

APP Stakeholder Advisory Forum

July 2023

Opening Remarks

Bernard Tan, Managing Director APP Sinar Mas

- This year marks the 10th year since we launched our Forest Conservation Policy, and what a journey it has been. Thanks to all your support and the hard work of APP's teams and stakeholders, we have made remarkable progress. Some highlights include the fact that 100% of our fibre supply comes from certified materials, and we reached 45% recycled fibre. Our DMPA programme has now reached 421 villages, and we have seen a reduction of fire incidents by 90% in those villages.
- The Sustainability Team will be sharing the progress they have made in APP's Sustainability Roadmap Vision 2030, and we hope you will recognize how we have prioritized our sustainability journey as a core value of APP's business. But permit me in this introductory address to reflect on broader issues regarding climate change. We all know that we are living in the midst of a climate crisis. The record temperatures that are being experienced around the world is clear testament to this. To save our planet, governments, corporations and people, will need to relook at what we are doing and redouble our efforts to move us along a decarbonized and sustainable future. We in APP, given our size in the industry, and the impact we have, must do the same.
- Natural forests are an important part of the climate change equation. They not only serve as carbon sinks, but as habitats that protect biodiversity and livelihoods, especially in the tropics. We are very encouraged that the big shift in the conversation globally has moved from protecting forests to restoring them. This is none better encapsulated by the Forest Stewardship Council's decision to adopt Motion 37 in October last year in Bali. This landmark agreement now allows a pathway for formally disassociated companies to be re-associated with FSC through a remediation framework, which will involve restoring and preserving forests and social restitution. This is indicative of a shift globally from being exclusive to being inclusive; from punishing companies to embracing and working with them; to bringing more of the world into the fold of responsible forest management. This change is very important, for we all know that in spite of decades of effort, humanity continues to struggle against the deforestation. The goal to end deforestation in 2020 has failed. So, we need to take a different approach and start to do things very differently.
- APP may also need to change. We looked at how our FCP can do better in engaging in the global movement towards a forest-positive future. Our own FCP, while not designed to punish suppliers, has invariably failed to take into account that many companies in the global south took much longer to update their practices and some beyond our 2013 cut-off dates that we have set to ourselves. We need to ask ourselves if our current policy likewise is stopping us from doing more

to influence companies that are beyond the cutoff, seeking to change for the better, and wanting support in remediation efforts in line with FSCs efforts. Creating this opportunity may be in line with a forest-positive future.

- APP will also have to **increase** our efforts towards decarbonization. We have set a target of reducing our carbon intensity by 30% by 2030 and have had to rethink our strategies. There are also other priority areas. To reduce the consumption of natural resources, we also have to redouble efforts in circularity. There will be specific areas to look at, such as recycling and biodegradability.
- APP will work on updating its goals and policies over the next 12 to 24 months. This period represents a great opportunity to redouble our efforts in the fight against climate change and to build a sustainable business ecosystem. We intend to engage and consult. There is still a long road ahead of us, but we are moving forward and continuing to implement practices and processes that align with international standards. This is not a journey that we can embark on alone, which is why every year we want to meet with you to ensure that we are on track to achieve our goals.
- As we continue with 2023 and the future years that lie ahead of us, we will remain steadfast in our commitment to creating a more sustainable and responsible business model. Thank you for taking the time to come down to learn more about our progress. I am looking forward to the open discussion that will take place later, to hear more about your thoughts and opinions, and see how APP can meet these needs. It is only with the help of our valued stakeholders, governments, communities and academia, that APP can continue the journey to contribute to the goals of the Government of Indonesia's FOLU Net Sink 2030 and make a collective effort to achieve a Net Zero future.

Guest Speaker:

Marzuki Darusman, Chairman & Founder of The Foundation for International Human Rights Reporting Standards (FIHRRST)

- Human rights are rights inherent to all people, meaning that they are rights we have simply because we are human beings. Everyone is entitled to human rights, regardless of race, sex, nationality, ethnicity, language, religion, or any other status. Therefore, it is important for companies to be able to treat their employees respectfully. Companies should ensure their workers have safe working conditions, a decent wage, enjoy their right to freedom of expression and association, and treat their employees without discrimination.
- FIHRRST is honored to be associated with APP and promoting these rights over these past 2 years. APP is a prominently features in our efforts to rank 100 public companies, as an annual evaluation of companies that implementing and aligning themselves with UN Guiding Principles on Business and Human Rights (UNGPs) towards their journey. It is a long journey, but we made the first steps and the future is quite bright and prospective.
- The pulp and paper industry are not exempt from ensuring that the basic rights of employees are respected, protected, and fulfilled, especially considering the industry is very prone to risks of

violations. The production of pulp and paper may pose a risk to employees working in the mills, suppliers, and contractors, as well as the forest communities that are affected by the company's operations.

- Investors and consumers nowadays are increasingly demanding that companies pay attention to the ESG aspects of their business operations. Adherence to the principles of sustainability are now seen as a necessity for businesses who want to grow in the future.
- Companies generally do well in carrying out their responsibilities to the environment and government, the E and the G. However, there are times that they seem lost when it comes to the S in ESG. The Social (S) part of ESG is important and should not be ignored. Companies should respect the human rights of their workers and affected communities. Especially when it comes to healthy and safe working conditions with proper safety measures. Companies need to prioritize the safety and well-being of their employees as well as the welfare of the communities where they work. They also should encourage diversity and inclusion in the workplace and value the contributions of all their employees.
- At the global level, several countries have already enacted regulations obligating businesses to respect human rights. In Europe, the United States, and recently in Japan, for example. This trend sends a signal to companies in Indonesia to adopt and implement the same commitment to respect human rights both within the Company and in its supply chain. Respect for human rights by companies will ultimately create positive impacts such as increasing worker welfare and productivity.
- To ensure that they respect human rights, companies should develop human rights policies and conduct human rights due diligence (HRDD) in order to identify, prevent, mitigate and account for how they address any adverse impacts on human rights. The process should include assessing actual and potential human rights impacts, integrating and acting upon the findings, tracking responses, and communicating how those impacts are addressed.
- In the light of the unprecedented Covid-19 pandemic that required transformative business adaptability, APP showed their resilience in adversity by continuing to respect human rights. Of utmost important is that APP managed to retain all its employees throughout the pandemic, thereby ensuring their employees remained healthy and productive. I am pleased that APP shows their respect for human rights by implementing its human rights policy as well as by conducting HRDD in 2022. In ensuring diversity and inclusion in the workplace, APP has created a high-level Diversity, Equity and Inclusion (DEI) Roadmap and has proposed to establish a DEI Committee Structure.
- It is important to note that APP is heavily invested in the communities around their operational areas. They have developed a grievance policy and mechanism which enables their workers and the communities nearby their operations to voice their concerns and rights. This should be a best practice for other companies in Indonesia as well.
- Conducting HRDD can create long-term benefits for companies, not just for the present. APP is aware that there is still a lot more that can be done in respecting human rights throughout their operations, and FIHRRST is very grateful to have the opportunity to provide a comprehensive look at their HRDD report for room for improvement. We look forward to have further collaborations



with APP and I hope APP is able to continue to try its best to protect its employees as well as the communities around its operations.

Guest Speaker:

Indroyono Soesilo, Chairman of the Association of Indonesia Forest Concession Holder (APHI)

- The pulp and paper industry play a vital role in our daily lives, providing us with essential products such as paper, packaging materials, renewable energy and now into garments and high-quality textiles. However, this industry, like many others, is not immune to adversities. Challenges, such as climate change, resource scarcity, and economic downturns can disrupt the supply chain, impact production, and hinder growth. Yet, it is in times of adversity that resilience becomes crucial.
- To begin, let us focus on the dependency of the pulp and paper industry on feedstock derived from plantation forests. These forests act as the lifeblood of the industry, providing the crucial raw materials needed for production. Indonesia's plantation forest production in 2022 reached 40 million cubic meters and peaked around 25 million cubic meter in the first semester of 2023, a growth of 7.7% year on year, compared to June 2022. However, the sustainability of these forests is paramount. It is essential to maintain a delicate balance between meeting the demand for raw materials and ensuring the long-term viability of the ecosystem.
- To achieve sustainability, it is imperative for the industry to adopt responsible practices. This includes implementing reforestation programs, practicing sustainable forestry methods, and supporting initiatives that protect biodiversity. Currently, as Indonesia moves toward Net Sink FOLU target of 2030, various mitigation actions should also be considered and implemented in the plantation forest activities. For that reason, collaboration between industry stakeholders, governments, and local communities is vital to ensure the preservation of these precious resources.
- As we look towards the future, it is crucial to consider the global market of the pulp and paper industry. The industry's resilience lies in its ability to embrace international markets and successfully penetrate them. Building a strong presence in the global market requires several key strategies.
- Firstly, the industry must invest in research and development to create innovative, high-quality products that meet the evolving needs of customers worldwide. APP is already in the forefront in this arena in Indonesia by investing in a very modern biotechnological labs, which enable the company to be self-sufficient in high quality seeds and the proficient in bio species databank.
- Secondly, forging strategic alliances with international partners, such as suppliers, distributors, and customers, which can help to expand market reach. Collaborating with these stakeholders can result in shared knowledge, resources, and access to new markets. I would like to congratulate APP for having dozens of partners across the world, also its various efforts to expand its global markets. Just for information, pulp and paper export in 2022 reached US\$ 8 billion and for the first half of 2023, has already reached US\$ 4.1 billion with a strong growth of 14.5% year on year, as compare to year 2022.
- Furthermore, it is essential to highlight the industry's commitment to sustainability. Today's consumers are increasingly conscious of their environmental footprint and seek products that align with their values. One of the latest issues are the adoption of the European Union Deforestation Regulation (EUDR) which impose restrictions for those wood products coming from deforestation activity,

including pulp and paper. By promoting sustainable practices in the production process, among other the SVLK, and transparently communicating these efforts, the industry can differentiate itself and gain a competitive edge.

- Lastly, the adoption of digital technologies to optimize operations, enhance supply chain management, and improve efficiency cannot be overlooked. We have to embrace digital transformation can streamline processes, reduce costs, and improve overall productivity, thereby increasing the industry's competitiveness in the global market. I learned that APP is already moving toward this issue. Satellite technology implementation combined with thermal infrared sensors, supported by automatic water table monitoring in peatland areas and the readiness of its Forest and Land Fire Prevention Team has positioned APP as one of the readiest units in Indonesia in the event of this disaster.
- In conclusion, the pulp and paper industry facing numerous challenges, including the dependency on feedstock derived from plantation forests and the need to penetrate the global market. However, through resilience and a commitment to sustainability, this industry can weather adversities and emerge stronger. By adopting responsible practices, collaborating with stakeholders, and embracing innovation, the industry, especially APP can set itself on a path towards long-term success. Together, let us strive for a sustainable pulp and paper industry that serves as a model for resilience and excellence.

Key Highlights of APP Sustainability 2022-2023

Letchumi Achanah, Head of Stakeholder Engagement and Advocacy, APP Sinar Mas

- Ten years ago, APP launched our Forest Conservation Policy here. We realised that we needed to balance business interests with the future of the world. A decade later, today, we have taken leaps and bounds to provide greater care to forests, while investing in innovation and technology to reduce our carbon footprint.
- In 2020, we began crafting our vision for the next ten years, to guide us until 2030. This is when we launched the Sustainability Roadmap Vision 2030 (“SRV 2030”). As we move into our third year of implementing this vision, we remain committed to our 3 main pillars of Production, Forest, and People, including continuing to abide by the “No Deforestation” policy within APP supply chain. It is a pleasure to be here to share what progress has been like for APP.
- **Production:**
 - In 2013, we stopped using wood from natural forests within our production. Today, 100% of our fiber supply comes from certified materials. Aside from using virgin pulp in our production, we are also using more recycled fiber in our products to reduce waste. In 2022, we reached 45% recycled fiber, which is 10% higher than our recycled fiber composition in the past 5 years.
 - In addition to undergoing the Supplier Risk Evaluation Assessment (“SERA”) process, following the FCP, and complying with the Fiber Procurement and Processing Policy, all of APP’s pulpwood suppliers in Indonesia are all Sustainable Forest Management-certified, VLK-certified, and compliant with the PEFC Scheme.
 - Our customers deserve credit for this as we know there is a growing demand for recycled products, such as our brown paper which is made from recycled sludge. So, we would like to thank

you all for helping us achieve our sustainability goals.

- Pulp and paper is the core business at APP, and we remain committed to constantly innovating and finding new and better processes and products to reach every industry and every home. We first brought Foopak into the market in 2019. After 8 years of development, we created this board product as the ideal choice for disposable paper cups and trays. Being entirely plastic-free, Foopak is compostable even within home compost set-ups. Today, Foopak continues to be a popular plastic alternative among our buyers looking for eco-friendly products. Today your tea and coffee is also being served in Foopak cups. The product has been certified for compostibility and consumption.
- **Forest:**
 - Forests are a core character of our landscape and for Asia Pulp and Paper. Since 2015, we have put into place a variety of programs and initiatives aimed at protecting, maintaining and restoring forests across our landscape. Today, we have almost 600,000ha of forests under some form of protection, as well as monitoring data which tells us that about 84% of these forests are maintained in good condition.
 - This ongoing task is not easy, but we have involving experts from both the field and academia, who develop strategies for ecosystem restoration. Wildlife is an important and visibly threatened aspect of our forests, and therefore they need additional efforts to sustain their populations. Our wildlife monitoring continues to cover flagship species in Indonesia like the Sumatran Tiger, Bornean Orangutan, and Sumatran Elephant.
 - Last year, we managed to repopulate our conservation areas with four endangered tree species; Balengeran, Ulin, Tembesu, and Ramin. Earlier, we mentioned the 600,000 hectares that we protect within APP and its own concessions, as well as within our supplier concessions. However, this does not come without its own challenges, such as the illegal activities that unfortunately occur repeatedly.
 - To monitor illegal logging, we work closely with RADARSAT-2 satellite technology that covers our concession areas to alert us of any changes in forest cover. In detecting these, we dispatch an on-ground team to evaluate whether these changes are naturally-occurring, or deliberate. If we detect any forest cover change as a result of illegal activities, we coordinate with the relevant authorities to mitigate the threat immediately. In doing so, we have been able to keep the forest cover change to a minimum. As you can see, our graph has dropped tremendously over the years.
 - In preparation for El Niño, we have almost doubled our resources in the past year. On average, APP have spent about 30 million USD per year over the last 7 years. Through our Integrated Fire Management program, we have also maintained keeping the number of concession areas impacted by fires under 2%. To ensure that we remain ready to prevent and mitigate the effects of forest fires, APP are constantly upskilling our fire task force with frequent training.
- **People:**
 - We certainly cannot forget the people that live in and around our concession, as they are the people who make us who we are today. Over the last decade, we have worked hard to develop guidelines for social and community issues to figure out the best way to resolve them. At the end

- of 2015, we launched our signature Desa Makmur Peduli Api initiative, which in 2022, has reached 421 villages with this programme, benefitting more than 80,000 people in local communities.
- DMPA, as it is otherwise known, aims to reduce fires, increase self-sustaining income, and protect the very resources that support community livelihood. So far, around 10 million dollars have been invested in DMPA, resulting in the improved welfare of hundreds of forest communities. Additionally, APP have reduced fire incidents by 90% within the villages that implement the DMPA program.
 - In September of this year, we will be launching one of our key empowerment programs through our collaboration with Gita Buana. By opening a field school for the Suku Anak Dalam in Jambi, the community will have proper resources for agricultural activities, such as the harvest of peanuts and betel palm.
 - Rest assured, these activities are not chosen at random. We are always monitoring and measuring the value of these programs to ensure that they are truly benefiting from the initiative. By using the Social Return on Investment tool, we can measure how much social impact these programs have within the community based on the achievements and outcomes. Similarly, when we help start-up, micro, and small businesses, we aim for them to be “upgraded” and “uplifted”.
 - Based on the national vision of “UMKM Naik Kelas”, we also push and encourage our beneficiaries to improve their products, increase their production capacity, and enter the online marketplace, with the end goal of adding more value to their business.
 - We’ve found that a lot of these MSMEs are created and driven by women. Among the dozens of women benefitting from our program, many have gone on to establish successful businesses selling ginger drinks, woven baskets, and other handicrafts. Having said that, we have this booth set up right outside the ballroom, so we hope you visit that booth and encourage these communities further by purchasing some of their products.
 - While we are on the topic of women, we recognize that there is a global focus to improve women’s participation in the workforce. At APP, we have created a high-level Diversity, Equity and Inclusion (DEI) Roadmap to be more inclusive in our recruitment practices. Our achievements have also been recorded in the G20 Empower Best Practices Playbook, which is a valuable collection of the private sector’s push to empower women at workplace.
 - APP is unwavering in its belief that transparency is vital for us to continuously improve, as evidenced by our annual Sustainability Report and our ESG ratings. To measure our own performance, we also look at our ratings from independent agencies to see where we stand in the industry and where we can continuously improve.
 - By actively engaging with our stakeholders, such as yourselves, and incorporating your feedback, we aim to continually improve our performance and ensure transparency in our operations.
 - That’s it from me today. Next, my friend – Wisnu, will be sharing more about what APP has done in regard to reducing our waste and using renewable energy.

Decarbonization

Wisnu Wijaya Kusuma, Deputy to Chief Sustainability Officer, APP Sinar Mas

- To reduce the effects of climate change, it is crucial for companies to significantly reduce their carbon footprint. That is why, at APP, we have a target to reduce our carbon intensity by 30% by 2030. Currently, we already reduced this by 13%.
- To achieve this, we have committed to the Science Based Targets initiative (SBTi) to guide us in our decarbonization goals. This involved changing some of our strategies from efficiency to a just transition.
- Despite how heavily we rely on water for our operations, we understand that water scarcity is a pressing issue. Hence, we have decreased our water consumption by implementing water efficiency measures. Through our efficiency monitoring, we found that we have managed to achieve a 16% reduction in our water consumption, compared to 2018 baseline.
- Another key concern at APP is waste, and we are committed to achieving zero waste being sent to landfill. In 2022, we managed to reduce the amount of waste being sent to landfill and we are on track to continue this progress.
- As we continue to explore clean energy alternatives that are suitable for our industry while considering financial and technological feasibility, we acknowledge the challenges that lay ahead of us. Currently, we have installed 18.4 megawatt solar PV and we utilize almost half of black liquor as our energy resources. Combined with other renewable energy such as biomass and biogas, our total use of renewable energy is 59%.
- However, we will continue to closely monitor our emissions in compliance with government regulations, and we will ensure that our emissions remain within the regulation limits. Meanwhile, we are driving our planning using data management to find the most accurate strategy for APP.

Summary of APP's Sustainability Performance and Key Commitments Journey

Elim Sritaba, Chief Sustainability Officer, APP Sinar Mas

- Let me summarize the three big pillars. First, the Production, APP stop to accept natural forest product within our production, continue to improve and monitor the efficiency, up to produce the innovative products. From the Forest side, starting from the assessment, identifying high conservation value, continuous improvement to monitor and assure that we can improve our forest to be in a good condition. In the plantation, starting with assessment our growth and yield, continue to use automation, and improving our Mean Annual Increment (MAI) to achieve the good productivity within our plantation. In People side, we start talking about land dispute mapping and how to resolve it. Now, how we can include the community within our supply chain.
- While it seems like we have achieved so much, we all know that sustainability remains dynamic. As we continue striving for sustainability, we will continue to keep global goals top of mind through our ESG strategies.
- Our top priority is decarbonization, we strive to find the alternative for our industry, protecting forest and restoration improvement as well as community inclusive and bring them to the next level.
- Reducing carbon for a pulp & paper company is quite a different prospect compared to other

industries. A lot of challenges, we have to consider the financial and feasibility of the technology.

- We also recognize that if a company like APP does not lead the change, then it may never happen. Hence, we will place a primary focus on decarbonization. Despite how daunting this task may be to us, we will not walk away from it.
- In the past 10 years of implementing our FCP, we have realized that capacity, investment, and most importantly, wide-ranging support from all sectors and society are needed. Organizing a forum just like today is an important step for us to achieving these goals. We hope that more stakeholders will identify themselves and step up to walk with us on this journey.

Q&A Sessions

Moderator: Mark Chen, Associate, Strategic Public Relations Group (SPRG)

- **Andreas:** You have mentioned that one of the pillars in APP's carbon reduction milestone is to reduce suppliers' carbon footprint, and I would like to know what is the main challenges in achieving that pillar and how APP is planning address that challenges in terms of suppliers engagement and carbon footprint reduction?

Wisnu W. Kusuma: Thank you for the great question which also related to our suppliers and includes in our Scope 3 emission reduction target. Currently, we are still working to encourage our suppliers how they can reduce their carbon footprint, and we are still on progress to discuss what kind of opportunity that we can work together with them on that – what we learn and what they learn from each other. On the other hand, we are not working alone, we are also trying to work with some of communities, for example Clean Energy Investment Accelerator and many more. Since some of our suppliers also part of the communities too, so from the sharing forum we can learn together how to reduce our carbon footprint, both from our side and also the supplier side.

- **Hasbi (Indonesian Ecolabelling Institute):** First, I would like to congratulate APP for maintaining the Forest Conservation Policy for 10 the last years. Therefore, what is the biggest challenges while implementing the FCP on the ground? Because I saw that APP can address all the challenges and able to carry out the plans that were made 10-12 years ago up until now. What are the biggest challenges in society, conservation and from the market, because things like this need to be answered with the real implementation. So, APP can share it as a lesson for the others.

Elim Sritaba:

- I can tell that there are a lot of challenges. But if I can map out the challenges, the biggest challenge is about the mindset, mindset changing both internally and externally, especially internally, since we are the one who must strive for it. And I'm thankful that I have opportunity to work in the Human Resources division, so we use the system in HR on how to implement the transformation together. Mindset will not stop for just a one-time thing, it is a journey. The changes in organization is still running until now, then we must unite, believe and push our limit to achieving the goals. The most important is setting our goals, then change our mindset to be able to achieve those goals.

- Regarding the restoration on the ground, we cannot do the restoration within our range manually, for that reason we also need technological support. Planting in our own plantation and restoration area is also totally different, that is also our challenge. Hence, we also bring up the restoration topic for today, because we realized that there isn't any restoration method that can be used in all of type of lands, especially for the soil type and environment conditions in Indonesia. Even though it is a challenge for us, we must strive for it together and include the experts to contribute and transform from restoration, monitoring, and now we are learning a lot to use several frameworks and methodologies which suitable for our land and environment conditions.
 - As we discussed earlier, social is also one of our challenges. At first, we are busy with land dispute mapping. But in the journey, we realized that the nature from each human is special and their needs also different. People or community needs assistance to be independent and that are the company's roles and challenges. Therefore, accompanies by our expert team on the ground, we learn on how to change the mindset of our friends and communities that together with the company, we can achieve our targets and living in harmony.
 - Living in harmony is not only with the people and communities, but APP also have Biodiversity value, on how we protect the endangered species like Sumatran tiger, Sumatran elephant and Borneo orangutan. It is our commitment to implement our policies and doing continues improvement to adjust with the conditions that vary in each of our regions.
- **Irmis (Maybank Indonesia):** Regarding your explanation earlier about Forest Restoration Project, does that mean that there is going to be afforestation and there will be no more logging. So, it will become forest afforestation? And which area is the project?

Elim Sritaba:

- Our conservation area is spread within our area in Riau, Jambi, South Sumatera, East Kalimantan and West Kalimantan with total 600,000 ha. We set aside those areas, mandatory and voluntarily, to become our conservation area. In 2013, when we made our commitment, we assessed the conditions and in 2015 we received the conditions by 60% which we must improve to become in a good condition or minimum 95%, of course it would be great if we can achieve 100%. That is what we are doing gradually for restoration.
- In one concession area, there are production area or industrial forest (HTI) which are cyclically planted and harvested and another one is the 600,000 ha of conservation area. If there is an illegal logging disturbance from external, usually they will touch the conservation area, because mostly we are closely guard the area as secured as the plantation, since there are operational activities inside the area. But conservation area is a nature area, so it become high risk in terms of illegal logging activity. For that reason, we use satellite that will give us an alert if there is a forest cover change, so that we can coordinate with our personnel on the ground to immediately address and mitigate the illegal activities. Because after illegal activities occur, it can risk to fire, land grabbing and other unwanted activities.

- **Sunaryo:** You mention about "To keep a forest cover change to a minimum level". Does this imply that deforestation is still happening? If this is true, climate change mitigation is not working. The HPH Decree was issued in 1990, during the period of forest concessions by Sinar Mas, can you provide data on the carbon stock and carbon emissions produced? This data will show APP's efforts to manage forests better in order to support the Net Zero Emission of forests in 2030.

Elim Sritaba:

- If we talk about the 600,000 ha of conservation area that spread across 5 regions in Indonesia, I might say that it is not easy. Maybe first, we must align with the definition of the deforestation. The deforestation that we are committed to is not a company that doing the deforestation, but as a company, we try our best and push the limit to be able to mitigate illegal activity. Reaching up to zero conflict is of course our common desire, to prevent illegal activity from occurring and to prevent the land dispute conflicts. But back again, the nature of human beings has many desires and needs.
 - What we can do is to mitigate with advanced technology, making efforts to coordinate with local authorities and press it to the minimum. Of course, we also want it to be zero, therefore we are still trying to prevent the illegal activities from causing greater impacts
 - Regarding the carbon, we have downstream and downstream, of course towards Net Zero we will cover all of it. We are currently calculating the carbon stock and total carbon is in the forest, because recently the SBTi FLAG (Forestry, Land and Agriculture) just came out and we will refer to that framework, such as in downstream with efforts to search for renewable energy, we will match everything as a whole to achieve Net Zero.
 - Pulp & paper industry is not easy, we are also in the country where it is not only APP that has to address renewable energy, together we must think on what the best priority for the industry for our country is. We are also active in several associations, such as KADIN, where we are already committed under the Net Zero Hub. So, of course this is our joint homework and in time we will report all of our footprints from upstream to downstream.
- **Diah Suradiredja:**
 - This is not a question but first I would like to say congratulations to APP on its current progress. Right now, what I think the most important is dealing with global issues. Currently, the Indonesian government is fighting with the EUDR policy. So, this is the time for success stories from all those in the field, we are currently fighting in the process related to country benchmarking. We are trying not to become a high-risk country, because this is a country image. Once we are at high risk, everything will affect many world regulations. Currently, the government is also preparing for Green China because China will also have similar regulations with EU, as well as Japan.
 - Firstly, I think the results in APP can be prepared to assist the government in terms of data preparation, information, as well as strengthening the process so that we are not included in high risk. Currently, our friends in APP is also preparing for the impacts of the regulations, because the impacts will directly affect small holders and the struggles that APP has been doing

so far will definitely have an impact to it.

- Secondly, EU will not accept or use all national certifications and standard such as SVLK, IFPO, ISPO, and the others but will use one due diligent standard which will only has three standards but the details with be impacted directly to us. This is what I think can be fought together with the government, to fight for the recognition of the implementation of the EUDR which we are all currently waiting for the process for a year.
 - Thirdly, when the government was preparing this matter, it turned out that there was a shortage of data, because the one of the requirements for EUDR implementation was geolocation. So, I think from what has been produced by APP, let us together with the government preparing for this. Our government is also formed a Joint Task Force during the joint mission to Brussels. This platform serves as a consultative mechanism to support coordination and promote shared understanding, to be a place where we can get together to prepare for the impact of implementing the EUDR policy. We need to prepare not only at the APP level, but also at the Indonesian level to fight for its implementation. Thank you
- **Muhammad Ali Imron:** Eyes of the Forest (EoF) has identified several significant concerns regarding the five new Community forest (HTRs) in the Bukittigapuluh landscape. The primary concerns lies in the intended supply of timber from these HTRs to APP, given that the areas were once secondary forest that have been converted into plantations. WWF Indonesia also identify that the conversion of these secondary forest into HTR raises ecological and conservation issues, particularly concerning the impact of the area's biodiversity and critical habitats of Sumatran elephant and Sumatran tigers. They rely on the integrity of their habitats for survival, making the conversion of these forests a matter of significant concern for their well-being. Considering the ecological important of the affected areas and their vital role in supporting the local wildlife, it is essential that these concerns be taken into account in the remediation plan by APP.

Elim Sritaba:

- In Bukittigapuluh landscape, there are five HTRs which at that time were in a landscape that we identified as elephant habitat locations and we collaborate with three of them. We are still conducting assessments for those three HTRs, since based on our commitment, there should be no deforestation. Therefore, we identified which area we should protect and make sure that there is no harm to the forest. Apart from that, by engaging them, our goals together are to ensure that the elephant corridor around the Bukit Tigapuluh landscape is well-maintained. We will remain committed not to cause any damage to the forest and continue to maintain the community to continue protect it.
- We have a Supplier Evaluation and Risk Assessment due diligent which we conduct annually, every year we will review and ensure that they still comply with our policies, where we can also provide assistance in terms of planting. In our opinion, by including them in our supply chain and system, we can make sure that the elephant corridor and elephant protection are maintained. We will continue to monitor and ensure that the HTRs in the landscape can continues to protect forests and identified biodiversity values.

Agung:

- Perhaps I can emphasize from what Mrs. Elim has explained, it is true that there are several HTR permits around our concession and by working with them, we can provide guidance and intervention on how they can manage the landscape better. As previously stated, before we cooperate with them, we conduct a Supplier Evaluation and Risk Assessment. Additionally, this also complies with our Forest Conservation Policy. So, the prerequisites are the same as those in APP's concessions and their suppliers. Since we have committed in 2013 that there is no production from natural forests, of course in our assessments we always conduct HCV, HCS and social impact assessments. From these 3 studies, we can map out which ones can be used for production forests and which natural forests we really need to protect for conservation.
 - By engaging with the communities that have permits around us, we can actually intervene and equalize the standards in the concession. Therefore, we invite stakeholders to jointly contribute to provide assistance, thus, the communities who have obtained this permit can receive the benefits. Not only by production forest but also with other activities that can generate economic value. In fact, we want to encourage, if we can work together with these communities, we can apply the standards higher than if they could do it themselves without assistance, this will definitely have a significant impact on improving HTR management standards around us.
- **Sunaryo:** Regarding wildlife conservation, how much population of tiger do you have from time to time? If the population is flat, that mean wildlife management is not proper. Could you inform about this effort?
Jasmine Natalia: For wildlife conservation, we have conducted the monitoring of the minimum population of the tigers which is conducted regularly. We also protect the habitat the tiger, the home range, and the protection of the area. We also conduct the availability of the foods for the tiger in the area and develop the mitigation conflict within human and wildlife, that is the standard that we developed. Together with BKSDA and other stakeholders, we also conduct the patrols and monitoring in the areas. And in 2022, that around 77 tigers have been found there. And for the trap, we collected in around 0,85 per kilometers.

Closing Remarks - Elim Sritaba, APP Chief Sustainability Officer

- Thank you all for attending our today's Stakeholder Advisory Forum. Thank you for also involved in the breakout session, thank you Pak Tony and Pak Mangara for facilitating.
- A lot of feedback where we will be taking into our account and working on all the has been brought forward. I have put in my note, from restoration, how this new approach can also bring the ecological function back and how we can use the available technology that suitable to the system. Besides that, third-party verification is important and beyond 2023, this is something that we can achieve, the enrichment after we bring back the ecological function.
- From the social, the feedback is collaborations with other sectors is really important and how a

company like APP can leverage and inspire the youth through any platform that can also accelerate all the achievement of global goals. We can also use the grievance mechanism and approach that we have been done, together we can share to others as a part of the learning. Again, thank you for contribution of this breakout session, and of course we have achieved meaningful process in 2022.

- We know that the targets and the milestone that we have met, the challenges that we have overcome, and I know that this all progress we have made. Thus, will not have been possible without all the support from you guys, especially in the room and other stakeholders, including who's joined us in the Zoom. I'm continuously motivated by this progress, and of course we are continuously advancing our sustainability plan, and I'm looking forward to seeing how we can build together the momentum generated here today and achieve more milestone going toward 2030. So again, as we foster collaboration for resilience through adversity, so implement innovative solutions for sustainability, I hope that APP can share more good and positive news for the coming years.
- Another update, maybe some of you already know that we are currently in the process of continue the dialogue to enter the FSC remedy framework. In this conversation, of course, we will continue to need your support and feedback on how can helping us and also FSC to understand the challenges on the ground. Therefore, we know that we want to assure that during the process, we will ensure that we can address your concern and how we can take into consideration in developing our framework with FSC. So again, thank you very much for your support, and I hope you enjoy this forum. Hopefully, next year we can make it better. Thank you.