PT Asia Pulp & Paper - Forests 2023

F0. Introduction

F0.1

(F0.1) Give a general description of and introduction to your organization.

Asia Pulp & Paper (APP) is a pulp and paper manufacturer headquartered in Indonesia. APP is a global company that employs 40,000 people and has an annual converting capacity of 20 million tons. With branches and sales offices in several countries, the Company markets its products in over 150 countries across 6 continents. APP Indonesia main operation includes mills and forestry operations (forest management units) consist of owned concessions, long term pulpwood suppliers, community forest and open purchase located in Java, Sumatra, and Kalimantan Island in Indonesia. APP mills in Indonesia including OKI Pulp & Paper, Pindo Deli Pulp & Paper, Indah Kiat Pulp & Paper, Tjiwi Kimia, Ekamas Fortuna, Univenus and Lontar Papyrus. APP Sinar Mas' operations in Indonesia are carried out by direct or indirect subsidiaries of PT Purinusa Ekapersada. The company began in 1960 when our founder, Eka Tjipta Widjaja, migrated from China to Indonesia in 1930 and established a small trading company called CV. Sinar Mas, which focused on importing textiles and exporting natural resources. For over 60 years, the company has transformed itself into APP Sinar Mas as we know it today, having transformed millions of lives through employment opportunities, community development programs, support for education, developing specialized skills, conservation of natural forests, and more.

APP focus on technology and product development allows us to deliver innovative solutions that enhance people's lives while positively impacting the environment and society. Our commitment to innovation has resulted in exceptional paper-based products that meet the growing global demand for environmentally friendly packaging, food packaging, surgical masks, and tissues. We believe that the growth of doing our business responsibly, sustainably, is dependent on the support of the stakeholders and people around us: partners, employees, communities, and the general public. As part of our vision for a better future, the integrity of our supply chain and our commitments to our Sustainability Roadmap Vision (SRV) 2030 are crucial to our operations. Every day, we do our best to achieve sustainable forest and peatland management, market-leading product environmental footprints, and people-first sustainable operations. This vision extends beyond the countries where we operate. We believe that the growth of our business is dependent on the support of the people around us: partners, employees, and communities.

Compliance holds a fundamental position in APP's business practices, guiding us to uphold the principles of Good Corporate Governance (GCG), transparency, accountability, responsibility, independence, and fairness. We adhere to stringent standards outlined in our Governance Policy and Business Code of Conduct (BCoC) to ensure these principles are consistently upheld across all areas of our business operations. Each organ of APP has its respective duties and authorities in accordance with commitments, policies, applicable laws and regulations.

More information can be found at our website and Sustainability Dashboard.

F0.2

(F0.2) State the start and end date of the year for which you are reporting data.

	Start Date	End Date
Reporting year	January 1 2022	December 31 2022

F0.3

(F0.3) Select the currency used for all financial information disclosed throughout your response.
USD

F0.4

(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on (including any that are sources for your processed ingredients or manufactured goods); and for each select the stages of the supply chain that best represents your organization's area of operation.

Timber products

Commodity disclosure
Disclosing

Stage of the value chain
Production
Processing
Manufacturing

Are you disclosing information on embedded commodities?
Yes

Explanation if not disclosing
<Not Applicable>

Other - Rubber

Commodity disclosure
This commodity is not produced, sourced or used by our organization

Stage of the value chain
<Not Applicable>

Are you disclosing information on embedded commodities?
<Not Applicable>

Explanation if not disclosing
<Not Applicable>

F0.5

(F0.5) Select the option that describes the reporting boundary for which forests-related impacts on your business are being reported
Operational control

F0.6

(F0.6) Select the countries/areas in which you operate.
Indonesia

F0.7

(F0.7) Are there any parts of your direct operations or supply chain that are not included in your disclosure?
No

F0.8

(F0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.?)

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, another unique identifier, please specify (Indonesia stock exchange)	INKP, TKIM

F1. Current state

F1.1

(F1.1) How does your organization produce, use or sell your disclosed commodity(ies)?

Timber products

Activity
Growing/production of raw materials
Harvesting
Using as input into product manufacturing

Form of commodity
Pulp
Paper
Primary packaging
Secondary packaging
Tertiary packaging

Source
Owned/managed land
Smallholders
Single contracted producer
Multiple contracted producers

Country/Area of origin
Indonesia
Malaysia
South Africa
Thailand
Viet Nam

% of procurement spend
100%

Comment
In order to ensure that APP maintain deforestation-free supply chain, APP requires all our pulpwood suppliers comply with our Forest Conservation Policy (FCP). This includes supporting policies such as the updated Responsible Fibre Procurement and Processing Policy (RFPPP) named the Fibre Procurement and Processing Policy (FPPP), which provides overarching framework for the processes and criteria used in evaluating the suppliers' compliance with our FCP. In implementing the commitment, APP developed tools such as the Suppliers Evaluation and Risk Assessment (SERA), which provides a system to screen the pulpwood suppliers, to ensure that they are following the SRV2030 and the FCP. SERA was developed using the global Sustainable Forest Management (SFM) standard as reference, as well as the commitment under the FCP.

100% of the raw materials in the form of pulpwood come from owned concessions, long-term pulpwood suppliers, community forest (smallholders) and open purchase in Indonesia, but 1.79% of the pulpwood that APP use for production in the mills is imported from Malaysia, South Africa, Thailand and Vietnam.

F1.2

(F1.2) Indicate the percentage of your organization's revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.

	% of revenue dependent on commodity	Comment
Timber products	100%	Our company primarily manufactures fibre-based pulp, paper, packaging, stationery and tissue which are a central part of our business. Therefore, a large percentage of our products are dependent on timber products, including pulp, paper and board. To determine the percentage of revenue dependent on timber, it has been calculated that in 2022, our products made up approximately 100% of our sales revenue figure of USD 9.3 billion
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F1.3

(F1.3) Provide details on the land area you control and/or manage that is used for the production of your disclosed commodity(ies).

Forest risk commodity
Timber products

Type of control
Concession/lease

Country/Area
Indonesia

Land type
Tree plantations

Area (Hectares)
1116313.36

% Area certified
94

Certification scheme
PEFC Sustainable Forest Management certification

Conversion of natural ecosystems monitored during the reporting year, the last 5 years and/or since specified cutoff date
We have monitored conversion of natural ecosystems during the reporting year
We have monitored conversion of natural ecosystems since specified cutoff date, please specify year (2013)
We have monitored conversion of natural ecosystems during the last 5 years

Area of natural ecosystems converted during the reporting year (hectares)
0

Area of natural ecosystems converted since specified cutoff date (hectares)
0

Area of natural ecosystems converted during the last 5 years (hectares)
0

Please explain
Every year APP monitored conversion of natural ecosystems throughout its' supply chain. In 2022, all of our long-term pulpwood suppliers are 100% certified under the mandatory certification PHPL-VLK and 100% compliant with PEFC scheme: which are 35 FMUs certified under IFCC-PEFC and 5 FMUs verified through PEFC due diligence. APP also managed internal due diligence mechanism with of the indicators assessed deforestation and/or conversion of natural ecosystem since 1st February 2013. These ways are aligned with APP's Forest Conservation Policy (FCP) and Fibre Procurement and Processing Policy (FPPP). The FCP is a set of policies that govern APP's approach to sustainable and responsible practices, implemented since 1st February 2013. Moratorium on all-natural forest clearance by suppliers and required large-scale High Conservation Value (HCV) and High Carbon Stock (HCS) assessments to identify natural forest and other important areas for protection is included in the FCP. The FCP sets out four main policy commitments that cover: 1) Protecting Natural Forests, 2) Peatland Management, 3) Social Commitments, 4) Responsible Global Supply Chain. APP's FCP is a cornerstone of APP's Sustainability Roadmap Vision. While FPPP, the supporting policy of FCP, stated only accepting wood that is from sustainable forest plantation management as defined in its' FCP.

F1.4

(F1.4) Provide details on the land you control and/or manage that was not used for the production of your disclosed commodity(ies) in the reporting year.

Forest risk commodity
Timber products

Country/Area
Indonesia

Type of control
Concession/lease

Land type
Set-aside land

Area (hectares)
600000

% covered by natural forests
80

Please explain
A key aspect in APP Sustainability Roadmap is balancing the production activity and the protection of the natural forest within APP and its suppliers concession areas. As a result of the High Conservation Value (HCV) and High Carbon Stock (HCS) assessments conducted from 2013 to 2015 across all concessions supplying to APP, more than 600,000 hectares have been set aside for conservation purposes. Among that, more than 480,000 hectares is covered by natural forest.

F1.5

(F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?

	Data availability/Disclosure
Timber products	Consumption and production data available, disclosing
Palm oil	<Not Applicable>
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

F1.5a

(F1.5a) Disclose your production and/or consumption figure, and the percentage of commodity volumes verified as deforestation- and/or conversion-free.

Forest risk commodity
Timber products

Data type
Consumption data

Commodity production/ consumption volume
24300000

Metric for commodity production/ consumption volume
Metric tons

Data coverage
Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?
Please select

% of reported volume verified as deforestation- and/or conversion-free
<Not Applicable>

Please explain
Consumption data is the number of pulpwood consumed by our Mills to produce fiber-based pulp, paper, packaging, stationery and tissue products. Amount of raw material consumption in 2022 counted as 24,300,000 metric tons. Our mills and products bear a variety of third-party certified labels to meet the sustainability needs and requirements of our customers. These primarily address the source of the fiber, the composition of the product, its quality, and environmental compliance. Among Mills' certifications are ISO 9001 for quality management, ISO 14001 for environmental management system, ISO 5001 for energy management, SMK3 and ISO 45001 for occupational health and safety management systems, also maintaining PEFC, SVLK in terms of chain of custody certifications. PEFC is voluntary certification scheme of SFM and chain of custody while SVLK is Timber Legality and Verification System that mandatory required by Indonesian law for all wood product exporters from Indonesia. These certifications provide assurance to the markets that our timber products are legal products, come from legal sources and has been gone through qualified production process.

Forest risk commodity
Timber products

Data type
Production data

Commodity production/ consumption volume
29100000

Metric for commodity production/ consumption volume
Metric tons

Data coverage
Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?
Yes

% of reported volume verified as deforestation- and/or conversion-free

Please explain
Our production data refers to data on the pulpwood received in our Mills. In 2022, our production number counted as 29,100,000 metric tons, mostly 98.2% sourced by our pulpwood suppliers in Indonesia referring to RKOPHH (Rencana Kerja Operasional Pemanfaatan Hasil Hutan). 100% of APP's pulpwood suppliers in Indonesia are certified under both mandatory and voluntary sustainable forest management certification. To meet the requirement of our global stakeholders, APP's pulpwood suppliers are certified under the globally recognized Program for Endorsement of Forest Certification (PEFC). Furthermore, APP has maintained100% of its' long-term pulpwood suppliers certified under the mandatory certification PHPL-VLK and 100% compliant with PEFC scheme: which are 35 FMUs certified under IFCC-PEFC and 5 FMUs verified through PEFC due diligence. In addition, APP pulpwood suppliers also implemented ISO 14001, ISO 45001 and SMK3 certification standards.

APP also developed a robust tool to facilitate the implementation of the Forest Conservation Policy (FCP) and Fibre Procurement and Processing Policy (FPPP) across our fiber supply chain, called the Supplier Evaluation and Risk Assessment (SERA). SERA acts as screening tool to evaluate the level of risk within a supplier's operations (due diligence mechanism). Developed based on global standards for Sustainable Forest Management (SFM), SERA evaluates suppliers against 12 indicators. One of the indicators is addressing deforestation and/or conversion. The indicator assessing whether the pulpwood supplier, converting natural forest after 1st February 2013. The implication of proven deforestation and/or conversion by supplier would be having their contract terminated for existing supplier or rejected to be APP's supplier in case of initial screening for new supplier.

F1.5b

(F1.5b) Provide a breakdown of your DCF and non-DCF volumes relevant to your stage in the supply chain according to how verification is achieved and the highest level of traceability, respectively.

Timber products – DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion
0

% of DCF production/consumption volume verified through monitoring systems
0

% of DCF production/consumption volume physically certified
100

% of non-DCF production/consumption volume from unknown origin
<Not Applicable>

% of non-DCF production/consumption volume traceable only as far as country level
<Not Applicable>

% of non-DCF production/consumption volume traceable only as far as sub-national area
<Not Applicable>

% of non-DCF production/consumption volume traceable only as far as processing facility level
<Not Applicable>

% of non-DCF production/consumption volume traceable to production unit level
<Not Applicable>

Total percentage of production/consumption volume reported (DCF) [auto-calculated]

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]
<Not Applicable>

Timber products – Non DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion
<Not Applicable>

% of DCF production/consumption volume verified through monitoring systems
<Not Applicable>

% of DCF production/consumption volume physically certified
<Not Applicable>

% of non-DCF production/consumption volume from unknown origin
0

% of non-DCF production/consumption volume traceable only as far as country level
0

% of non-DCF production/consumption volume traceable only as far as sub-national area
0

% of non-DCF production/consumption volume traceable only as far as processing facility level
0

% of non-DCF production/consumption volume traceable to production unit level
0

Total percentage of production/consumption volume reported (DCF) [auto-calculated]
<Not Applicable>

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]

F1.5c

(F1.5c) For your disclosed commodity(ies), indicate the percentage of the production/consumption volume sourced by national and/or sub-national jurisdiction of origin.

Forest risk commodity
Timber products

Country/Area of origin
Indonesia

State or equivalent jurisdiction
Specify state/equivalent jurisdiction (Riau, Jambi, South Sumatra, West Kalimantan and East Kalimantan)

% of total production/consumption volume
98.2

Please explain
All our fibre suppliers, both continuous and one-time, must first be approved through our Supplier Evaluation and Risk Assessment (SERA) process. SERA indicators include questions regarding the location of the supplier (Country/District/Region). APP only accept wood fibre sourced from areas not converted from High Conservation

Value (HCV) and High Carbon Stock (HCS) forests after February 2013. In 2022, 98.2% of APP's virgin fiber supply was sourced locally from 35 suppliers who manage 40 pulpwood concessions in Riau, Jambi, South Sumatra, West Kalimantan and East Kalimantan. The complete list of APP's pulpwood suppliers is available in APP Sustainability Dashboard (www.sustainability-dashboard.com). All the pulpwood from our suppliers are used for consumption in APP Mills.

Forest risk commodity
Timber products

Country/Area of origin
Malaysia

State or equivalent jurisdiction
Specify state/equivalent jurisdiction (Bintulu)

% of total production/consumption volume
0.66

Please explain
All our fibre suppliers, both continuous and one-time, must first be approved through our Supplier Evaluation and Risk Assessment (SERA) process. SERA indicators include questions regarding the location of the supplier (Country/District/Region). APP only accept wood fibre sourced from areas not converted from High Conservation Value (HCV) and High Carbon Stock (HCS) forests after February 2013. In 2022, 0.663% of APP's virgin fiber supply was sourced from Malaysia. The complete list of APP's pulpwood suppliers is available in APP Sustainability Dashboard (www.sustainability-dashboard.com). All the pulpwood from our suppliers are used for consumption in APP Mills.

Forest risk commodity
Timber products

Country/Area of origin
Thailand

State or equivalent jurisdiction
Specify state/equivalent jurisdiction (Chonburi)

% of total production/consumption volume
0.05

Please explain
All our fibre suppliers, both continuous and one-time, must first be approved through our Supplier Evaluation and Risk Assessment (SERA) process. SERA indicators include questions regarding the location of the supplier (Country/District/Region). APP only accept wood fibre sourced from areas not converted from High Conservation Value (HCV) and High Carbon Stock (HCS) forests after February 2013. In 2022, 0.0500% of APP's virgin fiber supply was sourced from Thailand. The complete list of APP's pulpwood suppliers is available in APP Sustainability Dashboard (www.sustainability-dashboard.com). All the pulpwood from our suppliers are used for consumption in APP Mills.

Forest risk commodity
Timber products

Country/Area of origin
Viet Nam

State or equivalent jurisdiction
Specify state/equivalent jurisdiction (Ho Chi Minh, Vung Tau)

% of total production/consumption volume
0.57

Please explain
All our fibre suppliers, both continuous and one-time, must first be approved through our Supplier Evaluation and Risk Assessment (SERA) process. SERA indicators include questions regarding the location of the supplier (Country/District/Region). APP only accept wood fibre sourced from areas not converted from High Conservation Value (HCV) and High Carbon Stock (HCS) forests after February 2013. In 2022, 0.571% of APP's virgin fiber supply was sourced from Vietnam. The complete list of APP's pulpwood suppliers is available in APP Sustainability Dashboard (www.sustainability-dashboard.com). All the pulpwood from our suppliers are used for consumption in APP Mills.

Forest risk commodity
Timber products

Country/Area of origin
Any other countries/areas

State or equivalent jurisdiction
<Not Applicable>

% of total production/consumption volume
0.5

Please explain
All our fibre suppliers, both continuous and one-time, must first be approved through our Supplier Evaluation and Risk Assessment (SERA) process. SERA indicators include questions regarding the location of the supplier (Country/District/Region). APP only accept wood fibre sourced from areas not converted from High Conservation Value (HCV) and High Carbon Stock (HCS) forests after February 2013. In 2022, 0.500% of APP's virgin fiber supply was sourced from South Africa. The complete list of APP's pulpwood suppliers is available in APP Sustainability Dashboard (www.sustainability-dashboard.com). All the pulpwood from our suppliers are used for consumption in APP Mills.

F1.6

(F1.6) Has your organization experienced any detrimental forests-related impacts?

Yes

F1.6a

(F1.6a) Describe the forests-related detrimental impacts experienced by your organization, your response, and the total financial impact.

Forest risk commodity
Timber products

Impact driver type
Acute physical

Primary impact driver
Wildfires

Primary impact
Closure of operations

Description of impact
APP acknowledge forest fire has substantive impact to our pulpwood suppliers because most of APP pulpwood suppliers' concession areas are located on peat which have a high risk of fire. Within last 3 years, APP have successfully managed the area affected by fire less than 0.05%. In 2022, only 0.014% of the total concession areas of our pulpwood suppliers were affected by fires. APP and its suppliers are committed to a strict no-burn policy and absolutely have no commercial interest in fire as it costs us millions of dollars in terms of damaged plantation resources and the cost of firefighting. APP are determined to extinguish all fires in our supplier concessions and our firefighting teams work around the clock. Fires inside or around our concession areas in Indonesia start for several reasons; primarily it is due to activities outside of our control such as illegal activities. APP face the threat of heavy fines, penalties and the possibility of authorities revoking our operation license in the event of forest fires incidents happened inside of our concessions. APP have daily fire update in our Sustainability dashboard that shows hot spot monitoring and its' status across our pulpwood suppliers' concession areas in Riau, Jambi, South Sumatera, West Kalimantan and East Kalimantan (https://sustainability-dashboard.com/daily-fire-update). In 2022, there is no fines, penalties and license revocation from authorities in our pulpwood suppliers.

Primary response
Implementation of environmental best practices in direct operations

Total financial impact
30000000

Description of response
Since 2015, APP has implemented the Integrated Fire Management (IFM) strategy as an effort to prevent and manage the risk of fire inside and around our pulpwood suppliers' concession areas. The IFM consists of four main pillars of Prevention, Preparedness, Early Detection and Rapid Response, with a particular emphasis on multi-stakeholder collaboration to tackle fire risks. APP continue working with the communities, particularly in areas with higher fire risks, through community empowerment programs as well as socialization and education on the dangers on fires. In 2022, only 0.014% of the total concession areas of our pulpwood suppliers were affected by fires. This achievement is in line with our SRV 2030 target of less than 2% of concession area being affected by fires. To calculate the total financial figure USD 30,000,000 per year, APP have accounted from our investment cost to support our Integrated Fire Management (IFM) strategy: cost of Prevention + Preparation + Early Detection + Rapid Response (mitigation), that covering activities such as community fire awareness, tools and equipment, vehicles, training, satellite monitoring, etc. From the total financial figure, around 20,6% portion goes for covering Prevention cost, 28,1% for Preparation cost, 38,8% for Early Detection cost, and 12,5% for Mitigation/Rapid Response cost.

Forest risk commodity
Timber products

Impact driver type
Reputational and markets

Primary impact driver
Negative media coverage

Primary impact
Brand damage

Description of impact
For more than a decade, APP have experienced negative coverage from environmental press and there was growing awareness of the environmental and social costs of development through the exploitation of natural resources. Most of our customers come from US and European countries which have high concern related to the environmental issue. Where there will be concern from our customers due to the bad publicity, there's a possibility of reduced sales. Bad media coverage could affect the attitudes and feelings of customers toward a product or company or a brand. Such bad media coverage damages our brand company name and creates concerns with both our existing and potential customers. When brand association is negative, negative attitudes are more likely to come into a consumer's mind before positive ones. Bad publicity can contribute to negative brand association, which can in turn reduce sales over time and possibility to include APP into their blacklisted company. Damaged brand also leaves room for competition to move in on a customer base, which can also reduce sales even lost of the business that becomes substantive impact to APP. Financial figure 10 billion estimated from APP net sales revenue in 2022 which amount is 9.3 billion USD plus estimated overall cost to cover the impact to APP production, marketing and sales facilities, resources such as consequences towards its' manpower, etc.

Primary response
Implementation of environmental best practices in direct operations

Total financial impact
10000000000

Description of response
Raising public awareness and concern regarding the environmental and social impact of our business has led us down a new path that balanced our economic model with our responsibilities as stewards of the land and our obligation to support the economic development of Indonesia and its people. This resulted in the development of our Sustainability Roadmap Vision 2020 in June 2012, which laid out specific targets and components, and followed by APP's Forest Conservation Policy in February 2013. APP Sustainability Roadmap Vision 2020 then evolved into APP Sustainability Roadmap Vision 2030, launched in July 2020. APP are aware that APP have a long and challenging journey ahead to ensure that our sustainability commitments are implemented. To calculate the total financial figure, APP have accounted a rough estimation of what APP lost due to damage to brand image, which is sales reducing and our investment to implement our sustainability commitments that might affected.

F1.7

(F1.7) Indicate whether you have assessed the deforestation or conversion footprint for your disclosed commodities over the past 5 years, or since a specified cutoff date, and provide details.

Forest risk commodity
Timber products

Have you monitored or estimated your deforestation/conversion footprint?
Yes, we monitor deforestation/conversion footprint in our supply chain

Coverage
Full consumption volume

Reporting deforestation/conversion since a specified cutoff date or during the last five years?
Since a specified cutoff date, please specify year (2018)

Known or estimated deforestation/ conversion footprint (hectares)
1717

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint
A key aspect in APP Sustainability Roadmap is balancing the production activity and the protection of the natural forest within APP and its supplier's concession areas. As a result of the HCV and HCS assessments conducted from 2013 to 2015 across all concessions supplying to APP, more than 600,000 hectares have been set aside for conservation purpose. This is approximately 20% of the total concession areas supplying APP, twice the size of what the regulation requires. However, the challenges inherent in the effort to protect natural forest cannot be overstated. Threats in the form of illegal activities such as illegal logging, encroachment as well as forest fire remains within the area that APP aim to protect. As one of the monitoring and prevention measures, APP implement forest patrol across our and our supplier's concession areas, whether it is by our own resources or collaborating with relevant external stakeholders. Since 2017, APP have also put in place a Forest Monitoring System as an alert service, using data from RADARSAT-2 satellite to identify forest cover change that takes place in our protected areas, enabling our team to respond quicker to events on the ground. Since 2018, APP already identified the total forest cover change that happen in our conservation area as below: 2018: 830.5 Ha (0.14%), 2019: 2,150.3 Ha (0.35%), 2020: 1,643.3 Ha (0.28%), 2021: 1,533.1 Ha (0.25%) and 2022: 1,717 Ha (0.29%)

F2. Procedures

F2.1

(F2.1) Does your organization undertake a forests-related risk assessment?
Yes, forests-related risks are assessed

F2.1a

(F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.

Timber products

Value chain stage
Direct operations
Supply chain

Coverage
Full

Risk assessment procedure
Assessed in an environmental risk assessment

Frequency of assessment
Annually

How far into the future are risks considered?
> 6 years

Tools and methods used
Internal company methods
External consultants
Sustainability Policy Transparency Toolkit (SPOTT)
Other, please specify (Third party certification including PEFC)

Issues considered
Availability of forest risk commodities
Quality of forests risk commodities
Impact of activity on the status of ecosystems and habitats
Climate change
Social impacts

Stakeholders considered
Customers
Investors
Local communities
NGOs
Regulators
Suppliers

Please explain
1. APP use our internal tool called Supplier Evaluation and Risk Assessment (SERA) in identifying, assessing and managing risks related to our pulpwood suppliers. SERA assesses all potential suppliers, not only suppliers from Indonesia, before approval and inclusion in our supplier list. The main indicator of SERA is No Natural Forest conversion after 1 February 2013, APP only accept wood fibre sourced from areas not converted from HCV and HCS forests after of February 2013.
2. APP partnered with MDA, a satellite surveillance and intelligence provider, to provide monitoring and alerts through its Forest Alert Service. The Forest Alert Service uses the spaceborne RADARSAT-2 radar imaging sensor to track disturbances in forest cover of conservation areas as they happen over time. The result of monitoring available in APP's Sustainability dashboard.
3. SPOTT assessments used to inform stakeholders how APP manage ESG risks and increase transparency across multiple industries.
4. APP maintain systems and procedures that regularly verified and certified under Government of Indonesia mandatory certification which is PHPL-VLK and the voluntary certification; PEFC, by independent third-party auditors. All of our long-term pulpwood suppliers are 100% certified under the mandatory certification PHPL-VLK and 100% compliant with PEFC scheme: which are35 FMUs certified under IFCC-PEFC and 5 FMUs verified through PEFC due diligence.
5. Regulator roles are to regulate SFM practices, and its' monitoring-evaluation.
6. Customer is willing to buy APP products by ensuring the product comes from sustainable sources that comply with their requirements in terms of no deforestation in supply chain, environmental protection and social aspects.
7. Investor is willing to invest in APP by ensuring APP fulfillment on ESG factors into their investment decisions.
8. Empowering local communities through the CSR and DMPA programs that are integrated with environmental preservation and also works directly with efforts to prevent forest fires, land dispute, human-wildlife conflict.
9. Collaboration with NGO, such as Collaborative Conservation Management program with Earthworm Foundation, which is related to combating illegal logging, carried out in collaboration in landscape scale, especially when livelihoods improve. The aim is to reduce pressure on forests when the economy grows.

F2.2

(F2.2) For each of your disclosed commodity(ies), has your organization mapped its value chains?

	Value chain mapping	Primary reason for not mapping your value chain	Explain why your organization does not map its value chain and outline any plans to introduce it
Timber products	Yes, we have mapped the entire value chain	<Not Applicable>	<Not Applicable>
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>

F2.2a

(F2.2a) Provide details of your organization's value chain mapping for its disclosed commodity(ies).

Forest risk commodity
Timber products

Scope of value chain mapping
Own operations
Tier 1 suppliers
Smallholders

% of total suppliers covered within selected tier(s)
100

Description of mapping process and coverage
APP's value chain mapping consist of long-term pulpwood suppliers, community forest and open purchase. The long-term pulpwood suppliers divided into 1). own concessions, and 2) independent suppliers. Own Concessions are APP owned managed plantation by practicing sustainable forest management in compliance with APP Policy, laws and/or regulations and certification requirements.

Your own production and primary processing sites: attach a list of facility names and locations (optional)
230717 APP_CDP F2.2a Long-TermPulpwoodSuppliers-Mills.xlsx
230717 APP_CDP F2.2a Own Concessions-Mills.xlsx

Your suppliers' production and primary processing sites: attach a list of names and locations (optional)

F2.3

(F2.3) Do you use a classification system to determine risk of deforestation and/or conversion of other ecosystems for your sourcing areas, and if yes, what methodology is used, and what is the classification used for?

	Use of a classification system to determine deforestation and/or conversion risk of sourcing areas	Methodology used for classifying levels of risk	Use of risk classification	Attachment indicating risk classification for each sourcing area (optional)
1	Yes, we use a classification system	Our system for assessing the deforestation and/or conversion risk is Supplier Evaluation and Risk Assessment (SERA). SERA acts as a screening to evaluate the level of risk within a supplier's operations, wherever sourcing areas it is in Indonesia. SERA consist of 12 indicators that determine level of risk based on Sustainable Forest Management (SFM) methodology.	12 indicators of Supplier Evaluation and Risk Assessment (SERA) including: 1. No conversion of natural forest after 1 February 2013 2. Third party certification 3. Protection of High Conservation Value and High Carbon Stock 4. Tree species 5. Chain of Custody System 6. Legality compliance 7. Protection of species based on IUCN and CITES 8. Respect to traditional civil or human rights 9. Compliance to ILO Core Convention 10. Respect to safety and health for forest worker 11. No introduction of GMO 12. Country/Region/District	

F3. Risks and opportunities

F3.1

(F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?

	Risk identified?
Timber products	Yes
Palm oil	<Not Applicable>
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

F3.1a

(F3.1a) How does your organization define substantive financial or strategic impact on your business?

To mitigate climate-related risks, the Sustainability Committee assesses strategy and risk management framework. The Committee provides material to the Management Board when necessary to inform strategic decision-making.

1. Regulatory risk - Risk assessment includes compliance with relevant regulations. For instance, the Ministry of Energy and Mineral Resources requires companies to report their energy consumption annually, while the Ministry of Industry mandates companies to report their carbon emissions on their platform. Companies that break these regulations will receive disincentives such as warning letters, penalties, publication on media, and even energy supply reduction. Moreover, Europe has launched a product environmental footprint category standard that regulates the environmental impact of paper products marketed in Europe. One of the environmental impacts included in this standard is the limitation of the product's carbon footprint. While this standard is currently voluntary for European companies, it may become mandatory in the future. If this happens, our products with a higher carbon footprint may not be accepted by the European market, which could significantly affect our company's revenue, estimated financial impact would be more than USD 1 billion.

2. Technology risk - APP always benchmarks technology against the best available technology and includes it in our climate and energy risk assessment. APP ensure that APP adapt and adopt appropriate technology in our operation lines not only to gain better efficiency but also to preserve resources. For instance, APP recognize that old equipment on some aged paper machines can lead to high energy consumption, which in turn, affects our carbon footprint as well as the carbon product itself. As customers and stakeholders are increasingly concerned about the low environmental impact of products, APP must respond to this by improving our technology. Estimated financial impact would be around USD 10 million, as APP always try to align with new technology.

3. Market risk - Currently, the market demands products that have a low impact on the environment. APP market our products both locally and overseas. The awareness of responsible consumption is growing rapidly both domestically and overseas, and APP make sure to respond to these requirements responsibly. For example, APP market our products in Indonesia and export them overseas that require us to meet ecolabel standards. The standard includes carbon footprint as one of its criteria. This parameter is potentially a crucial factor in customer preferences for products that have a low environmental impact. Products with a higher carbon footprint may not be preferred in the market. Estimated financial impact would be around USD 1 million, our products have meet EMS and Ecolabel standards.

4. Reputational risk - Maintaining a positive reputation is a top priority for our organization, as it has a direct impact on our market share and revenue. Our commitment to sourcing pulpwood from sustainable forests, as well as prioritizing land management and conservation practices, is essential for retaining the confidence of stakeholders concerned with environmental issues. However, APP recognize the difficulties inherent in maintaining high environmental standards in the operations of our mills, specifically in the management of emissions. Failure to adhere to these standards could have a negative effect on our reputation, which in turn could impact our market and sales. As such, APP remain committed to upholding our commitments and enhancing our environmental performance continuously. Estimated financial impact for company's reputational image would up to loss of the business.

5. Physical risk - Severe weather events such as hurricanes and storms can pose an acute physical risk to our water supply and disrupt our supply chain, especially through flooding. However, this situation also presents opportunities for innovative solutions that can improve crop resilience, including water efficiency, drought and heat tolerance, and soil carbon sequestration. Additionally, APP need to consider the potential impact of long-term climatic changes on mean temperatures and precipitation patterns, which can affect rising sea levels and water intake, crop quality, yields, and the length of harvesting periods, ultimately impacting our production capacity. These changes may also create opportunities for us to explore the use of new species. Physical risk at APP is regulated in line with OHSMS Procedure Guidelines on Emergency Management. In line with this guideline, APP conducts risk identification of its operational activities as a basis for setting emergency response objectives and improvement programs. Estimated financial impact If major fire incident happens will cause huge potential loss such as production loss, bad company's reputation that cause loss customer trust, and in the end loss of sales USD 6 billion.

F3.1b

(F3.1b) For your disclosed forest risk commodity(ies), provide details of risks identified with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Forest risk commodity
Timber products

Type of risk
Acute physical

Geographical scale
Global

Where in your value chain does the risk driver occur?
Direct operation
Supply chain

Primary risk driver
Wildfires

Primary potential impact
Closure of operations

Company-specific description
Forest fires are a complex global issue that affects both local communities and the environment. Most of APP's pulpwood suppliers' concession area are located in peat which is sensitive to fire. APP and its suppliers are committed to a strict no-burn policy. In order to prevent and mitigate the risk of forest fire, APP improved its Integrated Fire Management (IFM) strategy. The IFM which consists of four main pillars of Prevention, Preparedness, Early Detection and Rapid Response, puts great emphasis on close synergies with pulpwood suppliers, local communities and other relevant stakeholders. Our target is to maintain area affected by fire to less than 2% annually, out of APP and its suppliers' total concession located in Riau, Jambi, South Sumatra, East Kalimantan and West Kalimantan province. Major fire incident will significantly interrupt our supply chain but this last 5 years APP have managed to maintain area affected by fire less than 2% annually. In 2022, only 0.014% of the total concession areas of our pulpwood suppliers were affected by fires. To calculate the total financial figure/year, APP counted from investment cost to support Integrated Fire Management (IFM) strategy: Prevention + Preparation + Early Detection + Rapid Response (mitigation) covering activities: community fire awareness, tools, equipment, vehicle, training, satellite monitoring, etc. Around 20,6% portion goes for Prevention, 28,1% - Preparation, 38,8% - Early Detection, 12,5% - Rapid Response

Timeframe
>6 years

Magnitude of potential impact
High

Likelihood
Very likely

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact (currency)
30000000

Potential financial impact figure - minimum (currency)
<Not Applicable>

Potential financial impact figure - maximum (currency)
<Not Applicable>

Explanation of financial impact
The financial impact including sanctions ranging from fines to loss of operating permits that given by the authority if the fire happens inside our concession area, based on regulation of Indonesia Government. The impact also caused of production decrease since the manpower and budget will be focused on how to suppress the fire and loss of customers due to perceived misconduct with potential loss of revenue.

The average financial impact due to the forest fire incident is bigger than the cost of prevention effort. If major fire incident happens it will cause huge potential loss such as production loss, bad company's reputation that cause loss customer trust, and in the end loss of sales.

Primary response to risk
Engagement with local community

Description of response
Since 2015, APP implements the Integrated Fire Management (IFM) strategy as an effort to prevent and manage the risk of fire inside and around its suppliers' concession areas. The IFM consists of four main pillars of Prevention, Preparedness, Early Detection and Rapid Response, with a particular emphasis on multi-stakeholder collaboration to tackle the fire risks. APP continue our work with the communities, particularly in areas with higher fire risks, through community empowerment programs as well as socialization and education on the dangers of fire. In 2022, only 0.014% of the total concession areas of our pulpwood suppliers were affected by fire. This is made possible because of the effectiveness of our team in implementing the IFM. APP launched the Desa Makmur Peduli Api (DMPA) program in 2015 with total allotted budget USD 10 million, based on integrated forestry and farming system concepts. The program is aimed to provide alternative livelihood for community to increase their productivity and not using fire to open the land. As of 2022, the DMPA program has been implemented in 421 villages with a budget of benefitting more than 80,000 people and 90% of DMPA location are free from fire.

Cost of response
30000000

Explanation of cost of response
Besides total allocated budget for DMPA program USD 10 million since 2015, APP also improve our Integrated Fire Management (IFM) strategy and already invested around USD 250 million to provide advance technology, firefighters with equipment, personnel incentive, transportation and the implementation of supporting program involving the community.
The IFM consists of four main pillars of Prevention, Preparedness, Early Detection and Rapid Response, with a particular emphasis on multi-stakeholder collaboration to tackle fire risks. APP continue our work with the communities, particularly in areas with higher fire risks, through community empowerment programs as well as socialization and education on the dangers on fires. In 2022, only 0.014% of the total concession areas of our pulpwood suppliers were affected by fires. This achievement is in line with our SRV 2030 target of less than 2% of concession area being affected by fires. To calculate the total financial figure USD 30,000,000/year, APP counted from investment cost to support Integrated Fire Management (IFM) strategy: Prevention + Preparation + Early Detection + Rapid Response (mitigation) covering activities such as: community fire awareness, tool and equipment, vehicle, training, satellite monitoring, etc. Around 20,6% portion goes for Prevention, 28,1% for Preparation cost, 38,8% for Early Detection cost and 12,5% for Rapid Response cost.

F3.2

(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?

	Have you identified opportunities?
Timber products	Yes
Palm oil	<Not Applicable>
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

F3.2a

(F3.2a) For your selected forest risk commodity(ies), provide details of the identified opportunities with the potential to have a substantive financial or strategic impact on your business.

Forest risk commodity
Timber products

Type of opportunity
Markets

Where in your value chain does the opportunity occur?
Direct operation
Supply chain

Primary forests-related opportunity
Increased demand for certified materials

Company-specific description
All APP's pulpwood suppliers in Indonesia are certified under one or more Sustainable Forest Management (SFM) certification scheme. Third party certification is a crucial tool to demonstrate to our stakeholders that our fiber is sourced sustainably. In 2022, APP have been able to maintain 100% compliance from our pulpwood suppliers to the PEFC scheme. APP managed to certified area under the PEFC Sustainable Forest Management scheme to 94% from the total pulpwood suppliers' concession areas in Indonesia currently supplying to APP mills. This is the maximum area eligible for PEFC certification of the total concession area of APP's pulpwood suppliers in Indonesia. The remaining 6% are certified under the Government of Indonesia's mandatory Sustainable Forest Management scheme, called PHPL-VLK. Through this certification, wood harvested from these areas are considered as compliant to the PEFC-SFM standard as PEFC Controlled Sources.

This assurance is especially important for our customers, many of whom require that APP provide certification as part of their responsible sourcing commitment. Through the availability of certified materials in our supply chain, APP can fulfill customer demands and approach new customers with similar requirement. Increasing demand from customer for certified materials will give us the opportunity to gain new customers and will give good financial impact to our business. In terms of market demand, the past 5 year the demand for packaging product has increased 43% which in line with our sales export increase 30%.

APP also recognized that now global market is steering toward net zero emissions, APP is currently conducting a study to align its Net Zero goals with the Science Based Targets initiative (SBTi). As APP is in forestry sector as well, APP need to commit the SBTi FLAG (Forest Land & Agriculture), currently APP is still in the preparation of baseline & targets for SBTi FLAG for scope 1, 2, 3 .

Estimated timeframe for realization
1-3 years

Magnitude of potential impact
Medium-high

Likelihood
Likely

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
300000000

Potential financial impact figure – maximum (currency)
500000000

Explanation of financial impact figure
Substantive positive and long-term financial impacts is expected with the increased demand of certified materials which can increase the sales and impacted to the revenue calculation from average sales export increase per year around USD 300 million to USD 500 million.

Cost to realize opportunity
200000

Strategy to realize opportunity
Ensuring all our pulpwood sourcing are certified under SFM certification. Annual audit from chain of custody and operational cost estimated USD 200,000 for our owned and long-term pulpwood suppliers.

F4. Governance

F4.1

(F4.1) Is there board-level oversight of forests-related issues within your organization?
Yes

F4.1a

(F4.1a) Identify the position(s) of the individual(s) (do not include any names) on the board with responsibility for forests-related issues.

Position of individual or committee	Responsibilities for forest-related issues
Chief Executive Officer (CEO)	Together with APP's: Deputy CEO, Managing Director, Director of Corporate Affairs and Communications, Social Division Head, Human Resources Division Head, Business Unit Heads and Chief Sustainability Officer (CSO), our Chief Executive Officer (CEO) responsible to oversee our sustainability commitments implementation accross APP operations. This team named as "Sustainability Committee", previously mentioned as Sustainability Committee Board (SCB). CEO responsible to lead the team on evaluating the assessment results on the adequacy and effectiveness of environment, social, and climate strategy including forestry according to APP's Sustainability Roadmap Vision (SRV) 2030, national regulations and global relevant standards. Our CEO also approved Sustainability Commitment and its' policies (such as FPPP, Human Rights Policy, etc), the development / renovation of modern nursery, implementation of solar panel in several forestry areas, etc.
Chief Sustainability Officer (CSO)	Chief Sustainability Officer (CSO) responsible for integrating, synergizing, and managing companywide sustainability, initiatives, policy and programs focuses on production manufacturing, forest and people to ensure environmentally compliance world-wide and suggest ways to harmonize company activities with nature. From the Governance side, CSO is one of the members of Sustainability Committee that in-charge evaluating Sustainable Forest Management (SFM) strategy, implementation and its' decision-making process by management. Our CSO approved new published policies (such as FPPP, Human Rights Policy, etc), the development / renovation of modern nursery, conducting a study to align its Net Zero goals with the Science Based Targets initiative (SBTi) and SBTi FLAG, participate in Net Zero Hub, implementation of solar panel in several forestry areas.
Director on board	APP has a clear governance structure in place based on APP's Governance Policy, with the operational involvement of the Board of Directors and other governance mechanisms to oversee climate-related risks and opportunities.

Director on board directly involve in the development of sustainability target 2030 , this include lead the discussion and workshop related to carbon emission and energy target, mapping current condition, challenge and opportunity as well as strategy to achieve the target. |
| Board-level committee | APP's Sustainability Committee Board headed by APP's CEO, members include APP's Deputy CEO, Managing Director, Director of Corporate Affairs and Communications, Social Division Head, Human Resources Division Head, Business Unit Heads and Chief Sustainability Officer (CSO). CEO responsible to oversee our sustainability commitments implementation across APP operations.

This committee responsible for evaluating and make strategic decisions on sustainability issues to achieve sustainability target according to SRV 2030, national regulations and global relevant standards, including environment, social, energy, forestry, carbon emission reduction, etc. Our sustainability committee held a meeting periodically to discuss progress and challenge APP faced. |

F4.1b

(F4.1b) Provide further details on the board's oversight of forests-related issues.

	Frequency that forests-related issues are a scheduled agenda item	Governance mechanisms into which forests-related issues are integrated	Please explain
Row 1	Scheduled - all meetings	Monitoring implementation and performance
Monitoring progress towards corporate targets
Overseeing acquisitions, mergers, and divestitures
Overseeing major capital expenditures
Overseeing the setting of corporate targets
Overseeing value chain engagement
Providing employee incentives
Reviewing and guiding annual budgets
Reviewing and guiding business plans
Reviewing and guiding corporate responsibility strategy
Reviewing and guiding major plans of action
Reviewing and guiding public policy engagement
Reviewing and guiding risk management policies
Reviewing and guiding strategy
Reviewing innovation / R&D priorities
Setting performance objectives | APP holds regular meetings with the sustainability team and Management Board/Director on Board related to the progress of implementation of Sustainability Roadmap Vision 2030, as well as meetings with stakeholders.

The meeting discusses progress and monitoring related to forest conservation, climate issues, environment, social, and supply chain concerns.

The meeting serves as a platform for engagement and collaboration with stakeholders to ensure effective governance and implementation of sustainability initiatives. |

F4.1d

(F4.1d) Does your organization have at least one board member with competence on forests-related issues?

Row 1

Board member(s) have competence on forests-related issues
Yes

Criteria used to assess competence on forests-related issues
Excellent education and years of experience in the field Forestry. Both education and experience help us identify and manage sustainability issues including forest related issues for the company. Forestry knowledge is also a powerful tool for mitigating financial, legal, and other risks and developing a more resilient business. The board should leverage their educational backgrounds to enhance their oversight and decision-making capabilities to ensure their company's long-term success.

Primary reason for no board-level competence on forests-related issues
<Not Applicable>

Explain why your organization does not have at least one board member with competence on forests-related issues and any plans to address board-level competence in the future
<Not Applicable>

F4.2

(F4.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)	Forests-related responsibilities of this position	Frequency of reporting to the board on forests-related issues	Please explain
Chief Executive Officer (CEO)	Managing annual budgets relating to the implementation of forest-related policies and commitments Managing major capital and/or operational expenditures, related to low-impact forest products or services (including R&D) Managing forests-related acquisitions, mergers, and divestitures Providing forests-related employee incentives Integrating forests-related issues into business strategy Setting forests-related corporate targets Monitoring progress against forests-related corporate targets Managing public policy engagement that may impact forests Managing value chain engagement on forests-related issues Assessing forests-related risks and opportunities Managing forests-related risks and opportunities Assessing future trends in forest risk commodity demand	More frequently than quarterly	In our governance structure, APP have Sustainability Committee (SC) headed by APP's CEO, members include APP's Deputy CEO, Managing Director, Business Unit heads and Chief Sustainability Officer (CSO) which responsible to oversee our sustainability commitments in APP operations. The SC meets monthly, reviewing performance, overall direction and strategy, as well as any issues raised from stakeholders. The responsibility of CEO includes monitoring and assessment Key Performance Indicator (KPI) sustainability of CSO, supervise SC, approval of target and strategy to achieve our sustainability goals which include forest related issues.

F4.3

(F4.3) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?

	Provide incentives for management of forests-related issues	Comment
Row 1	Yes	The performance of the Management Board in regards to sustainability is measured via a common balanced scorecard which focuses on four areas: financial, customer, process, and organisation. The scorecard is reviewed at least annually. The weighting of individual targets vary by role. The results of the balanced scorecard assessments go towards shaping the training needs of the board members. Across the organisation, all employees at a management level and above receive 360-degree feedback.

F4.3a

Name of the position(s) and/or committee(s)	Forests-related responsibilities of this position	Frequency of reporting to the board on forests-related issues	Please explain

(F4.3a) What incentives are provided to C-Suite employees or board members for the management of forests-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive?	Performance indicator	Contribution of incentives to the achievement of your organization's forests-related commitments	Please explain
Monetary reward	Board chair Board/Executive board Director on board Chief Executive Officer (CEO) Chief Financial Officer (CFO) Chief Operating Officer (COO) Chief Procurement Officer (CPO) Chief Risk Officer (CRO) Chief Sustainability Officer (CSO) Chief Government Relations Officer (CGRO) Chief Technology Officer (CTO) Chief Purchasing Officer (CPO) Other C-suite Officer	Ending deforestation and/or conversion of other natural ecosystems Restoration and compensation to address past deforestation and conversion Securing Free, Prior and Informed Consent (FPIC) of indigenous peoples and local communities Increasing commodity volumes with credible third-party certification Adopting UN International Labour Organization principles Increasing traceability of commodity volumes Increased supply chain mapping Increased engagement with suppliers on forests-related issues Increased engagement with indirect suppliers on forests-related issues Increased investment in forests-related R&D Improvements in commodity production efficiency – direct operations Improvements in commodity production efficiency – supply chain Reduction of virgin wood fiber used in paper and packaging products (e.g., by reducing material input, or using recycled content/alternative fibers) Company performance against a sustainability index with forest-related factors (e.g., CDP Forests Score) Engagement in landscape and/or jurisdictional approaches	Achievement of commitments and targets forestry operations	APP has incentive plans that measured through a balanced scorecard approach, covering four focus areas including financial, customer, process and organisational. C suite officer have a common scorecard, which is reviewed at least annually, however weighting of individual targets vary by role. The Individual Targets are based on a balanced scorecard with target that included in APP Sustainability Roadmap Vision 2030. The remuneration of BOC (Board of Commissioners) and BOD (Board of Directors) members is determined based on the achievement of the key performance indicators and overall performance of the Company. For 2022, total remuneration distributed to BOC and BOD members were around USD2.2 million.
Non-monetary reward	No one is entitled to these incentives	<Not Applicable>	<Not Applicable>	All incentives are in the form of monetary reward or in terms of financial value

F4.4

(F4.4) Did your organization include information about its response to forests-related risks in its most recent mainstream financial report?
Yes (you may attach the report – this is optional)

F4.5

(F4.5) Does your organization have a policy that includes forests-related issues?
Yes, we have a documented forests policy that is publicly available

F4.5a

(F4.5a) Select the options to describe the scope and content of your policy.

Row 1

Scope
Company-wide

Commodity coverage
Timber products

Content

Commitment to eliminate conversion of natural ecosystems

Commitment to no land clearance by burning or clearcutting

Commitment to eliminate deforestation

Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE)

Commitment to remediation, restoration and/or compensation of past harms

Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities

Adoption of the UN International Labour Organization principles

Commitment to best management practices for soils and peat

Commitment to take action beyond own supply chain to tackle environmental issues

Commitment to resolving both social and environmental issues in own operations and supply chain

Commitment to protect rights and livelihoods of local communities

Commitment to transparency

Commitment to stakeholder awareness and engagement

Commitment to align with the SDGs

Recognition of the overall importance of forests and other natural ecosystems

Description of business dependency on forests

Recognition of potential business impact on forests and other natural ecosystems

Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy

List of timebound milestones and targets

Description of forests-related standards for procurement

Document attachment

GOV7_ENVIRONMENT, SOCIAL, AND ENERGY COMMITTEE CHARTER 2022_ENG.pdf

APP's Speak Up Policy 2022 - ENG.pdf

220615 APP's Sustainability Commitment 2022_wloc-date.pdf

APP's Supplier Code of Conduct 2022 - ENG.pdf

GOV3_CORPORATE SECRETARY CHARTER 2022_ENG.pdf

GOV_Introduction Governance Policy 2022_ENG.pdf

GOV12_DIVIDEND DISTRIBUTION POLICY 2022_ENG.pdf

GOV13_Procurement Policy 2022_ENG.pdf

GOV2_BOARD COMMISSIONER CHARTER_ENG.pdf

GOV5_INTERNAL AUDIT CHARTER 2022_ENG.pdf

GOV6_AUDIT COMMITTEE CHARTER 2022_ENG.pdf

GOV8_FINANCIAL COMMITTEE CHARTER 2022_ENG.pdf

APP's Forest Conservation Policy 2013.pdf

220615 APP's Corporate Social Responsibility Policy 2022_wloc-date.pdf

220615 APP's Fire Prevention and Management Policy 2022_wloc-date.pdf

APP's Anti-Briberry Corruption Policy 2022 - ENG.pdf

GOV10_INSIDER TRADING POLICY 2022_ENG.pdf

GOV11_AFFILIATED TRANSACTION POLICY 2022_ENG.pdf

GOV14_IT Governance and Protection 2022_ENG.pdf

220727 APP's Fibre Procurement and Processing Policy 2022_wloc-date.pdf

220615 APP's Human Rights Policy 2022_wloc-date.pdf

220615 APP's Health and Safety Policy 2022_wloc-date.pdf

GOV1_BOARD OF DIRECTORS CHARTER 2022_ENG.pdf

APP's Grievance Policy 2022 - ENG.pdf

GOV9_COMMUNICATION WITH THE SHAREHOLDERS POLICY 2022_ENG.pdf

220615 APP's Environmental Policy 2022_wloc-date.pdf

APP's Whistleblower Protection Policy 2022 - ENG.pdf

APP's Business Code of Conduct 2021 - ENG.pdf

GOV4_NOMINATION AND REMUNERATION COMMITTEE GUIDELINES 2022_ENG.pdf

Please explain

As a business that relies on natural resources, APP is committed to managing and addressing the Environmental, Social and Governance (ESG) risks and opportunities including forest-related issues related within its business. Through Forest Conservation Policy (FCP), since February 1st, 2013 APP and its suppliers will only develop areas that are not forested, as identified through independent HCV and HCS assessments. Then in 2022, APP developed its' ESG related Policies that publicly available in APP's website i.e. Fibre Procurement and Processing Policy (FPPP), Corporate Social Responsibility (CSR) Policy, Human Rights Policy, Environmental Policy, Health and Safety Policy, Fire Prevention and Management Policy, Anti-Briberry and Corruption Policy, Grievance Policy, Speak Up Policy and Whistleblower Policy. The FCP and FPPP addressing APP's implementation on Sustainable Forest Management (SFM), while respecting rights of local communities, indigenous people and stakeholders' engagement are specified under Human Rights Policy (incl. FPIC), CSR Policy besides FCP. Health and Safety Policy, Fire Prevention and Management Policy are part of new Policies to address risk. To cover ethics compliance side, Anti-Briberry and Corruption Policy, Grievance Policy, Speak Up Policy and Whistleblower Policy are established. All Policies refers to APP's Sustainability Commitment which prevails for all APP's operations, suppliers and partners in Indonesia. Sustainability Commitment is in accordance with APP's Sustainability Roadmap Vision 2030, APP's most recent sustainability approach under 3 Pillars: Production, Forest and People which are interconnected. APP have established goals, target and 10 years time bound action plan for each of these pillars, with the goal of driving improvements in processes that affect our business, the wider supply chain, and environmental sustainability in the long term. Vision 2030 also outlines our activities and approach in support of the United Nations' Sustainable Development Goals (SDGs) and the Paris Agreement on climate change. All commitment and derivative Policies also aligned with APP's Code of Conduct which consist of Business Code of Conduct (BCoC) and Supplier Code of Conduct (SCoC). CoCs are references of Company's ethical norms, culture, and character, as well as a standard of conduct and business for all APP's Employees .

F4.6

(F4.6) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?

Forest risk commodity	Public commitments made
Timber products	Yes

F4.6a

(F4.6a) Has your organization endorsed any of the following initiatives as part of its public commitment to reduce or remove deforestation and/or forest degradation?

Other, please specify (UN SDGs, Paris Agreement on climate change, UN Global Compact, Indonesia Business Council for Sustainable Development, UNGC CEO Water Mandate, Consumer Goods Forum, High Carbon Stock Approach, New York Declaration on Forest)

F4.6b

(F4.6b) Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions.

Forest risk commodity
Timber products

Criteria
No conversion of natural ecosystems
Zero gross deforestation/ no deforestation
Restoration and compensation to address past deforestation and conversion
No trade of CITES listed species
No land clearance by burning or clearcutting
No conversion of High Conservation Value areas
No conversion of High Carbon Stock forests
Collaborate in landscapes/jurisdictions to progress shared sustainable land use goals
Implementation of Nature-based Solutions that support landscape restoration and long-term protection of natural ecosystems
Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
Operations are in accordance with the UN Declaration on the Rights of Indigenous Peoples
Promotion of gender equality and women's empowerment
Adoption of the UN International Labour Organization principles
Resolution of complaints and conflicts through an open, transparent and consultative process
No sourcing of illegally produced and/or traded forest risk commodities
No sourcing of forest risk commodities from unknown/controversial sources

Operational coverage
Direct operations and supply chain

% of total production/ consumption covered by commitment
100%

Cutoff date
2013

Forest risk countries/areas that the cutoff date applies to
Applied globally
Indonesia

Reason for selecting cutoff date
Specific to commitment

Commitment target date
<2017

Please explain
To ensure that APP maintain our no deforestation commitment, APP requires that all of our pulpwood suppliers comply with the Forest Conservation Policy (FCP). This includes the supporting policies such as the Fibre Procurement and Processing Policy (FPPP), which provides an overarching framework for the processes and criteria used in evaluating the suppliers' compliance with our FCP. In implementing the commitment, APP developed tools such as the Suppliers Evaluation and Risk Assessment (SERA), which provides a system to screen the pulpwood suppliers to ensure that they are compliant with Vision 2030 and the FCP. SERA was developed using the global Sustainable Forest Management standards as a reference, as well as the commitments under the FCP. Our Collaborative Conservation Management (CCM) program with Earthworm Foundation, which is related to illegal logging, is carried out in collaboration in landscape scale, especially when livelihoods improve. The aim is to reduce conversion pressure on forests when the community economy grows.
One of the key commitments under the FCP is to improve the management of peatland across our suppliers' concession areas. To do this, APP took the sciencetific-based approach with Deltares, to map out the distribution and topology of peat in the landscape of our suppliers operate using LiDAR (light detection and ranging) technology. This data would form as the basis in determining our management strategy on peat. In 2022, our critical peat dome restoration efforts were successful in restoring 6,000 hectares of peatland, surpassing the target of 5,800 hectares. However, the restoration process faced challenges, such as restoring ex-plantation areas and gaining access to the peat dome area. Despite these obstacles, natural succession recovery and revegetation with native species have proven to be effective in restoring critical peat dome, contributing to the conservation and rehabilitation of valuable peatland ecosystems.
Since 2017, APP has been using advanced RADARSAT-2 satellite technology to establish a Forest Alert System to monitor forest cover change across its suppliers' concession areas, focusing on areas identified as HCS
APP also remains committed to supporting the Government of Indonesia's conservation commitments to Indonesia's key animal species and their habitats. APP put a critical focus on the protection and conservation of the Sumatran tiger, the Sumatran elephant and the Bornean orangutan, which are the key endangered species identified which either inhabit some of our suppliers' concession areas as their territory or use the land as their corridor or roaming area. In 2022 APP continued monitoring for tiger presence in our supplier concession areas through camera traps, footprints, scratches on tree barks, and so on. The data from this monitoring activity is fed into the island-wide Sumatran Tiger Atlas, updated annually. APP is working with SINTAS Foundation to conduct a habitat feasibility study for
Sumatran tiger based on a certain spatial range in the concession areas of APP suppliers using the MaxEnt (Maximum entropy model) in three provinces Riau, Jambi and South Sumatera. The data from this modeling will be used to update and refine our wildlife-friendly concession protocols and useful for the development and implementation of strategies tiger conservation.
APP respect the rights of communities including their rights with respect to their customary land and/or forest area. APP implement FPIC in all of our operations as a decision-making process without pressure and intimidation (free), which is performed before the activity that affects the community is undertaken (prior), with the possession of full and accurate knowledge about the activity and its impact on the community (informed).APP ensure that FPIC is properly implemented in advance of: new plantation forest development areas within the existing concessions and in new concessions/licenses, also new mill development

F5. Business strategy

F5.1

(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are forests-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, forests-related issues are integrated	5-10	SRV 2030 is APP's comprehensive sustainability strategy centered around three key pillars: Production, Forest, and People. The three pillars were developed by Sustainability Committee Board (SCB). SRV 2030 sets specific and measurable targets for each pillar to achieve long-term sustainability for our overall business by 2030. By utilizing the SDG Compass, each pillar strengthens our alignment with the UN Sustainable Development Goals and the Paris Agreement. SRV 2030 centered around three key pillars: Production, Forest, People. 1. Production: APP aim for a 30% reduction in carbon footprint by 2030. 2. Forest: A key aspect in APP Sustainability Roadmap is balancing the production activity and the protection of the natural forest within APP and its supplier's concession areas. As a result of the High Conservation Value (HCV) and High Carbon Stock (HCS) assessments conducted from 2013 to 2015 across all concessions supplying to APP, more than 600,000 hectares have been set aside for conservation purposes. Among that, more than 480,000 hectares is covered by natural forest. APP continue to improve the effectiveness of our forestry operational by doing innovation in technology and manpower capacity building. 3. DMPA: APP believes that engaging and empowering local communities is essential for effective forest protection and restoration. This is because poverty is often the root cause of deforestation. To address this issue, APP launched the Desa Makmur Peduli Api (DMPA) program in 2015, based on integrated forestry and farming system concepts. The program aims to be implemented in 500 villages in and around APP's suppliers' concession areas. As of 2022, the DMPA program has been implemented in 421 villages with a budget of USD3.7 million, benefitting more than 80,000 people and partnering with 223 BumDes, 9 corporations, and 189 farming groups. The program is targeting an additional 30 villages in 2023. The approach taken is participatory and encourages ownership of the community and village-owned institutions to ensure program sustainability.
Strategy for long-term objectives	Yes, forests-related issues are integrated	5-10	In 2020 APP launched APP Sustainability Roadmap Vision (SRV) 2030 as the continue of Sustainability Roadmap Vision 2020. SRV 2030 consist of three pillars – Production, Forest and People. APP have set ambitious targets for each of these pillars, to achieve our objective. SRV 2030 aligned with the UN Sustainable Development Goals and the Paris Agreement. APP supports the Government of Indonesia's efforts to achieve Net Zero emissions by 2050 is on of the forms of the alignment. APP is currently conducting a study to align its Net Zero goals with the Science Based Targets initiative (SBTi) and SBTi FLAG. Our decarbonization strategy continue developed working towards landscape-scale sustainable forest management, protection, and restoration across APP and its supplier concessions. APP is a company that depends on plantations, thus, Sustainable Forest Management (SFM) is essential for preserving the health and resilience of forests and meeting the needs of present and future generations. SFM promotes responsible forest management practices, such as conservation, regeneration, and sustainable use of forest resources. APP also committed to innovation in our forestry practices and management. APP utilize the latest technologies and digitalization to optimize wood production and harvesting while improving our planning and transportation strategies. Our commitment to innovation also extends to the development of new machines and techniques that increase productivity and reduce our reliance on manual labor. The innovation among others are upgrading to modern nurseries, using of solar panels, using drones and AI as a means of monitoring various environmental and agricultural factors, etc. As our business depends on people, and people are at the heart of what APP do, employee welfare is important for promoting a healthy and productive work environment. Investing in our employees is not only the right thing to do but can also lead to increased productivity and profitability for APP. APP also continually strive to empower the communities around us through employment and bettering infrastructure and facilities, by delivering long-term sustainable livelihood improvement to the community and fostering good relations between the Company and the community.
Financial planning	Yes, forests-related issues are integrated	5-10	APP supports the Government of Indonesia's efforts to achieve Net Zero emissions by 2050. APP is currently conducting a study to align its Net Zero goals with the Science Based Targets initiative (SBTi) and SBTi FLAG as APP have submitted to commit in 2022 and APP have time to submit our emission reduction target in 2024 at the latest. APP have decarbonization strategy that explained our strategy in investment improving our operations with the latest technology that may reduce our carbon footprint. This will involve upgrading to modern nurseries, using of solar panels, using drones and AI as a means of monitoring various environmental and agricultural factors, etc. Consequently, APP's capital expenditures will increase, and there will be higher indirect costs to participate in the carbon market as other markets move towards carbon neutrality. These actions are expected to occur over a medium to long-term time horizon. APP allocates a specific budget every year for forest related product. This budget allocation including for sourcing includes risk assessments, due diligence and compliance with regulation and voluntary standards for our pulpwood suppliers. APP takes account of climate change (future impacts and adaption) and forestry issues in corporate risk management processes, for example floods and droughts which are common issues in Indonesia including in our forestry operations. In response, APP have mapped out which operation areas APP think are vulnerable to climate change and forest issue, and APP developed long term adaptation plans considering the business continuity and disaster recovery plans for our assets. The investment implications of these plans are considered within our long-term financial planning processes. Example of our mid long term financial planning associated with managing our forestry-related strategic objectives and targets include our cross-sector collaborations: collaboration on mangrove restoration in the east coastal of OKI South Sumatra; work with Belantara Foundation community empowerment and forest restoration initiatives focusing on 10 critical landscapes across Sumatra and Kalimantan. APP allotted budget for DMPA program USD 10 million for 500 villates. As of 2022, the DMPA program has been implemented in 421 villages with a budget of USD3.7 million, benefitting more than 80,000 people.

F6. Implementation

F6.1

(F6.1) Did you have any forests-related timebound and quantifiable targets that were active during the reporting year?
Yes

F6.1a

(F6.1a) Provide details of your forests-related timebound and quantifiable target(s) and progress made.

Target reference number
Target 1

Forest risk commodity
Timber products

Year target was set
2020

Target coverage
Company-wide

Target category
Resource use and efficiency

Metric
% of recycled content used in paper and packaging products

Traceability point
<Not Applicable>

Third-party certification scheme
<Not Applicable>

Base year
2018

Base year figure
30

Target year
2030

Target year figure
30

Reporting year figure
45

% of target achieved relative to base year [auto-calculated]
<Calculated field>

Target status in reporting year
Achieved

Is this target linked to a commitment?
No conversion of natural ecosystems

Please explain
APP and its suppliers will only develop areas that are not forested, as identified through independent HCV and HCS assessments.

Achievement of increasing recycled fiber composition among APP products reflects effective actions to reduce the usage of natural resources (virgin fiber), re-uses materials which have been used by consumers – contributing to the development of a circular economy and saves materials from being landfilled

F6.2

(F6.2) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?

	Do you have system(s) in place?	Supply chain coverage	Description of traceability system	Exclusions	Description of exclusion
Timber products	Yes	Volume from direct and indirect suppliers	To maintain a sustainable supply of wood fibres for our products, APP recognise the importance of evaluating our suppliers' practices and their impact on the environment and local communities. APP has pledged to source 100% of its plantation wood from sustainably managed forests. As a result, APP only accepts pulpwood/fibre with certification, such as the Sustainable Production Forest Management (PHPL) and Timber Legality Verification (VLK) certification, as well as the voluntary Programme for the Endorsement of Forest Certification (PEFC) certification. Other than the mandatory certification above, APP employ a Supplier Evaluation and Risk Assessment (SERA) system that evaluates our suppliers' compliance with 12 indicators, including adherence to local laws and regulations, no genetically modified species, biodiversity protection, and respect for the rights of indigenous peoples and local communities.Our SERA process also includes a 14-day public consultation period, allowing stakeholders to provide feedback on potential suppliers undergoing evaluation. SERA consist of 12 indicator such as: 1. The company, or any of its associated companies in the pulpwood industry, converting natural forest after February 1st, 2013. 2. Country / region 3. Tree species 4. Third-party certification/verification 5. Chain of Custody System 6. Legality Compliance 7. Protection of High Conservation Values or High Carbon Stock 8. Species protection as listed on the IUCN Red List of Critical Endangered Species and CITES 9. Company's respect for traditional civil and human right 10. Compliance with ILO Core Conventions 11. Company's respect for the health and safety of forest workers 12. No introduction of genetically modified organisms (GMOs). APP have ongoing engagement with suppliers. For example, once SERA is completed, if the supplier is to be used on a continuous basis (not one-time) then a HCV assessment is made. Additionally, as APP mills operation is 100% certified under Chain of Custody certification, APP are enables to ensure the wood comes from sustainable plantation and APP are able to trace back the product that bought by our customers. APP are able to give information to our customer the type of raw material that APP use until the location where the wood come from. This to ensure that the material that APP use come from responsible and sustainable plantation.	Not applicable	<Not Applicable>
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.2a

(F6.2a) Provide details on the level of traceability your organization has for its disclosed commodity(ies).

Forest risk commodity	Point to which commodity is traceable	Countries/areas to which this traceability point applies	% of total production/consumption volume traceable
Timber products	Tree plantation	Indonesia	100

F6.3

(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)?

	Third-party certification scheme adopted?	% of total production and/or consumption volume certified
Timber products	Yes	100
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F6.3a

(F6.3a) Provide a detailed breakdown of the volume and percentage of your production and/or consumption by certification scheme.

Forest risk commodity
Timber products

Third-party certification scheme
Other, please specify (All of our long-term pulpwood suppliers are 100% certified under the mandatory certification PHPL-VLK and 100% compliant with PEFC scheme: which are 35 FMUs certified under IFCC-PEFC and 5 FMUs verified through PEFC due diligence.)

Chain-of-custody model used
Please select

% of total production/consumption volume certified
100

Form of commodity
Hardwood logs
Unprocessed wood fiber
Pulp
Paper
Primary packaging
Secondary packaging

Volume of production/ consumption certified
23888562

Metric for volume
Other, please specify (Giga Tonnes)

Is this certified by more than one scheme?
Yes

Is embedded soy certified through this scheme?
<Not Applicable>

Please explain
100% of APP's pulpwood suppliers in Indonesia are certified under both mandatory and voluntary sustainable forest management certification.

Forest risk commodity
Timber products

Third-party certification scheme
PEFC Sustainable Forest Management certification

Chain-of-custody model used
<Not Applicable>

% of total production/consumption volume certified
94

Form of commodity
Hardwood logs
Unprocessed wood fiber
Pulp
Paper
Primary packaging
Secondary packaging

Volume of production/ consumption certified
23888562

Metric for volume
Other, please specify (Giga Tonnes)

Is this certified by more than one scheme?
Please select

Is embedded soy certified through this scheme?
<Not Applicable>

Please explain
APP has maintained 94% of its supplier concession areas for obtaining PEFC SFM certification, with the remaining 6% categorized as Controlled Sources under the mandatory PHPL-VLK scheme of the Indonesian Government

F6.4

(F6.4) For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?

	A system to control, monitor or verify compliance	Comment
Timber products	Yes, we have a system in place for our no conversion and/or deforestation commitments	<Not Applicable>
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F6.4a

(F6.4a) Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your no conversion and/or deforestation commitment(s).

Forest risk commodity
Timber products

Operational coverage
Direct operations
Supply chain

Description of control systems
To ensure that our supply chain is free from deforestation, APP requires all pulpwood suppliers--both current and potential to comply with our Forest Conservation Policy (FCP) as well as our Fibre Procurement and Purchasing Policy (FPPP). In 2022, APP published the FPPP to replace the previous Responsible Fibre Procurement and Processing Policy (RFPPP).The FPPP provides more detailed guidelines on APP's commitment to no deforestation in its supply chain, which is a core element of the APP Sustainability Commitment.
APP develop internal tools called Supplier Evaluation and Risk Assessment (SERA) that provides framework for the specific processes and criteria that APP use in evaluating the supplier compliance. APP monitor our suppliers through a combination of approaches including rassessment to ensure the traceability and no deforestation in our supply chain.All of our supplier already done on ground assessment through High Carbon Stock and High Carbon Value assessments by third parties

Monitoring and verification approach
Geospatial monitoring tool
Ground-based monitoring system
Third-party verification

% of total volume in compliance
100%

% of total suppliers in compliance
100%

Response to supplier non-compliance
Suspend & engage
Exclude

% of non-compliant suppliers engaged
<Not Applicable>

Procedures to address and resolve non-compliance with suppliers
Developing time-bound targets and milestones to bring suppliers back into compliance
Providing information on appropriate actions that can be taken to address non-compliance

Please explain
APP monitor supplier on a regular basis to ensure that they comply with our policies and commitment including our no deforestation commitment. This is done not only through regular on ground monitoring and annual surveillance certification audit with third party, but also through the implementation of technology. Since 2017, APP have partnership with MDA, a satellite service provider and using RADARSAT-2 technology as part of our Forest Alert System to monitor the forest cover change in the protected areas in our suppliers' concession areas. MDA will send us alert when they detect open area in the protected are of APP suppliers concession. APP focused our forest cover change monitoring to the protected areas as defined by the High Carbon Stok (HCS) assessment, allowing us to focus on the priority areas that have high risk of forest disturbances. APP conduct on ground verification in the area where APP receive alert from MDA.
APP also have grievance mechanism to allow stakeholders to report the grievance related to supplier compliance. Our response to non-compliance suppliers will be based on our verification. Whether APP retain or suspend, and APP will support the supplier to come back into compliance. This support include technical support and assistance for the company to achieve compliance. Suppliers that are not willing to comply with our policies and commitments will be excluded.

F6.6

(F6.6) For your disclosed commodity(ies), indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards.

	Assess legal compliance with forest regulations	Comment
Timber products	Yes, from both suppliers and owned/managed land	<Not Applicable>
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F6.6a

(F6.6a) For your disclosed commodity(ies), indicate how you ensure legal compliance with forest regulations and/or mandatory standards.

Timber products

Procedure to ensure legal compliance

To maintain a sustainable supply of wood fibres for our products, APP recognise the importance of evaluating our suppliers' practices and their impact on the environment and local communities. APP has pledged to source 100% of its plantation wood from sustainably managed forests. As a result, APP only accepts pulpwood/fibre with certification, such as the Sustainable Production Forest Management (PHPL) and Timber Legality Verification (VLK) certification, as well as the voluntary Programme for the Endorsement of Forest Certification (PEFC) certification.

Other than the mandatory certification above, APP employ a Supplier Evaluation and Risk Assessment (SERA) system that evaluates our suppliers' compliance with 12 indicators, including adherence to local laws and regulations, no genetically modified species, biodiversity protection, and respect for the rights of indigenous peoples and local communities. Our SERA process also includes a 14-day public consultation period, allowing stakeholders to provide feedback on potential suppliers undergoing evaluation. SERA consist of 12 indicator such as: 1. The company, or any of its associated companies in the pulpwood industry, converting natural forest after February 1st, 2013. 2. Country / region 3. Tree species 4. Third-party certification/verification 5. Chain of Custody System 6. Legality Compliance 7. Protection of High Conservation Values or High Carbon Stock 8. Species protection as listed on the IUCN Red List of Critical Endangered Species and CITES 9. Company's respect for traditional civil and human right 10. Compliance with ILO Core Conventions 11. Company's respect for the health and safety of forest workers 12. No introduction of genetically modified organisms (GMOs).

APP have ongoing engagement with suppliers. For example, once SERA is completed, if the supplier is to be used on a continuous basis (not one-time) then a HCV assessment is made. Additionally, as APP mills operation is 100% certified under Chain of Custody certification, APP are enables to ensure the wood comes from sustainable plantation and APP are able to trace back the product that bought by our customers. APP are able to give information to our customer the type of raw material that APP use until the location where the wood come from. This to ensure that the material that APP use come from responsible and sustainable plantation.

Country/Area of origin
Indonesia
Malaysia
Thailand
Viet Nam

Law and/or mandatory standard(s)
General assessment of legal compliance
EU Timber Regulation
CITES
Other, please specify (PHPL-VLK (Mandatory Sustainable Forest Management in Indonesia, IFCC-PEFC))

Comment
*APP also sourced from South Africa, as stated in indicators F1.1. There is no South Africa in Country /Area of origin fields

APP have expanded the hectarage of our pulpwood supply chain that is covered by formal third-party certification. APP use certification as assurance tool that enables us to trace the fibre that APP use to a well-managed source. The IFCC is the Indonesian arm of the PEFC and also meets the requirements of Forest Law Enforcement, Governance and Trade (FLEGT) EU import license. The PHPL-VLK helps to assure timber legality and removes the need for our customers to carry out due diligence for fibre traceability themselves. Customers do enquire about what goes into their products; these certifications allows us to meet their specific needs on fibre sourcing.

F6.7

(F6.7) Are you working with smallholders to support good agricultural practices and reduce deforestation and/or conversion of natural ecosystems?

	Are you working with smallholders?	Type of smallholder engagement approach	Smallholder engagement approach	Number of smallholders engaged	Please explain
Timber products	Yes, working with smallholders	Supply chain mapping Capacity building	Supplier questionnaires on environmental and social indicators Supplier audits Offering on-site technical assistance and extension services Providing agricultural inputs Investing in pilot projects Prioritizing support for smallholders in high-risk deforestation regions	11	Communities play an important role in forest protection. APP accepts community forestry suppliers in line with our efforts to foster sustainable livelihoods in the landscapes where APP are active and in support of the Government of Indonesia's social forestry objectives. Currently there are 11 community forest that included as our supplier. APP give them training on the ground as well as supporting them to continue comply with our commitment such as provide assistance in certification process. APP also have our flagship community-forestry program in place to work towards that goal by improving the welfare of the communities living in and around forest areas, while at the same time reducing the risks of illegal logging, forest fires, and land disputes. In 2015, APP establish a program called Desa Makmur Peduli Api (DMPA). Our objective with the DMPA program, which evolved from the Integrated Forestry & Farming System (IFFS), is to empower and involve communities in our sustainable operations, to achieve landscape-scale sustainable forest management, as well as to improve the protection and restoration outcomes across APP and supplier operations. This participatory community engagement program aims to improve livelihoods, transfer knowledge, improve collaboration, and create a virtuous circle of forest management. As of 2022, the DMPA program has been implemented in 421 villages with a budget of USD3.7 million, benefitting more than 80,000 people and partnering with 223 BumDes, 9 corporations, and 189 farming groups. The program is targeting an additional 30 villages in 2023. By doing DMPA, communites have alternative livelihoods, thus reducing pressure on forest. The program's key objective is to reduce the risk of fire, and fire prevention content is emphasized throughout the program, with a focus on environmentally-friendly land preparation and maximizing available land outside the forest area. In 2022, at least 90% of the villages monitored by APP's fire monitoring program were free of fire.
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.8

(F6.8) Indicate if you are working with your direct suppliers to drive action on forests-related issues and if so, provide details of the engagement.

Forest risk commodity
Timber products

Are you working with direct suppliers?
Yes, working with direct suppliers

Action(s) on forests-related issues driven by engagement
Ending deforestation and/or conversion of other ecosystems

Type of engagement
Supply chain mapping
Capacity building

Details of engagement
Supplier questionnaires on environmental and social indicators
Supplier audits
Offering on-site training and technical assistance
Organizing capacity building events
Support suppliers to set their own no deforestation/conversion commitments across their entire commodity operation

Description of engagement
One of the highest priority issues for our stakeholders is the activities of APP pulpwood suppliers. APP use our internal tools such as the
Suppliers Evaluation and Risk Assessment (SERA) to provide a screening system for pulpwood suppliers, ensuring compliance with our
sustainability commitment and policy. APP engage with our suppliers in regular basis through our Forestry Division and Chain of Custody Certification Team. Our forestry
management team supports APP pulpwood suppliers, currently covering 35 pulpwood supplier companies who manage 40 concessions (forest management units based on
government forest concession licenses). APP have a responsibility to manage and monitor their activities as our pulpwood suppliers in daily basis. Evaluation of the
pulpwood suppliers performance conducted once a year.

% of suppliers engaged by procurement spend covered by engagement
100

Explain the impact of your engagement on the selected action
With close engagement with all of our suppliers, APP can ensure that they comply with our commitment as mention in APP Forest Conservation Policy (FCP) and ensure
that our supply chain is free from deforestation.

Is this engagement helping your suppliers engage with their suppliers on the selected action?
Yes

Does this engagement contribute to achieving a reported target?
Yes, please specify target ID(s) (Target 1)

F6.9

(F6.9) Indicate if you are working beyond your first-tier supplier(s) to drive action on forests-related issues, and if so, provide details of the engagement.

Forest risk commodity
Timber products

Are you working beyond first tier?
Yes, working beyond first tier

Action(s) on forest-related issues driven by engagement
Ending deforestation and/or conversion of other ecosystems

Type of engagement
Capacity building
Innovation and collaboration

Details of engagement
Offering on-site training and technical assistance
Collaborate with suppliers on innovations to reduce forest-related impacts in products and services
Encourage suppliers to work collaboratively in sectors, landscapes, or jurisdictions

Description of engagement
APP realize that achieving forest protection, and thus achieving zero deforestation in the supply chain, needs to be done on a landscape level, not in isolation. All stakeholders in the landscape such as Government, local communities, NGOs and other concession holders, need to work together in order to tackle the highly complex issue of deforestation in Indonesia, which is usually driven by a combination of social/economic factors.

Initiative of collaboration APP has implemented:
1. The Collaborative Conservation Management (CCM) program with Earthworm Foundation, to continuously improve the livelihoods
of communities which resulting in reducing of illegal logging. In 2022 CCM program implemented in 7 villages In Tasik Betung area.
2. Collaboration program with IDH implemented in Kubu Raya Landscape in West Kalimantan in 2022, to achieve sustainable development in terms of business and responsible forest management.
3. Desa Makmur Peduli Api (DMPA): based on the integrated forestry and farming system concepts, which already implemented in 421 villages in and around APP's pulpwood suppliers concession areas.
4. Community Business Model Development: APP collaborates with CIFOR, ICRAF, YKAN in developing village strategic planning to develop the business model, and facilitating capacity building for the community.
5. Community Empowerment and Forest Restoration: APP and Belantara work on community empowerment and forest restoration initiatives, focusing on 10 critical landscapes across Sumatra and Kalimantan.
6. Wildlife Conservation: works with the Forest Wildlife Society (PJHS), Andalas University, Ecositrop, SINTAS Foundation in conducting biodiversity studies for protection.
7. Landscape Conservation: APP works with the Proforest, Daemeter, Cargill, International Flavors & Fragrances Inc. (IFF), Musim Mas, Nestle, PepsiCo and Yayasan Mitra Insani (YMI) in conducting conservation and livelihood program.

Explain the impact of your engagement on the selected action
Prevent the illegal activity happen in neighboring area and inside our concession which can reduce the risk of deforestation. All of the collaboration will also reduce the potential risk of forest fire.

Does this engagement contribute to achieving a reported target?
Yes, please specify target ID(s) (Target 1)

F6.10

(F6.10) Do you engage in landscape (including jurisdictional) approaches to progress shared sustainable land use goals?

	Do you engage in landscape/jurisdictional approaches?	Primary reason for not engaging in landscape and/or jurisdictional approaches	Explain why your organization does not engage in landscape/jurisdictional approaches, and describe plans to engage in the future
Row 1	Yes, we engage in landscape/ jurisdictional approaches	<Not Applicable>	<Not Applicable>

F6.10a

(F6.10a) Indicate the criteria you consider when prioritizing landscapes and jurisdictions for engagement in collaborative approaches to sustainable land use and provide an explanation.

	Criteria for prioritizing landscapes/jurisdictions for engagement	Explain your process for prioritizing landscapes/jurisdictions for engagement
Row 1	Ability to contribute to/ build on existing landscape and/or jurisdictional approaches Company has operational presence in area Current and future sourcing risk Opportunity to build resilience at scale Opportunity for increased human well-being in area Opportunity to protect and restore natural ecosystems Recognized as priority landscape by credible multi-stakeholder groups Response to regulation Risk of deforestation, forests/land degradation, or conversion of other natural ecosystems Risk of biodiversity loss Risk of fires Risk of issues related to land tenure rights	Criteria in prioritizing landscapes/jurisdictions for engagement refereing to the criteria that APP choose above. Our experience shows that all those criteria are important as a basis for engagement in landscape approach and they are connected each other and cannot be stand alone to support the common goals of engagement.

(F6.10b) Provide details of your engagement with landscape/jurisdictional approaches to sustainable land use during the reporting year.

Landscape/Jurisdiction ID
LJ1

Country/Area
Indonesia

Name of landscape or jurisdiction area
South Sumatra province, Riau province, Jambi province, East Kalimantan province

Types of partners engaged in the initiative design and implementation
National civil society organization(s)
Local civil society organization(s)
Indigenous peoples
Local communities
Direct supplier(s)
Academics/ researchers
External consultants

Type of engagement
Convener: High level of engagement in set-up, design, management and implementation
Partner: Shared responsibility in the implementation of multiple goals
Supporter: Implement activities to support at least one goal
Funder: Provides full or partial financial support

Goals supported by engagement
Avoided deforestation/conversion of natural ecosystems and/or decreased degradation rate
Forest fires monitored and prevented
Adequate water availability and quality (e.g. Water, Sanitation and Hygiene (WASH) services)
Increased and/or maintained protected areas
Natural ecosystems conserved and/or restored
Biodiversity protected and/or restored
Ecosystem services maintained and/or enhanced
Respect, protect, and fulfil human rights
Rights to land and resources recognized and protected, and related conflicts reduced
Improved standard of living, especially for vulnerable and/or marginalized groups
Implementation of livelihood activities/practices that reduce pressure on forests

Company actions supporting approach
Co-design and develop goals, strategies and an action plan with timebound targets and milestones for the initiative
Collaborate on management/land use planning in the landscape/jurisdiction
Collaborate on landscape sustainability assessments through participatory mapping
Collaborate on establishing and managing monitoring system(s) for deforestation, natural ecosystem conversion and/or degradation
Collaborate on establishing and managing monitoring system(s) for biodiversity, habitat fragmentation and/or threats to IUCN Red List species in priority areas
Collaborate on establishing and managing monitoring system(s) for livelihoods and human well-being
Identify and map stakeholders (including vulnerable and/or marginalized groups) and encourage their engagement in multi-stakeholder processes
Collaborate to maintain representation from all relevant stakeholders within governance structure of initiative
Help establish effective mechanisms for undertaking human rights due diligence, risk management, monitoring, verification, and grievance resolution
Engage stakeholders on importance of conservation, restoration and/or rehabilitation

Description of engagement
APP is committed to a multistakeholder approach, engaging with a wide range of stakeholders beyond their direct influence, including communities, NGOs, government, indigenous peoples, and the industry to protect and restore Indonesia's forests. This approach presents significant challenges, but through community involvement, collaboration, and the development of best practices, APP is committed to implementing a sustainability commitment on an unprecedented scale

Some APP's collaboration projects:
- APP Integrated Sustainable Forest Management Plan (ISFMP) was created through an extensive collaborative process that included compiling and consolidating data and recommendations gathered through various assessments such as High Conservation Value (HCV), High Carbon Stock (HCS), Social Conflict Mapping, legal requirements and obligations, and input from all relevant stakeholders including local communities, government, academia, and civil societies.

- collaborative Conservation Management (CCM) program with Earthworm Foundation, with aim to improving livelihoods economic, resulting reduce pressure on forests

- collaboration with IDH Kalimantan Barat in 2022 to achieve sustainable development in terms of business and responsible
forest management

- research with a leading global university, National University of Singapore (NUS) Environmental Research Institute (NERI). The research takes place in the concession of an APP supplier, PT. Tripupa Jaya, in South Sumatra, where 4,000 hectares of production areas on peat has been retired for conservation purpose.

- collaboration with Ditjen KSDAE through Technical Implementator Unit (UPT) BBKSDA Riau, BKSDA Jambi, and Berbak Sembilang National Park on tiger monitoring and Human & Wildlife Negative Interaction Mitigation Program

- collaborated with Ecositrop in East Kalimantan to conduct rapid surveys of orangutan nests and populations, monitor their habitat, provide training on wildlife behavior and conflict mitigation, and conduct evacuation simulations in case of conflicts with orangutans.

- collaboration with Andalas University in conducting biodiversity studies.

- Collaboration with Gita Buana for Program Empowerment of Suku Anak Dalam (SAD) in Sungai Paur and Muara Kilis villages in Jambi province

- Collaboration on Human Rights Due Diligence Implementation Assistance with Foundation for International Human Rights Reporting Standards (FIHRRST)

Engagement start year
2013

Engagement end year
Not defined

Estimated investment over the project period (currency)

Is a collective monitoring framework used to measure progress?
Yes, progress is collectively monitored using a shared external framework, please specify (in monitoring biodiversity, APP using Directorate General of Ecosystem Natural Resources Conservation (KSDAE) framework)

State the achievements of your engagement so far, and how progress is monitored
Significant progress was made in the restoration of Peatland and the discovery of new species in the restoration efforts. Retirements were carried out in Tri Pupa Jaya and Satria Perkasa Agung,covering an area of 7,000 hectares, which led to the discovery of new pecies, namely Lophopetalum tanahgambut and Disepalum rawagambut (Annonaceae), which were previously unknown.
The progress monitored by field team who works on site.

F6.10c

(F6.10c) For each of your disclosed commodities, provide details of the production/consumption volumes from each of the jurisdictions/landscapes you engage in.

Indicate landscape/jurisdiction ID	Does any of your commodity production/consumption volume originate from this landscape/jurisdiction, and are you able/willing to disclose information on this volume?	Commodity	% of total production/consumption volume from this landscape/jurisdiction
LJ1	Yes, we do produce/consume from this landscape/jurisdiction, and we are able/willing to disclose volume data	Timber products	98.2

F6.11

(F6.11) Do you participate in any other external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?

Forest risk commodity
Timber products

Do you participate in activities/initiatives?
Yes

Activities
Involved in multi-partnership or stakeholder initiatives

Country/Area
Indonesia

Subnational area
Not applicable

Initiatives
UN Global Compact
Global Reporting Initiative (GRI) Community Member
Programme for the Endorsement of Forest Certification (PEFC)
Sustainable Forestry Initiative (SFI)
Other, please specify (Consumer Goods Forum, Indonesia Business Counceil for Sustainable Development (IBCSD) - lokal network of WBCSD)

Please explain
As a crucial aspect of 'Collaboration for Resilience', APP actively builds and nurtures strategic alliances through partnerships with external associations and initiatives. This contribution to the development and implementation of industry standards and best
practices enhances our understanding of key issues and enables us to share knowledge
with key stakeholders.

External Initiatives participation:
- Signatory member of UNGC and Board of Founderof Indonesia Global Compact Network (IGCN)
- Steering Committee of UNGC CEO Water Mandate
- Executive Committee of Indonesia Business Council for Sustainable Development (IBCSD) - a local networ of WBCSD
- Members in 3 CGF Coalition (Forest Positive, Human Rights, Supply Chain Initiatives)
- Executive Committee of HCSA
- Member of New York Declaration on Forest (NYDF)

As a continuation of reassociation with FSC, APP continues the dialog with FSC in preparation to enter the remedy framework. The FSC Remedy Framework launched in July 2023.
Further information and updates on the association process can be accessed through (https://connect.fsc.org/actions-and-outcomes/current-cases/asia-pulp-and-paper-app)

F6.12

(F6.12) Is your organization supporting or implementing project(s) focused on ecosystem restoration and long-term protection?
Yes

F6.12a

(F6.12a) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).

Project reference
Project 1

Project type
Peatland protection and restoration

Expected benefits of project
Compliance with regulation
Disaster risk reduction
Further transformative change through sharing of project design, implementation and lessons learnt
Improvement to soil health
More inclusive, transparent, and empowering governance processes
Net gain in biodiversity and ecosystem integrity
Restoration of natural ecosystem(s)

Is this project originating any carbon credits?
No

Description of project
One off APP's target on FSC Pillar No. 2 is conserving critical peatland ecosystems.
Throughout 2015-2023, APP have seen progress in restoration works in more than 9,000 hectares area in peat dome peaks across APP suppliers' concession areas.
Those were achieved mostly through natural succession, with a small portion of demonstration plot revegetation. Natural succession approach has become the focus as it is considered the most feasible, cost-effective approach for restoration effort on large area.

To find effective restoration strategy on peat previously used for production, APP continue our research with a leading global university, National University of Singapore (NUS) Environmental Research Institute (NERI). The research takes place in the concession of an APP supplier, PT. Tripupa Jaya, in South Sumatra, where 4,000 hectares of production areas on peat has been retired for conservation purpose.

Where is the project taking place in relation to your value chain?
Project based in sourcing area(s)

Start year
2015

Target year
Other, please specify (APP continue to monitor peat dome peak condition and can put other peatland /peat dome peak location as restoration target.)

Project area to date (Hectares)
7000

Project area in the target year (Hectares)
7000

Country/Area
Indonesia

Latitude

Longitude

Monitoring frequency
Six-monthly or more frequently

Total investment over the project period (currency)
300000

For which of your expected benefits are you monitoring progress?
Disaster risk reduction
Further transformative change through sharing of project design, implementation and lessons learnt
Improvement to soil health
More inclusive, transparent, and empowering governance processes
Net gain in biodiversity and ecosystem integrity
Restoration of natural ecosystem(s)

Please explain
Significant progress was made in the restoration of Peatland and the discovery of new species in the restoration efforts. Retirements were carried out in Tri Pupa Jaya and Satria Perkasa Agung, which led to the discovery of new species, namely Lophopetalum tanahgambut and Disepalum rawagambut (Annonaceae), which were previously unknown.

In 2022, our critical peat dome restoration efforts were successful in restoring 6,000 hectares of peatland, surpassing the target of 5,800 hectares in our SPMP. This achievement was made possible through discussions with KLHK to finalize the peat recovery document and verify inventory based on a 1:50,000 map scale. However, the restoration process faced challenges, such as restoring ex-plantation areas and gaining access to the peat dome area. Despite these obstacles, natural succession recovery and revegetation with native species have proven to be effective in restoring critical peat dome, contributing to the conservation and rehabilitation of valuable peatland ecosystems.

F7. Verification

F7.1

(F7.1) Do you verify any forests information reported in your CDP disclosure?
Yes

F7.1a

(F7.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

Disclosure module
F1. Current State

Data points verified
Forest Conservation Policy progress update

Verification standard
Assurance Standard AA1000AS

Please explain
The data verified through Sustainability Report 2020 based on Assurance Standard AA1000AS

Disclosure module
F6. Implementation

Data points verified
Data regarding implementation of forests-related commitment

Verification standard
Assurance Standard AA1000AS

Please explain
The data verified through Sustainability Report 2020 based on Assurance Standard AA1000AS

F8. Barriers and challenges

F8.1

(F8.1) Describe the key barriers or challenges to eliminating deforestation and/or conversion of other natural ecosystems from your direct operations or from other parts of your value chain.

Forest risk commodity
Timber products

Coverage
Direct operations
Supply chain

Primary barrier/challenge type
Other, please specify (communities traditional practices may not always be environment-friendly in protecting environment.)

Comment
APP believes that engaging and empowering local communities is essential for effective forest protection and restoration.
Most of communities who lived in rural areas is in poor condition, looking for livelihood alternative to support their lives. They implement unsustainable agriculture practices by using slash and burn method in opening land for agriculture.
Besides of that some illegal activities also happening in the forest area, such as encroachment, illegal logging, etc.

To address this issues, APP launched Desa Makmur Peduli Api (DMPA) program in 2015, based on integrated forestry and farming system. The program aims to be implemented in 500 villages in and around APP's suppliers' concession areas. As of 2022, the DMPA program has been implemented in 421 villages with a budget of USD3.7 million, benefitting more than 80,000 people and partnering with 223 BumDes, 9 corporations, and 189 farming groups. The program is targeting an additional 30 villages in 2023. The approach taken is participatory and encourages ownership of the community and village-owned institutions to ensure program sustainability.

F8.2

(F8.2) Describe the main measures that would improve your organization's ability to manage its exposure to deforestation and/or conversion of other natural ecosystems.

Forest risk commodity
Timber products

Coverage
Direct operations
Supply chain

Main measure
Investment in monitoring tools and traceability systems

Comment
To ensure that these conservation areas remain protected, and are not being illegally encroached upon, ground patrols, in trucks, boats, motorcycles or even on foot, are regularly dispatched to monitor and verify that these areas remain secure. But these conservation areas, spread out across the Indonesian archipelago, are vast and often remote, with little to no infrastructure. Not all areas are accessible by ground patrols. This presents a challenge. To overcome this challenge, APP partnered with MDA, a satellite surveillance and intelligence provider, to provide monitoring and alerts through its Forest Alert Service. MDA has delivered world-leading, iconic technologies such as the Canadarm family of space robotics for the International Space Station and three generations of RADARSAT Earth observation satellites.

The Forest Alert Service uses the spaceborne RADARSAT-2 radar imaging sensor to track disturbances in forest cover of conservation areas as they happen over time. The system can penetrate cloud cover and is able to detect even subtle changes in activity, in areas as small as 0.5 hectares. Alerts are delivered to APP within 3 working days after each acquisition to indicate areas where damage to forests may have occurred. This is particularly useful for spotting forest cover changes in hard-to-reach areas that are normally difficult to monitor from the ground, allowing ground teams to respond with more speed and accuracy to the threats to these conservation forests. For further technical information on the Forest Alert System, please click here.

APP implements the Forest Alert Service (FAS) throughout the protected areas of APP's suppliers concession areas. Since deploying the Forest Alert Service, forest loss in APP and its supplier conservation areas has been significantly reduced. In 2017 and 2018, natural forest cover degradation in the protected areas of APP's suppliers concessions was reduced to only 0.1% respectively, 0.35% in 2019, 0.28% in 2020, 0.25% in 2021 and 0.29% in 2022.

By investing tools and traceability system, APP can improve our monitoring system to detect forest cover change in supplier concession.

Forest risk commodity
Timber products

Coverage
Direct operations
Supply chain

Main measure
Greater stakeholder engagement and collaboration

Comment
APP collaborates with various partners and stakeholders in its environmental conservation and protection efforts as part of 'Collaboration for Resilience'.

APP works with the Proforest, Daemeter, Cargill, International Flavors & Fragrances Inc. (IFF), Musim Mas, Nestle, PepsiCo
and Yayasan Mitra Insani (YMI) in conducting conservation and livelihood program. The initiative aims to support sustainable landscape management, rural livelihoods, peat management, forest conservation in Sungai Linau, Bandar Jaya, Tanjung Damai and Sumber Jaya villages in Bengkalis District, Riau province. Preventing and mitigating the risk of deforestation and forest/peatland fire, maintaining biodiversity of threatened species (i.g. tiger, elephant) and vast carbon storage also improving community alternative livelihood on agroforestry are parts of the initiative backgrounds.

F17 Signoff

F-FI

(F-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

Dear Stakeholders,

APP is unwavering in its belief that transparency is vital for us to continuously improve, as evidenced by our Sustainability Report and our ESG ratings such as CDP. We have continued to engage with external partners and experts as we strive to continuously enhance our sustainability efforts. In pursuit of SRV 2030 through our 3 Pillars of Production, Forest, and People, we are committed to enhancing the sustainability of our mill operations, investing in greener and more energy-efficient technology, being more conscious of our environmental and social impact, and continuously educating all our employees and stakeholders on the importance of sustainability.

We remain committed to promoting sustainability and believe it can only be achieved through a multi-stakeholder and holistically integrated approach. Our commitment to sustainability is evident in all aspects of our operations, and we are constantly working to enhance and improve our efforts. For us, sustainability is not just a responsibility - it is a privilege that we take seriously. We are eager to continue our journey towards a more sustainable future and we invite you to read this report of what we have achieved so far. Here you will discover our commitments, progress, challenges, and most importantly, our vision for the way forward. Let's work together to create a brighter, more sustainable tomorrow.

Thank you for your ongoing support.

F17.1

(F17.1) Provide the following information for the person that has signed off (approved) your CDP forests response.

	Job Title	Corresponding job category
Row 1	The Sustainability Committee headed by APP's CEO, is responsible for addressing sustainability issues, including climate change, and plays a key role in driving APP's sustainability agenda.	Chief Executive Officer (CEO)

SF. Supply chain module

SF0.1

(SF0.1) What is your organization's annual revenue for the reporting period?

	Annual revenue
Row 1	9363000000

SF1.1

(SF1.1) In F6.3 you were asked "Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)? Indicate the volume and percentage of your certified production and/or consumption". Can you also indicate, for each of your disclosed commodity(ies), the percentage of certified volume sold to each requesting CDP supply chain member?
Yes

SF1.1a

(SF1.1a) For each of your requesting CDP supply chain members, indicate the percentage of certified volume sold per disclosed commodity(ies).

Requesting member
Philip Morris International

Forest risk commodity
Timber products

Form of commodity
Paper

Third-party certification scheme
PEFC Chain of Custody

Total volume of commodity sold to member
33031

Metric
Metric tons

What % of the volume reported in column 5 is certified?
100%

Comment

SF2.1

(SF2.1) Please propose any mutually beneficial forests-related projects you could collaborate on with specific CDP supply chain members.

Requesting member
Philip Morris International

Commodity related to the project
Timber products

Category of project
Certification

Type of project
Increase in coverage of commodity certified

Estimated timeframe for realization of benefits to customer
Current - up to 1 year

Details of project
In 2022, APP took steps towards supporting our certification with the Program for the Endorsement of Forest Certification (PEFC) by planning a community forest. Although unaccredited entities could not complete the certification process with the Indonesian Forestry Certification Cooperation (IFCC)/PEFC, APP initiated the final process for our East Kalimantan's Sekayam Jaya Mandiri (SJM) community forest, which spans over 432.76 hectares. However, the approval was delayed due to the ongoing accreditation approval process. In addition, two of our long-term suppliers, PT Wanakerta Ekalestari and PT Buana Megatama Jaya, located in West Kalimantan, have yet to obtain PEFC certification, despite their certification under PHPL scheme. Despite this, APP are committed to obtaining PEFC/IFCC certification for all our suppliers and have set a goal to achieve it by 2023.

Furthermore, APP has maintained 94% of its supplier concession areas for obtaining PEFC SFM certification, with the remaining 6% categorized as Controlled Sources under the mandatory PHPL-VLK scheme of the Indonesian Government. In addition, APP pulpwood suppliers also implemented ISO 14001, ISO 45001 and SMK3 certification standards.

Projected outcome
APP committed to obtaining PEFC/IFCC certification for all suppliers by 2023.

SF2.2

(SF2.2) Have requests or initiatives by CDP supply chain members prompted your organization to take organizational-level action to reduce or remove deforestation/forest degradation from your operations or your supply chain?
No

SF3.1

(SF3.1) For your disclosed commodity(ies), do you estimate the GHG emission reductions and/or removals from land use and land use change that have occurred in your direct operations and/or supply chain?

Timber products

Estimate GHG emissions and removals from land use and land use change
Yes, but not willing to share details

Please explain
Include in CDP Climate Change

Submit your response

In which language are you submitting your response?
English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below
I have read and accept the applicable Terms