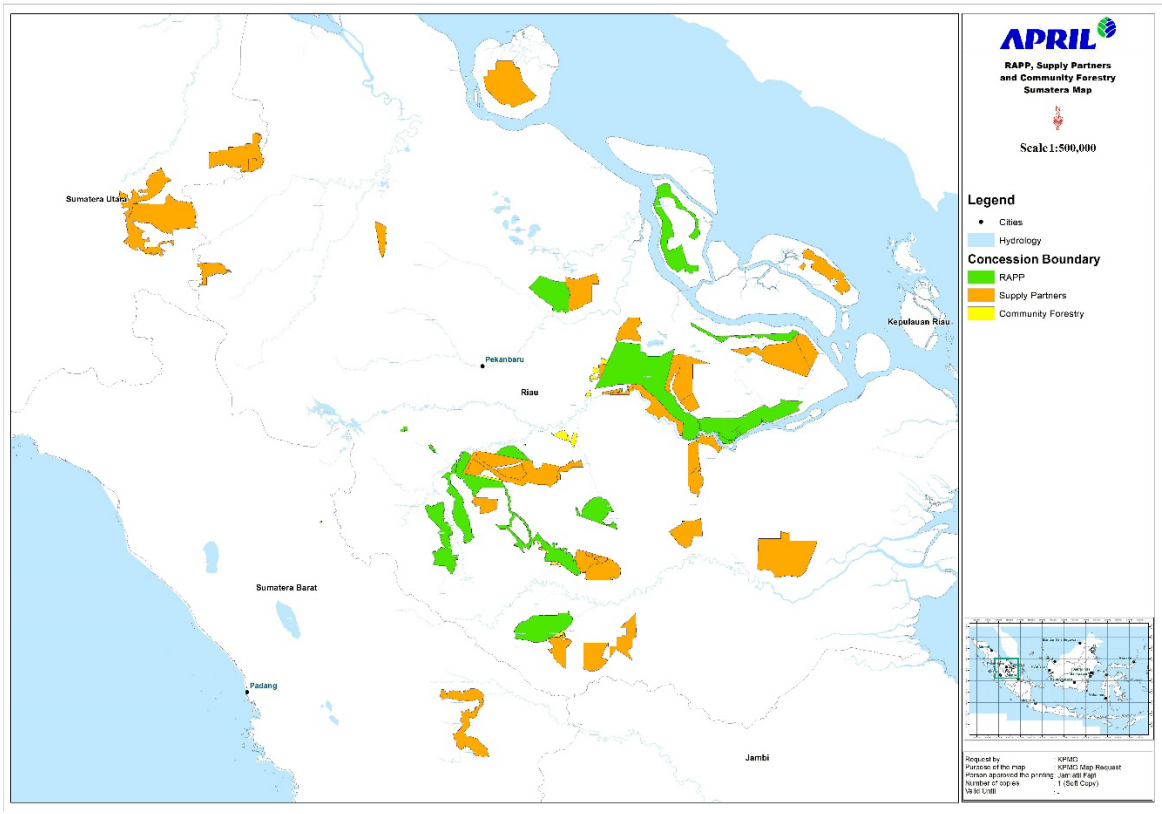


Figure 2 General Location of Kalimantan Supply Partners

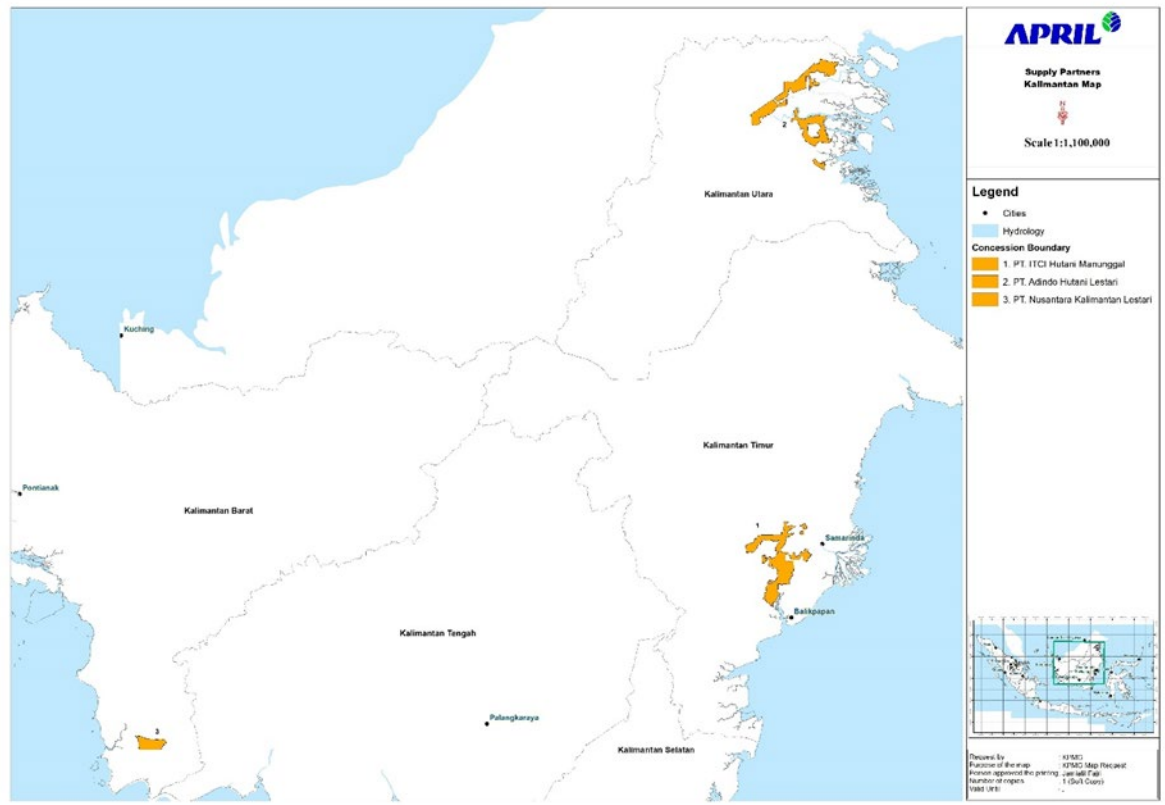
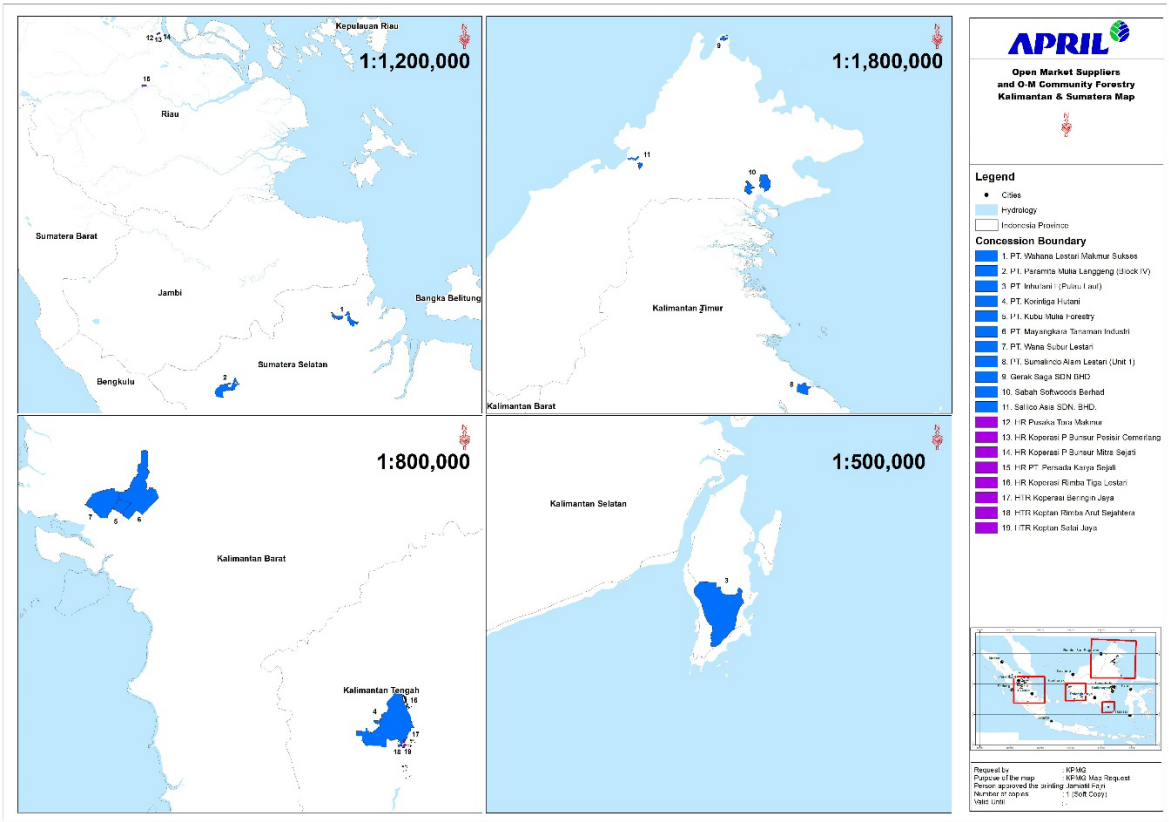


Figure 3 General Location of Open Market Suppliers



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 Sustainable Forest Management Policy (SFMP) 2.0 – APRIL Sustainability Dashboard (aprilasia.com) 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

Repository – APRIL Sustainability Dashboard (aprilasia.com)

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. The full set of indicators can be found in **Appendix 2**.

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 19 indicators was adopted following review by the SAC in its meeting of December 5-9, 2022 and reaffirmed in late 2024.

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 Limited 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 17029 (conformity assessment) 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

This engagement was carried out in accordance with ISO 17029, which is an ISO standard developed to allow verification of the reliability of information (e.g., environmental or social performance information) declared in claims. ISO 17029 explicitly provides for the development of verification programs specific to a set of corporate claims, such as APRIL's reporting under its SFMP 2.0 indicators, and is therefore the appropriate standard to use for this engagement.

Engagement Phases– The engagement was undertaken as follows:

- Verification Program development – December 2024

  The verification program was accepted by the SAC in December 2024 and included the following key components:

  I. Scope of the verification

  The scope of the verification consists of 19 quantitative performance indicators related to SFMP 2.0 – assessed against APRIL's internal guidelines and definitions for SFMP reporting as well as SFMP 2.0

requirements as well as APRIL's claims in relation to the implementation status of action plans agreed in May 2024 following the 2024 assurance process.

Reporting is based on performance in the year ended December 31, 2024. The SFMP 2.0 Indicators have varying scope covering PT. RAPP, Supply Partners (SP) and Open Market Suppliers (OMS) as described for each indicator in *Section 8: Summary of SFMP 2.0 Indicator Performance* in this report.

II. Competence criteria for the verification team and KPMG PRI

The agreed competence criteria for the KPMG PRI team were that the team would include: at least one Professional Forester, one local forestry expert, one lead verifier under ISO 14065, one Bahasa speaker, one lead auditor under a forest certification program and one lead auditor under a chain of custody certification program.

The competence criteria to be met by KPMG PRI includes internal verification processes to be established in accordance with ISO 17029 (as demonstrated by accreditation of KPMG PRI's business processes).

III. Process for verification and evidence gathering activities

The agreed process for verification and evidence gathering activities included:

- Off-site International and local media review;
- On-site planning and sample selection in Kerinci (document, record review and interviews);
- On-site sampling in Kerinci (document, record review, sampling and interviews);
- On-site sampling at one PT. RAPP Estate, two Sumata Supply Partner concessions, two Kalimantan Supply Partner concessions and one Open Market Supplier concession involving document and record review, sampling, field inspection and interviews; and
- An Internal Engagement Quality Control Review (Technical review) of the draft report by KPMG partner.

IV. Reporting processes

The agreed reporting process was required to include:

- A long-form limited assurance report disclosing the verification process, APRIL data, evidence reviewed and findings for each indicator.
- The potential types of findings and situations under which the report is required to be qualified were agreed as described in the following Section 6. Approach to Reporting of this report.

- Planning – January/February 2025

The verification program was agreed with the SAC in late 2024 and proposed approach for 2025 was finalized by KPMG PRI and submitted to the SAC for approval following a one-week planning visit to the Kerinci mill. The planning visit reviewed APRIL's data, selected specific concessions and estates to visit and developed a detailed logistical plan to complete the engagement.

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

- Concession field visits – February/March 2025

  Six field visits were undertaken as described in the table below. In addition, the corporate office at the Kerinci mill site was visited between February 20 and March 14, 2025 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.

Location of site visits

Sector / Concession	Ownership	Dates
Mandau	PT. RAPP	February 24-27, 2025
PT. Sumalindo Alam Lestari Unit 1	Open Market Supplier	February 25-27, 2025
PT. ITCI Hutani Manunggal	Kalimantan Supply Partner	February 24-28, 2025
PT. Peranap Timber	Sumatra Supply Partner	March 3-6, 2025
PT. Sumatera Riang Lestari Blok I Sei Kabaro	Sumatra Supply Partner	March 4-7, 2025
PT. Adindo Hutani Lestari	Kalimantan Supply Partner	March 3-7, 2025

- Action planning and acceptance – March 2025

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

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

- Report development and review with the independent Stakeholder Advisory Committee – March 2025

  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.

Team – The engagement team consisted of nine professionals whose qualifications are detailed below.

Engagement Team

Shawn Ellsworth (technical reviewer)	Professional forester (RPF) and environmental and OHS auditor (EMS and OHS (LA)). Over 28 years forest industry experience and 20 years forest certification experience using PEFC, FSC, SFI and CSA standards. Experience in North America, Europe, South America, South East Asia and Russia. Direct experience conducting regulatory investigations of logging practices as well as advising companies on controls over promotion of sustainable harvest techniques.
Chris Ridley-Thomas (lead verifier)	Professional biologist (RPBio) and environmental auditor (EP EMSLA). Over 25 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. Eight years of experience with forestry in Indonesia.

John Drummond (candidate lead verifier)	Environmental and Occupational Health and Safety lead auditor. Over four years experience with carbon accounting and reporting, harvested wood product life-cycle analysis and reporting, greenhouse gas emission reporting, and forest sector auditing. Experienced with public sector, private industry, and First Nations clients in North America, Europe, and Asia. Project experience includes forest carbon research supporting intergovernmental climate change adaptation and mitigation strategies, assessing feasibility and verifying crediting of forest carbon offset projects, supporting forest carbon and harvested wood product inventories and modelling, as well as leading sustainable forest management and chain of custody certification audits.
Michael Buell (verifier)	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. Extensive 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 (local technical expert)	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 28 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.
Een Nuraeni (local technical expert)	Sustainability Certification professional with 17 years experience in sustainability certification, supply chain management and traceability in forestry and agriculture. Extensive experience with FSC chain of custody, controlled wood and forest management certification in Indonesia, (Papua, Kalimantan, Sumatera), Singapore, Malaysia and Thailand. Degrees in sociology and communication.
Agus Putera (local technical expert)	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.
Emily Merlo (verifier)	ESG professional and Chartered Professional Accountant (CPA Canada). Bachelor of Science in Biology (conservation, ecology, evolution) from Simon Fraser University and diploma in accounting from the University of British Columbia. Over six years of experience which includes corporate sustainability (primarily ESG assurance in forestry), financial statement audits (energy and natural resources-based industries), and lab and field-based research.
Vivian (KPMG Indonesia liaison)	Jakarta based ESG professional with over four years of experience in corporate sustainability, internal audit, assurance, project management and research. Holds accounting degree from Petra Christian University. Previous experience on the APRIL engagement providing language support to the assurance team in Kerinci.

Stakeholder Observer – The stakeholder observer process was continued in 2025 to support the transparency of the limited assurance process. Stakeholders were provided with an opportunity to observe the limited assurance process in the field in 2025. One observer accompanied KPMG PRI to two concessions to observe the limited assurance process for a total of eight days. The observer feedback was shared with the Stakeholder Advisory Committee. This feedback informs the planning and approach for future site visits.

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:

Format of performance data presented in Section 8.

APRIL DATA	**APRIL data for the period from January 1 to December 31, 2024**	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 against indicator requirements.
	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 limited 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.
	Observations	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.

An overall conclusion is provided covering all of the indicators based on the following general criteria:

Format of conclusions presented in Section 2.

CONCLUSIONS PROVIDED BY KPMG PRI	**Conclusions**	An overall conclusion is provided in the 'negative' form, consistent with standard practice for limited assurance, "based on the procedures performed and evidence obtained, no matters have come to our attention that cause us to believe that the APRIL SFMP 2.0 performance indicator data included in the report for the year ended December 31, 2024 is not prepared, in all material respects, in accordance with APRIL's internal guidelines and definitions for SFMP reporting". The standard conclusion may be modified to state "except for as follows…" where: • a material unadjusted discrepancy in isolated indicator / action plan data is identified; • non-conformance(s) are identified with SFMP 2.0; • material uncertainty exists (as a result of a restriction in KPMG PRI's ability to collect evidence) related to indicator/ action plan data. The standard conclusion may be modified to indicate that the report is materially misstated as a whole where: • discrepancies in indicator data or non-conformances are indicative of a pervasive lack of implementation of SFMP 2.0. The standard conclusion may be modified to a denial of conclusion where: • Uncertainties or a lack of access to sufficient and appropriate assurance information in relation to indicators and/or action plan data are pervasive. In this context, decisions on materiality for reporting purposes are based on the likely impact on stakeholder confidence in APRIL's performance data.

7. Status of Prior Year Action Plans

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

There were no open action plans related to non-conformances from prior year reports at the time of this engagement.

Status of action plans related to historic 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	-	-	-	-
II. Forest protection and conservation	1	-	1	-
III. Peatland management	-	-	-	-
IV. Continuous reduction of carbon footprint	-	-	-	-
V. Proactive support of local communities	-	-	-	-
VI. Respect the rights of indigenous peoples and communities	-	-	-	-
VII. Responsible practices in our workplaces	2	2	-	-
VIII. Legal compliance and certification	-	-	-	-
IX. Good corporate governance, verification and transparency	1	1	-	-
X. SFMP 2.0 Addenda	1	1	-	-
Data Reporting	-	-	-	-
Total	**5**	**4**	**1**	**-**

KPMG Comments and Findings

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).

Details of the previous findings can be found in **Appendix 4**. Four of the five action plans developed for Opportunities for Improvement raised in 2024 have now been closed. The status of the remaining action plan is as follows:

2024 Opportunity for Improvement #5 - remains in progress pending the extension of actions taken at PT. RAPP to prioritize recovery in conservation areas across Supply Partners.

8. Summary of SFMP 2.0 Indicator Performance

I. Long Term Sustainability Indicators

Indicators Assessed

Two performance indicators on Long Term Sustainability were assessed as follows:

I	Long Term Sustainability
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	
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/HCS and non-HCV/HCS)

Indicator Performance

I	Long Term Sustainability
a.	Tonnes and % of fiber supply by region (PT. RAPP, Suppliers (concessions, community forests, outgrower programs))

APRIL data for the period from January 1, 2024 - December 31, 2024

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

Fiber source	2024 Deliveries			2023 Deliveries		
	Plantation Harvest (Tonnes)	Natural Forest Harvest (Tonnes)	(%)	Plantation Harvest (Tonnes)	Natural Forest Harvest (Tonnes)	(%)
Logs						
PT. RAPP	4,699,098	-	30.4%	6,050,901	-	38.8%
Sumatra Supply Partners	5,868,821	-	38.0%	6,002,000	-	38.5%

Fiber source	2024 Deliveries			2023 Deliveries		
	Plantation Harvest (Tonnes)	Natural Forest Harvest (Tonnes)	(%)	Plantation Harvest (Tonnes)	Natural Forest Harvest (Tonnes)	(%)
Logs						
Kalimantan Supply Partners	2,385,038	-	15.4%		-	
Open Market Suppliers	1,336,811	-	8.7%	2,429,011	-	15.6%
Community Forestry	501,157	-	3.3%	302,535	-	2.0%
Sub-Total	**14,790,924**	**-**	**95.8%**	**14,784,447**	-	**94.9%**
Wood chips						
Open Market Suppliers	645,038	-	4.2%	797,952	-	5.1%
Total						
Total	**15,435,962**	**-**	**100%**	**15,582,399**	**-**	**100%**

Evidence Reviewed

APRIL provided information on deliveries by supplier to the Kerinci mill for 2024. The information was cross-checked against scale delivery data on a sample basis to check the existence, accuracy and completeness of amounts received, their source and whether they were delivered from plantations or natural forest. We also conducted mill (record keeping), wood yard (weigh bridge wood reception procedures for checking origin, legality checks and weighing) and concession inspections (legality documentation and volume calculations) on a sample basis to assess whether the delivered fiber was legally harvested plantation species and the volume delivered was plausible.

Findings

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

Total fiber deliveries to the Kerinci mill in 2024 were relatively consistent with 2023. The proportion of fiber sourced from PT. RAPP and Supply Partners increased to approximately 84% (2023: 77%) largely as a result of the re-classification of three historic Open Market Suppliers in Kalimantan as Supply Partners, reflecting the long-term nature of the fiber supply relationship with these companies.

A review of a sample of delivery documentation accompanying fiber deliveries and records generated at critical control points found that material received by the Kerinci mill could be traced back to supplier and key information including species, volumes, and legality documentation accompanied sampled deliveries.

Consistent with the SFMP 2.0 commitment to not source mixed hardwood, no mixed hardwood deliveries were identified during the period based on the sampling undertaken.

Indicator Performance

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

APRIL data for the period from January 1, 2024 – December 31, 2024

PT. RAPP and Supply Partners	2024 (Ha)		2023 (Ha)	
	PT. RAPP	Supply Partners	PT. RAPP	Supply Partners
New development of fiber plantation[1]	N/A	N/A	N/A	N/A

[1] *Kalimantan Supply Partners were considered Open Market Suppliers in 2023 and did not report under this indicator*

Evidence Reviewed

Reports identifying any first rotation plantation establishment (R1) by PT. RAPP or Supply Partners was provided by APRIL, including details of the analyses completed by APRIL to check conformance with the SFMP 2.0 requirement to only develop areas that are not forested. KPMG reviewed historic land use records and viewed satellite imagery for a sample of sites in addition to conducting field inspections of some of the sites to assess whether the first rotation plantation sites were initially non-forested and had remained non-forested since the implementation of SFMP 2.0 in 2015.

Findings

This is a key indicator of conformance of SFMP 2.0 requirements which states:

- *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.*

For each proposed first rotation planting site, APRIL's planning team conducts a review and analysis to confirm the hectares are correctly categorized, and the location of those hectares is consistent with approved HCS and/or HCV assessments. In those areas where there is not a current HCS assessment, proposed planting sites are assessed for evidence of continuing non-forested status since June 2015. During 2024 APRIL updated its processes for approving first rotation plantations and further restricted the establishment of these plantations to ex-agricultural areas. As a result, new plantations can no longer be established on open area or scrub. Open areas and scrub that had previously been recovered through dispute resolution but had not yet been planted were removed from "to be planted" designation and are now included within conservation hectares (with consequent increases in the amount of conservation requiring restoration).

In 2024, the first rotation planting samples selected for assessment by KPMG PRI showed evidence of continuing non-forested status since June 2015.

II. Forest Protection and Conservation Indicators

Indicators Assessed

Four performance indicators on Forest Protection and Conservation were assessed as follows:

II	Forest Protection and Conservation
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.	
a.	Ha of conservation area damaged (land claim/ no land claim)
b.	Progress toward 1:1 commitment
c.	Ha available for restoration
d.	Ha of restoration in progress

Indicator Performance

II	Forest Protection and Conservation
a.	Ha of conservation area damaged (land claim/ no land claim)

APRIL data for the period from January 1, 2024 - December 31, 2024

	Loss of forested conservation by cause (Ha)							
	Areas subject to land claims				Areas not subject to land claims			
	Encroachment		Fire		Encroachment		Fire	
	2024	2023	2024	2023	2024	2023	2024	2023
PT. RAPP	6	57	0	0	11	50	0	0
Sumatra Supply Partners	19	34	0	0	56	228	0	0
Kalimantan Supply Partners[1]	634	-	0	-	25	-	0	-
Ecosystem Restoration Licenses (RER)	0	0	0	0	0	0	0	0
Total	**659**	**92**	**0**	**0**	**92**	**278**	**0**	**0**

[1] *Kalimantan Supply Partners were considered Open Market Suppliers prior to 2024 and therefore did not historically report under this indicator.*

Evidence Reviewed

The hectares of forest loss by cause presented above were agreed to APRIL's "Landbank" which tracks land cover across all APRIL and Supply Partner operations. The accuracy of the landbank data was sample checked during field inspections of PT. RAPP sectors and Supply Partner concessions, through sample-based review of satellite imagery against APRIL's land cover change data and sample-based comparison of potential forest loss areas identified using fire tracking and deforestation tracking tools maintained by Global Forest Watch against APRIL forested conservation loss data.

Findings

This indicator tracks APRIL's effort in maintaining the quality and area of conservation areas.

Potential land cover change associated with encroachment is tracked using satellite imagery and field verified at the concession/estate level.

In 2024, no new damage was identified as a result of fires in forested conservation areas. Loss of forested conservation to encroachment declined year on year for PT. RAPP and Sumatra Supply Partners. The overall increase in losses is the result of the addition of the AHL concession as a Kalimantan Supply Partner in 2024. Eighty one percent of the forested conservation loss occurred on the AHL concession, which has been subject to continuing encroachment pressure.

Consistent with previous years, no fire or encroachment activities were detected in ecosystem restoration (RER) areas in 2024. Access to RER areas is challenging and they are surrounded on the south side by a ring of plantation and smaller amounts of conservation.

The following observation was noted based on field inspections:

Observation: APRIL's draft conservation strategy identifies potential threats to conservation values that are required to be monitored and managed to protect conservation values.

River sedimentation is one of the identified threats in the draft conservation strategy and our concession site visits noted instances of sedimentation into riparian conservation areas on two concessions as well as an isolated case of heavy tracking along a riparian boundary, which increases sedimentation risk. Examples were also noted of the use of additional buffers along riparian features to minimize erosion risk. Future assessments will consider the extent to which the implementation of the conservation strategy reduces this type of threat, which is one of the more manageable types of threat, as it is operational in nature rather than linked to third-party actions.

Indicator Performance

II	Forest Protection and Conservation
b.	Progress toward 1:1 commitment

APRIL data for the period from January 1, 2024 - December 31, 2024

	Conservation area	Total plantation area	Ratio
PT. RAPP	79,430	209,819	38%
Sumatra Supply Partners	140,475	239,382	59%
Kalimantan Supply Partners	95,270	149,224	64%
Community Forestry	-	8,659	0%
Ecosystem Restoration Licenses (RER)	150,711	-	100%
Total - December 31, 2024	**465,886**	**607,084**	**77%**
Total - December 31, 2023[1]	**362,136**	**454,021**	**80%**

[1] *Kalimantan Supply Partners were considered Open Market Suppliers in 2023 and did not report under this indicator.*

Evidence Reviewed

Plantation and conservation hectares were cross-checked against APRIL's Landbank and the ratio recalculated. Year on year movement in both plantation hectares and conservation hectares was analyzed by Concession/Estate and followed up on a sample basis, including office-based review of satellite imagery and field inspections.

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.

In 2024, the addition of Kalimantan Supply partners to this indicator significantly increased both conservation hectares and plantation hectares, whilst slightly reducing the ratio of conservation to plantation.

Amongst PT. RAPP and Sumatra Supply Partners the amounts of plantation and conservation remained relatively consistent with the exception of a 6,800 hectare increase in recorded conservation for PT. RAPP on Pulau Padang as further described in relation to Indicator III. a, *Percentage of peatland landscape under conservation*.

Observation: APRIL continues to be engaged in additional conservation actions are not currently reflected as conservation in the 1:1 commitment, including conservation partnerships as well as the process of acquiring additional restoration licences. The extent to which any conservation within partnerships or additional licences will be recognized in the 1:1 commitment in the future is dependent on the development and approval of appropriate criteria for identifying those long-term, active conservation commitments which are fully aligned with the intent of the 1:1 commitment.

Indicator Performance

II	Forest Protection and Conservation
c.	Ha available for restoration

APRIL data for the period from January 1, 2024 - December 31, 2024

	Five Year Restoration plan (Ha)						Total planned restoration area (Ha)
	2025	2026	2027	2028	2029	2030	
West	40.46	24.71	24.71	22.36	10.73	10.73	133.70
South	22.09	16.81	15.86	15.86	14.36	14.36	99.34
East	3.17	4.27	4.27	3.10	3.10	3.10	21.00
North	-	9.47	9.47	9.47	9.97	9.47	47.87
Northwest	-	-	-	-	-	-	-
Total[1]	**65.73**	**55.26**	**54.31**	**50.80**	**38.16**	**37.66**	**301.92**

[1] *Kalimantan Supply Partners are not currently included in the planned restoration area totals as they are reporting for the first time as Supply Partners in 2024 and have not yet completed plans to address future restoration opportunities.*

Evidence Reviewed

The restoration plan presented above was prepared by APRIL using the company's Plantation Information Management System ("PIMS"), which was developed to track the status of encroachment activities and areas subject to land claims. KPMG conducted inquiry with the restoration team to gain understanding of the data collection process and the basis for the update of the plan and increase in planned restoration activities. Planned restoration activities for 2024 were compared to actual restoration in 2024 to confirm that the level of activity met the minimum noted in the 5-year plan.

Findings

This indicator supports the objective of working to improve the quality and impact of conservation land by restoring conservation lands re-claimed through settled disputes.

APRIL currently has 315,175 ha in conservation across PT. RAPP and Supply Partner production concessions that is not under land dispute. However, some of this area was previously under dispute, or historically encroached or burned reducing its conservation impact. To improve the quality of the conservation area, APRIL created a restoration plan targeting areas where active restoration to improve conservation value was required and feasible. The initial restoration plan covered 2023 – 2028 and has now been updated to cover restoration priorities for 2025 - 2030.

In 2024, the adjustments made to the plan reflect the additional restoration opportunities associated with additional land recovery since the original plan was developed and a significant effort to identify all non-forested and degraded areas within conservation that had not been previously captured.

The actual amount of conservation restored in 2024 was significantly higher than plan (146 hectares restored vs. 49 hectares planned restoration). This was due to the increase in restoration options resulting from continuing land recovery activities since the development of the target.

As a result of a policy change in 2024 whereby scrub and open area that has remained deforested since prior to June 2015 is now recovered for conservation rather than plantation. This policy change is expected to further increase in restoration opportunity from 2025 onward. APRIL has identified the prioritization of the recovery potential for these areas as a focus area for 2025.

Since being recognized as Supply Partners in 2024, Kalimantan Supply Partners have begun the process of developing a restoration plan focused on conservation area in Kalimantan and have identified a total of 1,491 hectares of conservation that may potentially need restoration. However, this area has yet to be field assessed to determine restoration requirements (e.g., because natural regeneration is successful) and where restoration is not feasible (e.g., flooded areas). Once the restoration plan has been fully developed it will be reported by APRIL in conjunction with the plan for PT. RAPP and Sumatra Supply Partners presented above.

2024 Opportunity for Improvement #5 which related to the need for APRIL to further support restoration objectives by setting specific targets for resolution of land claims within the conservation area, particularly in higher-priority areas identified in Conservation Forest Management Plans is considered "**In Progress**" pending extension of the actions to Supply Partners.

Indicator Performance

II	Forest Protection and Conservation:
d.	Ha of restoration in progress

APRIL data for the period from January 1, 2024 - December 31, 2024

	Ha in restoration as of 2024	Ha in restoration as of 2023
PT. RAPP	73.37	30.26
Sumatra Supply Partners	72.90	82.96
Kalimantan Supply Partners	42.16	N/A[1]
Total	**188.43**	**113.22**

[1] *Kalimantan Supply Partners were considered Open Market Suppliers in 2023 and did not report under this indicator.*

Evidence Reviewed

APRIL prepared and presented KPMG a 2024 restoration analysis. KPMG reviewed the supporting documentation and pictures for a sample of the areas restored and conducted field visits of restoration activities at four concessions to confirm the nature, scale and location of restoration activities undertaken.

Findings

This indicator tracks progress on APRIL's plans for restoration of historically damaged or understocked conservation area, focusing on the number of hectares where restoration activities were performed in 2024. Restoration is noted as "in progress" as successful restoration following planting requires ongoing maintenance activities for a number of years to ensure effective regeneration.

Restoration involves re-planting understocked or deforested conservation area with native tree species. In each estate there is a native species nursery where seeds are collected from the region to provide locally suited seedlings for restoration activities.

After an area is re-planted, the restoration teams undertake monitoring and manual brushing activities on a regular basis to allow the planted trees to successfully establish and reach a free growing state.

PT. RAPP and Sumatra Supply Partner restoration activity in 2024 was 146 hectares, an increase of approximately 29% over 2023, and exceeded the originally planned restoration of 49 hectares (See *Indicator II.c Ha available for restoration*).

Total restoration activity increased as a result of the inclusion of restoration activities carried out by Kalimantan Supply Partners in this indicator for the first time in 2024.

III. Peatland Management

Indicators Assessed

One performance indicator on Peatland Management was assessed as follows:

III	Peatland Management
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	
a.	Percentage of peatland landscape under conservation

Indicator Performance

III	Peatland Management
a.	Percentage of peatland landscape under conservation

APRIL data for the period from January 1, 2024 - December 31, 2024

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

	PT. RAPP	Sumatra Supply Partners	Kalimantan Supply Partners	Ecosystem Restoration Licenses (RER)	Community Fiber Suppliers	Total 2024	Total 2023
Plantation on peatland (Ha)	111,361	131,064	21,950	-	6,890	271,265	248,728
Conservation on peatland[1] (Ha)	53,810	99,156	22,651	150,711	-	326,328	296,508
% of conservation to plantation	**48%**	**76%**	**103%**	**100%**	**0%**	**120%**	**119%**

[1] 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

The above data was cross-checked against APRIL's 2024 Landbank. In addition, samples of peatland conservation were reviewed in the field to confirm their existence.

Findings

Plantations and conservation on peatland managed by Kalimantan Supply Partners is included in this indicator for the first time in 2024. As a portion of the PT. Adindo Hutani Lestari concession is peatland this increased the overall total amount of both plantation and conservation on peatland, although the ratio remains relatively similar to 2023. The overall area of peatland conservation for PT. RAPP and Sumatra Supply Partners remained steady in 2024 with the exception of a significant increase in recorded

conservation for PT. RAPP on Pulau Padang. This increase was the result of removing the “needs dispute resolution” classification from approximately 6,800 hectares of forested conservation on Pulau Padang. Areas under land claim are not included within conservation hectares presented by APRIL. The area had been recorded as “needs dispute resolution” since the establishment of the Pulau Padang estate but the continuing absence of formal claims or activity since then has resulted in it now being recognized as conservation.

IV. Continuous Reduction of Carbon Footprint Indicators

Indicators Assessed

Two performance indicators on Continuous Reduction of Carbon Footprint were assessed as follows:

IV	Continuous Reduction of Carbon Footprint
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	
a.	Percentage of Kerinci mill energy needs met by renewable energy
b.	Track and report reductions in carbon emissions and increases in carbon sequestration through conservation and ecosystem restoration and continuous improvements in sustainable plantation management practices

Indicator Performance

IV	Continuous Reduction of Carbon Footprint
a.	Percentage of Kerinci mill energy needs met by renewable energy

APRIL data for the period from January 1, 2024 – December 31, 2024

Energy Consumption	Mill energy use (TJ)	
	2024	2023
Renewable energy consumption	115,001	106,163
Total energy consumption	145,843	129,377
% of external energy needs met from renewable sources	**79%**	**82%**

Evidence Reviewed

APRIL's energy calculations were test checked against the consumption data stored in the mills' SAP system and conversion factors and calculations checked on a sample basis. Calibration records were reviewed for the sampled sources to check that meters had been maintained within normal accuracy limits.

Findings

This indicator tracks the percentage of renewable energy used to meet the energy needs of APRIL's mill in Kerinci.

In 2024, renewable energy consumption increased by 8%, and total energy consumption increased by 13% compared in 2023. The percentage of external energy needs met from renewable sources decreased by 3% compared to 2023.

APRIL's energy needs have increased with a new board mill becoming operational in 2024, resulting in a slightly increased reliance on coal, as the Board Mill's power boiler runs on coal.

Indicator Performance

IV	Continuous Reduction of Carbon Footprint
b.	Track and report reductions in carbon emissions and increases in carbon sequestration through conservation and ecosystem restoration and continuous improvements in sustainable plantation management practices

APRIL data as of December 31, 2024

	RER Canals Blocked	Installed Blocks
2024	23	75
2023	23	75

Evidence Reviewed

APRIL provided an update to confirm the absence of additional canal blocking activities in 2024. Previously, we reviewed the Riau Ecosystem Restoration (RER) Carbon project documentation to understand the proposed canal blocking activities, water monitoring stations, locations, data (e.g., water table depth and rainfall) and models and procedures to support these activities. Data sources were reviewed in the office and a sample of installed dams and water monitoring stations were observed in the field. Calculations were reperformed on a sample basis.

Findings

The Riau Ecosystem Restoration (RER) Carbon project was initiated in 2016 with the objective of protecting and restoring 130,090 hectares of peatland ecosystem on the Kampar peninsula. The project includes an objective to re-wet 9,106 hectares of the landscape through damming and subsequent blocking of 146 km of legacy canals located in the project area. Re-wetting of peat leads to reduced oxidation and, as a result, reduced greenhouse gas emissions. APRIL's canal blocking was initiated in 2016 with an objective of damming 25 canals by 2024.

As of December 31, 2023, APRIL had blocked 23 canals with 75 installed blocks within the RER and with two remaining canals to complete in order to meet the planned total of 25 canals. In 2024 no further progress was made.

Continuing Observation: The area re-wetted by canal blocking is the key factor in reducing greenhouse gas emissions from the degraded peatland in the project. However, there are different approaches to the calculation of the area re-wetted which may yield substantially different results in terms of area re-wetted and, as a result, substantially different estimates of greenhouse gas impact. APRIL has established a large-scale water table monitoring program and may be able to use this data, along with other project data, to better understand the impact of canal blocking on area re-wetted in terms of both area impacted and seasonal changes in the degree of impact to support more robust calculations of the greenhouse gas impact of the canal blocking.

V. Proactive Support of Local Communities Indicators

Indicators Assessed

One performance indicator on Proactive Support of Local Communities was 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.	Community Development Projects and sample of investments confirmed with in-field inspection

Indicator Performance

V	Proactive Support of Local Communities
a.	Community Development Projects and sample of investments confirmed with in-field inspection

APRIL data for the period from January 1, 2024 – December 31, 2024

	PT. RAPP	Supply Partners	Kalimantan
Total US$ spent on social projects (2024)[1]	$1,048,453	$329,067	$179,901
Total US$ spent on social projects (2023)[1]	$1,193,341	$233,467	-

[1] *Exchange rate 1 USD = Rp 15,500 (fixed rate)*

PT. RAPP

Program	Percent Spend
School Improvement	26.5%
Social Infrastructure	25.9%
Community Health	17.1%
Scholarship	9.3%
Social Cultural	9.1%
Agribusiness	6.5%
Healthcare Access	3.2%
Vocational Course	1.3%
SME Offline	0.6%
Bimbel/Educational Course	0.4%
SME Online	0.1%

Sumatra Supply Partners

Program	Percent Spend
Social and environmental	51.9%
Economy	13.2%
Education	11.3%
Religion	10.8%
Infrastructure	9.4%
Health	2.9%
Art and culture	0.6%

Kalimantan Supply Partners

Program	Percent Spend
Social and environmental	44.2%
Religion	29.1%
Education	14.2%
Infrastructure	7.5%
Economy	3.8%
Health	1.2%

Evidence Reviewed

APRIL provided a breakdown of community development projects undertaken by PT. RAPP and Supply Partners (including Kalimantan Supply Partners) during 2024. Projects were sampled to confirm the nature of the contribution, and the amount spent. Field visits were conducted to a sample of communities to assess the implementation of the social spend and receive feedback from the community on its contribution.

Findings

This indicator looks at the nature of the community development projects funded by APRIL and its Supply Partners in 2024. Community feedback provides qualitative information on the success of the projects and opportunities to make them more effective.

Community spend definitions are categorized as follows:

PT. RAPP categories of spend:

Category of Spend	Activities
Vocational	Specialized training and internships for use of forklifts, operational permits, and vocational teaching facilities.
Social Cultural	Facilities for assisting youth in villages including sports facilities and study facilities.
SME Online	Training for small and medium enterprises for jobs within the PT. RAPP supply chain.
SME Offline	Training for small and medium enterprises in areas such as sewing and batik, tailor, packaging, and welding.
School Improvement	School development and training for teachers, and materials for construction improvements such as repairs for schools and fences.
Scholarship	Scholarships for high school and undergraduate levels.
Social Infrastructure	Materials and construction assistance for mosques, public facilities such sports fields and courts, and cleaning of canals and roadsides.
Agribusiness	Training for improved yields, agriculture facility improvements, seeds, and other farming equipment.
Community Health	Equipment and training for community members including parent management training counselling, youth nutrition, and medical examinations.

Category of Spend	Activities
Bimbel/ Educational course	Supplementary education and tutoring services to students, particularly those preparing for entrance exams.
Healthcare Access	Provision of medical services, health equipment training, and healthcare personnel to improve public health and well-being

Sumatra Supply Partner categories of spend:

Category of Spend	Activities
Social and environmental	Programs for home fire disasters, flood relief, and natural disasters, and funding for youth facilities and activities including sports equipment.
Economy	Training and equipment for various activities such as cultivating animals and farmland, village SMEs, and agricultural and fishing equipment.
Education	Scholastic facilities, school supplies, and educator training.
Health	Equipment and training for public health center vaccinations, nutritional assistance, and stunting prevention.
Infrastructure and facilities	Materials and assistance for road repairs, bridges, village office renovations, supplies and equipment.
Religion	Activities related to the construction, renovation, and maintenance of places of worship, provision of religious facilities and equipment, as well as support for religious events and celebrations.
Art and culture	Activities that celebrate national events, traditional sports, and community cultural initiatives.

Kalimantan Supply Partner categories of spend:

Category of Spend	Activities
Economy	Support for agriculture, livestock, and farming resources to boost local livelihoods.
Religion	Support for religious celebrations, places of worship, and community events.
Education	Covers funding for school operations, teacher wages, and scholarships for higher education
Social and environmental	Expenditures related to community engagement, environmental initiatives, and social responsibility programs, including sponsorships, donations, event participation, and support for local sustainability efforts.

Category of Spend	Activities
Infrastructure	Support for road repairs, public facilities, heavy equipment for construction, utility improvements, and community facility enhancements.
Health	Funding for supplementary nutrition for infants, pregnant women, and the elderly, as well as initiatives to prevent stunting.

The focus of community development spending varies significantly between PT. RAPP and Supply Partners. PT. RAPP spending has been focused increasingly on key APRIL2030 goals. In 2024, the top three spend categories included school improvement (education) (27%), social infrastructure (extreme poverty) (26%) and community health (stunting & healthcare access) (17%), which makes up 70% of total spend. Supply Partners, which are not part of the APRIL2030 commitment, applied approximately 75% of their spend on social and environment, economy and educational programs.

KPMG PRI met with at least one village representative at each of the PT. RAPP, Supply Partner, and Open Market Supplier sites visited in 2024. The focus of the discussions was to build an understanding of the nature of the process for requesting funding, confirming the use of the funds and gathering feedback from the village representatives on whether the support had met its intended needs. Interviews confirmed that the process from project proposal through to implementation and the timing of proposal review was understood by village leadership and community members.

Based on our field interviews, village representatives communicated a positive impact of the funding on their communities.

Examples of community development efforts sampled in the field included:

- Community infrastructure providing basic needs. Support in providing material and labour for installation of bore holes and water tanks for school and household use.
- Economic development projects including provision of area for food production within concession areas. Observations during field visits noted community agricultural projects with funding and in-kind support from APRIL, Supply Partners, and Open Market Suppliers. Project examples include durian and rice plantation projects where community members reported satisfaction with project proposal process and support received.
- Flood response assistance was provided to community which included evacuation assistance and food provision.

While the community development program was broadly found to be positive and well received, meetings with the recipients of support under PT. RAPP and Supply Partner community development programs indicated isolated opportunities to ensure that the materials provided are appropriate for the intended use and that the community has any additional support required to utilize the provided materials. Funding requests received from communities are not always specific enough to ensure that this is the case, requiring additional communication with the community to ensure that their needs are clearly understood and that they have sourced any additional materials or funding required for the project to go ahead.

PT. RAPP utilizes a scoring process to assess CD funding requests. However, this scoring process does not include criteria to ensure that the proposed community project is viable if the proposed materials are

provided. Further, the scoring process does not have clear links to APRIL's 2030 priorities for Inclusive Progress.

2025 Opportunity for Improvement #1

Meetings with the recipients of support under PT. RAPP and Supply Partner community development programs indicated isolated opportunities to ensure that the materials provided are appropriate for the intended use and that the community has any additional support required to utilize the provided materials. Funding requests received from communities are not always specific enough to ensure that this is the case, requiring additional communication with the community to ensure that their needs are clearly understood and that they have sourced any additional materials or funding required for the project to go ahead.

PT. RAPP utilizes a scoring process to assess CD funding requests. However, this scoring process does not include criteria to ensure that the proposed community project is viable if the proposed materials are provided. Further, the scoring process does not have clear links to APRIL's 2030 priorities for Inclusive Progress.

Good Practice: Despite observations noted in the above Opportunity for Improvement, the Community Development program was observed to be a valued support relating to the provision of water and other needs within the communities visited during estate assessments.

VI. Respect the Rights of Indigenous Peoples and Communities

Indicators Assessed

Two performance indicators on Respect the Rights of Indigenous Peoples and Communities were assessed as follows:

VI	Respect the Rights of Indigenous Peoples and Communities
Overall objective: To demonstrate respect for the rights of indigenous peoples and rural communities throughout operations	
a.	Ha of dispute area resolved and net change in area requiring resolution (including FPIC)
b.	Number of cases entered and resolved through the Corporate Grievance Mechanism

Indicator Performance

VI	Respect the Rights of Indigenous Peoples and Communities
a.	Ha of dispute area resolved and net change in area requiring resolution (including FPIC).

APRIL data for the period from January 1, 2024 – December 31, 2024

	Ha requiring resolution		Net change in area requiring resolution	Change in inoperable area
	2024	2023	2024	2024
PT. RAPP	17,162	24,922	(7,761)	(119)
Sumatra Supply Partners	30,251	19,774	10,477	(5,310)
Kalimantan Supply Partners	24,852	Not reported	Not applicable in 2024	Not applicable in 2024
Total[1]	72,265	44,696	2,716	(5,429)

[1] *Change in area requiring resolution and change in inoperable area calculations exclude Kalimantan Supply Partners as these are new supply partners in 2024 and lack 2023 comparative data*

Evidence Reviewed

Data provided above was obtained from APRIL's land dispute datasets for PT. RAPP, Supply Partners, and new Kalimantan Supply Partners which were cross-checked against APRIL landbank data for each supplier type to ensure dispute area had been accounted for and reported appropriately. Field visits conducted in 2025 included samples of dispute areas to confirm the process for resolution of the disputes had been implemented as designed and to confirm the accuracy of the reporting of disputed area.

Findings

This indicator tracks hectares of dispute area resolved and net change in area requiring resolution.

Considerable reduction in dispute area was observed in PT. RAPP concessions. This is largely attributed to Pulau Padang, where a reduction of 7,135 ha of area under dispute was observed between 2023 and 2024 related to forested conservation that had conservatively been set aside at the time of initial development of the concession, but which had not subsequently been the subject of activity or claims. Sumatra Supply Partners saw a significant increase in area requiring resolution which was offset by a change in 'inoperable' area accounting for approximately half of the change.

APRIL tracks area associated with disputes that are unlikely to be resolved (inoperable area) separately from area where dispute resolution is considered feasible (disputes requiring resolution as per this indicator). Significant annual movements back and forward between inoperable area and disputes requiring resolution reduce the utility of this indicator and indicate that the current criteria for classifying area between inoperable area and area requiring dispute resolution are insufficient to differentiate resolvable from unresolvable area over annual or longer periods. There is an opportunity to develop more formal criteria to be applied to any transfer between inoperable area and area requiring dispute resolution to reduce these reclassifications and more accurately reflect the area that APRIL considers resolvable.

Observation: Kalimantan Supply Partners are reporting under APRIL's SFMP 2.0 indicators for the first time in 2024. While dispute area is recorded by these Supply Partners the program of resolving disputes is less developed and is currently focused on identifying the specific claimants associated with disputed area, which is a necessary precursor step to attempting to resolve disputes.

2025 Opportunity for Improvement #2

The area APRIL reports as subject to disputes requiring resolution is limited to the area where dispute resolution is considered feasible. Area where the likelihood of resolution is remote is tracked separately as inoperable area.

The criteria for differentiating between disputed area and inoperable area are insufficient to differentiate resolvable from unresolvable area over annual or longer periods on a consistent basis. As a result, significant annual movements back and forward between inoperable area and disputes requiring resolution occur on some Supply Partner concessions as a result of changing views on the resolvability of disputes, leading to a lack of consistency in reporting.

While movements between needs dispute resolution and inoperable area reduce the utility of the reported dispute data they do not impact the prioritization of recovery activities, which focus on conservation value regardless of the classification of the dispute.

There is an opportunity to develop more formal criteria to be applied to any transfer between inoperable area and area requiring dispute resolution to reduce the number of reclassifications and more accurately reflect the area that APRIL considers resolvable in the long term.

Indicator Performance

VI	Respect the Rights of Indigenous Peoples and Communities
b.	Number of cases entered and resolved through the Corporate Grievance Mechanism

APRIL data for the period from January 1, 2024 - December 31, 2024

	PT. RAPP	Supply Partner	Kalimantan
Number of valid Corporate Grievances received	8	23	38
Number of valid Corporate Grievances resolved	8	16	22
Number of valid Corporate Grievances still in the resolution process	0	7	16

Evidence Reviewed

PT. RAPP, Supply Partner, and Kalimantan's 2024 grievance master files were reviewed, along with the standard operating procedures (SOPs) for PT. RAPP and Supply Partners. Interviews were conducted to discuss the grievance processes and SOPs at the head office and in the field. Testing was performed on a sample of individual grievances as part of our office testing and site visits. A sample of invalid grievances was also reviewed to ensure appropriate classification. During estate and concession site visits, interviews were conducted, and concession level logbooks were reviewed to assess the correct identification and subsequent treatment of grievances. In addition, during site visits testing was performed on individual grievances, interviews were held with a small sample of stakeholders from local villages, and awareness of the grievance process was assessed.

The grievances recorded in the master file were also compared with those uploaded to the APRIL Sustainability dashboard, which only covers PT. RAPP related grievances. As of the website access on 9 March 2025, the figures and grievance details were identical.

Findings

The corporate grievance system was created to ensure communities have a way to report grievances arising from activities performed by APRIL. In 2024, less grievances were reported for both PT. RAPP and Supply Partners than in the prior year, however more grievances were left unresolved at the end of the year. There is no comparative for Kalimantan SP, as it is new this year.

The number of valid corporate grievances logged by PT. RAPP in 2024 (eight) did not differ significantly from the number logged in 2023 (12). The nature of grievances differed slightly as 2024 grievances were primarily related to road conditions and trucks, while 2023 grievances spanned a larger range of subject matter (in addition to road conditions) including community plantations and shops, planation boundaries, and trenches. Management noted they are performing trend analysis over grievances in order to take preventive measures and reduce future potential grievances, The grievance mechanism continues to be promoted to communities to encourage them to report any issues.

Sumatra Supply Partners logged 23 grievances in 2024 and 25 in 2023. There were seven unresolved grievances in 2024, with no unresolved grievances in 2023. Due to the nature of Supply Partner grievances, some may take longer to resolve than others, as they may involve long-term projects that are more aligned

to community development programs such as requests to develop more infrastructure. The subject matter of grievances was relatively similar between 2024 and 2023.

Kalimantan Supply Partners reported grievances for the first time this year with 38 grievances logged in 2024.

PT. RAPP grievances pertained to:

- Poor road conditions (unfinished construction, potholes, and numerous complaints regarding dust on roads)
- APRIL trucks (driving too fast, and noise pollution)
- Floating logs in sea surrounding villages

Sumatra Supply Partner grievances pertained to:

- Pest issues
- Flooding and fire risks (prolonged flooding issues and prone to fires during dry season)
- Infrastructure and road condition
- Community requests (assistance for village facilities, places of worship, additional classrooms for school, request for rehabilitation, etc.)
- Environmental concerns (request to clean canals, prohibition of river pollution)
- Drainage and water management

Kalimantan Supply Partner grievances pertained to:

- Compensation claims (plants damaged or displaced due to SP operations)
- Community and development support
- Infrastructure and access (request for permission to use SP road for coal hauling truck mobilization)
- Resource management and land use (request for permission to manage mountain rocks within PT. IHM's concession)

2025 Opportunity for Improvement #3

Kalimantan Supply Partners are reporting under APRIL's SFMP 2.0 indicators for the first time in 2024. At one Supply Partner it was noted that the current grievance process is open-ended with no defined timelines for completion. As a result, there is an opportunity for improvement to ensure that new supply partners' grievance procedures include defined timelines for each step of the process.

Observation: Supply Partners have their own policies on managing grievances. Differences between these policies regarding when grievances are considered closed can lead to some inconsistency in reporting. For example, "grievances" are received that involve requests for funding or other community programs (such as fixing infrastructure, machinery to support business, request for religious places of worship, etc.). These are forwarded to the relevant estate to manage, who fulfill the request. However, at some Supply Partners the grievance is considered closed when it is passed on to the community development team and at others it is considered closed once the funding request is actioned by the community development team. This observation has been raised as a potential process improvement for APRIL's reporting of Supply Partner grievances.

Observation: Comparison of Grievance SOPs and processes identified differences in the scope of what is considered a corporate grievance by PT. RAPP and Supply Partners. This is a result of the use of a single reporting channel for all types of grievances (community and employee) by Supply Partners compared to

the use of multiple reporting channels by PT. RAPP, with employee grievances reported through different systems and not included within the corporate grievance total which is based on community grievances. This leads to a lack of comparability between reported numbers of grievances for PT. RAPP and Supply Partners.

Observation: Interviews with communities across a number of concessions identified an instance where a community grievance was not recorded in APRIL's and Supply Partners' grievance process. Further investigation determined that this occurred because the grievance was received directly and addressed by the company that owned the concession rather than concession management (who report the grievances they are managing on a monthly basis). Upon identification APRIL's grievance list was updated. Future assessments will consider the extent to which APRIL is capturing this kind of grievance effectively.

VII. Responsible Practices in Our Work Places Indicators

Indicators Assessed

Two Responsible Practices in Our Workplaces Indicators were assessed as follows:

VII	Responsible Practices in Our Workplaces Indicators
Overall objective: To provide a safe, productive, and conducive work environment throughout our wood supply chains where employees including those of sub-contractors, can contribute and advance	
a.	# of fatalities
b.	% of contractor workforce currently approved under APRIL Contractor Safety Management System standards

Indicator Performance

VII	Responsible Practices in Our Workplaces Indicators
a.	# of fatalities

APRIL data for the period from January 1, 2024 – December 31, 2024

	PT. RAPP – Mill	PT. RAPP – Fiber	Supply Partners	Kalimantan	Open Market Suppliers
# of fatalities (2024)	2	4	4	0	Not available
# of fatalities (2023)	1	0	4	N/A	
# of fatalities (2022)	1	2	4	N/A	

Evidence Reviewed

Consolidated incident records were reviewed for Mill, Fiber, Supply Partners, and Kalimantan related incidents. Incident reports, including corrective action plans were reviewed for accuracy of information between incident trackers and reports, and root cause analysis and action plans created to verify whether they address the aspects of the incident appropriately. Interviews, media reviews, and fatality record reviews were performed at the head office and during site visits to identify whether fatalities had been reported appropriately. Lost time injuries were also tested to assess whether fatalities were mis-classified.

Findings

This indicator tracks work fatalities for PT. RAPP's mill site, and fatalities at fiber operations for PT. RAPP, Sumatra Supply Partners, and Kalimantan Supply Partners.

Fatality data does not include incident data for capital projects at the mill site, Open Market Suppliers or Community Forests.

Fatalities increased compared to the prior year, with 10 fatalities in 2024 compared to five in 2023.

Development of a robust safety culture is a long-term commitment and continuing actions are expected to be required by APRIL to achieve this. In addition to assessing progress on the two previous Opportunities for Improvement related to safe work practices issued in 2024, the verification included field inspection and new observations of safe work practices across the concessions visited in 2025. These noted continuing emphasis on improving safety culture awareness and practices resulting in the Good Practice identified below.

Good Practice: A continuing emphasis on improving safety culture and awareness and practices was observed during site visits. In particular:

- The recently developed NOSA (No Safety, No Activity) program now requires workers to identify unsafe actions each week to raise safety awareness;
- Changes in practices to eliminate higher risk activities, such as replacement of manual falling with mechanized falling;
- Upgrades to hazard and risk assessment processes; and
- Enhanced inspection requirements and inspection KPIs focused on areas of greatest safety concern appear to be helping to identify safety gaps and support action planning.

2024 Opportunity for Improvement #1 related to weaknesses in incident investigations, hazard assessments and specific weaknesses related to wood transportation and **2024 Opportunity for Improvement #2** related to weaknesses in the use of personal protective equipment (PPE) by workers were both followed up on during the verification. The action plans committed to by APRIL had been implemented, resulting in improvements in processes for incident investigations, hazard assessments, wood transportation on on-road logging trucks and the use of PPE. As a result, these opportunities for improvement were closed.

We also noted that Inspections appear to be identifying safety gaps and these are addressed through ongoing action planning.

Despite the progress made, the following new non-conformance was raised.

2025 Non-Conformance #1

The results of our field inspections as well as the identification of recurring findings in internal inspections indicate that additional emphasis is required on the development of effective action plans to close safety gaps. In particular, there are opportunities to improve the breadth of action plans to fully address all of the weaknesses identified during incident investigations, as well as, to formally monitor effectiveness over time and develop revised actions where necessary. These may require particular focus on behavior modification where existing behaviors indicate, for example, a broad acceptance and lack of proactive response to either increased physical risks (such as unsafe road conditions or the use of unsafe equipment) or a reticence to speak up when co-workers are engaged in unsafe work practices (such as not using required PPE).

Indicator Performance

VII	Responsible Practices in Our Workplaces Indicators
b.	% of contractor workforce currently approved under APRIL Contractor Safety Management System standards.

APRIL data for PT. RAPP and Sumatra Supply Partners for the period from January 1, 2024 - December 31, 2024

	2024	2023
# of contractor workforce approved under APRIL's CSMS[1]	153	110
Total contractors	173	171
% of contractor workforce approved under APRIL's CSMS	88%	65%

[1] Kalimantan Supply Partners began reporting under the SFMP 2.0 indicators in 2024. As these Supply Partners were not part of the CSMS program historically their contractors are not approved under the APRIL CSMS at this time. Work remains underway to bring Kalimantan Supply Partners within the scope of the CSMS program for future periods.

Evidence Reviewed

The data above was obtained from the APRIL's Contractor Safety Management System (CSMS). Samples of data supporting the fulfilment of CSMS compliance requirements by contractors were reviewed to support the accuracy of the listing. We also inspected a sample of non-CSMS contractors (low risk contractors receiving basic indoctrination only based on the nature of tasks being completed) to ensure they were appropriately categorized as low risk and therefore not requiring to be certified under CSMS. Field interviews confirmed CSMS training on a sample basis.

Findings

This indicator tracks the coverage of CSMS certifications across APRIL. This safety compliance standard was created and put in place by APRIL to ensure all contractors working for APRIL are equipped and protected against health and safety risks and hazards. The scope of this indicator is for the fiber group only and excludes mill safety which has its own safety management system.

There are three CSMS levels: beginner, intermediate, and advanced, which are determined by the APRIL safety team based on the risk level of work being performed, and the number of staff within the contracting company. Contractors that fall below the CSMS threshold are categorized as basic and are not required to go through the full CSMS assessment process. However, "basic" contractors are still subject to separate assessment as they still must meet minimum safety requirements outlined by APRIL.

CSMS levels are determined using a risk matrix with number of workers and risk level of activities performed. The higher the CSMS level, the more criteria must be met to achieve CSMS approval.

In 2024, there were 60 desktop audits performed, all of which were passed by contractors. Sixty-eight contractor field audits were conducted in 2024, of which 63 were passed and approved under CSMS.

The percentage of the contractor workforce approved under APRIL's fiber CSMS (i.e., excluding those rated as basic) increased considerably (25%) from 2023 to 88%. Increases are to be expected as contractors become more familiar with CSMS requirements, especially through surveillance audits (which replicate field audits) and re-certifications.

2025 Opportunity for Improvement #4

At one site visited, it was noted that masks worn by spray crews applying herbicide were provided by workers for all but their first mask when onboarded. Over time this has led to significant variability in the nature of masks worn by spray crews (with one exception observed where the mixer was observed wearing an appropriate mask for mixing). The criteria for masks for herbicide use are not specified in detail in the SOP for procurement and distribution of PPE so the adequacy of these masks is not clear. There is an opportunity for APRIL to update procedures to clearly establish minimum requirements for masks worn by spray crews and ensure that these are made available to workers rather than provided by workers to ensure, thus supporting consistent and appropriate use.

VIII. Legal Compliance and Certification Indicators

Indicators Assessed

Two performance indicators on Legal Compliance and Certification were assessed as follows:

VIII	Legal Compliance and Certification Indicators
Overall objective: To go beyond legal compliance toward achieving sustainable forest management	
a.	Ha of concession burned
b.	% of fiber supplied with Sustainable Forest Management (SFM) certification & legality certification

Indicator Performance

VIII	Legal Compliance and Certification Indicators
a.	Ha of concession burned

APRIL data for the period from January 1, 2024 – December 31, 2024

	Estate management	# of instances caused by APRIL/supplier	Ha burned	# of instances caused by third parties	Ha burned	Total Ha burned
2024	**PT. RAPP**	0	0	1	0.75	**0.75**
	Supply Partners	0	0	1	0.50	**0.50**
	Kalimantan Supply Partners	0	0	123	70.54	**70.54**
2023	**PT. RAPP**	0	0	0	0	**0**
	Supply Partners	0	0	0	0	**0**
	Kalimantan Supply Partners	**Not reported**				

Evidence Reviewed

APRIL developed a listing of fires in 2024 on PT. RAPP and existing Sumatra Supply Partner concessions as well as for new Kalimantan Supply Partners. Reported land cover change, hot-spot report investigations, and fire response and reporting data was field sampled to assess completeness of the fire listings and accuracy of information reported. A media review was conducted to support testing of the completeness of fire reporting across supplier types. Given that new Kalimantan Supply Partners were reporting to APRIL requirements for the first time, an increased focus on field and desk review was applied to these suppliers. On-site inspections and interviews were completed as part of the site visits. Fire suppression programs

on-site were sampled to ascertain their implementation. To further test the reliability of APRIL, Sumatra Supply Partner, and Kalimantan Supply Partner fire data, a review of geospatial imagery from 2025 was conducted to assess the ground conditions as compared to reporting details of a sample of recorded fires to supplement field testing.

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 Supply Partner concessions, the associated cause of the fires, and any required fire response. At this time, Open Market Suppliers and community fiber plantations are excluded from the scope of this indicator, though a review of hotspot investigation reports were reviewed during field visit to a sampled Open Market Supplier.

It was noted that considerably more fires were reported at new Kalimantan Supply Partner concessions compared to PT. RAPP and existing Sumatra Supply Partner concessions. Review of incident reporting noted that all fires were the result of small-scale land clearing by third parties, rather than caused by operations. Field review of fire sites as well as desk review of fire incidents were conducted to confirm accuracy of reporting.

During site visits, auditors reviewed fire management and hotspot investigations at sampled concessions. Several fires reported in Kalimantan were field reviewed to confirm the accuracy of reporting and the commitment to managing land recovery in line with established dispute resolution processes.

No instances were noted of operational fires caused by PT. RAPP or Supply Partners with sampled fires resulting from community land clearing and/or encroachment.

Indicator Performance

VIII	Legal Compliance and Certification
b.	% of fiber supplied with Sustainable Forest Management (SFM) certification & legality certification

APRIL data for the period from January 1, 2024 - December 31, 2024

SFM and legality	Type of certificate and legality	Percentage of fiber supplied with SFM and legality	
		2024	2023[1]
SFM and legality	PEFC IFCC (international) and PHPL (national)	92.0%	93.6%
Legality only	VLK, DKP and other legality certifications	8.0%	6.4%
Total		**100%**	**100%**

[1] *2023 data was updated from the prior year report to include previously excluded chip deliveries.*

Evidence Reviewed

The data above was cross-checked against APRIL's list of certificates using public databases as well as delivery data from all sources for PT. RAPP, Supply Partners and Open Market Suppliers. Certifications for a sample of supply sources were confirmed against supporting certificates and a sample of certificates were also confirmed onsite during concession site visits.

Findings

This indicator tracks the existence of third-party compliance mechanisms for checking log and chip legality and Sustainable Forest Management (SFM) requirements for APRIL's fiber supply.

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

IX. Good Corporate Governance, Verification and Transparency Indicators

Indicators Assessed

One performance indicator on Good Corporate Governance, Verification and Transparency indicator was assessed as follows:

IX	Good Corporate Governance, Verification and Transparency
Overall objective: To implement best practices in corporate governance and transparency	
a.	% of Open Market Suppliers meeting minimum supplier standards based on annual due diligence inspections

Indicator Performance

IX	Good Corporate Governance, Verification and Transparency
a.	% of Open Market suppliers meeting minimum supplier standards based on annual due diligence inspections

APRIL data for the period from January 1, 2024 – December 31, 2024

	Fiber Suppliers	Community Forest Suppliers	Chip Suppliers	Total
Total OM suppliers	11	8	7	**26**
% meeting minimum standards - 2024	100%	100%	100%	**100%**
% meeting minimum standards[1] - 2023	100%	100%	100%	**100%**

Evidence Reviewed

KPMG reviewed APRIL's SFMP 2.0 Compliance SOP and supplier due diligence reports for Open Market log and Chip suppliers. Reports were reviewed to confirm the completion of the form, and that all suppliers passed the due diligence standard. Office interviews and field inspections were conducted at one Open Market log supplier to assess the accuracy of the supplier due diligence reports.

Findings

APRIL's SFMP 2.0 Compliance SOP was initiated in November 2016, began socialization with Open Market Suppliers in March 2017 and was approved in May 2017. The SOP guides the due diligence procedures for suppliers and was updated in 2021 to better align with PEFC standards.

Under the Open Market Supplier due diligence process, there is a requirement for new supplier due diligence, for both log and chip suppliers. For log suppliers, this 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. If the supplier does not meet the criteria, the supplier will not be contracted by PT. RAPP. The due diligence is conducted by APRIL before contract signing or whenever the contract is renewed (usually annually) to ensure that the performance requirements are aligned with APRIL's SFMP 2.0.

For chip suppliers, given the difficulty of tracking the origin of woodchips, a country risk assessment is conducted instead of the retrospective review that is performed over log suppliers. However, the annual audit against SFMP 2.0 is still applicable.

Consistent with the prior year, 100% of all suppliers met the minimum supplier standards.

2024 Opportunity for Improvement #3 relating to the need to develop a risk-based approach to assessing chip suppliers was followed up during the verification. A risk assessment process has been developed and implemented by APRIL to assess historic deforestation risk by chip suppliers. The only current source of chip supply is Vietnam and the risk assessment report developed for this source was reviewed and accepted and in conjunction with site-level due diligence data collected by APRIL adequately addresses the risk. Based on these actions, **2024 Opportunity for Improvement #3** is now closed.

2025 Opportunity for Improvement #5

Site inspections at an Open Market Supplier indicated weaknesses in availability and stocking of first aid kits that were not being picked up by operational inspections. There is an opportunity for APRIL to ensure during future due diligence inspections that safety inspections and reporting are capturing and addressing operational gaps effectively.

X. SFMP 2.0 Addenda

Indicators Assessed

Two performance indicators were assessed in relation to the SFMP 2.0 addenda as follows:

X	Addenda to SFMP 2.0
Overall objective: To address Sustainable Forest Management Topics of increasing importance since the development of SFMP 2.0 in 2015	
a.	Ha of GMO planted (including trials)
b.	Number and status of plans for priority Rare, Threatened and Endangered species (not started, in development, approval, implementation)

Indicator Performance

X	Addenda to SFMP 2.0
a.	Ha of GMO planted (including trials)

APRIL data for the period from January 1, 2024 - December 31, 2024

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

Evidence Reviewed

KPMG reviewed APRIL's GMO Use Policy and PEFC audit results for PT. RAPP's fiber supply (PEFC does not allow GMOs to be used in the supply chain). KPMG also inquired with APRIL's research and development team who manage the plants going into the nursery, and with on-site staff during concession field visits who noted no use of GMOs.

Findings

No evidence of GMO use or trials was observed throughout field work or based on interviews performed at the Kerinci head office.

APRIL's GMO use policy stipulates no trials are permitted by APRIL. All employees interviewed regarding GMOs indicated an awareness of the policy and the absence of trials. Additionally, APRIL's most recent 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
b.	Number and status of plans for priority rare, threatened and endangered species.

RER data for the period from January 1, 2024 - December 31, 2024

Local name	Scientific name	English name	IUCN	Status of plan
Biuku	*Orlitia borneensis*	Malaysian giant turtle	CR	Not started
Gajah Sumatera	*Elephas maximus sumatranus*	Sumatran elephant	CR	Approved, not yet implemented
Harimau Sumatera	*Panthera tigris sumatrae*	Sumatran tiger	CR	Approved, not yet implemented
Trenggiling	*Manis javanica*	Sunda pangolin	CR	Approved, not yet implemented
Kucing Tandang	*Prionailurus planiceps*	Flat-headed cat	EN	Not started
Kukang	*Nycticebus coucang*	Sunda slow loris	EN	Not started
Tapir	*Tapirus indicus*	Malayan tapir	EN	Not started
Musang Air	*Cynogale bennettii*	Otter civet	EN	Not started
Bangau Bluwok	*Mycteria cinerea*	Milky stork	EN	Not started
Itik Rimba	*Asarcornis scutulata*	White-winged duck	EN	Not started

Evidence Reviewed

During 2024, KPMG confirmed the existence of APRIL's approved management plans for *Elephas maximus sumatranus*, *Panthera tigris sumatrae* and *Manis javanica* and discussed the plan development, approval process, and implementation plan with management. Follow-up was conducted in 2025 to assess any changes in implementation status as well as progress on supporting conservation initiatives.

Findings

This indicator tracks the status of plans for priority rare, threatened and endangered (RTE) species identified by APRIL. The priority RTE species identified by APRIL are focused on fauna listed as critical or endangered by the International Union for Conservation of Nature (IUCN). These plans were internally reviewed and approved in 2023 and address one species in each of three different landscapes:

- Sunda Pangolin on Padang Island;
- Sumatran Tiger on Kampar Peninsula; and,
- Sumatran Elephant in Tesso Nilo.

The plan areas were selected based on research performed over the habitat ranges for the three at risk species selected, and where conservation efforts would have a strong impact and support from local communities.

2024 Opportunity for Improvement #4 relating to the lack of plans for RTE flora and the lack of a defined timeline for the implementation of the priority RTE species plans was followed up on during the verification and has now been closed.

Based on capacity, the APRIL action plan was adjusted to focus first on the plan for tigers and use this as a template to support the remaining RTE Species plans. This change in approach was accepted. The plan for tigers has now been rolled into a formal 2025 implementation program identifying specific actions by month that are linked to the approved plan.

Further actions supporting RTE species protections include a newly developed draft strategy for biodiversity conservation across APRIL's business that provides an overarching framework for all APRIL's biodiversity conservation activities and the ongoing development of a monitoring strategy for biodiversity. These supplement the ongoing contribution of APRIL's Conservation Forest Management plans to species protections at the individual concession level.

While there are no current plans proposed for flora, there are ongoing restoration activities on the RER specific to flora such as Meranti paya (*Shorea platycarpa*) which is an IUCN Critically Endangered species as well as active monitoring processes for flora.

While the implementation strategies for the priority RTE species plans are being finalized existing Estate-based Conservation Management Plans (CMPs) are in place at PT. RAPP and Sumatra Supply Partner concessions. Review of the PT. RAPP Conservation Forest Management Plan for the Mandau Sector determined that it focuses on continuing collection of data based on wildlife sightings by employees and contractors and supported by permanent sample plots and transects. Site-specific threats and responses are identified and addressed with a focus on protection of existing habitat and socialization of the program with local villagers to reduce threats. Activities are focused within the PT. RAPP Sector based on consideration of both internal and external threats.

The CMPs differ from plans for priority RTE species in that:

- They apply to the PT. RAPP Sector rather than across the landscape as a whole;
- The inventory of RTE species is developed based on a multi-species sampling approach and often reliant on incidental sightings rather than based on a species-specific inventory which can provide more information on population, usage and travel patterns; and
- They drive immediate actions rather than laying out a plan of actions across a longer timeframe.

Despite the differences, CMP activities are reasonably aligned with a number of the activities that would be expected to be included in priority RTE species plans, in particular in relation to the management of site-specific threats. The main difference is the lack of a vision (and related actions) for the greater landscape within which the sector lies. However, APRIL has recently developed a draft biodiversity conservation strategy which provides an umbrella under which all their biodiversity initiatives will sit. The draft biodiversity conservation strategy includes the plans for priority RTE species as one of four objectives, which comprise:

- The conservation and restoration of a representative range of important ecological areas;
- The restoration and conservation of endangered species;
- The application of scientifically robust, transparent monitoring and management; and
- Contribution to knowledge sharing and stakeholder participation in conservation.

The biodiversity monitoring strategy embedded in the draft conservation strategy is also in the latter stage of development and will be critical to measuring progress.

Good Practice: Continued progress in development of an overarching strategy for biodiversity conservation across APRIL's business has strong potential to support focused actions relating to biodiversity conservation.

Observation: As an umbrella strategy is developed to address biodiversity conservation across APRIL's business it may be appropriate to modify Indicator X.b to capture the broader scope of ambition and resulting expansion and focus of actions to conserve biodiversity.

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 Framework[1].

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 https://www.rgei.com/sustainability/sustainability-policy

g. By 15 May 2015, APRIL and its suppliers halted all harvesting of mixed hardwoods[2]. 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 peatlands[3]. 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 areas[4].

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 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.

a. APRIL will continuously improve its material and energy efficiency throughout the supply chain, and optimize utilization of renewable energy;
b. APRIL will increase its carbon sequestration through conservation and ecosystem restoration and continuous improvements in sustainable plantation management practices;
c. 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:

a. 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;
b. Pro-active Corporate Social Responsibility (CSR) activities especially village entrepreneurship incubations and farming systems;
c. Inclusion of smallholders/Small Medium Enterprises (SME) into APRIL's supply chains, where appropriate;
d. 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:

a. Respect the Universal Declaration of Human Rights, national laws and ratified international treaties, on human rights and indigenous people;
b. Respect of the tenure rights of indigenous peoples and rural communities;
c. 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;
d. No tolerance for the use of violence, intimidation or bribery;
e. 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;
f. Resolution of complaints and conflicts through mutually agreed, open, transparent and consultative processes that respect customary rights;
g. 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:**
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.	
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/HCS and non-HCV/HCS)
II	**Forest Protection and Conservation:**
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.	
a.	Ha of conservation area damaged (land claim/ no land claim)
b.	Progress toward 1:1 commitment
c.	Ha available for restoration
d.	Ha of restoration in progress
III	**Peatland Management:**
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.	
a.	Percentage of peatland landscape under conservation
IV	**Continuous reduction of carbon footprint:**
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.	
a.	Percentage of Kerinci mill energy needs met by renewable energy
b.	Track and report reductions in carbon emissions and increases in carbon sequestration through conservation and ecosystem restoration and continuous improvements in sustainable plantation management practices
V	**Proactive support of local communities:**
Overall objective: To continually seek opportunities to consult and align with the interests of communities.	
a.	Community Development Projects and sample of investments confirmed with in-field inspection
VI	**Respect the Rights of Indigenous Peoples and Communities:**
Overall objective: To demonstrate respect for the rights of indigenous peoples and rural communities throughout operations.	
a.	Ha of dispute area resolved and net change in area requiring resolution (including FPIC)
b.	Number of cases entered and resolved through the Corporate Grievance Mechanism

VII	**Responsible Practices in Our Workplaces:**
Overall objective: To provide a safe, productive, and conducive work environment throughout our wood supply chains where employees including those of sub-contractors, can contribute and advance.	
a.	# of fatalities
b.	% of contractor workforce currently approved under APRIL Contractor Safety Management System standards
VIII	**Legal Compliance and Certification:**
Overall objective: To go beyond legal compliance toward achieving sustainable forest management.	
a.	Ha of concession burned
b.	% of fiber supplied with Sustainable Forest Management (SFM) certification & legality certification
IX	**Good Corporate Governance, Verification and Transparency:**
Overall objective: To implement best practices in corporate governance and transparency.	
a.	% of Open Market Suppliers meeting minimum supplier standards based on annual due diligence inspections
X	**Addenda to SFMP 2.0:**
Overall objective: To address Sustainable Forest Management Topics of increasing importance since the development of SFMP 2.0 in 2015.	
a.	Ha of GMO planted (including trials)
b.	Number and status of plans for priority Rare, Threatened and Endangered species (not started, in development, approval, implementation)

Appendix 3: Action Plans for New Non-conformances and Opportunities for Improvement

APRIL SFM Policy 2.0 Implementation Action Plans for Non-conformances and Opportunities for Improvement March 31, 2025		
Indicator VII.a	**# of Fatalities**	
2025 Non-conformance #1	The results of our field inspections as well as the identification of recurring findings in internal inspections indicate that additional emphasis is required on the development of effective action plans to close safety gaps. In particular, there are opportunities to improve the breadth of action plans to fully address all of the weaknesses identified during incident investigations as well as to formally monitor their effectiveness over time and develop revised actions where necessary. These may require particular focus on behavior modification where existing behaviors indicate, for example, a broad acceptance and lack of proactive response to either increased physical risks (such as unsafe road conditions or the use of unsafe equipment) or a reticence to speak up when co-workers are following unsafe work practices (such as not using required PPE).	
Root Cause Analysis	Gaps in safety culture and behaviour.	
APRIL Action Plan	In order to increase the safety culture, awareness, and behavior among employees, APRIL will: 1. Develop and review action plans to ensure that they address and close identified safety gaps, and revise actions when necessary. The proposed actions include: a. Embedding Safe House Fiber Safety Strategy (6 Safety Principles) in operational activities; b. Aligning Safety Strategy into management level's KPI; c. Increasing employee's active participation in NOSA reporting; d. Increasing safety training by 30% on 2024 baseline through NOSApedia. 2. Develop a process to formally monitor the effectiveness of action plans. 3. Increase proactive response including identifying behaviour changes to reduce physical risks. Encourage employees to speak up when finding unsafe work practices through NOSA reporting that will be regularly reviewed by the management and by implementing Walk Through Talk Through principles, a process to identify system vulnerabilities, to analyze the gaps between work as imagined as work as done.	Timeframe: December 2025
KPMG PRI Review of action plan	KPMG PRI has reviewed and accepted the proposed corrective actions.	

Indicator V.a	Proactive support of local communities	
2025 Opportunity for Improvement #1	Meetings with the recipients of support under PT. RAPP and Supply Partner community development programs indicated isolated opportunities to ensure that the materials provided are appropriate for the intended use and that the community has any additional support required to utilize the provided materials. Funding requests received from communities are not always specific enough to ensure that this is the case, requiring additional communication with the community to ensure that their needs are clearly understood and that they have sourced any additional materials or funding required for the project to go ahead. PT. RAPP utilizes a scoring process to assess CD funding requests. However, this scoring process does not include criteria to ensure that the proposed community project is viable if the proposed materials are provided. Further, the scoring process does not have clear links to APRIL's 2030 priorities for Inclusive Progress.	
APRIL Action Plan	In order to ensure more effective funding allocation on community projects, APRIL will ensure: 1. PT. RAPP and Supply Partners review and improve the existing allocation process for CD program proposal approval; 2. That the viability of proposed CD programs are fully captured in the scoring system and documentation of PT. RAPP; and 1. That the process in PT. RAPP identifies alignment with APRIL2030.	Timeframe: December 2025
KPMG PRI Review of action plan	KPMG PRI has reviewed and accepted the proposed corrective actions.	

Indicator VI.a	Ha of dispute area resolved and net change in area requiring resolution (including FPIC)
2025 Opportunity for Improvement #2	The area APRIL reports as subject to disputes requiring resolution is limited to the area where dispute resolution is considered feasible. Area where the likelihood of resolution is remote is tracked separately as inoperable area. The criteria for differentiating between disputed area and inoperable area are insufficient to differentiate resolvable from unresolvable area over annual or longer periods on a consistent basis. As a result, significant annual movements back and forward between inoperable area and disputes requiring resolution occur on some Supply Partner concessions as a result of changing views on the resolvability of disputes, leading to a lack of consistency in reporting. While movements between needs dispute resolution and inoperable area reduce the utility of the reported dispute data they do not impact the prioritization of recovery activities, which focus on conservation value regardless of the classification of the dispute. There is an opportunity to develop more formal criteria to be applied to any transfer between inoperable area and area requiring dispute resolution to reduce the number of

	reclassifications and more accurately reflect the area that APRIL considers resolvable in the long term.	
APRIL Action Plan	In order to reduce the number of reclassifications in the future, APRIL will: 1. Review the existing definitions and criteria for Need Dispute Resolution Area or Inoperable Area; and 2. Strengthen the criteria and their application following the review.	Timeframe: December 2025
KPMG PRI Review of action plan	KPMG PRI has reviewed and accepted the proposed corrective actions.	

Indicator VI.b	**Number of cases entered and resolved through the Corporate Grievance Mechanism**	
2025 Opportunity for Improvement #3	Kalimantan Supply Partners are reporting under APRIL's SFMP 2.0 indicators for the first time in 2024. At one Supply Partner it was noted that the current grievance process is open-ended with no defined timelines for completion. As a result, there is an opportunity for improvement to ensure that new supply partners' grievance procedures include defined timelines for each step of the process.	
APRIL Action Plan	In order to improve the grievance process in Kalimantan Supply Partners, APRIL will: 1. Assist Kalimantan Supply Partners to improve their grievance resolution mechanism specifically by including a timeline in their existing procedure; and 2. Ensuring the implementation of the procedure through internal audit.	Timeframe: December 2025
KPMG PRI Review of action plan	KPMG PRI has reviewed and accepted the proposed corrective actions.	

Indicator VII.b	**% of contractor workforce currently approved under APRIL Contractor Safety Management System standards.**
2025 Opportunity for Improvement #4	At one site visited, it was noted that masks worn by spray crews applying herbicide were provided by workers for all but their first mask when onboarded. Over time this has led to significant variability in the nature of masks worn by spray crews (with one exception observed where the mixer was observed wearing an appropriate mask for mixing). The criteria for masks for herbicide use are not specified in detail in the SOP for procurement and distribution of PPE so the adequacy of these masks is not clear. There is an opportunity for APRIL to update procedures to clearly establish minimum requirements for masks worn by spray crews and ensure that these are made available to workers rather than provided by workers to ensure, thus supporting consistent and appropriate use.

APRIL Action Plan	In order to improve the safety and well-being of spray crews, APRIL will take this opportunity to: 1. Review and update the existing mask criteria for spray crews and specify the details in applicable operational procedures. 2. Improve the procedure for PPE procurement and distribution, following the review results. 3. Follow up with in-field inspections and internal audit to ensure that the update SOP is implemented	Timeframe: December 2025
KPMG PRI Review of action plan	KPMG PRI has reviewed and accepted the proposed corrective actions.	

Indicator IX.a	**% of Open Market suppliers meeting minimum supplier standards based on annual due diligence inspections**	
2025 Opportunity for Improvement #5	Site inspections at an Open Market Supplier indicated weaknesses in availability and stocking of first aid kits that were not being picked up by operational inspections. There is an opportunity for APRIL to ensure during future due diligence inspections that safety inspections and reporting are capturing and addressing operational gaps effectively.	
APRIL Action Plan	In order to improve the identification of safety weaknesses during due diligence inspections, APRIL will: 1. Review the existing safety indicators in the Due Diligence System; and 2. Emphasize the need for operational inspections including the checking of health and safety aspects.	Timeframe: December 2025
KPMG PRI Review of action plan	KPMG PRI has reviewed and accepted the proposed corrective actions.	

Appendix 4: Update on Action Plans for Historic Opportunities for Improvement

APRIL SFM Policy 2.0 Implementation –Action Plans for Opportunities for Improvement April 29, 2024		
Indicator VII.a	**# of Fatalities**	
2024 Opportunity for Improvement #1	The following safety related findings were noted during our assessment, indicating a continuing need to focus on the continued development of safety culture across the company and its suppliers: A) All fatality incidents within fiber operations related to new contract workers who had been working at APRIL for under one year and this observation was not evident in the incident investigations and root cause analysis documentation. B) A review of incident reports did not indicate a clear focus on the adequacy of hazard assessment processes prior to initiating new work or changing existing work. Examples of safety related observations that would be expected to be identified by a robust hazard assessment process noted during site visits include: I. Company jet boats did not have infant life jackets. Infants were being passed up and down between the boat and the top of the jetty. II. A jetty being used by company jet boats lacked appropriate handrails and decking was missing. C) Ongoing issues were noted at one site with failure of lashing used to secure loads of wood on trucks. To date, the solution has been to provide new straps. Incident reports do not indicate a clear consideration as to whether the current lashing is adequate or if there is an opportunity to provide additional training on loading and securing wood and/or revising lashing equipment and procedures.	
APRIL Action Plan	APRIL is committed to: - Take this opportunity to review and improve the existing incident investigations and root cause analysis as well as the effectiveness of safety induction or socialization procedures for new contractor workers (less than one year). - Take this opportunity to re-analyze the following items: • Traveler safety in the Futong area and to install handrail and deck at the Jetty Futong. • Quality of lashing used and other factors in the root cause analysis for lashing failures. - Conduct refresher training that covers the following topics:	Timeframe: Dec 2024

	• Improvements in root cause identification during incident investigation/analysis process including consideration of working period of victim (man factor) and hazard assessment for Incident Investigators. • Loading and unloading logs as well as other safety lashing activities for Hauler drivers. • Hazard Identification, Risk Assessment, and Determining Control (HIRADC), Change Management, and Job Safety Analysis and the implementation. • Incident investigation processes have been updated to explicitly consider the length of service for contractors involved in safety incidents. • Procedures and socialization materials have been updated to capture new requirements regarding infant life jackets. Additional life jackets have been purchased. • Hazard assessment processes have been updated to reflect the risks and control measures associated with the above findings.	
KPMG Review of actions undertaken	We were provided evidence to demonstrate that hazard assessment processes, procedures, inspection processes, frequency and emphasis, KPIs socialization materials, onboarding processes, monitoring processes have all been updated. Specific to A) • Length of service is now captured as part of the fact finding for incident reports and considered as a factor in the assessment and onboarding processes have been updated to improve new contractor onboarding. Specific to B) • Risk assessment processes have been updated and now include infant life jackets as a control. The related SOPs and inspection procedures have been updated to cover infant life jackets. Inspection report examples were provided to demonstrate assessment of sites for compliance with updated requirements. The jetty has been repaired at Futong and other jetties inspected to check whether they need repairs. Risk assessment processes already consider jetty condition. Specific to C) • Socialization materials for log haulers have been updated with increased emphasis on loading and lashing of logging trucks. Lashing has become a required item in the Hauling Truck Pre-operation checklist. Lashing requirements are included in the defensive driving training for hauler driver. Inspections have been focused on safe hauling conditions. Haul truck inspection has been made a KPI for safety inspectors. Based on the actions taken this opportunity for improvement is now **CLOSED.** However, see 2025 Opportunity for improvement #1 for additional improvement opportunities identified in 2025.	

Indicator VII.a	# of fatalities	
2024 Opportunity for Improvement #2	During field visits it was noted that PPE were either not consistently being worn by employees and contractors or not consistently provided. The following observations were made at PT. RAPP/Supply Partner sites: 1) At one supply partner, workers loading trucks were observed as lacking high-visibility vests and gloves. 2) At a jetty, there were several workers not wearing appropriate PPE (e.g., hard hats, high visibility vests and foot ware). In addition, some workers were engaged in horseplay with a worker being pushed off the barge with a 2 to 3m drop. The following observations were made at an Open Market Suppler site: 1) A chemical applicator was using his hands with gloves to scoop chemicals for application onto seedling. A tool has now been provided. The chemical was observed to be dripping on the ground. The drainage tray has now been angled to drip back into the main tray rather than on the ground. Additionally, the gloves worn by the planters appear to be too porous to keep hands protected from the chemicals. 2) The debarking crew were not wearing high visibility vests while working on site.	
APRIL Action Plan	For the observations on PT. RAPP/Supply Partners: - APRIL will conduct refresher socialization regarding safety operation and use of PPE to all workers in the workplace. - APRIL will continue to conduct safety inspections periodically. For the observations on O-M Suppliers (PT. NKL): - APRIL will work with PT. NKL to ensure that seed dipping procedure is carried out properly including adequate level of chemical solutions and also to ensure harvesting workers (de-barker crews) are equipped with high visibility vest in the field.	Timeframe: Dec 2024

KPMG PRI Review of action plan	In relation to the specific findings for PT. RAPP/Supply Partners: • Existing requirements for PPE / high vis vests have been re-socialized. • Additional PPE has been purchased. • Inspections have focused on conformance to PPE requirements. In relation to the findings identified for Open Market supplier site - the supplier has now been brought on board as a Kalimantan Supply Partner. This involved a broader assessment of performance, including H&S and updating of hazard assessments, procedures and subsequent socialization. Examples of assessment reports and updated documents were reviewed showing assessments, updated practices in relation to chemical handling and the use of high-vis clothing and updated hazard assessments and procedures. Field review identified significant improvements in the availability and use of PPE around water and inspection frequency and focus on PPE. Additional PPE gaps were observed and considered in the closure of the action plan as well as the issuance of a new Opportunity for Improvement #1 which is focused on the role the action planning process and behavioral modification plays in reducing the number of identified gaps. Based on the actions taken this opportunity for improvement is now **CLOSED**. However, see 2025 Opportunity for improvement #1 for additional improvement opportunities identified in 2025.

Indicator IX.a	**% of Open Market suppliers meeting minimum supplier standards based on annual due diligence inspections**	
2024 Opportunity for Improvement #3	APRIL's due diligence processes for wood suppliers are captured in the SOP AGRO/SFM-003-PR. While the SOP has been updated to differentiate between log suppliers and chip suppliers, the procedures for chip suppliers do not include a retrospective analysis to determine whether supply sites were subject to forest clearing after June 2015. The nature of current chip supplies is agricultural land and some additional evidence is available to support a risk based approach to these sites. The absence of specific steps (whether risk based or through a detailed retrospective analysis depending on the nature of the supply) within the chip supplier due diligence process leads to a potential increased risk of non-conformance with a key commitment of SFMP 2.0.	
APRIL Action Plan	APRIL will review and implement appropriate control measures for the commitment of no conversion after June 2015 to all Chip suppliers and revise the SOP SFMP 2.0 Compliance AGRO/SFM-003-PR accordingly.	Timeframe: Dec 2024
KPMG PRI Review of action plan	APRIL's due diligence SOP has been updated to incorporate a risk assessment approach to deforestation risk as part of its due diligence process for offshore chip supplies. This requires a national /regional level risk assessment report based on third party information sources to assess deforestation risk.	

	A completed report was provided for Vietnam (the only current source of offshore chips) that uses independent data sources to determine risk of deforestation. Based on the actions taken this opportunity for improvement is now **CLOSED**.

Indicator X.b	**Number and status of plans for priority Rare, Threatened and Endangered species (Not started, in development, approval, implementation)**	
2024 Opportunity for Improvement #4	Through discussion with APRIL and review of priority RTE documentation, KPMG found all plans are currently for fauna species. As APRIL's activities have the potential to impact both flora and fauna species, this is a gap in the coverage for this indicator. Additionally, KPMG found there is no defined timeline for the approval and implementation of the priority RTE species plans. Without a defined timeline, there is a risk of inconsistent and/or delayed progress in meeting this indicator.	
APRIL Action Plan	APRIL will set clear targets/timelines related to RTE Species specific management plan including: - Clear implementation timeline for the 3 RTE Species Management Plan that has been finalized in 2023 (Sumatran Tiger, Sumatran Elephant, and Sunda Pangolin) - Clear timeline to complete or start the development of other RTE Species specific Management Plan, including Flora RTE Species	Timeframe: Dec 2024
KPMG PRI Review of action plan	Based on capacity, the action plan was adjusted to focus first on the plan for tigers and use this as a template to support the remaining RTE Species plans. This change in approach was accepted. The plan for tigers has now been rolled into a formal 2025 implementation program identifying specific actions by month that are linked to the approved plan. Further actions supporting RTE species protections include a newly developed draft strategy for biodiversity conservation across APRIL's business that provides an overarching framework for all APRIL's biodiversity conservation activities and the ongoing development of a monitoring strategy for biodiversity. These supplement the ongoing contribution of APRIL's Conservation Forest Management plans to species protections at the individual concession level. While there are no current plans proposed for flora, there are ongoing restoration activities on the RER specific to flora (as well as active monitoring processes for flora) as well as active monitoring processes for flora. The overall level of progress in addressing the protection of RTE species under the revised approach of sequential rather than parallel RTE species plan implementation taken by APRIL is sufficient, given the broader development of an umbrella biodiversity strategy and ongoing targets in concession level Conservation Forest Management Plans, to conclude that this opportunity for improvement is **CLOSED**.	

Indicator II.c	Ha available for restoration	
2024 Opportunity for Improvement #5	The 5-year analysis of hectares available for restoration captures restoration opportunity in areas that were historically encroached inside conservation area that are not currently under claim (i.e., available for immediate restoration). Current restoration activities significantly exceed the annual targets as the area available for restoration is supplemented on a continuing basis by 1) new encroachment requiring restoration; and 2) the restoration of land areas associated with historic encroachment following the resolution of the associated land claims. However, the location of the areas recovered and restored is not prioritized based on their potential to support the Company's conservation priorities as documented in Conservation Forest Management Plans and the developing plans for species at risk. Given the significant area of non-forested land that remains under claim within conservation area, there is an opportunity to further support restoration objectives by setting specific targets for resolution of land claims within conservation area, particularly in higher-priority areas identified in Conservation Forest Management Plans and the developing plans for species at risk.	
APRIL Action Plan	APRIL will set a specific land recovery target for Conservation Area and the priority target can be driven from the Patch Analysis as part of Conservation Forest Management Framework (CFMF) plan or matrix updates.	Timeframe: Dec 2024
KPMG PRI Review of action plan	APRIL has prioritized areas for recovery across PT. RAPP estates using its Conservation Forest Management Framework to identify those areas with the greatest potential to improve locations most critical to conservation impact. APRIL has also analyzed historic PT. RAPP recovery since 2020 to identify its contribution to conservation area and areas where additional restoration actions are required for these areas to recover. The approach taken provides APRIL with sufficient information to prioritize recovery for conservation and additionally provides information on additional restoration actions necessary where areas recovered historically remain non-forested. This Opportunity for Improvement is considered "**In Progress**" pending extension of the actions to Supply Partners.	