C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Asia Pulp & Paper (APP) Sinar Mas is a trade name of pulp and paper manufacturing company which delivers quality products to meet the growing global demand for paper, tissue, and packaging. Beginning as a caustic soda producer in 1972, we have grown into a global business with operations across Indonesia and China with an annual combined pulp, paper, packaging product and converting capacity of over 20 million tons per annum. Today, Asia Pulp & Paper (APP) Sinar Mas markets its products in more than 150 countries across six continents. This growth is guided by our vision of a better future. It is what keeps us moving forward, creating new ways of living and innovating. Over the years, we have expanded our operations through the acquisition and expansion of our pulp and paper mills. It is our commitment to customer satisfaction that enables us to grow our share in paper sales worldwide and broaden our presence through offices in many countries.

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. Our newest sustainability strategy is detailed in our Sustainability Roadmap: Vision (SRV) 2030. The strategy is broken down into three pillars—Production, Forest, and People. We have set ourselves targets for each of these pillars, intending to drive improvement in processes that concern our business, wider supply chain and environmental sustainability. Vision 2030 also details our efforts and strategy in our continued support of the UN’s Sustainable Development Goals (SDGs) and the Paris Agreement on climate change.

Our sustainability strategy Vision 2030 has ten targets: Fibre Sourcing, Reforestation, Conservation & Biodiversity, Human Rights & Indigenous People, Community Empowerment, Climate Change, Emissions, Water Management, Solid Waste, and Employee Welfare. Vision 2030 affects all areas of our business. It is a minutely detailed strategy, with firm targets surrounding sustainability, that uses Company KPIs to monitor progress. Contrasts between Vision 2030 and its predecessor—Vision 2020 –include a focus on a broader range of sustainability issues and tighter alignment with both the UN SDGs and the Paris Agreement, increased stakeholder engagement.

More information can be found at [www.asiapulppaper.com](http://www.asiapulppaper.com) and [https://sustainability-dashboard.com/](https://sustainability-dashboard.com/).

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

<table>
<thead>
<tr>
<th>Reporting year</th>
<th>Start date</th>
<th>End date</th>
<th>Indicate if you are providing emissions data for past reporting years</th>
<th>Select the number of past reporting years you will be providing emissions data for</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>January 1</td>
<td>December 31</td>
<td>Yes</td>
<td>1 year</td>
</tr>
</tbody>
</table>

C0.3

(C0.3) Select the countries/areas in which you operate.

Indonesia

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-AC0.6/C-FB0.6/C-PF0.6
(C-AC0.6/C-FB0.6/C-PF0.6) Are emissions from agricultural/forestry, processing/manufacturing, distribution activities or emissions from the consumption of your products – whether in your direct operations or in other parts of your value chain – relevant to your current CDP climate change disclosure?

<table>
<thead>
<tr>
<th>Relevance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture/Forestry</td>
</tr>
<tr>
<td>Own land only [Agriculture/Forestry only]</td>
</tr>
<tr>
<td>Processing/Manufacturing</td>
</tr>
<tr>
<td>Direct operations only [Processing/manufacturing/Distribution only]</td>
</tr>
<tr>
<td>Distribution</td>
</tr>
<tr>
<td>Direct operations only [Processing/manufacturing/Distribution only]</td>
</tr>
<tr>
<td>Consumption</td>
</tr>
<tr>
<td>Direct operations only [Processing/manufacturing/Distribution only]</td>
</tr>
</tbody>
</table>

(C-AC0.7/C-FB0.7/C-PF0.7) Which agricultural commodity(ies) that your organization produces and/or sources are the most significant to your business by revenue? Select up to five.

Agricultural commodity
Timber

% of revenue dependent on this agricultural commodity
More than 80%

Produced or sourced
Both

Please explain
Raw material of our product highly depended on timber that sourced from our pulpwod plantations.

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

<table>
<thead>
<tr>
<th>Indicate whether you are able to provide a unique identifier for your organization</th>
<th>Provide your unique identifier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, another unique identifier, please specify (Indonesia stock exchange)</td>
<td>INKP, TKIM</td>
</tr>
</tbody>
</table>

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

<table>
<thead>
<tr>
<th>Position of individual(s)</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive Officer (CEO)</td>
<td>The License, Government Relation and Sustainability Committee Board is headed by APP's CEO, members include APP's Deputy CEO, Managing Director, Business Unit heads and the CSO. The committee meets monthly, reviewing sustainability performance, overall direction and strategy, as well as any issues raised from stakeholders. In terms of how our individual mills are managed, each mill reports to the COO through the respective COO for pulp, paper and tissue divisions. Our mill KPI scorecard helps to track performance against Vision 2020 targets and we encourage a culture of sharing good practice and working collaboratively where further improvement is required. For example, we have finished the development of APP Sustainability Vision 2030, in the progress of development the Sustainability Committee report carbon emission and energy reduction target to CEO. CEO involvement includes approving the target to be implemented in our operations as well as advisory on the strategy to achieve the target.</td>
</tr>
<tr>
<td>Director on board</td>
<td>Our Managing Director develops sustainability related strategy, policy and financial across APP operations and that of its supply chain globally. The Director engages with these issues on a daily basis and reports the progress to APP's Managing Director. For example, director on board direct 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.</td>
</tr>
<tr>
<td>Board-level committee</td>
<td>APP Sustainability Committee Board headed by APP's CEO, members include APP's Deputy CEO, Managing Director, Business Unit heads and the Director of Sustainability and Stakeholder Engagement. This committee responsible for sustainability issue including climate change. For example, to achieve sustainability target our sustainability committee held a meeting periodically to discuss progress and challenges we faced including energy and carbon emission reduction target,</td>
</tr>
</tbody>
</table>
(C1.1b) Provide further details on the board’s oversight of climate-related issues.

<table>
<thead>
<tr>
<th>Frequency with which climate-related issues are a scheduled agenda item</th>
<th>Governance mechanisms into which climate-related issues are integrated</th>
<th>Scope of board-level oversight</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheduled – all meetings</td>
<td>Reviewing and guiding strategy</td>
<td>&lt;Not Applicable&gt;</td>
<td>Our sustainability committee held monthly meetings to discuss sustainability issues including climate change. Result of the discussion then will be shared to board management.</td>
</tr>
<tr>
<td></td>
<td>Reviewing and guiding major plans of action</td>
<td></td>
<td>We also held FCP (Forest Conservation Policy) annual meetings together with sustainability team and board as well as conduct regular meetings with our stakeholder related to FCP. This FCP meeting discusses progress and monitoring related to forest conservation, climate issue, environmental, social and supply chain.</td>
</tr>
<tr>
<td></td>
<td>Reviewing and guiding risk management policies</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reviewing and guiding annual budgets</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reviewing and guiding business plans</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Setting performance objectives</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Monitoring implementation and performance of objectives</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Monitoring and overseeing progress against goals and targets for addressing climate-related issues</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

<table>
<thead>
<tr>
<th>Board member(s) have competence on climate-related issues</th>
<th>Criteria used to assess competence of board member(s) on climate-related issues</th>
<th>Primary reason for no board-level competence on climate-related issues</th>
<th>Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not assessed</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

<table>
<thead>
<tr>
<th>Name of the position(s) and/or committee(s)</th>
<th>Reporting line</th>
<th>Responsibility</th>
<th>Coverage of responsibility</th>
<th>Frequency of reporting to the board on climate-related issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive Officer (CEO)</td>
<td>&lt;Not Applicable&gt;</td>
<td>Both assessing and managing climate-related risks and opportunities</td>
<td>&lt;Not Applicable&gt;</td>
<td>Half-yearly</td>
</tr>
<tr>
<td>Chief Sustainability Officer (CSO)</td>
<td>&lt;Not Applicable&gt;</td>
<td>Both assessing and managing climate-related risks and opportunities</td>
<td>&lt;Not Applicable&gt;</td>
<td>More frequently than quarterly</td>
</tr>
</tbody>
</table>

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

Sustainability and stakeholder engagement division led by a Sustainability Chief Officer and Managing Director. They responsible for managing sustainability activity including climate change and energy strategy at APP such as target set up, monitoring, evaluation, stakeholder engagement and report the progress to board (shareholders).

On governance structure, Sustainability Committee Board (SCB) 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 SCB meets monthly, reviewing performance, overall direction and strategy, as well as any issues raised from stakeholders. The responsibility of CEO includes monitoring and assessment KPI sustainability of CSO, supervise SCB and approval of target and strategy to achieve our sustainability goals.

Climate change and energy use is the important issues on our operations based on materiality analysis which we held previously. Materiality analysis was conducted to mapping the relevant and most important issue related to our operations, this materiality is based on external stakeholders perspective and also consider to APP business. Climate change and energy then embedded to our sustainability target in 2020 and our newly 2030 vision. CSO and Managing Director set up strategy as well as monitors climate change and energy performance periodically and evaluate them each semester through KPI monitoring system. CEO and Deputy CEO headed all managing director and responsible in managing corporate level strategy including support implementation climate change and energy strategy. Carbon emission reduction is part of our Vision 2030 which included to KPI of director and CSO, once they succeed in achieving target they will awarded incentives.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

<table>
<thead>
<tr>
<th>Provide Incentives for the management of climate-related issues</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

C1.3a
(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

<table>
<thead>
<tr>
<th>Entitled to incentive</th>
<th>Type of incentive</th>
<th>Activity incentivized</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Sustainability Officer (CSO)</td>
<td>Monetary reward</td>
<td>Emissions reduction target</td>
<td>In 2019 we launch sustainability vision 2030 where one of the goals is to reduce greenhouse gas emission 30% in our operations. This embedded to KPI target of our sustainability director and managing director. Once they meet the target, they will receive incentives.</td>
</tr>
<tr>
<td>Facilities manager</td>
<td>Monetary reward</td>
<td>Energy reduction project</td>
<td>One of main KPI of our facility manager at mills is to reduce energy cost which means reduction in energy consumption. Our management monitor and evaluate periodically their KPI against the target. Once they succeed meet the target, they receive incentive which embedded to end year KPI review.</td>
</tr>
<tr>
<td>Energy manager</td>
<td>Monetary reward</td>
<td>Energy reduction project</td>
<td>Our energy manager responsible in maintaining mill energy performance and energy reduction. Energy manager also has KPI target to meet energy reduction based on energy audit and energy management system (ISO 50001). They will receive incentives once they meet that target.</td>
</tr>
<tr>
<td>All employees</td>
<td>Monetary reward</td>
<td>Energy reduction project</td>
<td>We use Key Performance Indicators (KPIs) to measure performance against various KPIs including the ones relevant with our Sustainability Roadmap Vision 2030 goals. We have also aligned these scorecards with our new Vision 2030. Our internal management system encourages competition to achieve the goals between mills within our group. We set baseline targets for each mill individually to ensure progress is relative and keep mills appraised of their progress compared to their peers. We provide incentives for individual and team which successful on energy project.</td>
</tr>
</tbody>
</table>

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

<table>
<thead>
<tr>
<th>From (years)</th>
<th>To (years)</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Medium-term</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Long-term</td>
<td>6</td>
<td>10</td>
</tr>
</tbody>
</table>

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

APP takes consideration climate change as one of the issues that would impact to business. According to several studies, Indonesia is vulnerable to other weather-related disasters such as forest and land fires, landslides, storms and drought that have destroyed infrastructure and degraded forest and coastal ecosystems, leading to loss of life, property, ecosystem services and livelihoods. The biggest risk of climate change would be on our supply chain where more than 90% of APP's raw material is pulpwod which sourced from sustainable management forest. Reduction in our pulpwod production will impact to burden cost on purchasing activity and at the worst case will impact to continuity of our pulp and paper production. Reduction 5-10% of pulpwod production can be overcame by import from another sources, this would also impacted to reduction of company revenues. Meanwhile pulpwod reduction of more than 40% may impact to shut down of some pulp mills operation, this would also impacted to business revenues reduction in the same percentage (40%) as well as impacted to another business chain such as paper, tissue and board. Raw material is crucial for APP as it determines the sustainability of our operation. We consider substantive financial impact if the risk can result a loss above one million dollars.

C2.2
(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered
Direct operations
Upstream
Downstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Medium-term
Long-term

Description of process
The Sustainability Committee Board (SCB), headed by APP's CEO, takes into consideration climate change as one of the issues discussed on a regular basis. The SCB meets monthly, reviewing sustainability performance, overall direction and strategy, as well as any issues raised from stakeholders. Where necessary, based on an appraisal of the company’s strategy and risk management of issues including climate change, the Sustainability Committee Board will make provision to material to the Management Board to inform strategic Board decisions. We recognise the potential for climate change to affect APP’s operations and business. These risks and opportunities are both short and long term. Our pulp and paper mills require energy resulting in GHG emissions. Our plantations are a store of carbon which is renewed through replanting and rapid growth, contributing to the circular bioeconomy. We are aligned with the objectives of our customers to reduce carbon emissions and provide products with low carbon footprints. We recognise that Governments in both our local and international markets will progressively adjust policies and regulations to tackle climate change. Extreme weather conditions such as droughts can increase the incidence of fires and reduce yields, affecting our forestry suppliers. APP takes account of climate change (both transition risks and direct physical risks) through corporate risk management processes. Floods and droughts are a common issue in Indonesia and are becoming more frequent. In response, we have mapped out which mills we think are vulnerable to climate change and developed long term adaptation plans that considers business continuity and disaster recovery plans for our assets. These plans consider our supply chain too, and how risks to power supplies or telecommunications could impact those critical products and services that our business relies upon. The investment implications of these plans are considered within our long-term financial planning processes. We take opportunities from relevant risk, for example extreme weather conditions can increase opportunity and demand for solutions to improve crop resilience such as water efficiency, drought and heat tolerance, as well as soil carbon sequestration. Another opportunities such as improving production efficiency with better technology can reduce energy consumption, reduce carbon footprint of product, increase productivity as well as influence the market.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

<table>
<thead>
<tr>
<th>Risk Type</th>
<th>Relevance &amp; Inclusion</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current regulation</td>
<td>Relevant, always included</td>
<td>Current regulation is included to risk assessment. For example, ministry of minerals and energy require companies to report energy consumption annually, while another ministry, Ministry of Industry, require companies to report carbon emission on their platform. Breaking law regulation, mills will get disincentive such as warning letter, published on media, get penalty and energy supply reduction.</td>
</tr>
<tr>
<td>Emerging regulation</td>
<td>Relevant, always included</td>
<td>Europe launched product environmental footprint category standard to regulate environmental impact of paper product marketed in Europe. One of environmental impact included in this standard is the limitation of carbon footprint of product. This standard currently still voluntary for European companies, but probably to be mandatory in future. Should this standard changed to mandatory, our product with higher carbon footprint will not accepted by Europe market then this affected to company revenue.</td>
</tr>
<tr>
<td>Technology</td>
<td>Relevant, always included</td>
<td>APP always conduct benchmark on technology to the most best available technology (BAT) and included to our climate or energy risk assessment. We make sure to adapt and adopt proper technology in the operation lines to not only gaining better efficiency but also preserving the resources. For example, we realize that old equipment on some aged paper machine will affected to high energy consumption. Higher energy consumption will affect to our carbon footprint as well as carbon product itself. As nowadays customers or stakeholders take concern on low environmental impact of product, we should respond this by creating improvement through technology upgrade. This is why we include technology as risk to climate change.</td>
</tr>
<tr>
<td>Legal</td>
<td>Relevant, not included</td>
<td>The scope of legal is part of wide company. Our mills is certified ISO 14001 then the regulation is always monitored and evaluated through the system. We are also certified sustainable management forest which required us to follow legal regulation.</td>
</tr>
<tr>
<td>Market</td>
<td>Relevant, always included</td>
<td>Currently market demand always seek product with low impact to environmental. We marketed product to both of local and overseas. The awareness of responsible consumption is growing fast both in domestic and overseas, and we ensure to responsibly respond to the requirements. For example, we marketed our product in Indonesia and exported to overseas. Indonesia and overseas market such as Singapore and New Zealand require us to fulfill ecobalance standard where one of its item is carbon footprint of product. This parameter can be a potential preference of customers to chose low environmental impact of product. Product with higher carbon footprint will not a good preference in market.</td>
</tr>
<tr>
<td>Reputation</td>
<td>Relevant, always included</td>
<td>Reputation of company included to one of priority as company reputation can reduce market and sales. Our pulpwood supply sourced from sustainable forest in Sumatera and Kalimantan where land management and conservation practice are the most priority raised by stakeholder in related to environment. We also face the challenge to maintain environmental management including emissions in our mills operations. Should we failed to maintain those, our reputation would be down and affected to our market and sales.</td>
</tr>
<tr>
<td>Acute physical</td>
<td>Relevant, always included</td>
<td>Acute physical risk such as hurricane and storm can disrupt water supply and can be also disrupt our supply chain as impact of flooding. Increased capital costs due to supply chain and water shortage requiring expenditure to replace raw material. Increased opportunity and demand for solutions to improve crop resilience (e.g. water efficiency, drought and heat tolerance, as well as soil carbon sequestration).</td>
</tr>
<tr>
<td>Chronic physical</td>
<td>Relevant, always included</td>
<td>Long-term climatic changes in mean temperatures and precipitation patterns. Potential impact on revenues due to impacts on crop quality, yields and length of harvesting periods resulting in changes to production capacity. Also creates potential opportunities for use of new species. Rising sea levels affecting water intake quality.</td>
</tr>
</tbody>
</table>

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.
Identifier
Risk 1

Where in the value chain does the risk driver occur?
Downstream

Risk type & Primary climate-related risk driver

<table>
<thead>
<tr>
<th>Current regulation</th>
<th>Carbon pricing mechanisms</th>
</tr>
</thead>
</table>

Primary potential financial impact
Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
We sold our product to overseas both of developing and developed countries. Our product currently still have carbon emission on such amount. Carbon offsetting strategy could be one potential strategy to be applied. Should we apply carbon credit program to offset our product carbon emission then we can produce carbon neutral product which able to compete in the market. For example, Australian market developed a mechanism for low carbon product, including paper product from our operations. This regulates company to assess their carbon footprint of product, then product with higher emission shall participate in carbon market to make their product to be carbon neutral product. Once carbon neutral product achieved, we will be able to compete in the market. Other countries such as New Zealand and Europe seems to follow this scheme. To make our product to be carbon neutral, we need to do carbon off-set program by buying carbon from carbon market. This will impact to our expenses or operating cost.

Time horizon
Short-term

Likelihood
Very likely

Magnitude of impact
Medium-high

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

Potential financial impact figure (currency)
2500000

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

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

Explanation of financial impact figure
Currently carbon price is estimated 5 USD per tonne on medium price, our carbon footprint product vary from 0.5 to 3 tonne CO2 per tonne which relatives to specific product. Possibility the increment of company expense to do this off-sett is 12 USD per tonne of product on maximum. We identified market with commitment to carbon neutral is around 210,000 ton then result 2.5 million USD of indirect cost.

Cost of response to risk
35000000

Description of response and explanation of cost calculation
Reducing carbon footprint of product impacted to the reduction of indirect cost as lower carbon off-set put on product to be carbon neutral. We took several activities to reduce energy consumption as well as to reduce carbon emission in our mills. These include:
- Appointed Energy Manager for each of our major operations and develop integrated sustainable energy management accordingly
- Investment to replace inefficient facility equipment
- Energy efficiency projects in key operation lines such as replace inefficient equipment, reduce leakage, etc.
- Regular Carbon Footprint Assessment for APP major mills are developed to monitor GHG emission of each operations and identify potential energy saving points
- Implement energy management system (ISO 50001) in APP major operations

The impact of action plan, we can reduce carbon emission intensity significantly in 2020 from baseline 2018.

Comment

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

<table>
<thead>
<tr>
<th>Technology</th>
<th>Transitioning to lower emissions technology</th>
</tr>
</thead>
</table>

Primary potential financial impact
Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Some of our pulp and paper machine is operated of more than ten years. We realize that old equipment on our aged paper machine will affected to higher energy consumption. Higher energy consumption will affect to our carbon footprint as well as carbon product itself. As nowadays customer or stakeholder take concern on low environmental impact of product, we should consider to reduce carbon footprint of product by replacing inefficient equipment with best available technology. This is why...
technology is included as risk to climate change. The potential financial impact could be reduce energy efficiency of aged paper machine. Based on our assessment, paper machine efficiency reduce 1% every year as impact of aging.

**Time horizon**
Medium-term

**Likelihood**
Likely

**Magnitude of impact**
Medium-high

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

**Potential financial impact figure (currency)**
93700000

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

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

**Explanation of financial impact figure**
According to our assessment, our pulp & paper machine efficiency reduce 1% every year due to aging. Estimated our mills aged 20 years approx., then possibility reduction in machine or energy efficiency is 20%. Reduction 20% energy efficiency of our pulp & paper machine equal to the increment 20% of energy consumption. Our energy intake is 277 million GJ, increment of 20% of energy intake equal to 50 million GJ. Assume we use coal as main fuel, 1 ton coal assume 29 GJ, then 50 million GJ energy equal to 1.9 million ton of coal. Assume coal price is 49 USD/ton then price of 1.9 million tonnes of coal is USD 93.7 million. This is the cost for financial impact of our inefficient pulp & paper machine.

**Cost of response to risk**
51000000

**Description of response and explanation of cost calculation**
Replace old equipment with new equipment by considering best available technology. Installation of new technology includes:
- installation of new boiler equipment, with potential expenses
- installation of new pulp and paper machine equipment, with potential expenses

For example, our Indah Kiat Perawang mill installed new high efficiency boiler to replace old boiler, this impacted on energy consumption reduction as well as carbon emission reduction.

The impact of action plan, we can reduce carbon emission intensity significantly in 2020 from baseline 2018.

**Comment**

---

**Identifier**
Risk 5

**Where in the value chain does the risk driver occur?**
Downstream

**Risk type & Primary climate-related risk driver**

<table>
<thead>
<tr>
<th>Market</th>
<th>Changing customer behavior</th>
</tr>
</thead>
</table>

**Primary potential financial impact**
Decreased revenues due to reduced demand for products and services

**Climate risk type mapped to traditional financial services industry risk classification**
<Not Applicable>

**Company-specific description**
Some of local and overseas market such as Australia, Singapore, etc. require us to fulfill ecolabel standard where one of its item is carbon footprint of product. This parameter can be a potential preference of customers to chose low environmental impact of product. Product with higher carbon footprint will not a good preference in market. Currently three of our mills require to get ecolabel standard from market. Should our mills failed to follow the ecolabel requirement will impacted to reduction of revenues.

**Time horizon**
Medium-term

**Likelihood**
Likely

**Magnitude of impact**
Medium-high

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

**Potential financial impact figure (currency)**
500000000

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

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

**Explanation of financial impact figure**
Currently three of our mills require to get ecolabel standard from market. Should our mills failed to follow the ecolabel requirement will impacted to reduction of revenues. The financial calculation includes product that not accepted in market then impacted to potential revenue reduction.

**Cost of response to risk**
1000000

**Description of response and explanation of cost calculation**
Several actions taken to reduce carbon footprint of product at our pulp & paper facilities, includes:
- Benchmark with global best practices and adoption of relevant sustainability standards
- Energy efficiency to reduce greenhouse gas such as replace inefficient equipment e.g replace motors, reduce leakage
- Implement energy management system

For example: our mill Pindo Deli has certified ecolabel. Pindo Deli working with IDH to reduce energy consumption in paper production. Several action have been implemented such as:
- steam optimization (reducing steam and condensate leakage, decreasing hood temperature, heat exchanger improvement, etc.)
- electricity optimization (optimization of refiners operation, minimize loss, modification of steam turbine, etc.)

This project has succeed in reducing electricity and steam consumption. Total saving is 1,000 MWH/ton for electricity and 4,000 ton steam/ton for steam consumption. The impact of action plan, we can reduce carbon emission intensity significantly in 2020 from baseline 2018.

**Comment**

---

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

<table>
<thead>
<tr>
<th>Identifier</th>
<th>Opp1</th>
</tr>
</thead>
</table>

**Where in the value chain does the opportunity occur?**
Downstream

**Opportunity type**
Markets

**Primary climate-related opportunity driver**
Access to new markets

**Primary potential financial impact**
Increased revenues through access to new and emerging markets

**Company-specific description**
We sold our product to overseas such as Australia, Singapore, etc. Our customers in these market increase the demand for low carbon footprint of product such as ecolabel certification. We take this opportunity to design low environmental impact for other products and reach other operations which not yet certified on ecolabels scheme. This will be a good opportunity to reach a new market as well as to place more products on current market.

**Time horizon**
Short-term

**Likelihood**
Likely

**Magnitude of impact**
Medium-high

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

**Potential financial impact figure (currency)**
100000000

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

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

**Explanation of financial impact figure**
We have marketed some certified product to both of regional and overseas market and gain positive revenue. Product price of ecolabel certified is higher compare to product with non-certified low environmental impact. The price can different vary from 50% to more than 100%. Financial calculation includes achievement of ecolabel certification on other mills and the increase of certified product to 20% then our revenue can be increased.

**Cost to realize opportunity**
201000000

**Strategy to realize opportunity and explanation of cost calculation**
To get access on new market, we need to place more of our products on ecolable scheme. We apply the relevant actions to reduce carbon footprint of product in our mills facility in order to meet ecolabel criteria. Actions include:
- energy efficiency at paper and pulp production
- improve power generation efficiency, plan to replace old boiler.
- increase biofuel consumption, by replace fuel oil to used rubber compound oil
- implement energy management system
- conduct third party certification

For example: our mill Pindo Deli has certified ecolabel. Pindo Deli working with IDH to reduce energy consumption in paper production. Several action have been implemented such as:
- steam optimization (reducing steam and condensate leakage, decreasing hood temperature, heat exchanger improvement, etc.)
- electricity optimization (optimization of refining operation, minimize loss, modification of steam turbine, etc.)

This project has succeed in reducing electricity and steam consumption. Total saving is 1,000 MWH/ton for electricity and 4,000 ton steam/ton for steam consumption.

**Comment**

**Identifier**
Opp2

**Where in the value chain does the opportunity occur?**
Direct operations

**Opportunity type**
Resource efficiency

**Primary climate-related opportunity driver**
Use of more efficient production and distribution processes

**Primary potential financial impact**
Reduced direct costs

**Company-specific description**
As impact of regulation and stakeholder request to low carbon emission, our operations implemented efficiency process in all production related area. This include investment for new equipment facility and the use of better technology in our operations. Facility of aged mills need to upgrade in order to maintain or even to increase process efficiency. According to our assessment, our pulp and paper machine efficiency will decease 1% every year due to aging if there is no actions taken to upgrade. For example, one of our old pulp and paper mill, Indah Kiat Perawang, energy consumption was higher in 2011 compare to 2006 due to some old equipment has reach its inefficiency. To increase pulp and paper machine efficiency, mill upgrade some old equipment with new one with better technology. This actions succeed in reducing energy consumption significantly from 45 GJ per tonne of energy intake to 38 GJ per tonne of product.

**Time horizon**
Medium-term

**Likelihood**
Very likely

**Magnitude of impact**
Medium-high

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

**Potential financial impact figure (currency)**
33000000

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

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

**Explanation of financial impact figure**
Energy consumption of our mill Indah Kiat Perawang in 2011 was higher compare to 2006 due to some old equipment has reach its inefficiency. To increase pulp and paper machine efficiency, mill upgrade some old equipment with new one with better technology. This actions succeed in reducing energy consumption significantly from 45 GJ per tonne of energy intake to 38 GJ per tonne of product. This equal to 6 GJ/ton of energy reduction, if multiply with our production then result absolute energy around 20 GJ which is equal to reduction of coal consumption.

**Cost to realize opportunity**
10000000

**Strategy to realize opportunity and explanation of cost calculation**
In case of Indah Kiat Perawang mill, some of actions taken to improve machine efficiency which includes:
- replacement old boiler equipment. Some of equipment has been upgraded previously, currently mill plan to replace another old boiler to new boiler which started in 2021
- energy efficiency such as replacement of inefficient motors and electrical equipment which already did previously.

In other case, another our mill, OKI in South Sumatera, operated in 2018, is a new mill equipped with high technology equipment such as:
- Bark Gasification, OKI mill applies bark gasification technology within its manufacturing operations, which will significantly reduce the need the use of oil and gas in lime kilns up to 80%.
- Multiple-effects evaporators. Pulp processing in OKI mill uses 7 effect evaporator. Multiple-effects evaporators are used to utilize heat more efficiently, thus reduce energy requirement and fuel consumption. The use of the 7 effect evaporator will lead to more than 80% dry solid compared to 70% dry solid from the conventional 6 effect evaporator.
- Methanol for lime kiln. LK uses Methanol ( by product of VE plant ), substituted fuel oil
- Modification of combustion system. To further optimize the use of energy within its operations, OKI had also done several modification of its combustion system in its power boiler

With all these new technology, OKI became our mill with the highest efficiency, if compare to another of APP pulp & paper mills, efficiency of OKI is higher 50%.
Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Resource efficiency

Primary climate-related opportunity driver
Use of recycling

Primary potential financial impact
Reduced direct costs

Company-specific description
Life cycle process of paper product using recycled material is lower compare to virgin pulp based material due to short process of paper production with recycled material. This impacted to lower carbon footprint of the recycled based product. Our paper mills, Tjiwi Kimia and Indah Kiat Serang are using recycled material to produce paper, board and other converted paper product. As demand of lower carbon footprint product is increased in market then strategy for using recycled material is a good option. This strategy also impacted to the cost of operation. Price of recycled paper is 80% lower than virgin pulp, this result significant effect on reduction of operating cost.

Time horizon
Short-term

Likelihood
Very likely

Magnitude of impact
Medium-high

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

Potential financial impact figure (currency)
20000000

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

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

Explanation of financial impact figure
Recycled material contribute to reduction of operating cost due to the price of virgin pulp is higher recently. Price of pulp is around 700 USD/tonne and price of recycled paper material is around 100 USD/ton then operating cost can reduce significantly. Our mill Tjiwi Kimia use recycled paper material on such amount, if compare to the cost virgin pulp material, then operational cost of using recycled material will be reduced

Cost to realize opportunity
28000000

Strategy to realize opportunity and explanation of cost calculation
Paper production using recycled material need investment on deinking facility to improve quality of fiber sourced from recycled material. Our mills Tjiwi Kimia and Indah Kiat Serang invest deinking facility which includes pulper, flotation machine, coarse screen and storage tank. Investment for deinking plant around USD 28 million.

Comment

C3. Business Strategy

C3.1
(C3.1) Does your organization’s strategy include a transition plan that aligns with a 1.5°C world?

Row 1

Transition plan
No, but our strategy has been influenced by climate-related risks and opportunities, and we are developing a transition plan within two years

Publicly available transition plan
<Not Applicable>

Mechanism by which feedback is collected from shareholders on your transition plan
<Not Applicable>

Description of feedback mechanism
<Not Applicable>

Frequency of feedback collection
<Not Applicable>

Attach any relevant documents which detail your transition plan (optional)
<Not Applicable>

Explain why your organization does not have a transition plan that aligns with a 1.5°C world and any plans to develop one in the future

our company has limited resources to renewable energy as we are operated in developing country. We are currently exploring to revise the target based on SBTI which aligned with 1.5°C

Explain why climate-related risks and opportunities have not influenced your strategy
<Not Applicable>

(C3.2)

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

<table>
<thead>
<tr>
<th>Use of climate-related scenario analysis to inform strategy</th>
<th>Primary reason why your organization does not use climate-related scenario analysis to inform its strategy</th>
<th>Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1</td>
<td>Yes, qualitative and quantitative</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

(C3.2a)

(C3.2a) Provide details of your organization’s use of climate-related scenario analysis.

<table>
<thead>
<tr>
<th>Climate-related scenario analysis coverage</th>
<th>Scenario analysis coverage</th>
<th>Temperature alignment of scenario</th>
<th>Parameters, assumptions, analytical choices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transition scenarios</td>
<td>Customized publicly available transition scenario</td>
<td>1.5°C</td>
<td>Indonesia launch NDC in 2016, this is a guideline for all private sectors in Indonesia to decide climate change target. As APP operates in developing country with limited access to renewable energy, therefore NDC would be the most possible guideline to be implemented by private sectors. Indonesia's Nationally Determined Contribution (NDC) outlines the country’s transition to a low carbon and climate resilience future. The NDC describes the enhanced actions and the necessary enabling environment during the 2015-2019 period that will lay the foundation for more ambitious goals beyond 2020, contributing to the concerted effort to prevent 2.0°C increase in global average temperature and to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels.</td>
</tr>
</tbody>
</table>

(C3.2b)

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions
How the impact of higher carbon footprint of product to the product market or sales

Results of the climate-related scenario analysis with respect to the focal questions
Scenario analysis :
1. Higher carbon footprint could impact to lower product sales due to high environmental impact.
2. Higher carbon footprint could impact directly to the Indonesia government target to meet NDC target

Possible future development :
1. Investment on efficient production & energy consumption
2. Increase renewable energy consumption
3. Increase carbon sequestration from forestry site

C3.3
(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

<table>
<thead>
<tr>
<th>Have climate-related risks and opportunities influenced your strategy in this area?</th>
<th>Description of influence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products and services</td>
<td>Yes</td>
</tr>
<tr>
<td>Supply chain and/or value chain</td>
<td>Yes</td>
</tr>
<tr>
<td>Investment in R&amp;D</td>
<td>Yes</td>
</tr>
<tr>
<td>Operations</td>
<td>Yes</td>
</tr>
</tbody>
</table>

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

<table>
<thead>
<tr>
<th>Financial planning elements that have been influenced</th>
<th>Description of influence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>As market demand nowadays tend to low carbon product, we take this opportunity to place our product on low carbon product certified. The price of low carbon certified product at least 50% higher than non-certified product. As the impact, our revenue will increase significantly. Currently we have 2 mills which ecocert labelled, there is a big opportunity to expand this scheme on other mills. To accommodate this planning, we need to do investment on our facility to upgrade this with best technology available. Some facility has upgraded such as replacement old boiler, motors and other operations equipment, we plan to do more investment to another mills with high potential market of low carbon product and this will impact to higher capital expenditures. Indirect cost will also impact as other market need to put on carbon neutral product. To accommodate this, we need to put more cost or indirect cost to participate on carbon market. Time horizon of these actions is medium to long term.</td>
</tr>
</tbody>
</table>

C4. Targets and performance

(C4.1) Did you have an emissions target that was active in the reporting year?

Intensity target

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

- **Target reference number**
  - Int 1

- **Year target was set**
  - 2018

- **Target coverage**
  - Company-wide

- **Scope(s)**
  - Scope 1
  - Scope 2

- **Scope 2 accounting method**
  - Location-based

- **Scope 3 category(ies)**
  - <Not Applicable>

- **Intensity metric**
  - Metric tons CO2e per metric ton of product

- **Base year**
  - 2018

- **Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)**
Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)

0.077

Intensity figure in base year for Scope 3 (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

1.164

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

100

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

100

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure

<Not Applicable>

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2030

Targeted reduction from base year (%)

30

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]

0.8148

% change anticipated in absolute Scope 1+2 emissions

38

% change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

0.94

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)

0.07

Intensity figure in reporting year for Scope 3 (metric tons CO2e per unit of activity)

<Not Applicable>

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

1.01

% of target achieved relative to base year [auto-calculated]

44.1008018327606

Target status in reporting year

Achieved

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Target ambition

<Not Applicable>

Please explain target coverage and identify any exclusions

We are setting the target based on our capability and available condition in Indonesia. We follow Indonesia's NDC guideline for carbon emission reduction. Carbon reduction target is applied for all of our manufacturing pulp & paper mills in Indonesia which operationally controlled by APP.

We already announce our another long term target, sustainability vision 2030, which commit to reduce carbon footprint emission 30% from 2018 baseline. However, in 2021, We redefine our baseline & target data as we have improved methodology for calculation for Scope 1 & 2.

We breakdown our long term target to yearly target. Regarding to science based target, we are currently still assess the possibility to follow this scheme. Our company operated in developing country where access to renewable energy source is limited due to lack of infrastructure and supporting facility of renewable energy.

Plan for achieving target, and progress made to the end of the reporting year

<Not Applicable>

List the emissions reduction initiatives which contributed most to achieving this target

Energy efficiency
Renewable energy usage
Process optimization

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Target(s) to increase low-carbon energy consumption or production

CDP
(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

**Target reference number**
Low 1

**Year target was set**
2018

**Target coverage**
Company-wide

**Target type: energy carrier**
All energy carriers

**Target type: activity**
Consumption

**Target type: energy source**
Renewable energy source(s) only

**Base year**
2018

**Consumption or production of selected energy carrier in base year (MWh)**
40033630.07

**% share of low-carbon or renewable energy in base year**
53

**Target year**
2030

**% share of low-carbon or renewable energy in target year**
50

**% share of low-carbon or renewable energy in reporting year**
56

**% of target achieved relative to base year [auto-calculated]**
-100

**Target status in reporting year**
Achieved

**Is this target part of an emissions target?**
This related to emission reduction target, reduce energy also support to reduction of GHG emission.

**Is this target part of an overarching initiative?**
No, it's not part of an overarching initiative

**Please explain target coverage and identify any exclusions**
This target is our commitment to sustainability as well as support government to reduce GHG emission on energy sector. The scope is whole APP pulp and paper operations.

**Plan for achieving target, and progress made to the end of the reporting year**
<Not Applicable>

**List the actions which contributed most to achieving this target**
Increasing black liquor and bark usage

---

**C4.3**

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

---

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

<table>
<thead>
<tr>
<th>Number of initiatives</th>
<th>Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under investigation</td>
<td>5</td>
</tr>
<tr>
<td>To be implemented*</td>
<td>10</td>
</tr>
<tr>
<td>Implementation commenced*</td>
<td>3</td>
</tr>
<tr>
<td>Implemented*</td>
<td>10</td>
</tr>
<tr>
<td>Not to be implemented</td>
<td>0</td>
</tr>
</tbody>
</table>
(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

<table>
<thead>
<tr>
<th>Initiative category &amp; Initiative type</th>
<th>Energy efficiency in production processes</th>
<th>Process optimization</th>
</tr>
</thead>
</table>

| Estimated annual CO2e savings (metric tonnes CO2e) | 86563 |
| Scope(s) or Scope 3 category(ies) where emissions savings occur | Scope 1 |
| Voluntary/Mandatory | Voluntary |
| Annual monetary savings (unit currency – as specified in C0.4) | 1483073 |
| Investment required (unit currency – as specified in C0.4) | 296615 |
| Payback period | 1-3 years |
| Estimated lifetime of the initiative | 6-10 years |

Comment

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

<table>
<thead>
<tr>
<th>Method</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compliance with regulatory requirements/standards</td>
<td>Our major mills are certified with energy management system (ISO50001) and there is a requirement to reduce energy as recommended by energy audit. Besides that we have to make several activity to reduce energy as recommended by Government regulation</td>
</tr>
<tr>
<td>Financial optimization calculations</td>
<td>Pulp and paper manufacturing is an energy intensive process, where the generation of heat, steam and electricity is required. Reducing energy use equal to reduce fuel consumption which also means reducing our energy cost.</td>
</tr>
</tbody>
</table>

C-AC4.4/C-FB4.4/C-PF4.4

(C-AC4.4/C-FB4.4/C-PF4.4) Do you implement agriculture or forest management practices on your own land with a climate change mitigation and/or adaption benefit?

Yes

C-AC4.4a/C-FB4.4a/C-PF4.4a
Specify the agricultural or forest management practice(s) implemented on your own land with climate change mitigation and/or adaptation benefits and provide a corresponding emissions figure, if known.

Management practice reference number
MP1

Management practice
Agroforestry

Description of management practice
IFFS (Integrated Forestry and Farming System) Program aim to provide alternative sustainable livelihood for forest community to prevent them opening land using illegal practices such as fire and illegal logging. To prevent deforestation due to community illegal practices, APP initiate an Integrated Forest and Farming System (IFFS), a program aim to support community in implementing sustainable livelihood using existing land to prevent unsustainable practices such as opening land using fire, poaching or illegal logging.

Primary climate change-related benefit
Emission reductions (mitigation)

Estimated CO2e savings (metric tons CO2e)
20000

Please explain
This program reduce emission from forest due to reduction of forest fires.

Management practice reference number
MP2

Management practice
Pest, disease and weed management practices

Description of management practice
We develop precautionary approach to prevent pest attack or illness in plantation forest

Primary climate change-related benefit
Increasing resilience to climate change (adaptation)

Estimated CO2e savings (metric tons CO2e)
41502

Please explain
CO2 saving in biomass plantations

Management practice reference number
MP3

Management practice
Fire control

Description of management practice
Integrated Fire Management Strategy (prevention, preparation, early detection and rapid response)

Primary climate change-related benefit
Emission reductions (mitigation)

Estimated CO2e savings (metric tons CO2e)
3682822

Please explain
Physical risks arise from forest fires which still happen in our concession area in Sumatra. We do not practice, and highly condemn slash and burn activity for its detrimental impact to the environment. To combat forest fires, we are implementing Integrated Fire Management Strategy (prevention, preparation, early detection and rapid response).

Management practice reference number
MP4

Management practice
Land use change

Description of management practice
SERA (Supplier Evaluation and Risk Assessment)

Primary climate change-related benefit
Emission reductions (mitigation)

Estimated CO2e savings (metric tons CO2e)
500000

Please explain
CO2 savings in biomass plantations

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?
Yes
C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

- **Level of aggregation**
  Group of products or services

- **Taxonomy used to classify product(s) or service(s) as low-carbon**
  Please select

- **Type of product(s) or service(s)**
  Please select

- **Description of product(s) or service(s)**

- **Have you estimated the avoided emissions of this low-carbon product(s) or service(s)**
  Please select

- **Methodology used to calculate avoided emissions**
  <Not Applicable>

- **Life cycle stage(s) covered for the low-carbon product(s) or service(s)**
  <Not Applicable>

- **Functional unit used**
  <Not Applicable>

- **Reference product/service or baseline scenario used**
  <Not Applicable>

- **Life cycle stage(s) covered for the reference product/service or baseline scenario**
  <Not Applicable>

- **Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario**
  <Not Applicable>

- **Explain your calculation of avoided emissions, including any assumptions**
  <Not Applicable>

- **Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year**

---

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

- No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

- **Row 1**
  - **Has there been a structural change?**
    - Yes, a merger
  - **Name of organization(s) acquired, divested from, or merged with**
    - Indah Kiat Perawang, Pindo Deli Perawang and Univerus Perawang are merged as Perawang Mills
  - **Details of structural change(s), including completion dates**
    - Indah Kiat Perawang, Pindo Deli Perawang and Univerus Perawang are the same location in Perawang. They have one facility for all power plant, wtp, wwtp, and other supported facilities. Thus, we decide to combine all these 3 mills as Perawang Mills

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

<table>
<thead>
<tr>
<th>Change(s) in methodology, boundary, and/or reporting year definition?</th>
<th>Details of methodology, boundary, and/or reporting year definition change(s)</th>
</tr>
</thead>
</table>
| Row 1: Yes, a change in methodology  
Yes, a change in boundary                                                  | Include emission from mobile combustion  
Exclude emission to sister mill  
Improve methodology to collect the data                                     |

---

CDP
C5.1c

(C5.1c) Have your organization’s base year emissions been recalculated as result of the changes or errors reported in C5.1a and C5.1b?

<table>
<thead>
<tr>
<th>Row</th>
<th>Base year recalculation</th>
<th>Base year emissions recalculation policy, including significance threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start
January 1 2018

Base year end
December 31 2018

Base year emissions (metric tons CO2e)
11094558

Comment
Recalculated due to a better understanding on emissions boundary through improvements in methodology

Scope 2 (location-based)

Base year start
January 1 2018

Base year end
December 31 2018

Base year emissions (metric tons CO2e)
784732

Comment
Recalculated due to a better understanding on emissions boundary through improvements in methodology

Scope 2 (market-based)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 1: Purchased goods and services

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 2: Capital goods

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 4: Upstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment
Scope 3 category 5: Waste generated in operations
Base year start
Base year end
Base year emissions (metric tons CO2e)
Comment
Scope 3 category 6: Business travel
Base year start
Base year end
Base year emissions (metric tons CO2e)
Comment
Scope 3 category 7: Employee commuting
Base year start
Base year end
Base year emissions (metric tons CO2e)
Comment
Scope 3 category 8: Upstream leased assets
Base year start
Base year end
Base year emissions (metric tons CO2e)
Comment
Scope 3 category 9: Downstream transportation and distribution
Base year start
Base year end
Base year emissions (metric tons CO2e)
Comment
Scope 3 category 10: Processing of sold products
Base year start
Base year end
Base year emissions (metric tons CO2e)
Comment
Scope 3 category 11: Use of sold products
Base year start
Base year end
Base year emissions (metric tons CO2e)
Comment
Scope 3 category 12: End of life treatment of sold products
Base year start
Base year end
Base year emissions (metric tons CO2e)
Comment
Scope 3 category 13: Downstream leased assets
Base year start
Base year end
Base year emissions (metric tons CO2e)
Comment
Scope 3 category 14: Franchises
Base year start
Base year end
Base year emissions (metric tons CO2e)
Comment
Scope 3 category 15: Investments
Base year start
Base year end
Base year emissions (metric tons CO2e)
Comment
Scope 3: Other (upstream)
Base year start
Base year end
Base year emissions (metric tons CO2e)
Comment
Scope 3: Other (downstream)
Base year start
Base year end
Base year emissions (metric tons CO2e)
Comment

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.
IPCC Guidelines for National Greenhouse Gas Inventories, 2006
Other, please specify (Calculation Tools for GHG pulp & paper)

C6. Emissions data

C6.1

(C6.1) What were your organization’s gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
10980146
Start date
January 1 2021
End date
December 31 2021
Comment
Reduction 104,662 tCO2 from baseline year

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)
10783135
Start date
January 1 2020
End date
December 31 2020
Comment
Reduction 311,423 tCO2 from baseline year

C6.2
(C6.2) Describe your organization’s approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure.

Scope 2, market-based
We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure.

Comment
NA

C6.3

(C6.3) What were your organization’s gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
794481

Scope 2, market-based (if applicable)
<Not Applicable>

Start date
January 1 2021

End date
December 31 2021

Comment
Scope 2 includes indirect emissions from purchased electricity

Past year 1

Scope 2, location-based
750945

Scope 2, market-based (if applicable)
<Not Applicable>

Start date
January 1 2020

End date
December 31 2020

Comment
Scope 2 includes indirect emissions from purchased electricity

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization’s gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
3130809

Emissions calculation methodology
Other, please specify (- Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard - IPCC)

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Primary data: quantities of purchasing volumes from APP Sourcing, supplier data.
Secondary data: Emissions factors (secondary data), cradle-to-gate emissions factors were obtained from commercially and publicly available databases SimaPro (Pre) and ecoinvent (updated database 2020).
### Capital goods
**Evaluation status**
Not relevant, explanation provided

**Emissions in reporting year (metric tons CO2e)**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**
Not relevant category and not considered as a relevant category in terms of emissions. Our assessment showed 0.4% of total emissions for machines and buildings. Overall, emissions related to infrastructure (capital goods, leased assets, etc.) can be estimated to be less than 100,000 tonnes.

### Fuel-and-energy-related activities (not included in Scope 1 or 2)
**Evaluation status**
Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**
701830

**Emissions calculation methodology**
Other, please specify (- Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard - IPCC)

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
100

**Please explain**
Primary data: quantity of wood transported to pulp mills, distance between forestry to pulp mills
Secondary data: Emissions factors (secondary data) were obtained from commercially and publicly available databases SimaPro (Pre) and ecoinvent (updated database 2020).

### Upstream transportation and distribution
**Evaluation status**
Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**
174466

**Emissions calculation methodology**
Other, please specify (- Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard - IPCC)

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
100

**Please explain**
Primary data: quantity of wood transported to pulp mills, distance between forestry to pulp mills
Secondary data: Emissions factors (secondary data) were obtained from commercially and publicly available databases SimaPro (Pre) and ecoinvent (updated database 2020).

### Waste generated in operations
**Evaluation status**
Not relevant, explanation provided

**Emissions in reporting year (metric tons CO2e)**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**
Not relevant category. Our pulp mill which has landfill emission is included to scope 1 emission as it is controlled by APP. While waste disposal emission of scope 3 is not significant compared to total emission, only 0.04% based on LCA study in 2017.

### Business travel
**Evaluation status**
Not relevant, explanation provided

**Emissions in reporting year (metric tons CO2e)**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**
No travel in 2021 due to pandemic.
Employee commuting

**Evaluation status**
Not relevant, explanation provided

**Emissions in reporting year (metric tons CO2e)**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**
Not a relevant category provided.

Upstream leased assets

**Evaluation status**
Not relevant, explanation provided

**Emissions in reporting year (metric tons CO2e)**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**
Not a relevant category and lack of data.

Downstream transportation and distribution

**Evaluation status**
Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**
422254

**Emissions calculation methodology**
Other, please specify (- Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard - IPCC)

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
90

**Please explain**
Primary data: quantities of products sold in the reporting year as well as transportation to customers. Transportation was assumed by sea freight. Land transportation from mills to port is negligible due to short distance compare to sea freight. Secondary data: Emissions factors (secondary data) were obtained from commercially and publicly available databases SimaPro (Pre) and ecoinvent (updated database 2020).

Processing of sold products

**Evaluation status**
Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**
4832680

**Emissions calculation methodology**
Other, please specify (- Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard - IPCC)

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
100

**Please explain**
Primary data: production of pulp product from APP mills. Secondary data: Emissions factors (secondary data) were obtained from commercially and publicly available databases SimaPro (Pre) and ecoinvent (updated database 2020).

Use of sold products

**Evaluation status**
Not relevant, explanation provided

**Emissions in reporting year (metric tons CO2e)**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**
Not a relevant category. Pulp and paper products do not generate emissions at the use stage.
End of life treatment of sold products

Emissions in reporting year (metric tons CO2e)
73978

Emissions calculation methodology
Other, please specify (- Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard - IPCC)

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Primary data: whole paper production from APP mills
Secondary data: Emissions factors (secondary data) were obtained from commercially and publicly available databases SimaPro (Pre) and ecoinvent (updated database 2020).

Downstream leased assets

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Not relevant category in terms of emissions. Our assessment showed 0.4% of total emissions for machines and buildings. Overall, emissions related to infrastructure (capital goods, leased assets, etc.) can be estimated to be less than 100,000 tonnes

Franchises

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Not applicable, as we do not own or operate franchises.

Investments

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Not applicable. No investments of APP generate emissions.

Other (upstream)

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
C6.5a

(C6.5a) Disclose or restate your Scope 3 emissions data for previous years.

**Past year 1**

**Start date**
January 1 2020

**End date**
December 31 2020

**Scope 3: Purchased goods and services (metric tons CO2e)**
2671173

**Scope 3: Capital goods (metric tons CO2e)**

**Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)**
613692

**Scope 3: Upstream transportation and distribution (metric tons CO2e)**
186530

**Scope 3: Waste generated in operations (metric tons CO2e)**

**Scope 3: Business travel (metric tons CO2e)**
0

**Scope 3: Employee commuting (metric tons CO2e)**

**Scope 3: Upstream leased assets (metric tons CO2e)**

**Scope 3: Downstream transportation and distribution (metric tons CO2e)**
460515

**Scope 3: Processing of sold products (metric tons CO2e)**
4833981

**Scope 3: Use of sold products (metric tons CO2e)**

**Scope 3: End of life treatment of sold products (metric tons CO2e)**
73925

**Scope 3: Downstream leased assets (metric tons CO2e)**

**Scope 3: Franchises (metric tons CO2e)**

**Scope 3: Investments (metric tons CO2e)**

**Scope 3: Other (upstream) (metric tons CO2e)**

**Scope 3: Other (downstream) (metric tons CO2e)**

**Comment**

C-AC6.8/C-FB6.8/C-PF6.8

(C-AC6.8/C-FB6.8/C-PF6.8) Is biogenic carbon pertaining to your direct operations relevant to your current CDP climate change disclosure?

Yes
Account for biogenic carbon data pertaining to your direct operations and identify any exclusions.

CO2 emissions from land use management
Emissions (metric tons CO2)
Methodology
Please explain

CO2 removals from land use management
Emissions (metric tons CO2)
Methodology
Please explain

Sequestration during land use change
Emissions (metric tons CO2)
Methodology
Please explain

CO2 emissions from biofuel combustion (land machinery)
Emissions (metric tons CO2)
Methodology
Please explain

CO2 emissions from biofuel combustion (processing/manufacturing machinery)
Emissions (metric tons CO2)
Methodology
Field measurements
Please explain
Primary data: quantity of black liquor, bark and palm fiber
Secondary data: Emissions factors from IPCC

CO2 emissions from biofuel combustion (other)
Emissions (metric tons CO2)
Methodology
Please explain

Do you collect or calculate greenhouse gas emissions for each commodity reported as significant to your business in C-AC0.7/FB0.7/PF0.7?

Agricultural commodities
Timber

Do you collect or calculate GHG emissions for this commodity?
Yes

Please explain
We implement sustainable management forest in our forestry operations then carbon stock on our forestry is neutral. Meanwhile carbon emission from forestry activities such as the use of fertilizer, planting, maintenance and harvesting activities are not significant compare to total emission of manufacturing operations.
Timber

Reporting emissions by
Total

Emissions (metric tons CO2e)

Denominator: unit of production
<Not Applicable>

Change from last reporting year
About the same

Please explain
We reporting pulpwood emission this year through life cycle assessment.
Primary data: wood sourced by APP mills
Secondary data: Emissions factors (secondary data) were obtained from commercially and publicly available databases SimaPro (Pre) and ecoinvent (updated database 2020).

This emission is not included to scope 1 emission due to most of transport activities did by contractors.

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
1.012

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
11774627

Metric denominator
metric ton of product

Metric denominator: Unit total

Scope 2 figure used
Location-based

% change from previous year
0.95

Direction of change
Increased

Reason for change
Increase total production

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?
Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

<table>
<thead>
<tr>
<th>Greenhouse gas</th>
<th>Scope 1 emissions (metric tons CO2e)</th>
<th>GWP Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO2</td>
<td>10980146</td>
<td>IPCC Fifth Assessment Report (AR5 – 100 year)</td>
</tr>
<tr>
<td>CH4</td>
<td>18194</td>
<td>IPCC Fifth Assessment Report (AR5 – 100 year)</td>
</tr>
<tr>
<td>N2O</td>
<td>40761</td>
<td>IPCC Fifth Assessment Report (AR5 – 100 year)</td>
</tr>
<tr>
<td>HFCs</td>
<td>56275</td>
<td>IPCC Fifth Assessment Report (AR5 – 100 year)</td>
</tr>
</tbody>
</table>

C7.2
(C7.2) Break down your total gross global Scope 1 emissions by country/region.

<table>
<thead>
<tr>
<th>Country/Region</th>
<th>Scope 1 emissions (metric tons CO2e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indonesia</td>
<td>10980146</td>
</tr>
</tbody>
</table>

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By facility

C7.3b

(C7.3b) Break down your total gross global Scope 1 emissions by business facility.

<table>
<thead>
<tr>
<th>Facility</th>
<th>Scope 1 emissions (metric tons CO2e)</th>
<th>Latitude</th>
<th>Longitude</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ekamas Fortuna Malang</td>
<td>119392.361</td>
<td>-7.975985</td>
<td>112.626878</td>
</tr>
<tr>
<td>Indah Kiat Pulp &amp; Paper, Serang Mill</td>
<td>1951487.226</td>
<td>-6.12</td>
<td>106.1928</td>
</tr>
<tr>
<td>Indah Kiat Pulp &amp; Paper, Tangerang Mill</td>
<td>102907.863</td>
<td>-6.17833</td>
<td>106.63194</td>
</tr>
<tr>
<td>Indah Kiat Pulp &amp; Paper, Univerus, and Pindo Deli in Perawang Mill,</td>
<td>4246506.391</td>
<td>0.664278</td>
<td>101.595668</td>
</tr>
<tr>
<td>Tjiwi Kimia</td>
<td>2131040.886</td>
<td>-7.4716</td>
<td>112.44</td>
</tr>
<tr>
<td>Pindo Deli Karawang, Mill 1</td>
<td>419270.981</td>
<td>-6.3125</td>
<td>107.295</td>
</tr>
<tr>
<td>Pindo Deli Karawang, Mill 2</td>
<td>674139.213</td>
<td>-6.3125</td>
<td>107.295</td>
</tr>
<tr>
<td>Pindo Deli Karawang, Mill 3</td>
<td>271713.086</td>
<td>-6.3125</td>
<td>107.295</td>
</tr>
<tr>
<td>Lontar Papyrus</td>
<td>846141.328</td>
<td>-1.01</td>
<td>103.08</td>
</tr>
<tr>
<td>OKI Pulp &amp; Paper</td>
<td>217546.275</td>
<td>-3.329272</td>
<td>105.416347</td>
</tr>
</tbody>
</table>

C-AC7.4/C-FB7.4/C-PF7.4

(C-AC7.4/C-FB7.4/C-PF7.4) Do you include emissions pertaining to your business activity(ies) in your direct operations as part of your global gross Scope 1 figure?

No

C-AC7.4c/C-FB7.4c/C-PF7.4c

(C-AC7.4c/C-FB7.4c/C-PF7.4c) Why do you not include greenhouse gas emissions pertaining your business activity(ies) in your direct operations as part of your global gross Scope 1 figure? Describe any plans to do so in the future.

<table>
<thead>
<tr>
<th>Primary reason</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other, please specify (sustainable forest management)</td>
<td>We are not including emission from forestry due to our forestry managed with sustainable forest management (SFM) so we assume carbon stock is neutral.</td>
</tr>
</tbody>
</table>

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

<table>
<thead>
<tr>
<th>Country/Region</th>
<th>Scope 2, location-based (metric tons CO2e)</th>
<th>Scope 2, market-based (metric tons CO2e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indonesia</td>
<td>794481</td>
<td>0</td>
</tr>
</tbody>
</table>

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By facility

C7.6b
(C7.6b) Break down your total gross global Scope 2 emissions by business facility.

<table>
<thead>
<tr>
<th>Facility</th>
<th>Scope 2, location-based (metric tons CO2e)</th>
<th>Scope 2, market-based (metric tons CO2e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ekamas Fortuna Malang</td>
<td>81603</td>
<td></td>
</tr>
<tr>
<td>Indah Kiat Sarang Mill</td>
<td>170276</td>
<td></td>
</tr>
<tr>
<td>Indah Kiat Tangerang Mill</td>
<td>36573</td>
<td></td>
</tr>
<tr>
<td>Tjiwi Kimia</td>
<td>201536</td>
<td></td>
</tr>
<tr>
<td>Pindo Deli Karawang Mill 1</td>
<td>33768</td>
<td></td>
</tr>
<tr>
<td>Pindo Deli Karawang Mill 2</td>
<td>249869</td>
<td></td>
</tr>
<tr>
<td>Pindo Deli Karawang Mill 3</td>
<td>20855</td>
<td></td>
</tr>
<tr>
<td>Indah Kiat Pulp &amp; Paper, Univerus, and Pindo Deli in Perawang Mill</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Lontar Papyrus</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>OKI Pulp &amp; Paper</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

<table>
<thead>
<tr>
<th>Change in emissions (metric tons CO2e)</th>
<th>Direction of change</th>
<th>Emissions value (percentage)</th>
<th>Please explain calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in renewable energy consumption</td>
<td>15713427</td>
<td>Decreased 8</td>
<td>The gross global emissions (Scope 1 + 2) of company for this reporting year are 15,713,427 metric tons of CO2e. Its gross global emissions for the previous reporting year were 16,998,637 metric tons of CO2e. This means that the total change in emissions is 1,285,210 metric tons of CO2e, equal to a 8% decrease.</td>
</tr>
<tr>
<td>Other emissions reduction activities</td>
<td>0</td>
<td>No change 0</td>
<td>NA</td>
</tr>
<tr>
<td>Divestment</td>
<td>0</td>
<td>No change 0</td>
<td>NA</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>0</td>
<td>No change 0</td>
<td>NA</td>
</tr>
<tr>
<td>Mergers</td>
<td>0</td>
<td>No change 0</td>
<td>NA</td>
</tr>
<tr>
<td>Change in output</td>
<td>0</td>
<td>No change 0</td>
<td>NA</td>
</tr>
<tr>
<td>Change in methodology</td>
<td>0</td>
<td>No change 0</td>
<td>NA</td>
</tr>
<tr>
<td>Change in boundary</td>
<td>0</td>
<td>No change 0</td>
<td>NA</td>
</tr>
<tr>
<td>Change in physical operating conditions</td>
<td>0</td>
<td>No change 0</td>
<td>NA</td>
</tr>
<tr>
<td>Unidentified</td>
<td>0</td>
<td>No change 0</td>
<td>NA</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>No change 0</td>
<td>NA</td>
</tr>
</tbody>
</table>

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 5% but less than or equal to 10%

C8.2
(C8.2) Select which energy-related activities your organization has undertaken.

<table>
<thead>
<tr>
<th>Energy-related Activity</th>
<th>Yes/No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption of fuel (excluding feedstocks)</td>
<td>Yes</td>
</tr>
<tr>
<td>Consumption of purchased or acquired electricity</td>
<td>Yes</td>
</tr>
<tr>
<td>Consumption of purchased or acquired heat</td>
<td>No</td>
</tr>
<tr>
<td>Consumption of purchased or acquired steam</td>
<td>No</td>
</tr>
<tr>
<td>Consumption of purchased or acquired cooling</td>
<td>No</td>
</tr>
<tr>
<td>Generation of electricity, heat, steam, or cooling</td>
<td>Yes</td>
</tr>
</tbody>
</table>

(C8.2a) Report your organization’s energy consumption totals (excluding feedstocks) in MWh.

<table>
<thead>
<tr>
<th>Energy-related Activity</th>
<th>Heating value</th>
<th>MWh from renewable sources</th>
<th>MWh from non-renewable sources</th>
<th>Total (renewable and non-renewable) MWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption of fuel (excluding feedstocks)</td>
<td>LHV (lower heating value)</td>
<td>44186185.28</td>
<td>33655405.09</td>
<td>77841590.36</td>
</tr>
<tr>
<td>Consumption of purchased or acquired electricity</td>
<td>&lt;Not Applicable&gt;</td>
<td>0</td>
<td>910565</td>
<td>910565</td>
</tr>
<tr>
<td>Consumption of purchased or acquired heat</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Consumption of purchased or acquired steam</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Consumption of purchased or acquired cooling</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Consumption of self-generated non-fuel renewable energy</td>
<td>&lt;Not Applicable&gt;</td>
<td>0</td>
<td>&lt;Not Applicable&gt;</td>
<td>0</td>
</tr>
<tr>
<td>Total energy consumption</td>
<td>&lt;Not Applicable&gt;</td>
<td>44186185.28</td>
<td>34565970.09</td>
<td>78752155.36</td>
</tr>
</tbody>
</table>

(C8.2b) Select the applications of your organization’s consumption of fuel.

<table>
<thead>
<tr>
<th>Fuel application</th>
<th>Yes/No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption of fuel for the generation of electricity</td>
<td>Yes</td>
</tr>
<tr>
<td>Consumption of fuel for the generation of heat</td>
<td>Yes</td>
</tr>
<tr>
<td>Consumption of fuel for the generation of steam</td>
<td>Yes</td>
</tr>
<tr>
<td>Consumption of fuel for the generation of cooling</td>
<td>No</td>
</tr>
<tr>
<td>Consumption of fuel for co-generation or tri-generation</td>
<td>Yes</td>
</tr>
</tbody>
</table>

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

**Sustainable biomass**

- **Heating value**
  - LHV

**Total fuel MWh consumed by the organization**

<table>
<thead>
<tr>
<th>MWh fuel consumed for self-generation of electricity</th>
<th>44186185.28</th>
</tr>
</thead>
<tbody>
<tr>
<td>MWh fuel consumed for self-generation of heat</td>
<td>0</td>
</tr>
<tr>
<td>MWh fuel consumed for self-generation of steam</td>
<td>0</td>
</tr>
<tr>
<td>MWh fuel consumed for self-generation of cooling</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>MWh fuel consumed for self-co-generation or self-trigeneration</td>
<td>44186185.28</td>
</tr>
</tbody>
</table>

**Comment**

- Biomass fuel come from bark, black liquor, saw dust, palm fiber
Other biomass
Heating value
Please select

Total fuel MWh consumed by the organization
0
MWh fuel consumed for self-generation of electricity
0
MWh fuel consumed for self-generation of heat
0
MWh fuel consumed for self-generation of steam
0
MWh fuel consumed for self-generation of cooling
<Not Applicable>
MWh fuel consumed for self- cogeneration or self-trigeneration
0

Comment

Other renewable fuels (e.g. renewable hydrogen)
Heating value
Total fuel MWh consumed by the organization
0
MWh fuel consumed for self-generation of electricity
0
MWh fuel consumed for self-generation of heat
0
MWh fuel consumed for self-generation of steam
0
MWh fuel consumed for self-generation of cooling
<Not Applicable>
MWh fuel consumed for self- cogeneration or self-trigeneration
0

Comment

Coal
Heating value
LHV
Total fuel MWh consumed by the organization
27582077
MWh fuel consumed for self-generation of electricity
0
MWh fuel consumed for self-generation of heat
0
MWh fuel consumed for self-generation of steam
0
MWh fuel consumed for self-generation of cooling
<Not Applicable>
MWh fuel consumed for self- cogeneration or self-trigeneration
27582077

Comment
we use sub-bituminous coal
Oil
Heating value
LHV
Total fuel MWh consumed by the organization
555066
MWh fuel consumed for self-generation of electricity
555066
MWh fuel consumed for self-generation of heat
0
MWh fuel consumed for self-generation of steam
0
MWh fuel consumed for self-generation of cooling
<Not Applicable>
MWh fuel consumed for self- cogeneration or self-trigeneration
0
Comment
include diesel oil, gasoline oil, IDO, MFO

Gas
Heating value
LHV
Total fuel MWh consumed by the organization
5507901
MWh fuel consumed for self-generation of electricity
0
MWh fuel consumed for self-generation of heat
0
MWh fuel consumed for self-generation of steam
5507901
MWh fuel consumed for self-generation of cooling
0
MWh fuel consumed for self- cogeneration or self-trigeneration
0
Comment
Natura Gas

Other non-renewable fuels (e.g. non-renewable hydrogen)
Heating value
Total fuel MWh consumed by the organization
0
MWh fuel consumed for self-generation of electricity
0
MWh fuel consumed for self-generation of heat
0
MWh fuel consumed for self-generation of steam
0
MWh fuel consumed for self-generation of cooling
<Not Applicable>
MWh fuel consumed for self- cogeneration or self-trigeneration
0
Comment
Total fuel
Heating value
LHV

Total fuel MWh consumed by the organization
77856063

MWh fuel consumed for self-generation of electricity
555066

MWh fuel consumed for self-generation of heat
5507901

MWh fuel consumed for self-generation of steam
0

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
71768262

Comment
Fossil Fuel & Biogenic fuel

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

<table>
<thead>
<tr>
<th></th>
<th>Total Gross generation (MWh)</th>
<th>Generation that is consumed by the organization (MWh)</th>
<th>Gross generation from renewable sources (MWh)</th>
<th>Generation from renewable sources that is consumed by the organization (MWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity</td>
<td>12253580</td>
<td>11496476</td>
<td>0</td>
<td>9997389.44</td>
</tr>
<tr>
<td>Heat</td>
<td>5557901</td>
<td>5557901</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Steam</td>
<td>49629270</td>
<td>49629270</td>
<td>27792391.2</td>
<td>27792391.2</td>
</tr>
<tr>
<td>Cooling</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

C8.2g

(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.

Country/area
Please select

Consumption of electricity (MWh)
0

Consumption of heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
0

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

C9. Additional metrics

C9.1
(C9.1) Provide any additional climate-related metrics relevant to your business.

<table>
<thead>
<tr>
<th>Description</th>
<th>Metric value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waste</td>
<td>0</td>
</tr>
</tbody>
</table>

Metric numerator
Zero waste to landfill

Metric denominator (intensity metric only)
MT

% change from previous year
<Not Applicable>

Direction of change

Please explain

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

<table>
<thead>
<tr>
<th>Verification/assurance status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1</td>
</tr>
<tr>
<td>Third-party verification or assurance process in place</td>
</tr>
<tr>
<td>Scope 2 (location-based or market-based)</td>
</tr>
<tr>
<td>Third-party verification or assurance process in place</td>
</tr>
<tr>
<td>Scope 3</td>
</tr>
<tr>
<td>Third-party verification or assurance process in place</td>
</tr>
</tbody>
</table>

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Moderate assurance

Attach the statement
APP Sinarmas SR2021_LO16.pdf

Page/section reference
Please see page 118-119, Section: assurance statement

Relevant standard
AA1000AS

Proportion of reported emissions verified (%)
100

C10.1b
C10.1b Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach
- Scope 2 location-based

Verification or assurance cycle in place
- Annual process

Status in the current reporting year
- Complete

Type of verification or assurance
- Moderate assurance

Attach the statement

Page/section reference
- Please see page 118-119, Section: assurance statement

Relevant standard
- AA1000AS

Proportion of reported emissions verified (%)
- 100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category
- Scope 3: Purchased goods and services
- Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)
- Scope 3: Upstream transportation and distribution
- Scope 3: Business travel
- Scope 3: Downstream transportation and distribution
- Scope 3: Processing of sold products
- Scope 3: End-of-life treatment of sold products

Verification or assurance cycle in place
- Annual process

Status in the current reporting year
- Complete

Type of verification or assurance
- Moderate assurance

Attach the statement

Page/section reference
- Please see page 118-119, Section: assurance statement

Relevant standard
- AA1000AS

Proportion of reported emissions verified (%)
- 100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
- Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

<table>
<thead>
<tr>
<th>Disclosure module verification relates to</th>
<th>Data verified</th>
<th>Verification standard</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>C4: Targets and performance</td>
<td>Progress against emissions reduction target</td>
<td>AA1000AS</td>
<td>we disclose this as a part of our commitment APP Sinarmas SR2021_LO16.pdf</td>
</tr>
<tr>
<td>C8: Energy</td>
<td>Energy consumption</td>
<td>AA1000AS</td>
<td>we disclose this as a part of our commitment APP Sinarmas SR2021_LO16.pdf</td>
</tr>
</tbody>
</table>
C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?
No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?
No

C11.3

(C11.3) Does your organization use an internal price on carbon?
No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?
Yes, our suppliers
Yes, our customers/clients
Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

<table>
<thead>
<tr>
<th>Type of engagement</th>
<th>Details of engagement</th>
<th>% of suppliers by number</th>
<th>% total procurement spend (direct and indirect)</th>
<th>% of supplier-related Scope 3 emissions as reported in C6.5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovation &amp; collaboration (changing markets)</td>
<td>Run a campaign to encourage innovation to reduce climate impacts on products and services</td>
<td>70</td>
<td>70</td>
<td>50</td>
</tr>
</tbody>
</table>

**Rationale for the coverage of your engagement**
coverage of engagement mainly on pulpwood supplier as this is our main raw material, the others is chemical suppliers which are the second highest of expenses cost related to raw material.

**Impact of engagement, including measures of success**
We engaged our pulpwood supplier to implement sustainable forest management (SFM), as the result all of our pulpwood supplier is certified SFM therefore concession area that identified as High conservation value or high carbon stock will not converted to be plantation area. We also enforce best practice of peatland management and fire risk reduction in our suppliers area. The impact of these is that the forestry operations managed to avoid significant amount of carbon avoidance compared to business as usual. The success of engagement proved by reduced emission from forest. In 2018, we engaged with independent consultant to calculate emission from forestry since the implementation of Forest Conservation Policy, the result was we succeed reduce 64% carbon emission from forestry compare to business as usual (BAU).

**Comment**
(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement & Details of engagement

<table>
<thead>
<tr>
<th>% of customers by number</th>
<th>% of customer-related Scope 3 emissions as reported in C6.5</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>50</td>
</tr>
</tbody>
</table>

Please explain the rationale for selecting this group of customers and scope of engagement

About 60% of our product is exported to overseas and they often request environmental information including GHG emission in our facility or product. We engage our customers both local and overseas (export) through meeting, workshop and seminars. We also provide a campaign mechanism about our product and environmental performance.

Impact of engagement, including measures of success

As impact of engagement, customer is more aware about environmental product. We have product with certified on Ecolabel scheme. This will be a good consideration for low impact environmental product. We are also prepare our product for LCA as customer in other countries requested such product for the best environmental product.

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

APP communicates its sustainability strategy which includes climate change mitigation efforts to its various stakeholders including customers and suppliers. Constructive and relevant feedback from the stakeholder engagement process then feed into the strategy that implemented within APP operations and the operations of its pulpwood suppliers. The progress of the implementation is monitored and publicly reported regularly. APP take active role in supporting its pulpwood suppliers to comply with its climate change commitments, from providing technical assistance, support certification process to engage external experts to support implementation of its climate change strategy. Besides that APP also apply supplier compliance audit which assess the performance of energy efficiency and carbon emission reduction initiative for all our suppliers.

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization’s purchasing process?

No, but we plan to introduce climate-related requirements within the next two years.

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate

Yes, we engage directly with policy makers

Yes, we engage indirectly through trade associations

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

No, but we plan to have one in the next two years

Attach commitment or position statement(s)

<Not Applicable>

Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy

Our sustainability initiatives are discussed in various platforms involving other industrial players and relevant stakeholders. For example on how corporations can take action in climate change mitigation. We have regular meeting with stakeholders to discuss progress on our climate change commitments and provide regular public report on progress on our commitments. We are also involved in relevant flagship initiatives such as REDD+, UN Global Compact initiatives and others. We are also involved in international platforms that encourage GHG emission reduction commitments across sectors and between private and government organizations such as the New York Declaration on Forests and the Bonn Challenge.

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

Focus of policy, law, or regulation that may impact the climate

Climate-related targets

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Net FOLU sink, Indonesia target 2030
Policy, law, or regulation geographic coverage
National

Country/region the policy, law, or regulation applies to
Indonesia

Your organization’s position on the policy, law, or regulation
Support with no exceptions

Description of engagement with policy makers
Supporting the Ministry of Environment and Forestry on Net FOLU sink target in 2030 by providing method and measurement of forest emission

Details of exceptions (if applicable) and your organization’s proposed alternative approach to the policy, law or regulation
<Not Applicable>

Have you evaluated whether your organization’s engagement is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is not aligned

Focus of policy, law, or regulation that may impact the climate
Adaptation and/or resilience to climate change

Specify the policy, law, or regulation on which your organization is engaging with policy makers
The design and implementation of APP IFFS Program is in line with MOEF Social-Forestry program, and implemented to support MOEF program

Policy, law, or regulation geographic coverage
National

Country/region the policy, law, or regulation applies to
Indonesia

Your organization’s position on the policy, law, or regulation
Support with no exceptions

Description of engagement with policy makers
Through its Social-Forestry Programs, The Ministry of Environment and Forestry (MOEF) is encouraging the involvement of forest community in forest protection and climate change mitigation. Our Integrated Forest & Farming System (IFFS) aim to provide alternative sustainable livelihood for community living in & around the concession area, to prevent them from opening land using fire or other illegal activities. This program is designed to be in line with MOEF Social-Forestry program, and implemented to support and align with MOEF program.

Details of exceptions (if applicable) and your organization’s proposed alternative approach to the policy, law or regulation
<Not Applicable>

Have you evaluated whether your organization’s engagement is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is not aligned

Focus of policy, law, or regulation that may impact the climate
Adaptation and/or resilience to climate change

Specify the policy, law, or regulation on which your organization is engaging with policy makers
Delisting of pulp and paper coal ash from hazardous waste category to enable reutilization thus reducing amount of waste goes to landfill

Policy, law, or regulation geographic coverage
National

Country/region the policy, law, or regulation applies to
Indonesia

Your organization’s position on the policy, law, or regulation
Support with no exceptions

Description of engagement with policy makers
Most of integrated pulp & paper mills in Indonesia have their own on-site power boiler. Due to inconsistent supply of biomass, some of these boilers still using coal feed, which ash is usually go to landfill. Through efforts in waste reduction and re-utilization initiatives, it was identified that coal ash can be used for other purposes such as soil conditioner for pulpwood plantation. Currently the utilization of this type of solid waste is difficult to be implemented due to the status of the waste, which is included as hazardous waste as per government regulation. APP through the Indonesia Pulp & Paper Association initiates a study to assess the possibility of excluding this particular type of waste from the hazardous waste category, to allow for a more effective procedure for re-utilization, therefore reduce the amount of waste goes to landfill. The result of the assessment will then discussed with the Ministry of Environment and Forestry for the possibility of delisting. If the waste is no longer categorized as hazardous waste and can be re-utilized using a more effective procedure, this will significantly reduce amount of solid waste goes to landfill for the pulp and paper industry in Indonesia.

Details of exceptions (if applicable) and your organization’s proposed alternative approach to the policy, law or regulation
<Not Applicable>

Have you evaluated whether your organization’s engagement is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is not aligned

Focus of policy, law, or regulation that may impact the climate
Adaptation and/or resilience to climate change

Specify the policy, law, or regulation on which your organization is engaging with policy makers
This initiative is supporting government effort for peatland protection.

Policy, law, or regulation geographic coverage
National

Country/region the policy, law, or regulation applies to
Indonesia

Your organization’s position on the policy, law, or regulation
Support with no exceptions

**Description of engagement with policy makers**

As a part of APP initiative in developing best management practice for peatland area, APP worked together with Forestry Research and Development Agency (FORDA) on a 5-year mychorriza research. Mycorrhiza arbuskula is symbiotic association composed of a fungus and roots of a vascular plant. It helps to absorb nutrients, improve immunity to root diseases, and can survive in extreme condition. Mycorrhiza inoculant is expected to help the growth of the 10 alternative plant species chosen based on its ability to grow productively on peat. It is expected that, by the completion of this project, APP would be able to produce mycorrhiza inoculants independently in order to sustainably produce the seedlings of native tree species that can grow well on wet condition in peatland area.

Details of exceptions (if applicable) and your organization’s proposed alternative approach to the policy, law or regulation

<Not Applicable>

Have you evaluated whether your organization’s engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is not aligned

**C12.3b**

(C12.3b) Provide details of the trade associations your organization engages with which are likely to take a position on any policy, law or regulation that may impact the climate.

**Trade association**

Other, please specify (Indonesian Pulp & Paper Association (APKI))

Is your organization’s position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We publicly promote their current position

State the trade association’s position on climate change, explain where your organization’s position differs, and how you are attempting to influence their position (if applicable)

The association encourages initiatives related to reduction in climate change impact within their members operations. APKI also provide support in engaging relevant ministries and government bodies in supporting the implementation of such initiatives and in advocating relevant regulations.

**Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)**

<Not Applicable>

Have you evaluated whether your organization’s engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is not aligned

**Trade association**

Other, please specify

Is your organization’s position on climate change consistent with theirs?

Please select

Has your organization influenced, or is your organization attempting to influence their position?

Please select

State the trade association’s position on climate change, explain where your organization’s position differs, and how you are attempting to influence their position (if applicable)

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization’s funding

<Not Applicable>

Have you evaluated whether your organization’s engagement with this trade association is aligned with the goals of the Paris Agreement?

Please select

**Trade association**

Other, please specify (United Nations Global Compact Network)

Is your organization’s position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We publicly promote their current position

State the trade association’s position on climate change, explain where your organization’s position differs, and how you are attempting to influence their position (if applicable)

Lead or actively involved in various Global Compact initiatives relevant with APP Vision 2020 Roadmap - Share our internal strategy and initiatives as study case for discussions around climate change mitigation actions for corporations relevant to Global Compact principles. APP is the Chair of Indonesia Water Mandate Working Group and a Steering Committee of the UN CEO Water Mandate initiative under UNGC Through these positions we are influencing the organization to reach more area to address water challenges both in industrial and community level.

**Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)**

Describe the aim of your organization’s funding

<Not Applicable>

Have you evaluated whether your organization’s engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is not aligned
C12.4

(C12.4) Have you published information about your organization’s response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In voluntary sustainability report

Status
Complete

Attach the document
APP Sinarmas SR2021_LO16.pdf

Page/Section reference
Production, forest, strategy

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets

Comment

C13. Other land management impacts

C-AC13.1/C-FB13.1/C-PF13.1

(C-AC13.1/C-FB13.1/C-PF13.1) Do you know if any of the management practices implemented on your own land disclosed in C-AC4.4a/C-FB4.4a/C-PF4.4a have other impacts besides climate change mitigation/adaptation?

Yes

C-AC13.1a/C-FB13.1a/C-PF13.1a
(C-AC13.1a/C-FB13.1a/C-PF13.1a) Provide details on those management practices that have other impacts besides climate change mitigation/adaptation and on your management response.

Management practice reference number
MP1

Overall effect
Positive

Which of the following has been impacted?
Other, please specify (Community)

Description of impact
Our Integrated Forestry and Farming System (IFFS) forms a critical part of our fire strategy by reducing threats to the forest by supporting local communities to develop alternative livelihoods, thus, reducing dependency on forests and one of the driving forces behind fires – land clearance

Have you implemented any response(s) to these impacts?
Yes

Description of the response(s)
This program started in 2016 and currently implemented for 394 villages. Our target is 500 villages and around APP pulpwood suppliers concession area that has identified having high risk of forest fire. Implementation of the program target to be completed in the year 2021.

Management practice reference number
MP2

Overall effect
Positive

Which of the following has been impacted?
Yield

Description of impact
This program sets out ways in which we can increase tree growth yield through the development of more robust seedlings, develop more area specific silviculture, improve disease & pest control, and reduce wood loss from harvesting and wood handling to mill sites

Have you implemented any response(s) to these impacts?
Yes

Description of the response(s)
Our current fibre supply is sufficient to support our planned growth and will further benefit from the efficiency and yield improvements we are making across our supply chain

Management practice reference number
MP3

Overall effect
Positive

Which of the following has been impacted?
Yield

Description of impact
Our current fibre supply is sufficient to support our planned growth and will further benefit from the efficiency and yield improvements we are making across our supply chain

Have you implemented any response(s) to these impacts?
Yes

Description of the response(s)
This program started 2016 and has improve our yield across supply chain. Based on the independent G&Y study indicates that Asia Pulp & Paper Group (APP) has sufficient plantation resource to meet the pulp requirements of its existing mills

Management practice reference number
MP4

Overall effect
Neutral

Which of the following has been impacted?
Biodiversity

Description of impact
APP committed to zero deforestation, we use 100% pulpwood plantation fiber as our raw material to produce our products. This commitment help to protect biodiversity on natural forest.

Have you implemented any response(s) to these impacts?
Yes

Description of the response(s)
We have implented Forest Conservation Policy (FCP) since 2012 and committed to zero deforestation. By implementing this, we also support biodiversity on forest.

C15. Biodiversity
### C15.1

**Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?**

<table>
<thead>
<tr>
<th>Board-level oversight and/or executive management-level responsibility for biodiversity-related issues</th>
<th>Description of oversight and objectives relating to biodiversity</th>
<th>Scope of board-level oversight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, executive management-level responsibility</td>
<td>Chief sustainability officer responsible for managing conservation activity within supply chain including monitoring the implementation and achievement of biodiversity target that stated in APP Sustainability Roadmap Vision 2030.</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

### C15.2

**Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?**

<table>
<thead>
<tr>
<th>Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity</th>
<th>Biodiversity-related public commitments</th>
<th>Initiatives endorsed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, we have made public commitments and publicly endorsed initiatives related to biodiversity</td>
<td>Commitment to not explore or develop in legally designated protected areas Commitment to respect legally designated protected areas Commitment to avoidance of negative impacts on threatened and protected species Commitment to no conversion of High Conservation Value areas Commitment to secure Free, Prior and Informed Consent (FPIC) of Indigenous Peoples Commitment to no trade of CITES listed species</td>
<td>SDG</td>
</tr>
</tbody>
</table>

### C15.3

**Does your organization assess the impact of its value chain on biodiversity?**

<table>
<thead>
<tr>
<th>Does your organization assess the impact of its value chain on biodiversity?</th>
<th>Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>No, but we plan to assess biodiversity-related impacts within the next two years</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

### C15.4

**What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?**

<table>
<thead>
<tr>
<th>Have you taken any actions in the reporting period to progress your biodiversity-related commitments?</th>
<th>Type of action taken to progress biodiversity-related commitments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, we are taking actions to progress our biodiversity-related commitments</td>
<td>Land/water protection Land/water management Species management Education &amp; awareness Law &amp; policy Livelihood, economic &amp; other incentives</td>
</tr>
</tbody>
</table>

### C15.5

**Does your organization use biodiversity indicators to monitor performance across its activities?**

<table>
<thead>
<tr>
<th>Does your organization use indicators to monitor biodiversity performance?</th>
<th>Indicators used to monitor biodiversity performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, we use indicators</td>
<td>Response indicators</td>
</tr>
</tbody>
</table>

### C15.6

**Have you published information about your organization’s response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

<table>
<thead>
<tr>
<th>Report type</th>
<th>Content elements</th>
<th>Attach the document and indicate where in the document the relevant biodiversity information is located</th>
</tr>
</thead>
<tbody>
<tr>
<td>In voluntary sustainability report or other voluntary communications</td>
<td>Content of biodiversity-related policies or commitments Governance Impacts on biodiversity Details on biodiversity indicators Biodiversity strategy</td>
<td>APP Sinarmas SR2021_LD16.pdf</td>
</tr>
</tbody>
</table>
C16. Signoff

C-FI

(C-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.

No additional information

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

<table>
<thead>
<tr>
<th>Job title</th>
<th>Corresponding job category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1</td>
<td>Chief Sustainability Officer</td>
</tr>
</tbody>
</table>

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

Same as CC 0.1

SC0.1

(SC0.1) What is your company’s annual revenue for the stated reporting period?

<table>
<thead>
<tr>
<th>Annual Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1</td>
</tr>
<tr>
<td>8000000000</td>
</tr>
</tbody>
</table>

SC1.1
(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

**Requesting member**  
Philip Morris International

**Scope of emissions**  
Scope 1

**Allocation level**  
Facility

**Allocation level detail**  
Allocation based on the energy content of products purchased

**Emissions in metric tonnes of CO2e**  
38913

**Uncertainty (±%)**  
5

**Major sources of emissions**  
coal, diesel oil

**Verified**  
No

**Allocation method**  
Allocation based on mass of products purchased

**Market value or quantity of goods/services supplied to the requesting member**  
34103

**Unit for market value or quantity of goods/services supplied**  
Metric tons

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

GHG emission of products calculated from mill facility emission. Data activity of fuels and energy taken from facility primary data. We supply product to PMI from our mills Indah Kiat Serang. Data of sold product is based on 2021 data. The scope of calculation is from gate to gate of manufacturing.

---

**Requesting member**  
Avery Dennison Corporation

**Scope of emissions**  
Scope 1

**Allocation level**  
Facility

**Allocation level detail**  
Our product to Avery Dennison sourced from our mills facility Pindo Deli Karawang

**Emissions in metric tonnes of CO2e**  
2805

**Uncertainty (±%)**  
5

**Major sources of emissions**  
coal, diesel oil

**Verified**  
No

**Allocation method**  
Allocation based on the volume of products purchased

**Market value or quantity of goods/services supplied to the requesting member**  
2380

**Unit for market value or quantity of goods/services supplied**  
Metric tons

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

GHG emission of products calculated from energy use for product multiply by emission factor from fuel used in power generation. Data activity of fuels and energy taken from facility primary data. We supply product to Avery from our mills Pindo Deli Karawang. Data of sold product is based on 2021 data. The scope of calculation is from gate to gate of manufacturing.

---

**SC1.2**

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

Sustainability reports - http://www.asiapulppaper.com
SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

<table>
<thead>
<tr>
<th>Allocation challenges</th>
<th>Please explain what would help you overcome these challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer base is too large and diverse to accurately track emissions to the customer level</td>
<td>A cost effective system that can continuosly monitor GHG emissions at the various production process steps at the different facilities to allow an accurate calculation of carbon footprint of product</td>
</tr>
</tbody>
</table>

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

Yes

SC1.4a

(SC1.4a) Describe how you plan to develop your capabilities.

Conduct assessment carbon footprint of product for specific products as requested by customers

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

**Requesting member**
Avery Dennison Corporation

**Group type of project**
New product or service

**Type of project**
New product or service that has a lower upstream emissions footprint

**Emissions targeted**
Actions that would reduce both our own and our customers’ emissions

**Estimated timeframe for carbon reductions to be realized**
1-3 years

**Estimated lifetime CO2e savings**
6000

**Estimated payback**
1-3 years

**Details of proposal**
Develop carbon in-setting program. This program is to reduce product carbon footprint by in-setting it with carbon sequestration from our conservation program. This would be possible action to meet customer commitment on carbon neutral. We are currently assess potential conservation program to be able for balancing our product emission. This scheme is also available on VCS and other carbon off-setting mechanism.

**Requesting member**
Philip Morris International

**Group type of project**
New product or service

**Type of project**
New product or service that has a lower upstream emissions footprint

**Emissions targeted**
Actions that would reduce both our own and our customers’ emissions

**Estimated timeframe for carbon reductions to be realized**
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**Estimated payback**
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**Details of proposal**
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SC2.2 (SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?
No

SC4.1 (SC4.1) Are you providing product level data for your organization’s goods or services?
No, I am not providing data

Submit your response

In which language are you submitting your response?
English

Please confirm how your response should be handled by CDP

<table>
<thead>
<tr>
<th>Please select your submission options</th>
<th>I understand that my response will be shared with all requesting stakeholders</th>
<th>Response permission</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>Yes</td>
<td>Public</td>
</tr>
</tbody>
</table>

Please confirm below

I have read and accept the applicable Terms