

INCLUSIVE PROGRESS

We empower our people and communities through transformative initiatives.



INCLUSIVE PROGRESS

Contributing to SDGs:



As one of the largest employers in Riau province, APRIL is transforming Pangkalan Kerinci into a township with jobs, amenities, essential facilities, and robust infrastructure for the workforce and resident communities. We are proud to contribute to Riau's gross regional domestic product⁸ but always seek to do more.

The Inclusive Progress pillar empowers our people and communities as we grow. We have more to learn from implementing APRIL2030's healthcare, education, and gender inclusiveness targets and recognise that effectively achieving them requires accounting for socio-economic drivers and actively upholding fundamental human rights. Currently, most of APRIL's Inclusive Progress targets and performance tracking align with government analysis and data. APRIL acknowledges the importance of establishing impact indicators and appropriately define its contribution towards macro-level outcomes such as eradicating extreme poverty or reducing stunting prevalence. We will continue to improve the implementation, monitoring and reporting of our actions.

Target	Performance			2023 Progress notes	Strategy to drive performance
	2021	2022	2023		
Eradicate extreme poverty within a 50-km radius of our operations (%)	n/a	1.29	-*	<ul style="list-style-type: none"> 49 villages intervened with poverty eradication programmes in 2023; * to be confirmed with Riau Province government data. 	<ul style="list-style-type: none"> Local government partnerships for village-level interventions Livelihood programmes (Agribusiness and small and medium-sized enterprises (SMEs) development) Improve healthcare access Education and scholarships
50% reduction in stunting in target villages (%) Reduce stunting in children under five in target villages	22.3	17	13.6*	<ul style="list-style-type: none"> Reduction of stunting rate in 2023 based on Riau stunting prevalence survey (Survey Kesehatan Indonesia) published in 2024 * 2023 Riau stunting data from Survei Kesehatan Indonesia (SKI) published in 2024 	<ul style="list-style-type: none"> Policy advocacy and Behavioural Change Communication in four districts (Pelalawan, Siak, Kampar, Kep. Meranti) Capacity development at local health clinics (<i>posyandus</i> and <i>puskesmas</i>), training cadres and health workers Provide basic medical equipment (anthropometry) & supplementary feeding programme Continuously implement nutrition and health education campaigns

Target	Performance	Performance			2023 Progress notes	Strategy to drive performance
		2021	2022	2023		
Promote quality education Proportion of students meeting the minimum level in APRIL-supported schools	% Report for school – numeracy (EGMA)	28.34%	44.48%	55.73%*	<ul style="list-style-type: none"> Monitoring and evaluation efforts showed significant improvements for all education indicators * Based on 2023 national school report from individual school partners ** Based on Regional Facilitator survey of 172 school partners 	<ul style="list-style-type: none"> Improve school facilities Implement training of trainers programmes for regional facilitators (principals, teachers, and school supervisors) Develop work plans for schools based on training outputs
	% Report for school – literacy (EGRA)	52.69%	61.84%	66.98%*		
	– % Learning effectiveness	In dev	43.2	63.64**		
Promote access to healthcare services in target villages in Riau Proportion of households in target villages that have access to health facilities meeting national standards	primary healthcare facilities that meet minimum standard service levels (No. Facilities)	In dev	In dev	19*	<ul style="list-style-type: none"> Partnerships with local government established the number of health care facilities meeting the minimum standard service levels and with early detection capacity. * ongoing program with (Yayasan Kolaborasi Lafirza Indonesia) YKLI ** Number of Healthcare facilities 	<ul style="list-style-type: none"> Strategic partnerships with local and national governments to improve healthcare accessibility Support local clinics with healthcare and medical equipment Develop capacity of healthcare clinics (<i>posyandus</i> & <i>puskesmas</i>) by training cadres and healthcare workers Alignment program with Ministry of Health (MoH) on ILP (<i>Integrasi Layanan Primer</i>; Primary Integrated Service)
	primary healthcare with early detection (No. Facilities)	In dev	In dev	29**		
Advance equal opportunities and women's participation	50% of women in CD programs (%)	34	63	64	<ul style="list-style-type: none"> Continued efforts to implement the Gender Action Plan and strategies within Human Resources to support women's career trajectories. 	<ul style="list-style-type: none"> Invest in facilities that support women workers (i.e. daycare, lactation rooms) Identify non-traditional jobs for women Develop and implement Gender Action Plan
	20% of women employees in the workforce (%)	18.4	18.5	18.4		
	20% of women in leadership positions (%)	11	10.7	10.7		

Note:
In dev: In development or no assessment was conducted

8 The Jakarta Globe, 14 July 2023: APRIL Group Contributes Rp 484.3 Trillion to Indonesia's GDP in 2016-2022: Study

UPHOLDING HUMAN RIGHTS

[GRI 3-3]

APRIL respects and promotes human rights, in line with the UN Guiding Principles on Business and Human Rights and other global guidelines. In January 2022, APRIL published a [Human Rights Policy](#), in compliance with internationally recognised standards covering human rights issues impacting our workforce, contractors, suppliers, and surrounding communities.

Following the publication of the policy, we conducted a Human Rights Impact Assessment (HRIA) in 2022 with independent third-party experts. The assessment is gender-sensitive, and considers the voices of vulnerable groups, including people with disabilities and migrant workers. The scope of the HRIA is organisation-wide, covering our manufacturing and forestry operations and surrounding communities.

Following the HRIA, we developed a Human Rights Due Diligence (HRDD) system to implement the policy in our daily operations and guide identification, management, tracking and reporting of potential or actual human rights impacts.

In 2023, we incorporated our human rights policy and processes into awareness raising and training programmes across our organisation, including:

- New Employee Orientation (NEO) – to familiarise hires with our corporate commitment to respect human rights
- Fibre Trainee Curriculum – to train entry-level forestry operations employees on sector-specific human rights
- Safety Induction for contractors – to introduce our human rights policy and processes and grievance mechanism
- Annual Refresher course for security personnel – to ensure security officers comply with our human rights policy and processes (see: Security practices (p.91))
- Awareness training for inline SMEs – to introduce human rights awareness in our supply chain through one-off training sessions.

We also worked with FIHRRST (Foundation for International Human Rights Reporting Standards) in 2023 to train and build capacity of managers and other responsible employees to establish HRDD systems in their respective business units. Some 231 employees across our mill and fibre operations attended these training sessions. As of December 2023, our mid-level manager trainers have trained 548 additional employees on our HRDD policy and processes through a "training for trainers" programme.

In addition, eight APRIL representatives also attended external trainings conducted by the United Nations Global Compact (UNGC) and UN Development Programme (UNDP).

UN GLOBAL COMPACT LEADERS SUMMIT

UN Global Compact Leaders Summit
In September 2023, APRIL was invited to speak at the prestigious UNGC Leaders Summit. Director of Sustainability & External Affairs Ms. Lucita Jasmin participated in the "Moving Business from Commitment to Action on Human Rights and Labour Rights" session, sharing our steps to implement HRDD and lessons learnt. She was also featured on the UNGC Academy Changemakers series, where she shared APRIL's perspective and the influence of the UN Guiding Principles for Business and Human Rights on the development and implementation of our HRDD framework.



PRIORITISING CHILDREN'S WELFARE: LAUNCH OF CHILDREN'S WELFARE CODE OF PRACTICE

Our 2021 human rights impact assessment established that 6,500 children under 18 live on our plantation estates. Their presence is due to local cultural norms and socioeconomic conditions that compel our workers to bring their children to the workplace.

As part of our ongoing commitment to implement the Human Rights Due Diligence (HRDD) process throughout our operations, we established a Children's Welfare Task Force in 2023. It operates under the joint leadership of Fibre Operations and Human Rights Departments, with the collaborative support of various stakeholders, including estate management and clinic teams, Corporate Social Responsibility (CSR) and Community Development (CD) departments, and Global Andalan Schools.

Upholding the principle of "No children left behind in education and health", we have developed and implemented a comprehensive Children's Welfare Code of Practice and Action Plan focused on five pillars:



In 2023, two pilot projects were launched under the Welfare and Education pillars of our Action Plan. The pilot projects include day care and early education services to children aged 2 to 6 at one of our estates and a mobile school system that offers education access to children aged 6 to 18 at another estate. We plan to integrate these initiatives into public schools and day cares across all our estates by 2027.⁹

> See also: Addressing stunting (p.96)

⁹ Our initiatives comply with the Indonesian Holistic and Integrated Early Childhood Development Law (No. 35/2014). They follow the guidelines of the Southeast Asian Ministers of Education Organisation (SEAMEO) Centre for Early Childhood Care and Education Programme (CECCEP).

OUR WORKFORCE

APRIL Group is the largest employer in Pangkalan Kerinci and one of the biggest in Riau, and our workforce policies adhere to the core principles of the RGE Code of Conduct when engaging with our employees. Our complex employs and houses over 10,000 workers and their families. We are committed to upholding the rights of our employees and contractors and recognise that our workforce drives the success of our business.

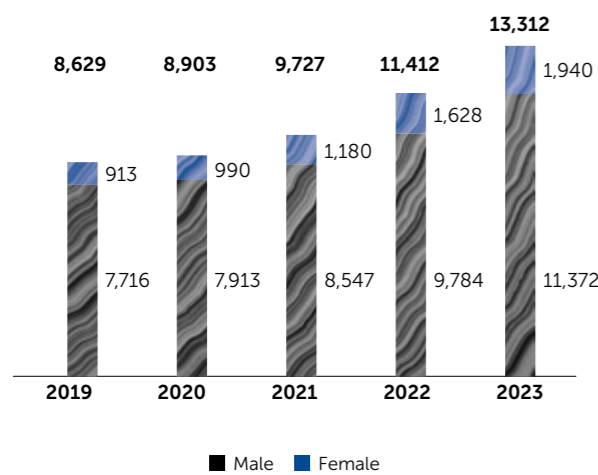
WORKFORCE OVERVIEW

[GRI 2-7, 2-8, 202-2]

As of December 2023, we employ 13,312 employees across APRIL facilities and business units, a 54% increase since 2019 due to our expanded operations.

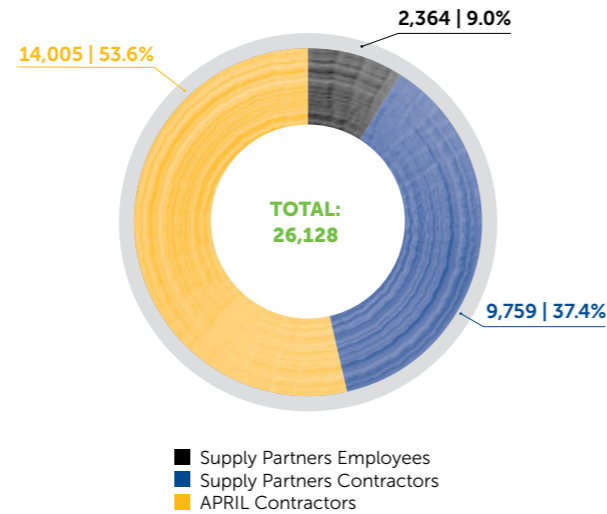
APRIL does not directly employ temporary workers. However, we hire contractors for on-site functions, some of whom employ temporary workers. In 2023, there were 26,128 workers on our premises who were not directly employed by APRIL, including contractors' employees who service the facilities in and around our operations (waste management staff and cleaners) and supply partners' contractors and employees. This data reflects the core employee base, excluding temporary workers brought in for specific capital projects.

APRIL EMPLOYEES 2019–2023 (no.)



Note: Capital Projects are not included in the definition of employees.
The number of total number employee captured here is excluding temporary employees who are specifically employed for capital projects.

WORKERS WHO ARE NOT EMPLOYEES 2023 (no, %)



Note: Categorized according to GRI General Disclosures 2-7 and 2-8.
The number of total number employee captured here is excluding temporary employees who are specifically employed for capital projects.

WAGES AND BENEFITS

[GRI 202-1, 401-2, 401-3, 405-2]

APRIL is committed to ensuring fair and equal pay, and to the health and well-being of our employees and contractors. In compliance with government regulations, all employees within their respective employment categories receive equal pay based on merit and performance, regardless of gender. We also strive to provide fair and transparent employment contracts with clearly stated obligations, rights, and benefits.

Given our operations' remote location, we provide employees with on-site accommodations or a monthly accommodation allowance. We also supply essential facilities and services, including healthcare, education, sports, and activities that reflect our employees' cultural diversity.

Full-time employees at manufacturing and plantation operations receive annual physical medical examinations at on-site medical clinics. We also provide comprehensive health and medical insurance, group life and accident insurance, and social security benefits, including

pension options through APRIL's employee relief fund and government agencies – Badan Penyelenggara Jaminan Sosial Kesehatan (BPJS Kesehatan) and BPJS Ketenagakerjaan.

SUPPORTING FAMILIES

Employees' children in our operating areas can attend schools that are staffed by qualified educators and which offer instruction in globally recognised academic curricula, including the International Baccalaureate Primary Years Programme and the Cambridge International AS (Advanced Subsidiary) and A (Advanced) levels. We subsidise tuition fees to ensure schools are affordable. In 2023, 170 children of APRIL employees received Eagle Wing Scholarships (*Beasiswa Sayap Garuda*). The Tanoto Foundation operates this financial assistance programme, offering bursaries that cover tuition fees from the elementary school to the university level.



DIVERSITY AND INCLUSION

[GRI 405-1, 406-1]

Diversity, equity, and inclusion are essential to achieving a harmonious workplace that supports employee retention and engagement and provides equal opportunities and participation to all employees regardless of race, age, or gender.

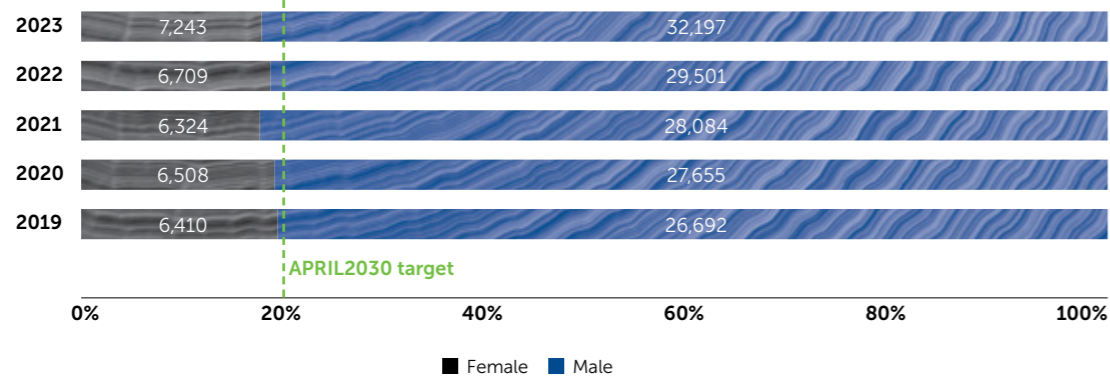
APRIL is proud to employ 7,243 women, comprising 18.4% of our workforce. Although this is higher than the industry average, we recognise the need to further improve gender balance, particularly in leadership positions. In addition to one woman board member, we currently have 58 women managers, including one senior executive, with 10.7% of senior managers and executives being women. Our aim is to increase the number of women employees to 20% of the total workforce by 2030.

Improving gender representation at our operations requires significant financial and human resources investments and confronting systemic, cultural, and societal discrimination. To help eliminate gender-related discrimination, we launched a Gender Action Plan in 2023 following extensive research and consultation with relevant stakeholders.

APRIL partnered with the Indonesia Business Coalition for Women Empowerment (IBCWE) to conduct a Gender Equality Assessment Result & Strategies or GEARS assessment. This diagnostic tool analyses gender equality gaps, strengths, and opportunities an organisation may have.

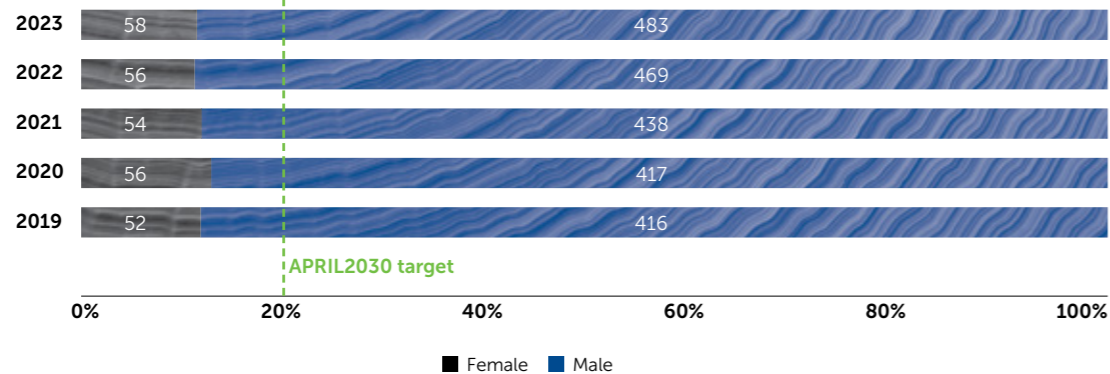
FEMALE REPRESENTATION IN APRIL WORKFORCE 2019 – 2023

Employees and contractors



FEMALE REPRESENTATION IN APRIL WORKFORCE 2019 – 2023

Management



2023–2030 GENDER ACTION PLAN

In 2023, APRIL launched a Gender Action Plan to increase the number of women leaders to one in every five managers by 2030, per the APRIL2030 target. We assessed and identified gaps in our current employee base and established a baseline using a UN Women Empowerment Principles (UNWEP) gender gap analysis. We hope to create a balanced and equitable distribution of women employees at all levels and functions through strategic planning and targeted recruitment efforts.

2023 FOCUS AREAS



Recruitment

- Communicated APRIL2030 targets to our human resources staff and took action to recruit more women, including assessing the types of positions and operations areas where we can promote the inclusion and employment of more women.
- Created opportunities for self-development and merit-based career promotions for women employees



Standard Operating Procedures (SOP)

- Launched anti-sexual harassment and bullying SOP with support from the Indonesia Business Coalition for Women Empowerment (IBCWE) to educate employees and encourage them to report sexual harassment and bullying through available channels.



Facilities improvement

- Formed an internal advisory team to improve APRIL's existing facilities and create a more woman-friendly working environment.
- Invited two external consultants to improve our two existing daycare centres using standards and recommendations from the Southeast Asian Ministry Education Organisation (SEAMEO CECCEP) in December 2023.
- Added four lactation rooms at locations across our operations, raising the total to five from just one at our main Pengkalan Kerinci site in 2022.



Awareness and education

- Launched a training initiative to address unconscious bias. The initial version is still under development. In 2024, it will become mandatory training for all employees and will be available on our e-learning and other platforms.
- Launched targeted training programmes and campaigns based on survey results about women employees' perception of on-the-job safety and support.
- Conducted training sessions on breaking biases, such as car care tips and maintenance for female employees, unconscious bias training for managers in our mill and fibre operations, first responder training and a gender equality session.

DIVERSITY AND INCLUSION

[GRI 405-1, 406-1]

MEETING THE CHALLENGES OF PROMOTING GENDER EQUALITY IN THE FORESTRY SECTOR

Commentary by Yuchin Suriko Simada, Head of Talent Development, and Caroline Wijaya Human resources specialist APRIL Group

Despite APRIL's efforts to provide equal opportunities for women, promote their advancement, and create gender equity in our work environment, we face many hurdles in recruiting women employees who wish to build a career in the pulp and paper industry. These issues are due to various factors, including cultural norms, women's preconceptions about employment and family life, the demanding nature of work in the industry, and diminishing interest in engineering among young people.

To address these complex challenges, we have launched several initiatives to increase the number of women in our workforce. We are actively promoting their increased participation at our operations and implementing programmes to guide women's career paths towards leadership roles. Despite the demanding nature of the work

and the remote location of our plant, our efforts have shown some success. However, there is room for improvement, and we need to elevate more women to managerial and executive positions. Although we are focused on our immediate goal of recruiting more women, we are confident that we will achieve our other goals, including more women managers, as we refine our human resources policies and expand our recruitment initiatives. Our optimism is grounded in our senior management team's commitment to the APRIL2030 Agenda, which aligns our gender inclusiveness targets and initiatives with APRIL's strategic sustainability framework.

Despite our progress and positive outcomes, it is still too early in the gender inclusiveness process to fully assess all the gaps and identify additional opportunities for improvement.

About: Suriko leads APRIL's Talent Development Division. She oversees a dedicated team specialising in talent acquisition, learning and development, training facility operations, and succession planning. Caroline is responsible for talent management in compliance with APRIL2030 Inclusive Progress commitments. She leads talent management initiatives for operational functions in alignment with APRIL2030 HR objectives, including implementing 2023 APRIL's Gender Action Plan.

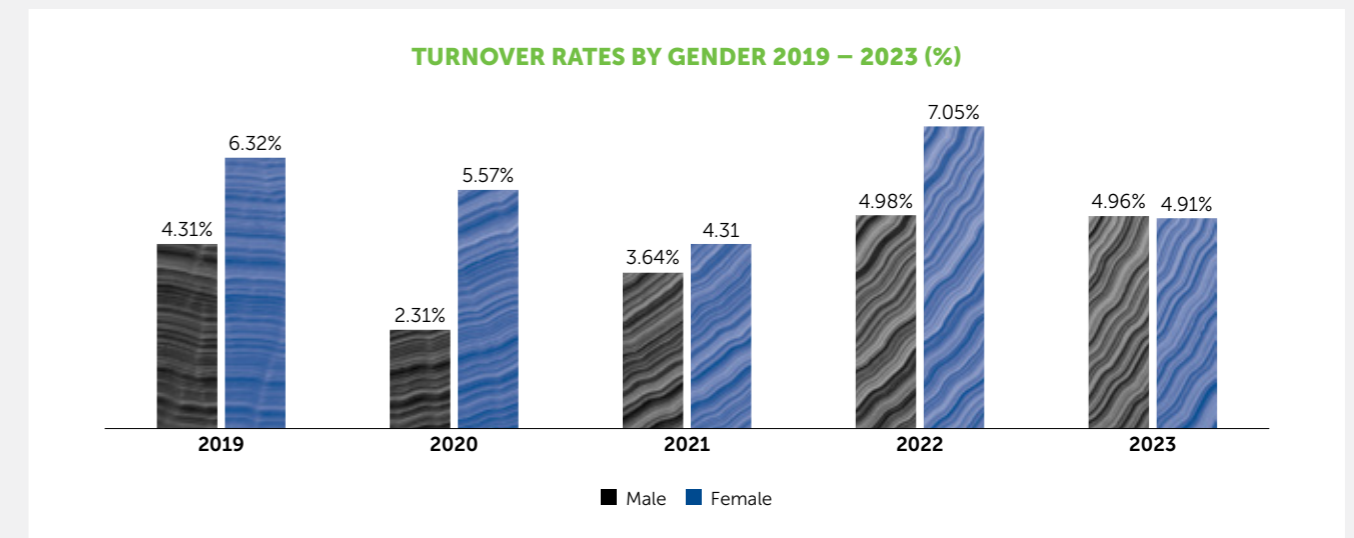
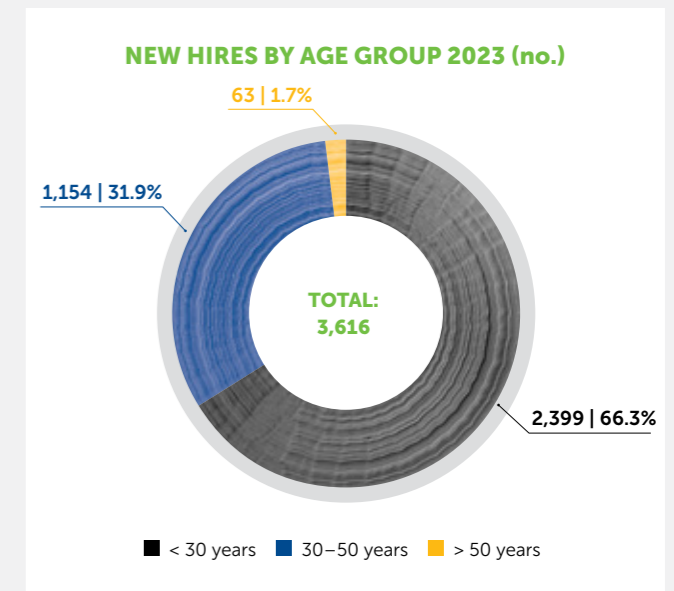


TALENT RETENTION AND DEVELOPMENT

[GRI 401-1, 404-1, 404-2, 404-3]

Employee safety, career satisfaction, job skills, and productivity are essential to APRIL's success. In 2023, APRIL hired 3,616 new employees, including 2,918 men and 698 women, with 2,399 or 66.45% of these hires under 30. Overall turnover rates remain low, at 7.75% for those 30 and under, 2.79% for those between 30 and 50, and 1.3% for those above 50. These numbers indicate that employees are generally satisfied working at APRIL. In addition, turnover rates for women employees decreased to 4.91% in 2023 compared to 7.05% in 2022. This is attributed to ongoing efforts to promote gender inclusivity and the employment of more women in our workforce, in line with our new Gender Action Plan.

> See: Diversity and inclusion (p.82)



APRIL provides growth and career advancement opportunities for all our employees. We have developed several programmes to attract, develop, retain, and manage our talent, including technical and managerial skills training.

Employees are offered training on leadership, people management, business ethics, planning, and other subjects. These courses are mainly delivered at the Pangkalan Kerinci APRIL Learning Institute (ALI). In 2023, we provided an average of 6.49 hours of training for male and 8.17 hours for female employees.

TALENT RETENTION AND DEVELOPMENT

[GRI 401-1, 404-1, 404-2, 404-3]

Overview of talent development initiatives:

Performance Review Programme (PRP)	All APRIL employees are subject to one-on-one annual performance and career development reviews with their supervisors.
Traineeship Program for Fresh Graduates and Young Professionals	<p>In 2023, we collaborated with 11 universities and vocational schools to enlarge our talent pool. Programmes include:</p> <p>Plantation Centre of Excellence Programme (PCOE): Recruits and trains college graduates and diploma holders who wish to enrol in our forestry programme. In 2023, the Group recruited 562 programme graduates. To honour our gender equality commitments, we increased the percentage of women trainees to 27% compared to 20% in 2022.</p> <p>Engineering Development Traineeship: Enrolment increased from 119 in 2022 to 137 in 2023 (15% more than the previous year), with 44 women engineers enrolled in the programme.</p>
APRIL Sustainability Professional Readiness Program (ASPIre)	<p>This 18-month accelerated talent development programme recruits and trains graduates passionate about sustainability. Trainees work in conservation and restoration, community development, R&D, fibre and mill operations, and corporate support roles, including stakeholder engagement, communications, and ESG reporting. Training is supervised by assigned mentors in rotations across multiple disciplines.</p> <p>Upon completing the programme, candidates are placed in various sustainability positions within the APRIL Group. In 2023, we hired one programme graduate at our operations.</p>
World Business Council for Sustainable Development (WBCSD) Leadership Programme	The annual WBCSD Leadership Programme provides promising executives international training on sustainable development challenges and opportunities. It feeds into strategic business decision-making in collaboration with its member companies. To date, APRIL has sent seven managers to participate in the programme.
Leadership Development Programme	Our leadership programme comprises the RGE-led Executive Leadership Programme (ELP) and the Future Leadership Programme (FLP) for senior managers. Both are six-year programmes combining on-the-job training, expert coaching, and classroom instruction. There are 44 employees enrolled in these programmes, including two women executives in the ELP programme and nine women managers in the FLP programme.
New Employee Orientation (NEO)	Six hundred sixty (660) new employees attended a 48-hour orientation programme, including training on workers' rights, safety induction, human rights awareness, and our code of conduct.

HEALTH AND SAFETY

[GRI 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10]





APRIL recognises the importance of workplace health and safety and the specific challenges of working in remote plantation areas. Our Occupational Health and Safety (OHS) policy outlines comprehensive measures to ensure the health and safety of all employees and contractors, per the ILO Code of Practice on Safety and Health in Forestry Work and the Food and Agriculture Organisation's (FAO) Occupational safety and health in forest harvesting and silviculture compendium.

The OHS Management System for mill and fibre operations complies with government regulations¹⁰ and is ISO 45001-certified, with audits every three years. It includes accident and injury prevention measures and a Hazard Identification, Risk Assessment and Determining Control (HIRADC) document on other ways of

safeguarding the health and well-being of our employees, including monitoring facilities and potable water and providing medical facilities and infrastructure for everyday uses, emergencies, and evacuations.

A dedicated OHS Committee is registered with the provincial labour office and oversees safety and health issues. It meets monthly with managers, employees, and contractors to review and discuss safety and health performance and areas for improvement. The Committee also organises talks to deepen employee knowledge about health and safety issues and encourage behavioural change through our health and safety culture programme.

Our practices and initiatives include:

 <p>Safety Academy APRIL operates a Safety Academy that provides OHS training to all workers and visitors. We conduct daily safety briefings at our operations to refresh employee awareness of safety protocols.</p>	 <p>No Safety No Activity (NOSA) APRIL is a No Safety No Activity (NOSA) workplace. We regularly update the Safety Golden Rules in our HIRADC document to reduce potential accidents and injuries at our operations. We also employ a no-blame approach and encourage our people to learn from past incidents to improve workplace safety.</p>
 <p>Safety Traffic Light System A Safety Traffic Light System (SLTS) documents the implementation of our health and safety strategies and assess their effectiveness. Our objective is to close 95% of remedial actions resulting from internal OHS inspections on time. Additionally, we have increased hard controls by at least 10% in identified high-risk areas.</p>	 <p>Promoting worker health All APRIL employees and contractors undergo an annual medical check-up (MCU) to detect potential health concerns early and provide appropriate medical interventions, if necessary. Workers in high-risk roles, such as those applying pesticides at forestry plantations, undergo an MCU every six months. In 2023, we also introduced cardiovascular disease (CVD) risk screening for all employees¹¹.</p>

¹⁰ Indonesia's *Sistem Management Keselamatan Kesehatan Kerja* (SMK3).

¹¹ APRIL employees have a right to personal data privacy. Their health data is strictly confidential to ensure they are treated fairly regardless of their medical conditions.

HEALTH AND SAFETY

[GRI 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10]

New Contractor Performance Management System

In 2023, our Contractor Performance Management System (*Evaluasi Kinerja Kontraktor/EKK*) for mill and fibre operations was expanded to track compliance levels, accident records, and responses to internal audit findings per our revised OHS and labour compliance standards for our supply chain.

APRIL is committed to engaging with our employees, contractors, and other supply chain stakeholders on the new health and safety recommendations to implement solutions and enforce adherence to OHS protocols.

Accident reporting

We minimise injuries and accidents at our operations. In 2023, our lost time injury frequency rate (LTIFR) was 0.68, compared to 0.62 in 2022.

As OHS compliance and reporting has been enhanced, we have observed an increase in the number of near-miss and NOSA reports, 48% of which were high potential incidents¹². We continue to train and educate our employees, and implement necessary measures to reduce injury and accident rates.

Table 6 : Health and safety performance 2022 and 2023

OHS targets and performance	2023	2022
Achieve LTIFR of < 0.12	0.68	0.62
Reduce motor vehicle accidents	Mill operations: 0 Fibre operations: 59	Mill operations: 92 Fibre operations: 59
Promote near-miss reporting	Total: 1314 Mill operations: 3 Fibre operations: 1311	Total: 301 Mill operations: 7 Fibre operations: 294
Promote NOSA reporting	Fibre operations: 29,866 cases with 48% high potential incidents	Fibre operations: 3,161 cases with 31% high potential incidents

Despite these health and safety measures, we regret to report five fatalities at our fibre and mill operations, all involving contractors or on-site workers not on our payroll. At our fibre plantations, two people drowned, one was crushed by a falling tree, and another was a traffic fatality. These incidents resulted from unsafe acts and conditions and insufficient supervision, training, and information on potential hazards. The one fatality at our mill was an individual who fell from a height after failing to properly attach their safety harness.

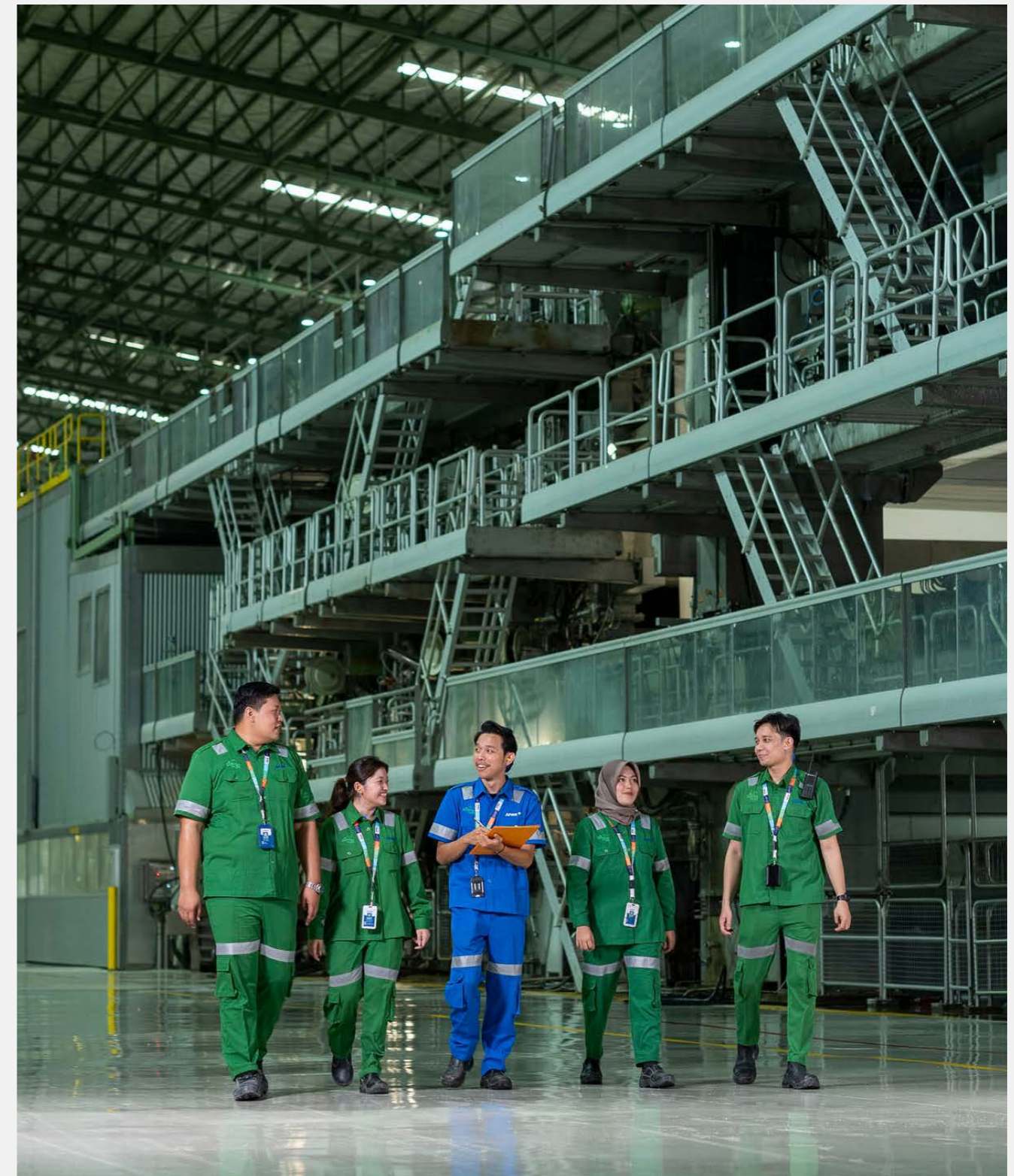
We take every fatality seriously, investigate the cause of each incident, and report our findings to regional manpower offices. We have taken corrective actions to prevent the recurrence of these accidents, training contractors, improving work-site conditions for night-shift workers, and enhancing road signage. We have also added selected health and safety targets, specifically zero fatalities and a lost time injury frequency rate (LTIFR) below 0.12, to our Responsible Business KPIs. These measures allow us to monitor our progress and demonstrate our commitment to credible and effective health and safety initiatives.

¹² High potential incidents refer to events or near misses that, while they may not have resulted in significant harm or damage, had the potential to cause severe injury, illness, or fatalities under different circumstances.

FREEDOM OF ASSOCIATION

[GRI 2-30]

APRIL respects the right of all employees and contractors to form and join trade unions as they choose and to bargain collectively without fear of retaliation or discrimination. Our Collective Labour Agreement also promotes a fair and equitable workplace without discrimination, forced labour, or child labour.



NO CHILD OR BONDED LABOUR

[GRI 408-1, 409-1]

APRIL has zero tolerance for any form of child or forced labour. Our employees can stop working and terminate their employment anytime, in accordance with labour laws and their contractual agreements.

We recognise the need for a comprehensive response to address concerns about child labour and are exploring various measures to protect children, including daycare services, and primary and secondary education. For example, we are building schools, providing transportation for children attending schools outside our operations, and establishing mobile schools where traditional educational facilities are lacking.



SUPPORTING AND RESPECTING COMMUNITIES

[GRI 3-3, 203-1, 203-2, 411-1, 413-1, 413-2]

As a company based in a newly industrialised economy, we strive to be sustainable while helping local communities progress. As a major employer in Riau Province, we support the social and economic development of the communities where we operate. Our commitment to building a sustainable business requires us to actively invest and participate in the local communities directly and indirectly impacted by our forestry operations.

UPHOLDING COMMUNITY RIGHTS AND MITIGATING IMPACTS

APRIL respects and upholds the rights of local communities and Indigenous people in areas surrounding our operations. Our development initiatives include ongoing engagement with local populations to guide our efforts to support community livelihoods, reduce potential conflicts and improve our knowledge of villages' needs and expectations. Our commitment to upholding Indigenous and local community rights extends to our suppliers as outlined in our [Wood and Fibre Sourcing Policy](#), [Human Rights Policy](#), and [APRIL Group's Sustainable Forest Management Policy 2.0](#). We do not source from entities found to have violated customary and traditional land rights or human rights.

Resolving land claims

Social conflicts arising from land disputes in Indonesia often stem from complex, longstanding issues. Land titles awarded to companies may contradict local communities' customary land rights claims due to discrepancies in land allocation processes and conflicting interpretations of land ownership. As a result, companies that hold legal

titles to land for development or resource extraction purposes are challenged by local communities asserting traditional rights based on longstanding occupation and cultural heritage.

APRIL's Land Dispute Resolution Mechanism is a comprehensive dispute settlement framework that complies with Indonesian laws. APRIL actively engages with stakeholders, negotiates mutually acceptable remediation outcomes with communities, and engages in participatory mapping exercises to document the boundaries of land claim settlements.

Addressing community grievances

APRIL's [Grievance Tracking](#) mechanism documents community grievances and their resolution. Most of these complaints are minor: dusty roads, obstructed access due to parked company vehicles, and roads needing repair. Upon receiving a complaint, our team verifies the grievance and works with our business units, contractors, and the complainant to draft and implement an action plan. The grievance is closed when we confirm its resolution with the complainant.

SECURITY PRACTICES

We train security personnel on human rights issues, including skills and ethical conduct rules to prevent human rights violations and abuses in conflict situations when interacting with local communities and other stakeholders. In 2023, we added a human rights component to the annual refresher training provided to all security staff.



SUPPORTING AND RESPECTING COMMUNITIES

[GRI 3-3, 203-1, 203-2, 411-1, 413-1, 413-2]

COMMUNITY DEVELOPMENT

Our Community Development (CD) programmes are led by a dedicated team that engages with communities to help improve local livelihoods, operationalise our community strategy, and monitor its progress. We conduct annual social impact assessment to measure the impact of our operations on surrounding communities. The 2023 assessment used an ethnographic approach to identify and prioritise these communities based on their importance to APRIL operations.

In 2023, 170 villages were enrolled in our livelihood programme, 134 in our health programme, and 121 in our education programme.

Towards reducing poverty

APRIL operates in rural Indonesia and recognises the need to address poverty in surrounding communities. Our approach to eliminating extreme poverty comprises:

- **Income generation:** programmes that support local businesses and create jobs to generate new income (e.g., livelihood programmes)
- **Access to social welfare:** Programmes that provide access to essential services (e.g., healthcare and education).

We have set an ambitious APRIL2030 target to eradicate extreme poverty within 50 kilometres of our mill operations, which will require strategic partnerships with

the Indonesian government and other stakeholders. We recognise the need for long-term solutions to create self-sufficient communities that are not dependent on APRIL. Our efforts to achieve this target are impact-driven.

Supporting income generation Livelihood programmes

APRIL's livelihood programmes aim to achieve sustainable outcomes (e.g., higher income, reduced vulnerability, improved food security, sustainable use of natural resources). APRIL's livelihood programs support agribusinesses, small-medium enterprises (SMEs), and the Indonesian Government's village and community-based climate mitigation and adaptation program, PROKLIM.

As of 2023, 49 villages have been intervened with poverty eradication programs that promote income generation or provide access to social welfare.

We prioritise villages with proximity to our operations thus we work with 23 villages in Siak district and 26 villages in the Pelawan district.

From 2020 to 2022, we conducted livelihood baseline studies and implemented village programmes, including pilot projects on agribusiness, SMEs, and community health. In 2023, we validated government data on households living in extreme poverty through direct field checks to confirm the scope of targeted beneficiaries. We plan to extend our intervention programmes to additional villages and replicate these successful pilot projects.



OUR IMPACT ON RIAU AND INDONESIA'S ECONOMY



Notably, it demonstrated that APRIL's operations have a multiplier effect on the economy:

- Every IDR 1 million increase in APRIL pulp and paper product sales generates IDR 3.48 million in national economic output
- Every ten jobs created by APRIL generate an additional 57.6 jobs and 40.4 jobs nationwide and in Riau respectively

Other findings include:

- Our operations added IDR 484.3 trillion to Indonesia's GDP from 2016 to 2022, equivalent to roughly USD 32.3 billion
- In 2022, APRIL Group's operations and product sales created 257,436 jobs
- Our CSR expenditure of IDR 618 billion helped raise household incomes by IDR 210 billion in five districts: Pelalawan, Kuantan Singingi, Siak, Kampar, and the Meranti Islands.

In 2022, APRIL generated 0.55% of Indonesia's gross domestic product (GDP), making us a major player in the pulp and paper industry and a significant economic driver. A 2023 study published by the Institute for Economic and Social Research, Faculty of Economics and Business, University of Indonesia (LPEM FEB UI), showed that APRIL made essential contributions to Indonesia's economic growth from 2016 to 2022 and served as a catalyst for economic recovery in Riau in the wake of the COVID-19 pandemic.

We are pleased to see the impact of our operations on the Indonesian economy and will use this knowledge to further build on our zero poverty programmes.



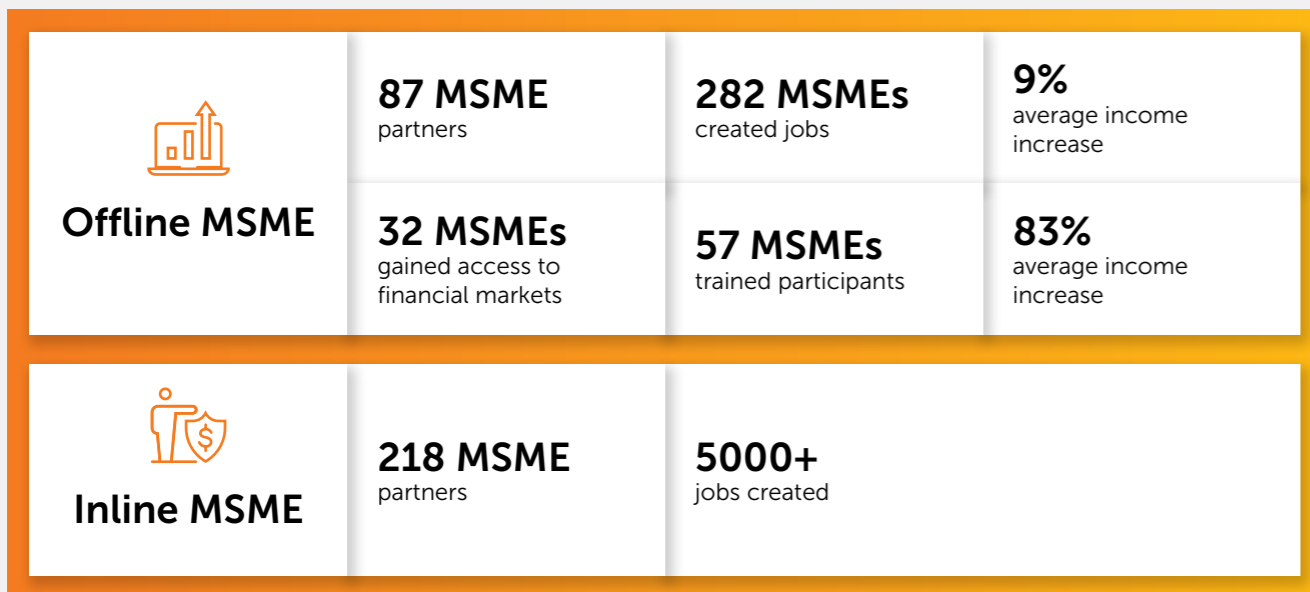
SUPPORTING AND RESPECTING COMMUNITIES

[GRI 3-3, 203-1, 203-2, 411-1, 413-1, 413-2]

Supporting local businesses

Entrepreneurship is an effective way to improve livelihoods and reduce poverty. To eliminate entry barriers to establishing businesses, APRIL has partnered with the Ministry of Micro, Small, and Medium Enterprises (MSMEs) of Indonesia to provide aspiring entrepreneurs with essential support and skills training. Our contributions include offering guidance to local businesses and mentoring entrepreneurs on critical business processes, including applying for financing from local banks and marketing their products and services.

We encourage local MSMEs to do business with APRIL and other entities in our area of operations. They can provide ancillary services, become suppliers (in-line MSMEs), or contribute to the local economy without directly working with APRIL (offline MSMEs). In return, we offer assistance, including technical and managerial upskilling, financial management training, support with legal compliance, and help specific to individual MSMEs.



Building capacity of farmers

APRIL's Agribusiness Programme provides local farmers with agricultural assistance and training on sustainable farming practices. The programme helps farmers adopt economically viable farming methods and offers production tools, seedlings, and fertilisers to increase productivity, as well as help with sales and promotions.

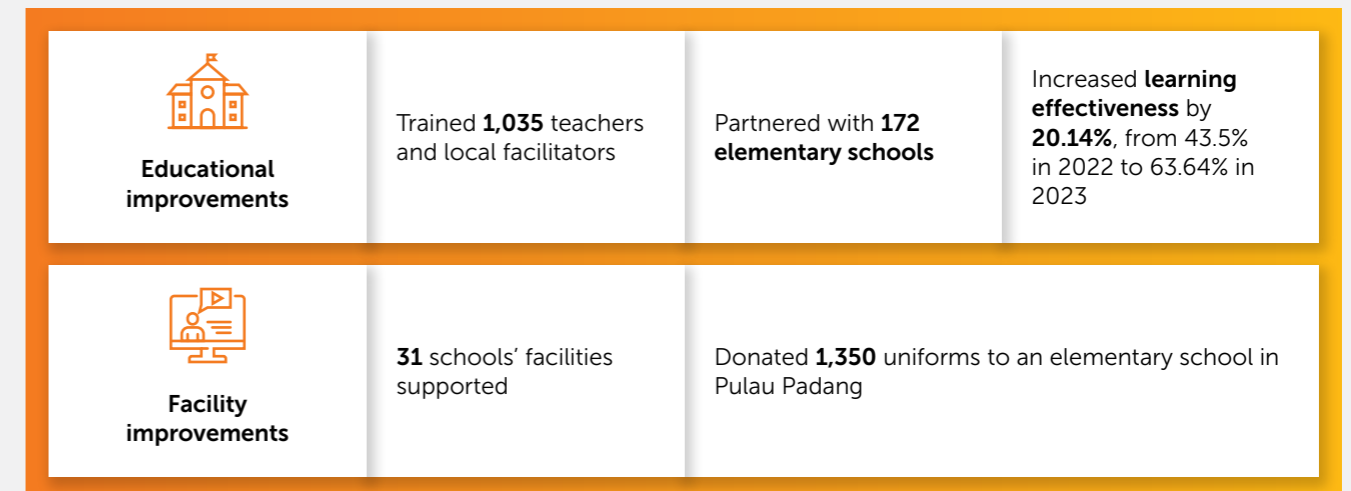


Access to social welfare

Quality education

We have partnered with the Tanoto Foundation to improve the quality of education in Riau. In collaboration with elementary schools in five Riau regencies, we focus on advancing learning techniques and creating a culture of reading among students.

APRIL is building on our 2022 initiative to make up for school closures during COVID-19 lockdowns. We provide school-based management training and instruction in teaching, educational processes, and other relevant subjects to school facilitators, including teachers, principals, and supervisors. We are building their expertise in these matters and addressing the specific needs of their communities' schools.



We continue to provide financial assistance to students from low-income families, and in 2023, we offered scholarships to 250 senior high school students and 99 scholarships to undergraduate students, including 14 from Penyengat Village.

Scholarships

- 250 high school senior students
- 99 undergraduate students
- 20 intensive university preparation sessions
- 95% of participants were accepted by state universities

Providing employment opportunities

We continue to offer our factory (TeFa) programme at four vocational schools in Riau:

- We sponsor a six-month student apprenticeship programme at APRIL's operations
- We encourage APRIL employees to share their knowledge at vocational schools as guest lecturers.

The TeFa programme accelerates employment access for graduates of local vocational schools. **All 24 students enrolled in 2023 were hired to work at our operations.**

In addition to TeFa, APRIL also offers apprenticeships to vocational school students so they can gain industry-specific experience. The University of Riau (UNRI) established a Pulp and Paper Vocational Program (Diploma 3 – D3TPK UNRI) in 2019 to expand APRIL's talent pool. The program comprises six semesters of learning and a nine-month internship at our facilities. Two hundred and fifty (250) students completed this programme in 2023.

SUPPORTING AND RESPECTING COMMUNITIES

[GRI 3-3, 203-1, 203-2, 411-1, 413-1, 413-2]

Access to healthcare

APRIL supports healthcare access in surrounding communities. In July 2023, APRIL signed a Memorandum of Understanding (MoU) with the Indonesian Ministry of Health (Kemenkes). It was the first public-private partnership initiative between the Ministry of Health and a private company aimed at preventing disease by improving primary healthcare services in Indonesia, a key government strategy. APRIL contributed over 800 pieces of medical equipment, including ultrasound machines, neonatal warmers, nebulisers, and gynaecology desks and chairs, to healthcare centres in three districts surrounding our operations: Pelalawan, Siak, and Kuantan Singingi. APRIL also partnered with relevant stakeholders to provide healthcare professionals with comprehensive training on properly using these medical tools.





Addressing stunting

Stunting is a major health concern in Indonesia. APRIL supports the Indonesian Government's efforts to eliminate stunting in toddlers in rural areas, and the

national target to achieve a 14% reduction in stunting against the 2014 baseline. We provide on-the-ground support and participate in discussions and consultations on the national stunting prevention and management initiative (Rembuk Stunting) with village heads and officials, and local clinics or posyandu cadres (community volunteers who staff *posyandu* community service posts), government representatives, and other relevant stakeholders.



APRIL, the Tanoto Foundation, and Yayasan Cipta have partnered to help local governments in Pelalawan, Siak, Kampar, and Kepulauan Meranti, Riau, implement the national strategy to accelerate stunting reduction. In parallel with this partnership, APRIL is working to reduce stunting in children under five by 50% in villages in Kampar, Kep. Meranti, Pelalawan, Kuantan Singingi, and Siak in Riau.

Our 2023 programmes addressing stunting included:

 <p>Supplementary Feeding Provided 16,000 supplementary feeding packages for children under five</p>	 <p>Recovery treatment Registered 149 children for treatment in 2023, of whom 50 fully recovered</p>	 <p>Early detection through community health services (Puskemas) Engaged with 29 Puskemas and 145 health workers in our community development programmes</p>	 <p>Community empowerment</p> <ul style="list-style-type: none"> Engaged with 300 <i>Posyandus</i> Trained 1,600 cadres to manage <i>Posyandus</i> and provide counselling to expectant mothers
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Community resilience and infrastructure

Community support and infrastructure

 <p>Social and cultural contributions</p>	<p>Donated 2,300 sembako packages to flood victims</p>	<p>Donated sports packages to 37 villages</p>	<p>Held events in 17 villages</p>
 <p>Social infrastructure</p>	<p>Built 56 roads, public facilities for religious and other activities, and village offices</p>		





Empowering women in communities

To meet the APRIL2030 target of advancing equal opportunities for women and increasing their participation at our operations and in surrounding communities, all our community development initiatives are now gender inclusive.

Our participation lists identify the number of women participants in our community development programmes. Our efforts to increase the number of women in these programmes have exceeded our expectations. Our

original target was to raise the number of women to 50% of participants by 2023. By 2019, 34% of community development programme participants were women. That number grew to 64% in 2023. Increasing the number of women beneficiaries in our community development programmes indicates that our programmes are highly accessible to women, thus contributing to our goal of advancing gender equality and opportunity. Our next goal is to maintain these high participation rates in the coming years.

 <p>Self-employment</p>	<p>32 women entrepreneurs in 3 districts operating batik businesses</p>	<p>28 new jobs</p>	<p>IDR 2–3k million monthly income</p>
 <p>Wage employment</p>	<p>64% of total beneficiaries were women</p>		