

APP Sustainability Roadmap Vision 2020



Fibre Sourcing



Reforestation



**Conservation
& Biodiversity**



**Human rights &
Indigenous People**



**Community
Empowerment**



Climate Change



Emissions



**Water
Management**



Solid Waste



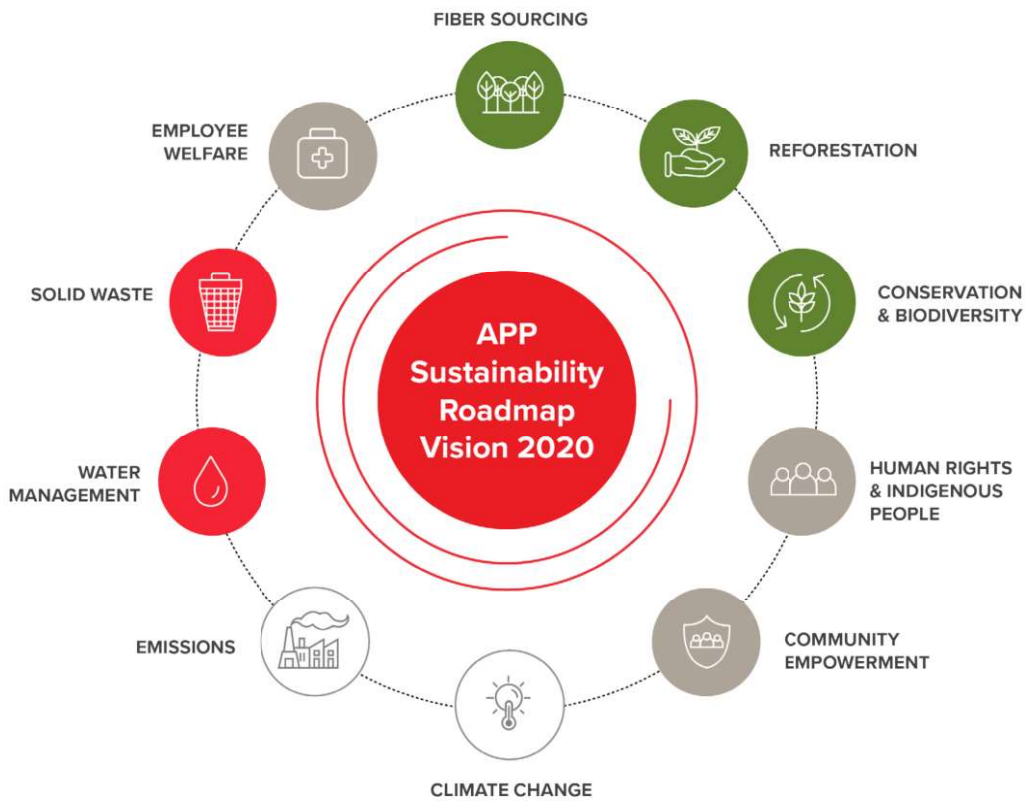
Employee Welfare

Vision 2020

GRI: 102-16

Sustainability has always been at the core of our business. At APP, we create products and deliver services with care through responsible and sustainable innovations for every product life stage. For us 'Growing' is not only about business but also the purpose of improving the livelihoods of people around us.



Launched in 2012, Vision 2020 is APP's comprehensive sustainability strategy. It sets out ten key impact areas relevant to our stakeholders across our business and wider supply chain, with ambitious targets for each.



Vision 2020 is supported by a wider set of companywide policies. Full copies are available on our website.

- Corporate Social Responsibility Policy
- Environmental Stewardship Policy
- Forest Conservation Policy
- Responsible Fibre Procurement & Processing Policy
- Procurement Policy on Chemical Substances and Articles
- Employee Welfare Policy

<p>Vision 2020 element</p>  <p>FIBRE SOURCING</p> 	<p>Target</p> <p>100% independent 3rd party verification for pulpwood legality</p> <p>100% sustainable plantation wood for pulp by 2015</p> <p>100% Sustainable Forest Management (SFM) certified pulpwood</p> <p>Maintain a sustainable proportion of recovered fibre in addition to renewable virgin fibre</p> <p>Develop and implement Integrated Sustainable Forest Management Plans (ISFMP's)</p>	<p>Progress in 2019</p> <p>Accelerated progress and achieved by end 2012 ✓</p> <p>All conversion of natural forest was halted in 2013 ✓</p> <p>100% of our fibre is Sustainable Forest Management certified pulpwood ✓</p> <p>In 2019 36% of our fibre was from recycled sources ✓</p> <p>ISFMPs are now completed for all 38 pulpwood suppliers' concessions and has been implemented since 2017 ✓</p>
<p>Vision 2020 element</p>  <p>REFORESTATION</p> 	<p>Target</p> <p>Support the national target to preserve designated protected and conservation areas</p>	<p>Progress in 2019</p> <p>APP continued our commitment through supporting the protection and restoration of natural forest inside AAP pulpwood suppliers' concession and outside concession through landscape approach ✓</p>
<p>Vision 2020 element</p>  <p>CONSERVATION & BIODIVERSITY</p> 	<p>Target</p> <p>Zero Fibre from High Conservation Value Forest</p> <p>Support the national target to increase by 10% the population of 25 specified endangered species</p>	<p>Progress in 2019</p> <p>All conversion of natural forest was halted in 2013 ✓</p> <p>Supplier Evaluation & Risk Assessment (SERA) tool implemented in 2018. ✓</p> <p>Dedicated conservation programmes focussed on 'umbrella species' of Orangutan, Elephant and Tiger conservation continue, with the support of NGOs and conservation specialists ✓</p>
<p>Vision 2020 element</p>  <p>HUMAN RIGHTS & INDIGENOUS PEOPLE</p> 	<p>Target</p> <p>Adopt international guidelines for the protection of indigenous people's customary rights in the forest</p>	<p>Progress in 2019</p> <p>Implementation of Free Prior Informed Consent (FPIC) ✓</p> <p>Responsible Conflict Management Implementation of HCV 5 & 6 through ISFMP</p>
<p>Vision 2020 element</p>  <p>COMMUNITY EMPOWERMENT</p> 	<p>Target</p> <p>Increase welfare of indigenous & local communities and maintain good relations</p>	<p>Progress in 2019</p> <p>Integrated Forestry and Farming System (IFFS) or Desa Makmur Peduli Api (DMPA) programme aiming to benefit 500 villages in the next five years. 335 villages were included into the programme as of December 2019 ✓</p>

Vision 2020 element	Target	Progress in 2019	
 <p>CLIMATE CHANGE</p> 	<p>Implement Peatland Best Practice Management Programme</p>	<p>We continue to develop and improve our approach to Peatland Best Practice Management Programme. See page 72 for more details</p>	
 <p>EMISSIONS</p> 	<p>10% reduction in carbon intensity by 2020, based on 2012 baseline</p>	<p>Carbon Intensity decreased 23% in 2019 compared to 2012 baseline</p>	
	<p>10% reduction in energy intensity by 2020, based on 2012 baseline</p>	<p>Energy intensity decreased 11% in 2019 compared to 2012 baseline</p>	
	<p>10% below national and/or regional limits for annual SOx and NOx</p>	<p>All mills achieved in 2019</p>	
 <p>WATER MANAGEMENT</p> 	<p>Achieve 10% reduction in water intensity by 2020, based on 2013 baseline</p>	<p>Water intensity decreased 31% in 2019 compared to 2013 baseline</p>	
	<p>10% below national and/or regional limits for COD and BOD</p>	<p>All mills achieved in 2019</p>	
	<p>Improve management of water use in line with the UN Global Compact CEO Water Mandate Programme</p>	<p>Water footprint completed in all mills</p>	
 <p>SOLID WASTE</p> 	<p>25% reduction in solid waste to landfill, based on 2010 baseline</p>	<p>37% reduction achieved</p>	
	<p>Zero employee and contractor fatalities, major fire incidents and traffic accidents on site</p>	<p>Not achieved in 2019</p>	
 <p>EMPLOYEE WELFARE</p> 	<p>Zero employee and contractor fatalities, major fire incidents and traffic accidents on site</p>	<p>Not achieved in 2019</p>	

 **Achieved**

 **On Track**

 **Not Achieved**