



# THE SUSTAINABLE WAY FORWARD

# A RESPONSIBLE BUSINESS LEADER



**APRIL Group is one of the largest, most technologically advanced and efficient makers of pulp and paper products in the world.**

APRIL Group's operations are centred around its mill located in the town of Pangkalan Kerinci in Riau Province, Sumatra.

Founded in 1993, APRIL Group's corporate purpose is to improve people's lives through sustainable management of natural resources. It means that our business thrives because it cares for the people who depend on it and the environment on which it depends. Its founder, Sukanto Tanoto, phrases this as 'good business is about what's good for the community, country, climate, customer and company – only then will it be sustainable. It is our core belief'.

APRIL Group's Sustainable Forest Management Policy (SFMP 2.0) governs how it manages its natural resources for optimal social, environmental and economic outcomes. Launched in June 2015, the SFMP 2.0 is an updated version of our original 2014 Sustainable Forest Management Policy and includes significant new commitments.

Among them is a commitment to eliminate deforestation from our supply chain, and only develop areas not forested, as identified through independent peer-reviewed High Conservation Value (HCV) and High Carbon Stock (HCS) assessments.

Critically, we will not establish a new pulp mill until we are certain that it can be 100% plantation-supply reliant. Equally and critically, all our suppliers are required to comply with our SFMP.



# WORLD CLASS OPERATIONS

Engineered For Efficiency

1,000,000 hectares of sustainably managed forest plantation



Pioneers sustainably managed forest plantation improving productivity of degraded land

Committing to a deforestation-free supply chain, APRIL Group's pulp and paper products are made from materials sourced from legal and sustainably managed PEFC-certified plantations



The mill's sustainable water and energy-use mark it as one of the five most efficient in the world, producing 2.8m tonnes of pulp and 1.15m tonnes of high quality paper a year, sold to markets around the world.



State-of-the-art Research and Development facilities with 160 science professionals



Highly efficient in water and energy: More than 80 percent of energy generated from biofuels; on-site waste water treatment facility

- Waste water treatment facility removes **95%** of waste water contaminants through integrated clarified aeration basins
- Natural gas used in **100%** of lime kilns
- Biofuels constitute **85%** of total energy used
- Reusing **90%** of water utilised in the paper manufacturing process
- Recovering **75%** of energy from black liquor, a waste product from pulping

One of the World's fastest fine paper mill with an annual capacity of 1.15m tonnes





# FOREST PROTECTION AND CONSERVATION

## I : I COMMITMENT

Our goal is to conserve one hectare of forest for every hectare of plantation, as we believe production growth can be in tandem with forest protection.

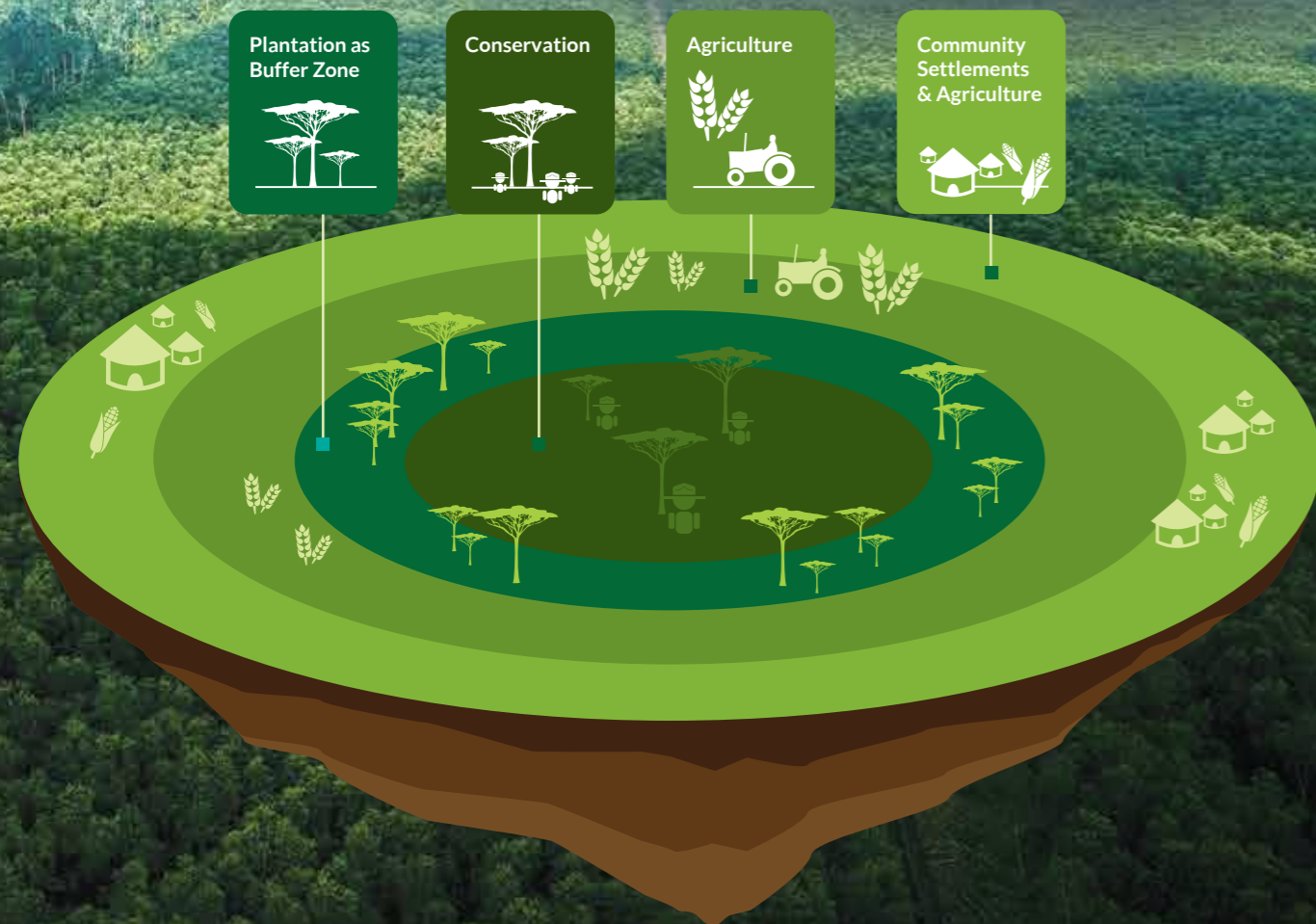
This commitment includes the Restorasi Ekosistem Riau (RER), a private and public sector partnership for the restoration of ecologically vital peat forest areas on Indonesia's Kampar Peninsula and Pulau Padang Island.

# SUSTAINABLE FOREST MANAGEMENT

APRIL Group is the only forest management company in the world to adopt a 1-for-1 commitment, protecting more than 400,000 hectares of High Conservation Value (HCV) forest including peatland areas, protected, conserved and restored.

As part of its integrated landscape approach, APRIL Group implements a 'ring concept', where it has deliberately sited commercial plantations around a core area of natural forest in order to protect it.

## Ring Concept

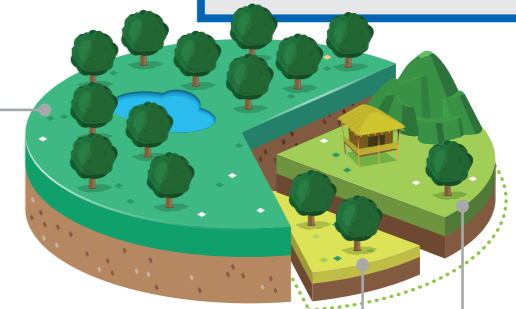


## PLANTATION AND LANDSCAPE CONSERVATION APPROACH

## Concession Area Guideline In Indonesia

130,000,000ha of forest in Indonesia
70,000,000ha set aside for production forestry
10,000,000ha allocated to pulp and paper sector

70%  
Industrial Plantations



30%  
Conservation and Other Uses

10%  
Conservation & Indigenous Tree Species

+ 20%  
Local Communities Infrastructure Others

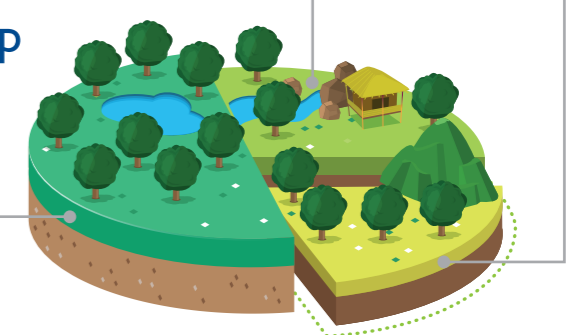
50%  
Conservation and Other Uses

23%  
Conservation & Indigenous Tree Species

+ 27%  
Local Communities Infrastructure Others

## APRIL Group Concession Area

50%  
Industrial Plantations



1,000,000ha Total size of APRIL Group concessions, including suppliers	
480,000ha used for plantations i.e. 0.4% of Indonesia Forest	
250,000ha of High Conservation Value forest conserved and protected	150,000ha undergoing ecosystem restoration

# MANAGING LANDSCAPES, IMPROVING LIVES

APRIL Group believes in doing its part for the community and improving lives, one at a time.

Built on the founder's vision of what is good for the community and the country, is also good for the company, APRIL Group contributes to Indonesia's economic and social growth through job creation, education, infrastructure-building, and capability building in the communities.

## ENVIRONMENT

### ENVIRONMENT INITIATIVES

PLANTING OVER  
**150**  
MILLION TREES PER YEAR

**>250,000**  
HECTARES OF HIGH CONSERVATION VALUE (HCV) FOREST CONSERVED

**PEFC CERTIFIED**  
FOR SUSTAINABLE FOREST MANAGEMENT

**NO-BURN POLICY**  
SINCE 1994

**DEFORESTATION-FREE SUPPLY CHAIN**

### INTEGRATED FIRE MANAGEMENT FOCUSED ON PREVENTION, PREPAREDNESS, SUPPRESSION AND RECOVERY

**989** RAPID RESPONSE TEAM MEMBERS INCLUDING

**380** TRAINED FIRE FIGHTERS

**724** COMMUNITY-BASED FIRE PREVENTION AND CONTROL MEMBERS



### FIRE PREVENTION

**18** VILLAGES ON FIRE-FREE VILLAGE PROGRAMME (FFVP)

**50** VILLAGES PARTICIPATING IN FIRE ALERT COMMUNITY



**US\$30,000** WORTH OF INVESTMENT FOR EACH FFVP VILLAGE, INCLUDING INCENTIVE, AGRICULTURAL ASSISTANCE, EQUIPMENT, TRAINING AND MORE



### MACHINERY

ASSISTANCE TO FARMERS FOR LAND PREPARATIONS AS ALTERNATIVE TO SLASH AND BURN

### FIRE DETECTION AND SUPPRESSION

MORE THAN  
**US\$6 MILLION**  
INVESTED IN FIRE EQUIPMENT



**HELICOPTER** AND AIRBOATS FOR FIRE SUPPRESSION OPERATIONS



MORE THAN  
**US\$2 MILLION**  
OF ANNUAL OPERATING COST FOR CORE FIRE TEAM

**215** WATER PUMPS COMMITTED TO FIREFIGHTING EFFORTS AND AIRBOATS FOR FIRE SUPPRESSION OPERATIONS



**39** LOOKOUT TOWERS



**38** FIRE AWARE COMMUNITIES PLANNED FOR 2016



AVERAGE OF  
**US\$1-2 MILLION**  
SPENT ON PURCHASING REPLACEMENT HOSES AND PUMPS EACH YEAR



## COMMUNITY

### EDUCATION

**20,107** SCHOLARSHIPS PROVIDED TO PRIMARY & SECONDARY SCHOOL STUDENTS



**31,188** BOOKS DONATED TO SURROUNDING AREAS



**1,318** TEACHERS TRAINED IN CONTEXTUAL TEACHING & LEARNING



**65** SCHOLARSHIPS TO PURSUE DIPLOMA ON PULP AND PAPER TECHNOLOGY STUDIES



### COMMUNITY HEALTHCARE

**177,322** PEOPLE RECEIVED FREE MEDICAL TREATMENT SINCE 1999



**43** HEALTH, WATER AND SANITATION PROJECTS COMMITTED



### SOCIAL INFRASTRUCTURE

SUPPORTED THE BUILDING OF:

**556** WORSHIP & RELIGIOUS SCHOOLS



**383** PUBLIC SCHOOLS



**36** SPORTING FACILITIES



**40.47km** ROADS REHABILITATED



## ECONOMIC

### LIVELIHOOD

MORE THAN  
**5,800**  
DIRECT EMPLOYMENT



**90,000** CONSEQUENTIAL JOB OPPORTUNITIES

**5.2%** OF RIAU PROVINCE'S GDP (2015)



**190** ENTREPRENEURS SUPPORTED



**37,000** HECTARES DEDICATED FOR COMMUNITY USE ON COMMUNITY FOREST AND LIVELIHOOD PLANTATION SCHEMES



**4,226** FARMERS HAVE RECEIVED TRAINING TO CULTURE FARMLAND AT OUR TRAINING CENTER



**44** FARMER GROUPS



HAVE RECEIVED SUPPORT FOR AGRICULTURAL MATERIALS



INTEGRATED FARMING SYSTEM (IFS) COVERS **1,526ha**

# PULP PRODUCTS

## PULP PRODUCTS

APRIL Group is the leading "Bleached Acacia Kraft Pulp" (BAKP) supplier in the world. Due to its excellent formation and opacity, BAKP has a wide variety of applications and is suitable for all paper grades.

Pulp is the basis of many paper products, ranging from corrugated boards used in packaging to our daily necessities such as writing paper, facial tissue, bath tissue, tea bags and magazines.

Our pulp mill uses advanced manufacturing processes to produce pulp of premium quality. Our pulp products are PEFC-certified, providing assurance that our products originate from sustainably managed plantations.

There are four end-segment verticals which are Printing & Writing (CWF/UCWF), Tissue, Specialty and Packaging segments. With more than 50% sales in the Tissue and Specialty segments, growth in these two key segments are optimistic. We are currently conducting trials on customised pulp that is ideal for Tissue and Specialty segments.

## HOW IS PULP MADE?

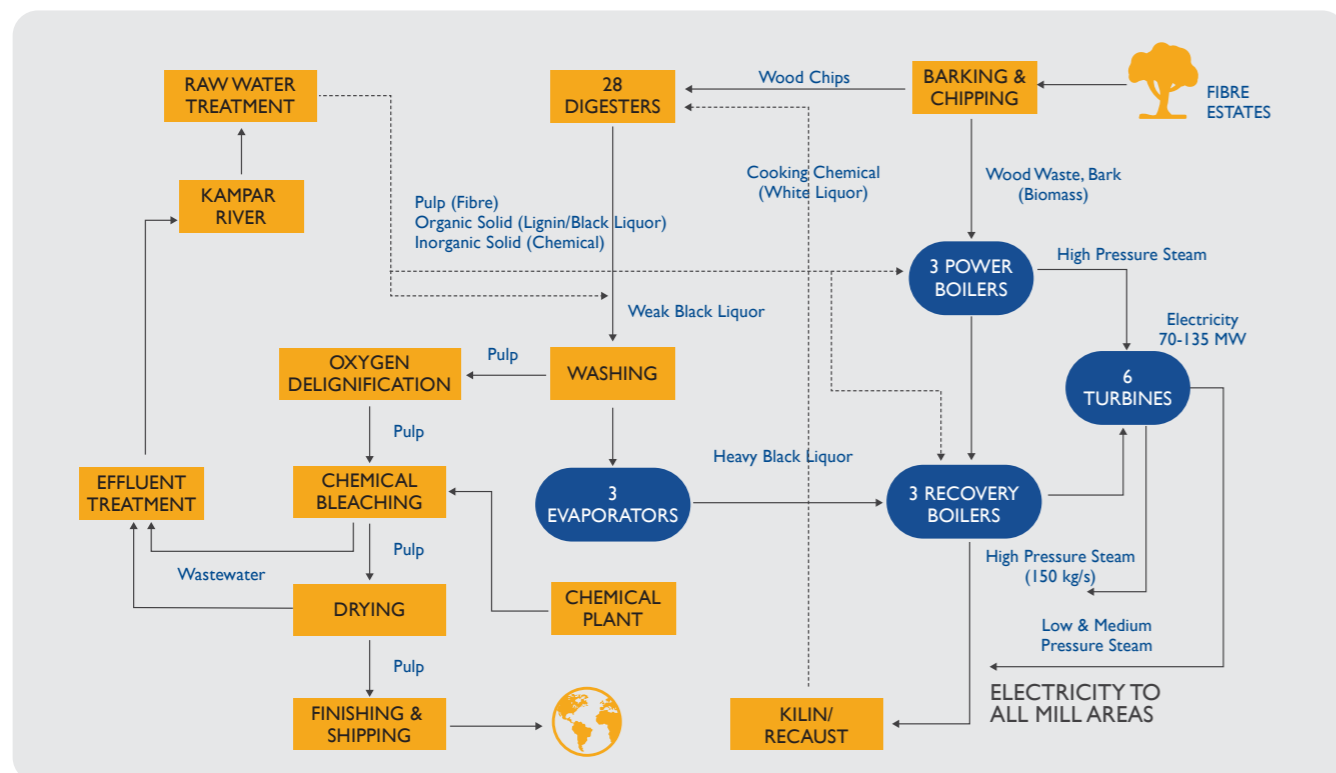
To make pulp, small wood chips are processed and treated to create a mixture. The mixture is then cooked to release the natural glue that bonds wood fibres together. The mixture is washed for further processing and bleaching to ensure that the final product is whiter, more absorbent and resistant.

The principal by-product from cooking of wood chips is lignin, which in the form of black liquor is used as fuel in the recovery boilers to generate steam and power, which are then used to power up the production process.

When the pulp is dried, finished and baled, it is shipped to our customers to make it into a wide variety of end products.



## APRIL'S GROUP PULP PRODUCTION PROCESS FLOW



# PAPER PRODUCTS

## PAPER PRODUCTS

APRIL Group's paper products come in a comprehensive range of rolls, folio, and cut-sizes, including its flagship brand PaperOne™ premium office paper. They are made from 100% renewable fibre from PEFC-certified plantations and are sold in more than 70 countries worldwide.

Paper is produced by drying the liquid stock of pulp and then allowing the cellulose fibre to converge and form a thin mat. While the paper is still damp, it is fed through a series of heated rollers to flatten and dry. The product is then coated with binding agents and various additives to improve its printing properties. Finally, to make the paper smooth and glossy, it is run through more rollers. The end product is then ready for use.



# PROGRAMME FOR THE ENDORSEMENT OF FOREST CERTIFICATION (PEFC)



APRIL Group's pulp and paper products are PEFC-certified.

PEFC-certification is a transparent system of forest inspection plus a means of tracking timber and paper, from harvested tree through to the finished product.

PEFC is your assurance that wood for pulp and paper products comes from forests that are sustainably managed.

## WORLD FOREST CERTIFICATION



**9%**  
Of The World's Forest is Certified

**2/3** Of These Forests Are Certified By PEFC, The World's Leading Forest Certification System

Developed Countries Account For **90%** of PEFC-Certified Forests

- Developed Country
- Developing Country
- APRIL Group is the first to achieve PEFC Sustainable Forest Management Certification in Indonesia



## BENEFITS OF BUYING PRODUCTS WITH THE PEFC LABEL:



- You demonstrate your support for the sustainable management of forests around the world.
- You help to protect forests for present and future generations.
- You help to promote the responsible sourcing of pulp and paper products.
- You help to combat illegal logging.

**87%**

of Customers Trust PEFC Labels To Make Informed Choices\*

Resulting In An Increased Demand For Sustainable Paper And Procurement

\*PEFC/GfK Global Consumer Survey – October 2014

### PEFC's Sustainable Forest Management (SFM) Certification

recognises forestry operations that maintain a forest's ecological, social and economic values while the Chain of Custody (CoC) certification provides assurance of wood legality and its traceability from the forests to you.



- PEFC SFM
- PEFC CoC