



TOUCHING LIVES WITH RENEWABLE FIBRE

SUSTAINABILITY REPORT 2020







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ABOUT THIS REPORT

GRI 102-15, 46-52, 54-56

Report cycle and completeness

Welcome to Asia Pacific Rayon's (APR) second annual sustainability report prepared according to the Global Reporting Initiative Standards. The report covers performance data and progress from January to December 2020, includes 2019 data where available, and incorporates significant 2021 developments. This report is complemented by the sustainability-related disclosures made public on the [Sustainability Dashboard](#) on our website.

We have not sought third-party assurance for this report but will explore the possibility of incorporating an external audit in future reports based upon feedback from our stakeholders.

Scope and boundaries

The scope of this report covers the operations of our viscose staple fibre mill (APR) and our viscose rayon manufacturing facility (APY) in Pangkalan Kerinci, Riau,

Indonesia. Other than human resource figures, the data presented does not cover our Jakarta and Singapore offices. Where possible, we have sought to frame our performance within the context of the unique social and environmental conditions of Pangkalan Kerinci.

Materiality

GRI 102-21, GRI 102-27, GRI 102-29, GRI 102-44

We conducted a comprehensive assessment of our material sustainability topics for our 2019 report. We identified the economic, environmental, and social issues most relevant to our stakeholders and upon which APR has the most significant impact. There are no changes to the list of issues and material topics or their boundaries since the previous report. We will embark on a further prioritisation of material issues in our next report.

2019 APR materiality assessment: approach and topics





Material issue Based on 2019 material issues prioritisation	Description
 Sustainable pulp sourcing and traceability	Ensuring 100% sustainably sourced dissolving wood pulp and providing full supply chain traceability
 Freshwater and wastewater management	Ensuring efficient use of freshwater, not withdrawing from areas of water stress and that wastewater discharge aligns with regulations and international industry best practices.
 Chemical management, use and recovery, and related air emissions	Ensuring the management, use, and recovery of process chemicals such as carbon disulphide (CS ₂), hydrogen sulphide (H ₂ S), and sodium sulphate (Na ₂ SO ₄), are in compliance with internationally recognised chemical management guidelines, as well as managing and reducing related air emissions such as CS ₂ and H ₂ S and the odours released into the environment.
 Occupational health and safety	Protecting the health and safety of our employees and ensuring proper systems are in place and aligned with international best practice.
 Employment, labour practices and people development	Providing a fair and conducive work environment for our employees by embracing diversity and equal opportunity, protecting human rights and ensuring no child and forced labour. Managing our human capital needs through the attraction, retention and development of a talented workforce.
 Waste	Managing solid waste generated during the production process, including the adoption of reduce-reuse-recycle and closed-loop manufacturing.
 Climate change	Managing and reducing Scope 1, 2 and 3 greenhouse gas (GHG) emissions to mitigate climate change, ensuring the efficient use of energy, and reducing our reliance on coal.
 Community development	Improving the quality of life and wellbeing in communities where we operate by focusing on employment, health, and education.
 Innovation	Investing in research and development of products, processes and technologies that offer positive impacts and benefits to the environment, society, and our business (including value chain partners).
 Business ethics and anti-corruption	Upholding the highest standards of business ethics by implementing anti-corruption policies and procedures and taking action on any breaches to our standards and principles.

STATEMENT FROM THE DIRECTOR

GRI 102-14-15



Basrie Kamba
APR Director



Dear stakeholders,

I am pleased to present **Asia Pacific Rayon's (APR) 2020 Sustainability Report, Touching Lives with Renewable Fibre**, documenting our efforts, achievements, and progress during an unprecedented year in which the global pandemic presented unique challenges to our people and business. This report showcases how, despite these impediments, we worked to keep our people and communities safe while building towards our goal to be at the forefront of sustainability in the global textile fibre manufacturing sector.

The year started promisingly, with the inauguration of APR's facilities by President Jokowi Widodo and the commissioning of Asia Pacific Yarn (APY) in February. These milestones represented the realisation of our company founder's vision to transform the Kerinci complex into a textile manufacturing hub where yarn now complements fibre. As the pandemic's impact spread, we maintained production thanks to the efforts of our team while many of our competitors shut down operating lines. We captured market share and continued working with our customers and partners in Indonesia while improving our quality and efficiency.

Becoming globally competitive

This past year, after two years in the business, APR is the market leader in Indonesia contributing almost half of the country's VSF production. **In the coming years, we will continue on this growth trajectory through capital investment and productivity improvements to grow sustainably, increasing our production capacity from 240,000 tonnes of fibre per year to 600,000 tonnes in 2023.** Given that the entire Indonesian textile industry currently produces 840,000 tonnes of fibre annually, achieving these growth targets will transform fibre manufacturing at a national level and turn Indonesia into a prominent textile player globally.

APR believes in supporting the growth of the Indonesian textile sector as a whole. In August 2020, we inaugurated our Jakarta Fashion Hub, hosting webinars on sustainability themes and collaborating with several Indonesian fashion designers to launch their collections. We became active members in national textile industry associations, such as the Indonesian Textile Association (API) and the Indonesian Fiber and Filament Yarn Producers Association (APSYFI). APR also sponsored key fashion events, including Muslim Fashion Festival (MUFFEST) and Jakarta Fashion Week, having identified an opportunity to grow Indonesia's global market share in loungewear and modest fashion through our participation in these initiatives.

In 2020, we were the proud recipient of an Indonesia Industry 4.0 Readiness Award from the Ministry of Industry after an extensive year-long assessment. We also successfully secured a syndicated loan facility from six domestic and international banks, reflecting our position as a stable, growing, and sustainable business and a promising investment.

Sustainability underpins growth

Certification, industry engagement and our sustainability initiatives underpin our business growth strategy. **As a leading producer of VSF from forest plantations, we work to ensure thriving landscapes and inclusive prosperity of the communities that surround our operations.** Because we cannot resolve sustainability issues alone, we have actively promoted collaboration to develop solutions that make a difference.

To this end, we are active members of several local associations, including the Indonesia Business Council for Sustainable Development, of which APR is the only textile industry member. We also belong to and play a significant role in various international and industry-wide organisations. These include the Textile Exchange, the United Nations Global Compact, the Singapore Textile and Fashion Federation, and the Sustainable Apparel Coalition. We are also a signatory of the UNFCCC Fashion Industry Charter for Climate Change. APR has also partnered with customers and suppliers to better

understand how our industry can positively contribute to the United Nations Sustainable Development Goals and implement concerted action to fight climate change. Finally, we have proudly supported the Textile Exchange and Forum of the Future in launching the Man-made Cellulosic Fibre 2030 Vision.

APR's commitment to transparency is the foundation of our industry participation and credentials. Our ownership and operational structure make APR a highly integrated company that manages our supply chain from plantation to fibre. Our blockchain-based [Follow Our Fibre](#) programme leverages this end-to-end visibility into our supply chain and enables our customers to understand the origin of APR's raw materials. It also provides assurance that we are addressing and managing the environmental and social impacts of our key production inputs.

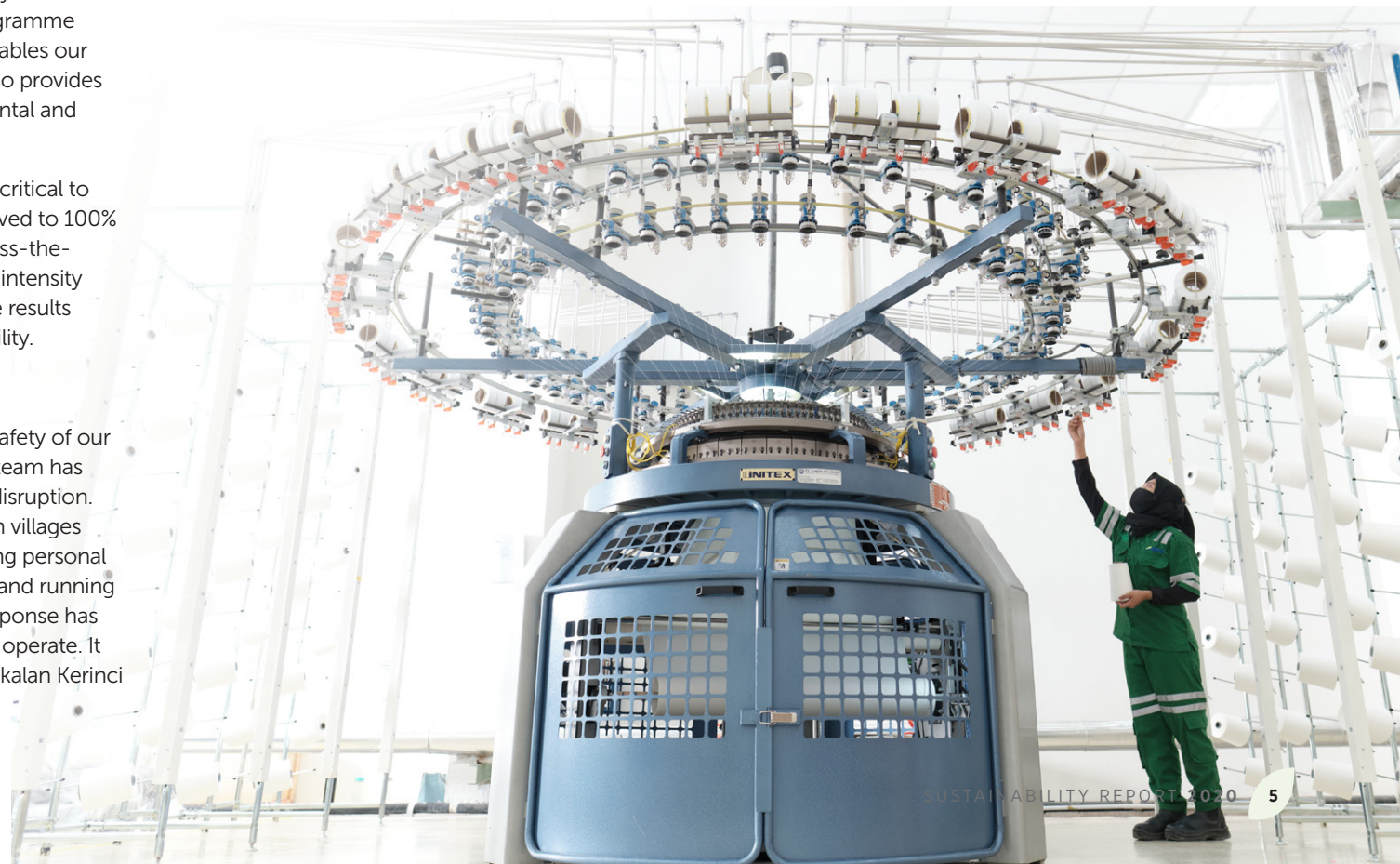
Investing in clean manufacturing practices and technologies is critical to maintaining our operating licence. In 2020, we successfully moved to 100% renewable energy to power our entire facility. We also saw across-the-board reductions in our energy, waste, and water consumption intensity over 2019. Together with our 90.7% sulphur recovery rate, these results demonstrate our progress towards becoming a world-class facility.

Managing the pandemic

In 2020 and 2021, APR's priority was to protect the health and safety of our employees and their families living in the Kerinci complex. Our team has worked tirelessly to keep our operations running with minimal disruption. We have supported our colleagues and their families, along with villages and communities at the regional and national levels, by supplying personal protective equipment, introducing social distancing guidelines, and running active prevention and awareness campaigns. Our pandemic response has strengthened our connection with the community in which we operate. It has also highlighted the importance of our business in the Pangkalan Kerinci region.

Looking ahead, we hope that the pandemic will soon abate so we can focus on achieving our company vision and contributing to the wider Indonesian textile fibre manufacturing industry. By collaborating, partnering, and continually engaging with commercial stakeholders and government and civil society organisations, we can make tremendous progress that benefits millions of people while protecting our fragile ecosystem. We are all interconnected, and APR looks forward to working collaboratively to build a better future.

// *This past year, after two years in the business, APR is the market leader in Indonesia contributing almost half of the country's VSF consumption.* //



PROGRESS AND HIGHLIGHTS

GRI 103-3

Key achievements

As of December 2020, unless otherwise stated

APR FACILITIES AND POLICIES

New yarn and fabric production facility launched in Feb 2020:
[Asia Pacific Yarn \(APY\)](#)

President of [Indonesia inaugurated APR and APY](#) in Feb 2020

New fully automated viscose pilot plant commissioned


Updated [APR sustainability policy](#) in Sept 2020

CONTRIBUTIONS TO INDONESIA'S TEXTILE AND FASHION INDUSTRY

Data stated is for September 2020 to August 2021

APR launched www.jakartafashionhub.com in Aug 2020	7 webinars hosted, 3 sustainability-linked
2,500 members part of JFH	100% local designers supported
8 brands and 10 start-ups/ small-scale designers supported	100% of designer collections sold to domestic markets
2 fashion shows, both sustainability-themed	100% of total fabrics sourced for collections made in Indonesia

RECOGNITION

APR received Industry 4.0 Readiness Index (INDI 4.0) award for supporting the transformation of the textile fibre manufacturing industry	Awarded EcoVadis Silver Medal in 2021 
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SOURCING

100% sustainable certified DWP sourced	100% traceability of VSF to plantation and/or sourcing region
Completed Follow Our Fibre collaboration with TrusTrace in 2020	Relaunched follow our fibre to include: APR environmental performance dashboard and supplier conservation and biodiversity information

OPERATIONAL PERFORMANCE

Moved to 100% renewable energy to power VSF production in 2020

Achieved 6.4% reduction in energy intensity from 2019

Achieved 18.6% reduction in waste intensity from 2019

Achieved 20.2% reduction in process water consumption intensity

Achieved 90.7% sulphur recovery rate

EMPLOYEES

Over 780 people employed, **77% local** to Sumatra

Average **4 hours of training** provided to employees

18% of women in workforce; **29%** of senior management are women

100% of employees covered by collective bargaining agreement

New memberships and initiatives







From January 2020 - June 2021

COMMUNITY DEVELOPMENT & COVID-19 SUPPORT
Distributed 607 educational kits and >2,000 school uniforms for home-schooling children
Supported children and mothers with healthcare, food gardens, and nutritional packages
Provided 11,000 household packages (Sembako) and 3,222 staple goods packages
Distributed >2.5 million items of PPE/masks/goggles/gloves
Distributed 3.2L of disinfectant, 165 hygiene kits
Partnered with health officials to support frontline efforts
Organised workshop for women to improve batik artisanal and business skills

New membership/initiative	Contributions/activities
 <p>A signatory and supporting organisation to the UNFCCC Fashion Industry Charter for Climate Action</p>	Actively involved in the multiple working groups of the UNFCCC Fashion Industry Charter for Climate Change to identify best practice and share resources at the country level to facilitate the sector's transition to net-zero
 <p>A Steering Committee member of the Manmade Cellulosic Fibres (MMCF) Roundtable</p>	Participate in quarterly meetings and work with all partners to realise MMCF's 2030 Net Positive Vision and the Textile Exchange Climate+ strategy
 <p>A member of the Sustainable Apparel Coalition</p>	Committed to tool adoption (HIGG Index), transparency and sharing best practice
 <p>A member of the United Nations Global Compact (UNGC)</p>	Support and promote the UN Global Compact framework and ten universally accepted principles in the areas of human rights, labour, environment, and anti-corruption
 <p>A member of the Textile and Fashion Federation (TaFF)</p>	Support TAFF on sustainable growth of the fashion industry in the region, advocating for a celebration of Asian fashion industries on the global stage

New certifications and labels

From January 2020 - June 2021

	STeP by OEKO-TEX® certification - for brands, retailers, and manufacturers in the textile and leather industry for sustainable production facilities (APR)
	Seeding® Label - Industrially compostable by European Bioplastics (APR)
	OEKO-TEX® Standard 100 certification - free of any harmful substances (APY)
	FKT label – „Medically Tested - Tested for Toxins“ by FKT
	USDA-certified biobased product certification - certified with at least 25% biobased content derived from plants and other renewable materials (APY)
	Biodegradable in soil and water certification in compliance with the OK biodegradable SOIL and WATER standards (APR)















PROGRESS AND HIGHLIGHTS

GRI 103-3

2021 targets and progress

As of December 2020, unless otherwise stated

In the 4th quarter of 2021, we will be launching our new vision called APR2030: the definitive decade of action. This will guide our commitments over the next 10 years.

Target	Target year	Status as of December 2020, unless otherwise stated
Certification		
Achieve 80% score on Higg Facility Environmental Module (FEM)	2021	 On track
Achieve 90% score on Higg Facility Social Labour Module (FSLM)	2021	 Achieved and exceeded (93.1%)
Obtain biodegradability in marine certification	2021	 On track
Obtain halal certification for sulphuric acid and sodium sulphate	2021	 On track
Obtain STeP by OEKO-TEX® certification for APY	2021	 On track
Environment		
Achieve >90% sulphur recovery rate	2020	 Achieved and exceeded (90.7%)
Meet EU BAT spin finish consumption limit	2021	 Achieved
Reduce process water consumption intensity by 7.5% (2019 baseline)	2021	 Achieved and exceeded (20%)
Commission third CS ₂ recovery system	2021	 On track
Meet EU BAT total sulphur to air emission criteria	2021	 On track
Achieve 45% reduction in hazardous waste intensity (2019 baseline)	2021	 On track
Meet EU BAT hazardous waste intensity limits	2023	 On track
Achieve 70% sulphate recovery rate	2025	 On track
Workforce		
Zero fatalities	Ongoing	 Not achieved

ABOUT US

GRI 102-1–10, GRI 201-1



Overview

Asia Pacific Rayon (APR) is a leading producer of viscose rayon, a natural and biodegradable textile made from wood-based fibre. Founded in 2019, we operate a state-of-the-art 240,000-tonne capacity viscose staple fibre (VSF) mill in Pangkalan Kerinci, in the Riau province of Indonesia. In 2020, the mill produced 227,401 tonnes of VSF. We sell our fibre to yarn spinners, fabric makers, and garment manufacturers in 16 countries, including Indonesia, Turkey, Pakistan, Bangladesh, India, Sri Lanka, and Vietnam.

The state-of-the-art manufacturing facility was built with latest technologies and machinery from Europe and Japan. Located next to APR's mill in Pangkalan Kerinci, APY sources VSF exclusively from APR and transforms it into high-quality yarn products, specifically ring-spun, open-ended and MVS yarn. The manufacturing plant can produce 7,552 tonnes of yarn annually and produced 4,340 tonnes of yarn serving 15 local and international markets in 2020.

New R&D centre

APY is well-positioned to bring a more diversified range of viscose rayon products into the market through innovation and by being responsive to market demands. This is because we have built and dedicated a research and development (R&D) centre under APY. The centre is equipped with a pilot plant and modern world-class labs dedicated to developing new products and testing the latest yarns and fabric.



“
In February 2020, we launched a downstream yarn facility and commissioned Asia Pacific Yarn (APY)¹.
 ”

1 While APY is its own entity, it is managed by APR and is included within this scope of this report. For the purposes of this report, mention of APR includes our APY business.

ABOUT US

GRI 102-1–10, GRI 201-1

APR is a privately held company and a member of the the Royal Golden Eagle (RGE) group of resource-based manufacturing companies. Our headquarters is in Jakarta and we operate a sales and coordinating office in Singapore.

Integrated sustainable operations

Our Pangkalan Kerinci facilities are located alongside PT Riau Andalan Pulp and Paper (PT RAPP) mill, our key supplier of dissolving wood pulp (DWP), operated by our sister company, Asia Pacific Resources International Ltd. (APRIL). We leverage on the existing infrastructure and many strengths of APRIL. Our integrated facilities and operations maximise resource efficiency and sustainable production. APR also benefits from the expertise of our other sister companies under the RGE group, including Sateri, the largest viscose rayon producer in the world.

APR's role in supporting APRIL's initiatives

Our supply partner and sister company, APRIL, has operated in Pangkalan Kerinci since the 1990s. Over the years, APRIL has rolled out a series of initiatives guided by their [Sustainable Forest Management Policy 2.0](#) and their recently launched strategy and vision, [APRIL2030](#). Our unique model enables us to integrate production and:

- 1 Support APRIL's conservation, restoration and biodiversity protection efforts
- 2 Combine our community programmes to increase their impact
- 3 Work together to improve process efficiency at our facilities to reduce both companies' carbon footprint.





Meeting the growing global demand for viscose rayon

Driven by growing consumer taste for natural fibres at affordable prices, the world is seeing an increase in demand for clothing manufactured with manmade cellulosic fibre (MMCF). VSF is the most important MMCF with a 5.2-million-tonne production volume and 80% market share in 2020.² Like cotton, APR viscose is derived from a natural renewable source and is biodegradable. In textile, it can be woven or knitted, and has many applications in garment and home furnishing industries. The demand for non-woven viscose fibre is also increasing for use in baby wipes, dry and wet wipes, beauty masks and other hygiene products.

In fashion, viscose has tremendous potential. It can be the primary material in modest wear, which is increasingly popular in countries like Indonesia, the world's largest Muslim-majority nation and an important consumer market. Viscose is also popular and gaining traction in regional and international markets, including Singapore, Brunei, Thailand, Dubai, Egypt, Turkey, and some African nations. The fashion industry also uses viscose to manufacture modest wear, undergarments, loungewear, streetwear, and regional ethnic apparel. APR, in addition to the domestic market in Indonesia, supplies to nearly 20 countries

globally. APR's viscose is unique. It is soft to the touch, lightweight, versatile, breathable, retains colour well, and is the ideal fabric for clothing designed for tropical climates. APR viscose use is versatile and a variety of uses can be seen in specific markets. For example, it is used for rayon-cotton towels in Indonesia and Pakistan, regional ethnic wear in Pakistan and Bangladesh (salwar-kameez, lounge fabrics, lungis, etc.), and Batik and rayon-cotton denim products in Indonesia.

By 2023, APR will increase VSF production capacity to 600,000 tonnes a year. The increase in production enables us to respond to the growing demand for VSF and bring more sustainably produced to market.

These expansion plans align with the Indonesian Government's strategy to increase investment and boost employment to support Indonesia's economic recovery.

² Textile Exchange (2021) Preferred Fiber and Materials Market Report 2021, p62. Source: https://textileexchange.org/wp-content/uploads/2021/08/Textile-Exchange_Preferred-Fiber-and-Materials-Market-Report_2021.pdf [Accessed 24 August 2021]

ABOUT US

GRI 102-1–10, GRI 201-1

Steady growth in Indonesia

Sachin Malik, Global Head of Sales, APR



APR is the newest and most integrated viscose plant to have commenced operations at this scale in recent years. This brought upon numerous challenges, which we have overcome through close cooperation with our partners.

In our first year, we made tremendous efforts to connect with customers and meet their needs, maintain a local presence in all key markets, and continuously improve product and service quality. We set and achieved an ambitious target of bringing 240,000 tonnes of fibre to international markets in three short months. Despite macro-economic challenges, including slow economic growth and reduced international trade due to the US-China trade war, we maintained optimum production levels and sold every tonne of fibre we produced.

In early 2020, the emergence of the COVID-19 pandemic had a devastating impact on the global economy. The textile industry was one of the hardest hit as clothing is often a discretionary expense. Despite this downturn, we implemented rigorous health and safety measures to protect employees at our operations and maintained uninterrupted production through the worst phases of the pandemic. We also kept in close contact with our customers and jointly worked on solutions to ensure they and APR could remain operational. By the end of the year, demand had risen, and APR started serving customers again.

APR plans to expand our annual operational capacity to 600,000 tonnes of VSF by 2023. This level of growth and investment will generate new employment opportunities, not only at our mill operations but also for our suppliers, customers, and other players in the textile value chain. These expansion plans will support Indonesian government initiatives to create new jobs and business opportunities while increasing prosperity and quality of life in the communities where we operate.

APR will continue to keep sustainability at the forefront of our actions. As our need for raw material grows, we will work closely with suppliers to ensure that we continue to source sustainably produced pulp that is PEFC-certified. We will also remain committed to meeting and exceeding the highest sustainability standards at our operations.

About: Sachin oversees APR's global sales and technical services.



TRANSFORMING THE FASHION INDUSTRY IN INDONESIA

GRI 102-12, GRI 201-1, GRI 203-1-2

As Indonesia’s largest integrated viscose rayon producer, APR recognises our role as a driving force behind the growth of the country’s fashion industry. The sector is a major provider of jobs and livelihoods, employing over one million people. Indonesian President Joko Widodo inaugurated our APR and APY facilities in February 2020 at a ceremony that celebrated our commitment to the Making Indonesia 4.0 roadmap as a way to reduce the country’s reliance on imported textile raw materials to meet domestic demand.

In 2019, APR launched the ‘Everything Indonesia’ campaign promoting the sourcing and production of fashion in Indonesia.

While the textile and fashion industry is an important contributor to Indonesia’s economy, the country is heavily reliant on importing textile fibre. The campaign galvanises support for the industry highlighting opportunities and markets to use locally produced raw materials and transform Indonesia into a vibrant fashion hub. The campaign aims to support Indonesia’s resurgence as a global centre for textile manufacturing by promoting viscose rayon as a catalyst for home-grown fashion design and creativity. APR collaborates with government agencies, associations, schools, and industry partners to promote research, product and business development, and marketing under the ‘Everything Indonesia’ campaign banner.

 [Click here to play video](#)



The importance of supporting textiles and fashion by Indonesians, for Indonesians

Basrie Kamba, Director, APR



APR launched the Everything Indonesia campaign to promote the sourcing and production of Indonesian viscose and fashion. From plantation through to the processing of textile fibre, we source and manufacture our viscose in Indonesia. In doing so, we have established ourselves as a leader in the Indonesian textile industry. **Our Everything Indonesia campaign aligns with #BanggaBuatanIndonesia (Proudly Made in Indonesia)**, a national movement that champions Indonesian goods and services locally and internationally.

There is tremendous consumer demand for modest wear in Indonesia, and this market segment is growing. Demand for modest fashion is also rising in neighbouring countries like Malaysia, Thailand, and Singapore, as well as Middle Eastern and African nations. One of the main goals of our Everything Indonesia campaign is to establish the country as an international centre for modest wear. To this end, APR is promoting Indonesian-made products and the adoption of sustainable production processes and materials. Although we work with government, industry, and education partners to promote Indonesian textiles and fashion, our Everything Indonesia campaign also targets consumers and end-users because they are the ones who drive demand. Initiatives that support the Everything Indonesia campaign include collaborating with the country’s largest annual Muslim Fashion Festival (MUFFEST). APR is also in conversation with different parties to pilot projects that promote the procurement of 100% sustainably produced Indonesian-made uniforms by government agencies.

In 2020, APR is also proud to have launched Jakarta Fashion Hub (JFH). JFH is making a difference by promoting sustainably sourced and produced textiles and fashion by Indonesians for Indonesians. JFH also promotes the Everything Indonesia campaign goals to designers, influencers, government representatives, small and mid-sized enterprises (SMEs), fashion writers, and other like-minded industry players.

Despite the success of our Everything Indonesia campaign, we realise that we cannot act alone to achieve its goals and those of the #BanggaBuatanIndonesia programme. It takes the combined efforts of industry, government, designers, brand owners, media and social stakeholders to promote Indonesian textiles and fashions and to change public perceptions about buying locally produced goods and supporting domestic brands. To succeed, we must all work together in the spirit of gotong-royong, the Indonesian tradition of co-operation and community.

About: As APR’s Director, Basrie Kamba leads the company’s external engagement and government relations initiatives, and has oversight of APR’s business operations.

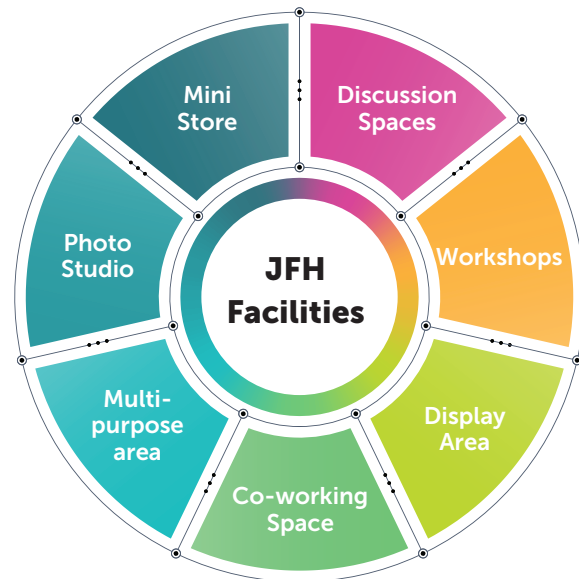
TRANSFORMING THE FASHION INDUSTRY IN INDONESIA

GRI 102-12, GRI 201-1, GRI 203-1-2

Launch of Indonesia's Jakarta Fashion Hub

In August 2020, Asia Pacific Rayon officially inaugurated the Jakarta Fashion Hub (JFH), a vibrant co-working design space, expanding our outreach to the fashion community. JFH connects brands, designers, influencers, photographers, and like-minded individuals interested in being part of the Indonesian fashion landscape.

Since its launch, we strived to increase the visibility of JFH by pursuing collaborations with various stakeholders in the fashion community. Despite the challenge of COVID-19 restrictions in our inaugural year, we made great strides in implementing our outreach efforts.



2
Fashion shows hosted

7
Webinars hosted

5
External events participated in/ sponsored

6
Influencers working with JFH

2,500
Members part of JFH

16.5K
Social media followers

Making fashion possible for all

JFH connects start-ups and small-scale designers with fabric dealers. We eliminate the barrier of sellers' minimum order requirements by facilitating the purchase of small quantities of fabric. Designers can order exactly what they need to create their collections, even if it is only five or ten yards. We also introduce designers to suppliers of different fabrics and fabric blends and use this opportunity to promote sustainable viscose in their collections. Finally, we help designers run targeted campaigns to launch and promote their collections.

8
Brands supported

10
Start-ups/small-scale designers supported



*Data Stated is for September 2020 to August 2021



Supporting local initiatives

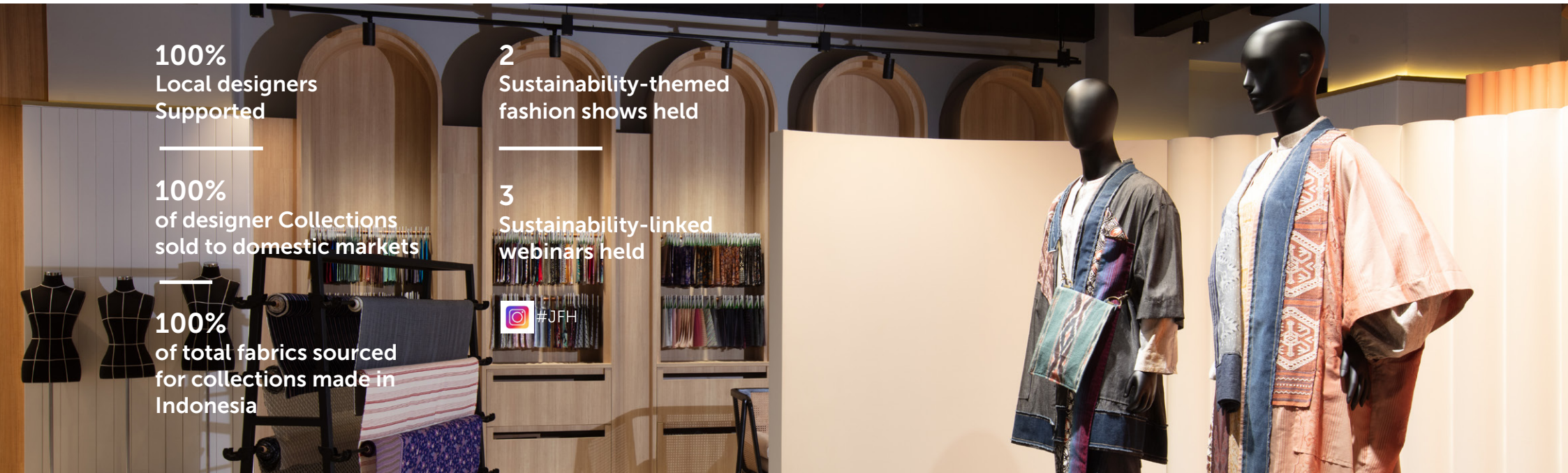
One of the goals of the Jakarta Fashion Hub is to bolster Indonesia’s textile industry within the context of the #BanggaBuatanIndonesia (Proudly Made in Indonesia) programme, a government initiative promoting the use of domestic products. APR’s Everything Indonesia campaign is the core of our promotional work in support of this initiative and includes sourcing locally, hosting fashion shows, and supporting local designers who employ traditional batik techniques in their collections.

A large part of our work is promoting modest wear to boost Indonesia’s profile as a global Muslim fashion hub. In the past year, we hosted a webinar on ‘Redefining Modest Wear’ and sponsored the 2021 Muslim Fashion Festival, MUFFEST.

Education on sustainable fashion

JFH promotes sustainable fashion in the following ways:

- 1 Educate designers on the benefits of sustainable fabrics, including but not exclusive to APR’s viscose.
- 2 Work with influencers to promote sustainable fashion to consumers.
- 3 Facilitate workshops on fashion education and trends, including sustainable viscose as a material of choice.
- 4 Host fashion shows to encourage designer creativity using viscose staple fibre as a primary raw material.
- 5 Promote initiatives that support communities and address sustainability and gender equity issues, including closed loop fashion and empowering women and society through textiles.



100%
Local designers
Supported

100%
of designer Collections
sold to domestic markets

100%
of total fabrics sourced
for collections made in
Indonesia

2
Sustainability-themed
fashion shows held

3
Sustainability-linked
webinars held



TRANSFORMING THE FASHION INDUSTRY IN INDONESIA

GRI 102-12, GRI 201-1, GRI 203-1-2

Bringing APR's viscose to market

Tapan Sannigrahi, Vice President of Marketing & Downstream Development, APR



APR's viscose differs from the competition due to our vertically integrated operations that allow us to oversee every aspect of our production process from plantation to fibre, and now to yarn. We launched Asia Pacific Yarn (APY) in 2020 to stay on top of quality control, adapt to changing market needs, and embrace emerging opportunities. Through these activities, APY provides strategic support to APR as we scale to meet the growing local and international demand for viscose.

APR supplies to nearly 20 countries, including Indonesia, Vietnam, Turkey, Bangladesh, and Pakistan. We also serve emerging markets in the Middle East and Latin America. Our biggest growth markets outside Indonesia at the moment is India, Pakistan and Bangladesh. Traditional cotton production and consumption in these countries have little room to grow due to the cotton industry's sizeable environmental footprint. The result is a favourable market for viscose rayon.

Our customers' success is APR's success. As we support their growth, we are also promoting the benefits of viscose in local and international markets. We provide this assistance to suppliers who purchase viscose directly from us and their customers, who bring garments to the market. APR promotes our customers' products through our platforms, including the Jakarta Fashion Hub, and at national and international trade shows and exhibitions, alongside our fibre. Our marketing team provides promotional assistance such as social media campaigns and product launches. Finally, the Jakarta Fashion Hub facilitates outreach activities that educate the public on viscose and the latest fashion trends. While markets have slowed in 2020 due to COVID-19, we continue to innovate, push boundaries while maintaining an open dialogue with customers in different markets.

About: Tapan manages APR's product development, business development and marketing strategies. He also manages APR's operations and sales.



The Jakarta Fashion Hub: One Year Later

Sheila Rachmat, Head of Marketing Communications, APR



APR initiated the Jakarta Fashion Hub to share our expertise and bring us closer to the Indonesian fashion community and textile end-users. Our vision is to partner with local designers, clothing brands, and fashion enthusiasts to develop and grow sustainable businesses. We aim to support as many start-ups as possible by helping them overcome barriers in sourcing and buying materials to create their stunning collections.

The JFH celebrated its first anniversary in August 2021. Looking back at our first year, we have made some tremendous strides toward achieving our goals. We supported a total of 8 brands, built a social media following of 16,500 followers, and started rolling out educational material on the benefits of viscose and sustainable fashion to consumers.

We accomplished all this despite the constraints of the COVID-19 pandemic and the closure of the JFH space during specific months. We had to rethink some of our initial plans and found ways to be effective even though we could not host in-person events or meet with workshop participants face to face. Our move to virtual activities was successful and led to an ever-increasing number of participants in our online webinars, workshops, and fashion shows.

More importantly, by shifting to online programmes, we are confident that we were moving in the right direction and were able to refine our offering. Once the pandemic restrictions have lifted, we hope to move ahead with a full slate of events, including workshops and outreach through JFH roadshows.

One thing I have noted during our online activities is workshop participants' keen interest in sustainable fashion, including sustainable sourcing and production. Many brands have sought our expertise to help them define what it means when they say their operations and garments are sustainable. I am encouraged by their efforts and expect Indonesian manufacturers and consumers to become increasingly receptive to locally sourced and produced sustainable fashion.

The JFH will continue to expand our promotional and educational activities and materials in the years to come to increase the demand for sustainable fashion.

About: Sheila heads the marketing and communications arm of the Jakarta Fashion Hub and promotes viscose as the material of choice in the production of fabrics and textile blends.



APPROACH TO SUSTAINABILITY

GRI 102-11, 15–23, 26–34, GRI 205-2

Asia Pacific Rayon is supporting the effort to transform Pangkalan Kerinci into a textile production hub at a time of increasing demand for sustainable apparel from the fashion industry, which presents a real opportunity for APR to drive change in the sustainable production of viscose rayon. We have implemented policies and practices that guide our approach to responsible production while addressing environmental and social challenges faced by the industry. We first announced our commitments in our 2018 Sustainability Policy and **updated this [policy](#) in September 2020** to include compliance with Zero Discharge of Hazardous Chemicals Manmade Cellulosic Fibres (ZDHC MMCF) guidelines.

We recognise our role in contributing to the global agenda for sustainable development. Based on an exercise carried out in 2019, we mapped and prioritised ten United Nations Sustainable Development Goals (SDGs) against our material issues and business activities throughout our value chain. These ten SDGs comprise:

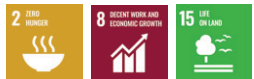
Core goals: the most relevant to APR’s business



Catalytic goals: which enable APR to have a positive, direct and significant exponential impact on surrounding communities



Contributed goals: the goals to whose attainment APR directly or indirectly contributes



Certifications and labels

One of APR’s top priorities is compliance with leading industry and sustainability certification schemes and labels to assure our customers and stakeholders of our sustainability performance based upon credible verification systems and criteria. **We received six new certifications and labels in 2020 and 2021.** Asia Pacific Yarn (APY) plans to undergo STeP by OEKO-TEX® certification as part of APR’s next audit cycle.

 [See list of certifications and labels](#)

 [APR’s sustainability certification](#)

Sustainability ratings and benchmarks



APR subscribes to several sustainability rating schemes, including EcoVadis, which evaluates how well a company has integrated sustainability principles into its business and management systems. APR completed the EcoVadis assessment in 2020 and was awarded the organisation’s Silver Medal in 2021.

We are proud to to be placed in the top 25% of companies assessed.

Canopy³ releases an annual Hot Button Report and Ranking as a guide for CanopyStyle brands committed to eliminating the use of Ancient and Endangered Forests in the production of viscose and other cellulosic fibres. In 2020, APR’s production contributed to 3.3% of the total production capacity of the companies surveyed. We scored 5 out of 35 buttons in the Canopy Hot Button Report and Ranking, mainly due to what Canopy considers as supply chain risk. We are engaging with our suppliers and Canopy to resolve these issues and improve our ranking.

 [Supplier engagement](#)

³ Canopy is an international environmental not-for-profit organisation that works with companies to make fibre supply chains more sustainable and protect the world’s remaining Ancient and Endangered Forests.

APPROACH TO SUSTAINABILITY

GRI 102-11, 15-23, 26-34, GRI 205-2

Governance and management

The RGE Executive Management Board is responsible for the overall direction and strategy of APR's business. The APR leadership team shapes the strategy and drives sustainability policy implementation, ensuring its consistency with the organisation's values. Our Vice President of Communications and Sustainability is responsible for the development, implementation, and compliance monitoring of APR's sustainability strategy. She leads a sustainability team comprising an operational

sustainability specialist and a coordinator of local stakeholder relations and community development. This team relies on the operational support of APRIL's cross-functional teams working on community development, social capital and stakeholder engagement, certification, and environmental compliance. We review other aspects of operational, environmental, health and safety performance and certifications during our mill management monthly meetings.

APR leadership team	<ul style="list-style-type: none"> • Basrie Kamba, APR Director • Thomas Handoko, Director, Operations • Cherie Tan, VP, Communications and Sustainability • Tapan Sannigrahi, VP, Product and Business Development • Sachin Malik, Global Head of Sales
Sustainability operations	<ul style="list-style-type: none"> • Susan Slabbert, Operational Sustainability Specialist

Responsible business practice

Our business philosophy is guided by the RGE 5C philosophy. Everything we do must be good for the Community, the Country, the Climate, and our Customers; Only then can it be good for the Company.



APR employees must abide by the RGE Global Code of Conduct, which guides and upholds our ethical and professional business conduct, anti-corruption practices and compliance with applicable legal requirements. RGE's Head of Human Capital oversees the Code of Conduct with support from the APR Human Resources (HR) team. In 2020, APR HR conducted our annual core values training, attended by 674 participants. Employees can report any misconduct or breach of the Code through their reporting manager or HR representative as the first point of contact or through a confidential internal audit hotline. All reported breaches are treated promptly and fairly, according to our legal obligations, and appropriate penalties or disciplinary actions are sought.

All suppliers must adhere to our Code of Procurement Ethics, which outlines our values, principles, and commitments against the RGE Sustainability Framework and APR's Sustainability Policy.



Grievance procedure

Our grievance procedure ensures a comprehensive feedback mechanism for external and internal stakeholders to report APR policy breaches. The grievance mechanism applies to APR's operations and those of our suppliers. It is accessible on our website by all internal and external stakeholders, including employees, concerned individuals, the communities surrounding our operations, government organisations, and NGOs through our [website](#).

The APR Grievance Committee manages and oversees the procedure and processes all feedback in a fair, transparent, and accountable manner, arriving at a mutual agreement between the parties involved.

2020 grievances

In 2020, two grievances were filed by community members and have since been closed:

1. A complaint about odours emanating from PT Riau Andalan Pulp and Paper (PT RAPP) and APR mills
2. A grievance about our practice of hiring more non-Pelalawan-based workers than locals at APR's operations.

These complaints were brought before the Pelalawan Legislative (DPRD) and the Pelalawan Environment Agency. A formal letter was also sent to the PT RAPP social capital team by the Neighbourhood Forum, a community organisation.

To address concerns about potential odours resulting from our operations, we briefed community members on our processes, as well as the management and treatment of all discharges from our mill, including gases. We strive to reduce escaping emissions and noise and providing evidence of our compliance to national regulation. APR is committed to engaging with community members regularly to communicate our understanding of their concerns through stakeholder forums.

Regarding the labour grievance, APR's ratio of local employees to non-resident workers complies with local regulations and Ministry of Labour and Employment circulars. Nevertheless, we have communicated our approach to recruiting local workers to the concerned parties, including our training programme for local hires and our internship programme for Pelalawan students, which include opportunities for future employment with the company. APR is committed to transparency about vacancies and continues to create training initiatives that prepare locals for jobs at our operations.

We signed an agreement with the Neighbourhood Forum, affirming APR's ongoing commitment to offering scholarships to deserving students and supporting healthcare services at community healthcare centres by donating equipment and sponsoring volunteer training. In return, the Forum will assist APR in communicating with the public on odour-related issues, including their source and our progress on their treatment and reduction. APR will continue to hold consultations with villagers to understand and address community concerns.



STAKEHOLDER ENGAGEMENT

GRI 102-12-13, 21, 40-44

Open and constructive stakeholder engagement is integral to driving sustainability in our business. We identify our key stakeholders according to their influence on and relevance to APR, as well as our impact on them. Our engagement approach varies from informal to formal, and we evaluate all material issues to determine their potential impact upon stakeholders and APR.



[Stakeholder engagement table](#)

Memberships and industry associations

APR participates in multiple associations and initiatives that advance the textile industry's sustainability at national and global levels. We actively participate in key Indonesian business associations and platforms and support the development of the textile sector through our membership in groups such as **Textile Exchange, Sustainable Apparel Coalition (SAC)** and **Zero Discharge of Hazardous Chemicals (ZDHC) Foundation**. In 2020 and 2021, we became a signatory of the **UNFCCC Fashion Industry Charter for Climate Action**, a steering committee member of the **Manmade Cellulosic Fibres (MMCF) Roundtable**, a member of the **United Nations Global Compact (UNGC)**, and a member of the **Textile and Fashion Federation in Singapore**.

We play an active role in key fashion events such as **Indonesia Fashion Week** and the **Muslim Fashion Festival** and continue to support campaigns such as the **PEFC™ Forests to Fashion Initiative 2016-2020** and the **Fashions change, Forests stay** campaign.



[Key achievements](#)



[List of memberships](#)

Contributing to the ZDHC MMCF guidelines

APR is committed to operating a world-class facility and sharing our journey with the industry. We were part of the technical panel that developed the ZDHC MMCF guidelines and shared samples from our operations for analysis by ZDHC-sanctioned laboratories. We took part in this initiative during our first year of operations, which is typically a period when facilities our size need time to provide stable or accurate data. This technical panel compiled and reviewed emission submissions from participating companies and used this data to set realistic limits for the industry. APR was transparent in sharing our data with the ZDHC. The organisation knows where our sustainability efforts stand and recognises the foundational, progressive, and aspirational goals we must set in order to improve.

Soon after joining ZDHC, APR took part in a wastewater trial that collected our wastewater quality results and our peers' results to compile benchmarks that will shape the organisation's MMCF Wastewater Guidelines. We also played an active part in drafting and reviewing the MMCF Responsible Fibre Production and Interim Air Emissions Guidelines published in early 2020.



[APR's list of associations](#)



BECOMING CLIMATE POSITIVE FOR NATURE AND BIODIVERSITY

GRI 102-11-12, GRI 201-2, GRI 302-3-4



In 2020, APR embarked on a comprehensive baseline study to understand and quantify our environmental impacts. This study included a cradle-to-gate lifecycle assessment (LCA) of our viscose VSF using 2019 as our baseline.

APR is committed to optimising efficiencies and reducing our environmental footprint while supporting our main supplier APRIL's efforts to reduce its emissions and implement biodiversity initiatives. In time, we plan to implement science-based solutions to do so.

Managing our carbon footprint

APR is committed to supporting industry pledges that address the global climate crisis and aim at net-zero emissions. These pledges include the MMCF 2030 Vision, the Textile Exchange 2030 Climate+ Strategy, the UNFCCC Fashion Industry Charter for Climate Action, and the Carbon Disclosure Project (CDP).

Understanding our environmental footprint

In 2019, APR focused on getting our operations running, ensuring the stability of our processes during our first year of operations. We then shifted our attention to establishing operational baselines that will facilitate our sustainability roadmap going forward.

We evaluated our environmental profile from plantation management and harvest to dissolving pulp production and viscose fibre production, thus identifying hotspots in the value chain and the environmental impacts of our VSF.

Through the study, we have identified that APR will need to:

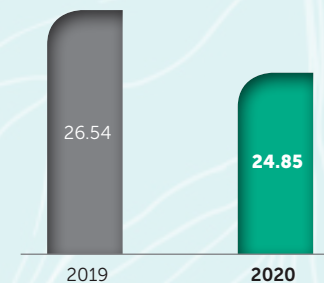
- reduce our chemical consumption and improve recovery,
- improve energy efficiency by optimising our facility operations, and
- work with APRIL to improve process efficiency.

APR will develop a reduction plan and detail our progress in future reports.

Energy

APR has a robust energy monitoring and measuring system that tracks every department's electrical and steam consumption, which is then reviewed annually against planned reduction goals based on EU BAT Polymer BREF. **In 2020, our energy intensity was 24.85 Gigajoules per tonne of VSF (GJ/MT VSF), a 6% reduction from 2019.**

Energy Intensity 2019–2020 (GJ/MT VSF)



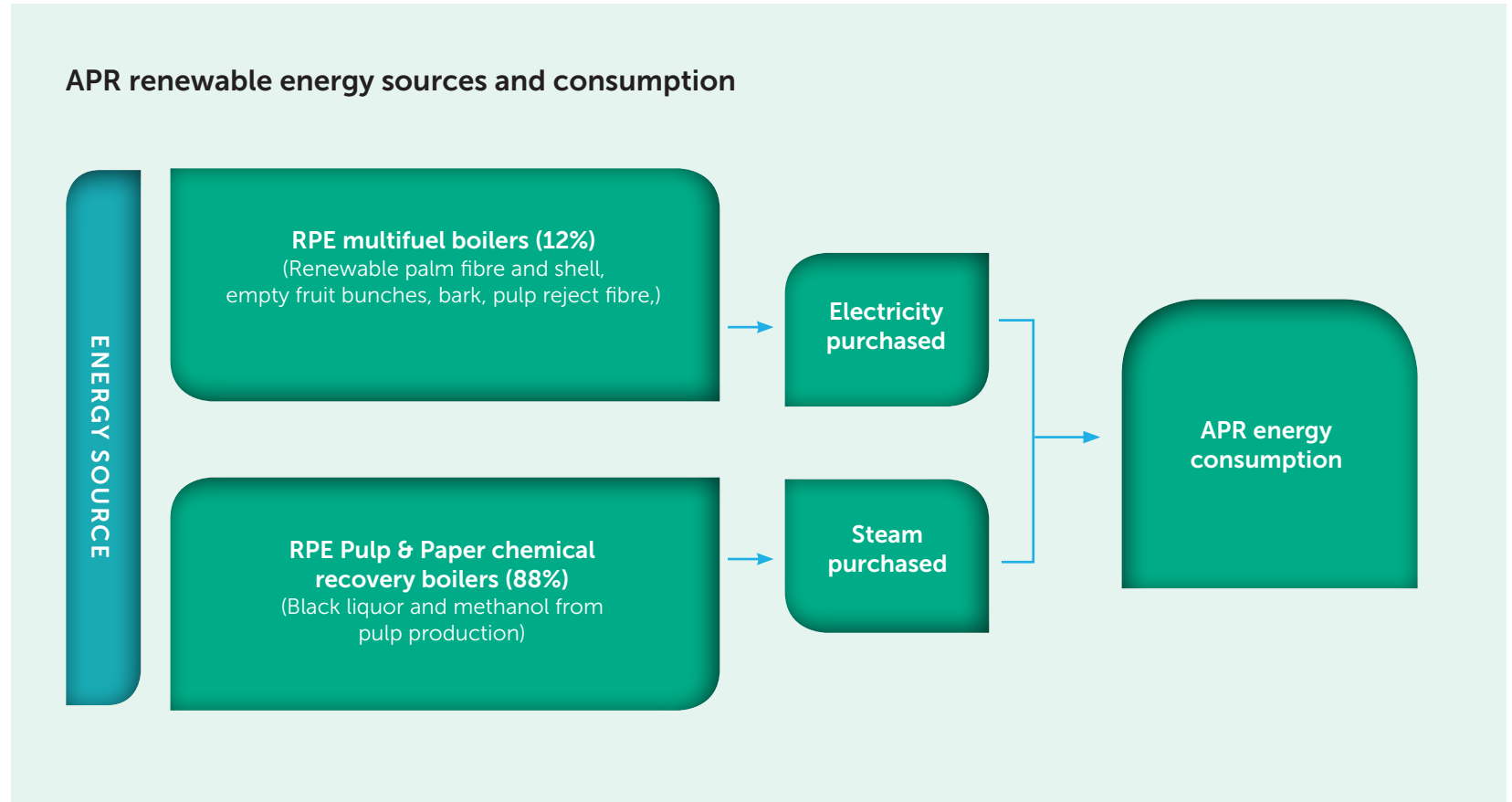
BECOMING CLIMATE POSITIVE FOR NATURE AND BIODIVERSITY

GRI 102-11-12, GRI 201-2, GRI 302-3-4

Move to 100% renewable energy

As of 2020, APR uses 100% renewable energy to power our VSF production, whereas we relied on purchased coal for 10% of our energy needs in 2019. APR purchases our energy from PT Riau Prima Energi (RPE), our sister company with multi-fuel and chemical recovery boilers that can supply more than 100% of our energy needs. We calculate our total energy needs using a mass balance approach based on the energy required to produce one tonne of VSF.

In 2021, we will be installing solar panels at our integrated mill complex that will supply 1% of our energy needs when fully operational.



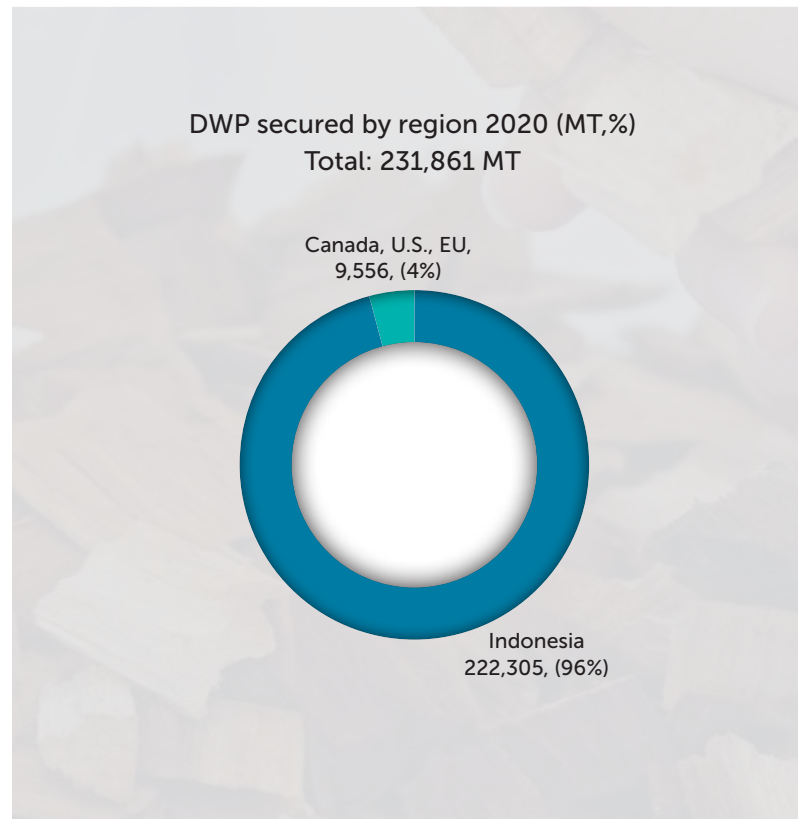
SUSTAINABLE PULP SOURCING

GRI 102-9, GRI 204-1, GRI 308-1-2, GRI 414-1



Supply chain overview

APR sources raw material from five key suppliers: four direct suppliers and one trader. **In 2020, we sourced a total of 231,860 tonnes of dissolved wood pulp (DWP) to produce our viscose staple fibre, 96% of which was sourced locally from two Indonesian pulp suppliers: APRIL and PT Toba Pulp Lestari.** The remaining 4% originated from Canada, the United States and Europe. We did not face major supply chain disruptions as a result of the pandemic, we mainly source from where we operate.



APR adheres to the Programme for the Endorsement of Forest Certification (PEFC™) chain of custody standard, which means we only source from PEFC™ certified or controlled source suppliers. Of our total volume sourced, 98.9% is from PEFC™ certified sources. The remaining 1.1% is from PEFC™ controlled sources.

APRIL is engaged with the Forest Stewardship Council (FSC)® to end its disassociation and details of this engagement are available on the FSC® website. While APR does not currently hold FSC chain of custody certification, we will continue to monitor APRIL’s progress to see if this is possible in the near future.

 [available on the FSC® website](#)

Supplier engagement

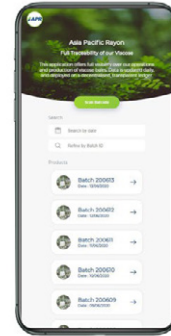
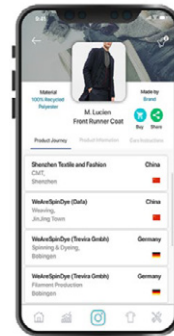
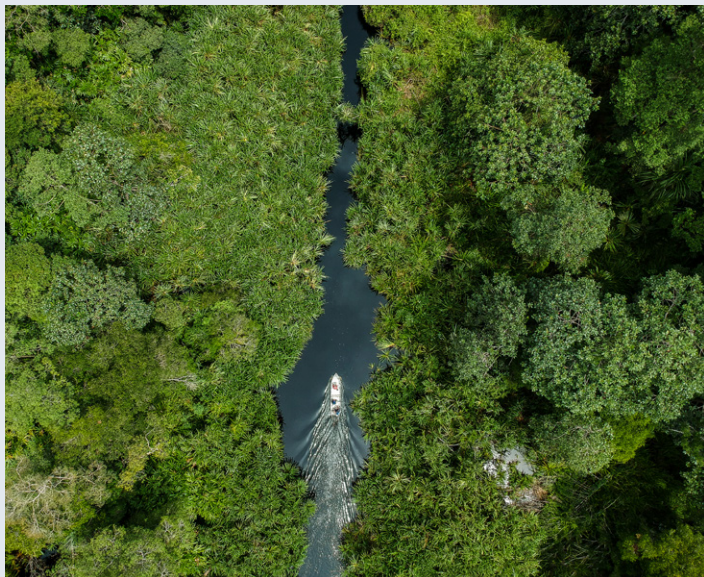
APR suppliers must comply with our Code of Procurement Ethics (COPE) and Sustainability Policy commitments. We carry out risk assessments and due diligence against these requirements for all sourced DWP. If we identify non-compliance, we work with the supplier to address and rectify any issues through clear, time-bound corrective action plans to bring them into compliance.

SUSTAINABLE PULP SOURCING

GRI 102-9, GRI 204-1, GRI 308-1-2, GRI 414-1

Maintaining open dialogue on public complaints against suppliers

Maintaining an open dialogue on outstanding public grievances and complaints is critical to our supply engagement approach. Based on its definition of 'Ancient and Endangered' Forests, Canopy interprets any sourcing from Indonesia as inherently risky. APR believe this approach could be improved by reflecting the Indonesian Government's development plans, the diverse landscapes and complex realities on the ground. We remain committed to sustainable manufacturing and respect Canopy's efforts to improve sustainability criteria in MMCF. APR will continue to engage in discussions with Canopy, and work to address any concerns. raised, keeping stakeholders informed of progress.



Traceability

APR has achieved full supply chain visibility and has developed a customised, tracking platform called [Follow Our Fibre](#) using blockchain technology.

From 2019 to 2020, we collaborated with TrusTrace — an organisation also using blockchain technology designed for the fashion industry — to share data on their platform. This collaboration has enabled us to increase the transparency of our supply chain and learn from other fashion industry stakeholders.



[Lessons learnt from collaboration](#)

Improved transparency in 2020

In 2020, we relaunched the Follow our Fibre app by improving its user interface. A sustainability dashboard was also introduced to track key mill environmental performance indicators connected to our suppliers during APR's first year of operations. The data collected over this initial year will serve as a baseline for -biannual tracking, reporting and continuous improvement in years to come. Digitisation of the supply chain will mean that we will be able to use artificial intelligence to analyse of our environmental footprint optimise operational efficiency.



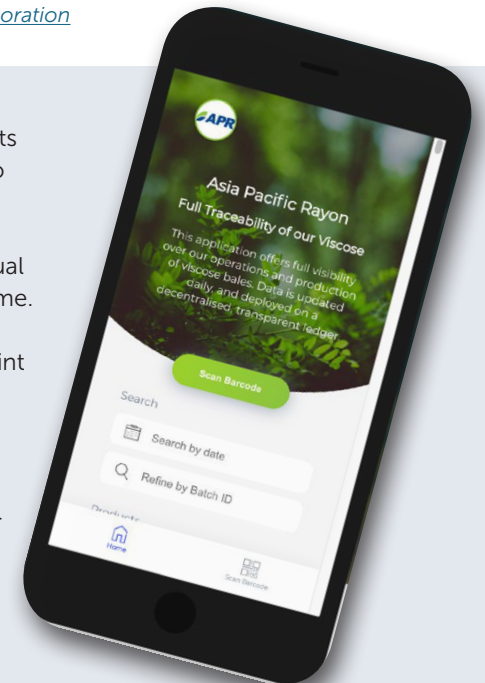
[Click here to play video](#)

We also refreshed the platform to display information about our suppliers' conservation and biodiversity efforts. This has taken information transparency to a new level.



[Climate positive section on supplier support](#)

This platform ensures 100% traceability of APR's viscose fibre from nursery to viscose bale, which will enable us to monitor environmental and social risks within our supply chain.



Supporting suppliers on forest restoration and conservation

GRI 102-43, GRI 304-1-3, GRI 308-2

The textile sector plays a role in regenerating and building the resilience of the ecosystems and communities that rely upon us. APR is committed to working with our suppliers to restore natural landscapes.

One of the key outcomes of our 2020 lifecycle assessment was recognising and understanding the climate-related impacts and opportunities in our value chain. **The conclusions of this study are not limited to APR but equally apply to our main supply partners, with whom we must collaborate to reduce our carbon footprint and demonstrate positive impact on climate and nature.** APR will use the collected data from our lifecycle assessment to develop core focus areas based on impact hotspots and opportunities.



Integrating conservation into traceability

In 2020, APR reached out to our suppliers to better understand the scope of their conservation work and the initiatives in which they are involved. These dialogues, coupled with a desktop study of publicly available data, enabled APR to create a detailed map of areas where our suppliers engage in conservation work.

From our findings, **we have determined that APR's suppliers are collectively responsible for supporting conservation in more than three million hectares of forests**, including boreal forests and peat swamp forests. These protected forests are rich in biodiversity and home to critically endangered and threatened species like the elusive Sumatran tiger and Canadian boreal caribou and provide ecosystem services through 22 rivers and tributaries totalling over 900 kilometres.

We have uploaded location and other data about these initiatives to the Follow our Fibre platform and made it accessible to all users. This data will help APR, and our customers, better understand our ecological footprint, bolster our forest conservation projects, and protect biodiversity in the areas we source from.



CHAMPIONING CLEAN AND CLOSED LOOP MANUFACTURING

GRI 102-12, GRI 302-3-4, GRI 303-1-2, GRI 306-1-2

Clean manufacturing is critical to our operating licence. **APR's guiding principles and the core of our sustainability framework at the mill level are informed by European Union Best Available Techniques (EU BAT) Polymer BREF and Zero Discharge of Hazardous Chemicals Manmade Cellulosic Fibres (ZDHC MMCF) guidelines.** These guiding principles form the strategic backbone of our sustainability information management system and the daily scorecards used by workers, managers, and our senior management team to assess the environmental impact of our activities. APR has complied with these standards from day one, owing to our preparations during the planning and design phase of our mill. We also drew on how our sister companies achieved their sustainability targets and adapted their strategies to APR's scale and operating environment. In the course of implementing these standards, we identified gaps in our sustainability efforts and are working to close them.

As of December 2020, we have complied with most EU BAT Polymer BREF guidelines on consumption, emissions and noise. In Q1 2021, we met the spin finish consumption limit and are on track to meet total sulphur to air emissions criteria in Q4 of 2021 and hazardous waste intensity limits by 2023.

As a member of the Sustainable Apparel Coalition (SAC), we have begun measuring and improving our sustainability performance using the Higg Index suite of tools. In August 2020, **APR achieved a score of 73% on our first Higg Facility Environmental Module (Higg FEM) evaluation** covering environmental management systems, energy use, greenhouse gases (GHGs), water use, wastewater, emissions to air, waste management, and chemical management for textile and apparel production facilities.



[APR EU BAT Polymer BREF roadmap](#)

Chemical management and recovery

We are committed to best practices in chemical management and are aiming to eliminate the intentional use and discharge of hazardous and restricted substances across our value chain.

Sulphur recovery

Viscose staple fibre production heavily relies on sulphur products, which can be harmful to people and the environment when released into the air. We have therefore invested in a state-of-the-art carbon disulphide (CS₂) recovery system to capture and recover carbon disulphide (CS₂), hydrogen sulphide (H₂S) and sodium hydrosulfide (NaHS) gases generated during production. The CS₂ recovery system captures the gases released during production through a condensation and adsorption system and converts them into liquid CS₂. In addition, we have a wet sulphuric acid (WSA) plant that converts sulphur-rich gas generated during the manufacturing process to sulphuric acid. The sulphuric acid and recovered CS₂ are recycled back into the VSF production

process, minimising sulphur released into the atmosphere.

In 2020, we achieved a sulphur recovery rate of 90.7%, meeting our target of >90% for the year.

We have now set a new target to reach 93% by 2021 and maintain a recovery rate of >95% year over year by 2025. To help achieve this target, we have commissioned a third CS₂ recovery system that will be operational by the end of 2021.

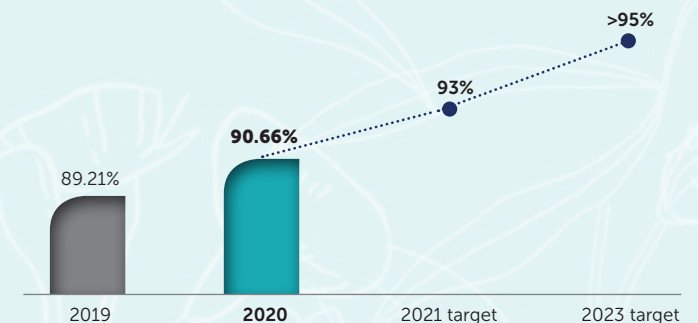
Sulphate recovery

The recovery of sodium sulphate is an important parameter in the ZDHC MMCF Responsible Fibre Production Guidelines. This salt is a by-product of the viscose production process in

solid form. APR uses closed-loop technologies to evaporate and recover the sulphate into salt. The recovered salts are then sold to various local and international industries, while the remaining sulphate is treated before being discharged into waterways within acceptable limits.

In 2020, our sulphate recovery rate was 54.8%, slightly lower than our 57.2% recovery rate in 2019. Despite this, we are still on track to achieve our 70% recovery rate target by 2025. APR will focus on improving efficiency and increasing evaporation rates and capacity as part of our expansion plans.

Sulphur recovery rate 2019–2020(%)



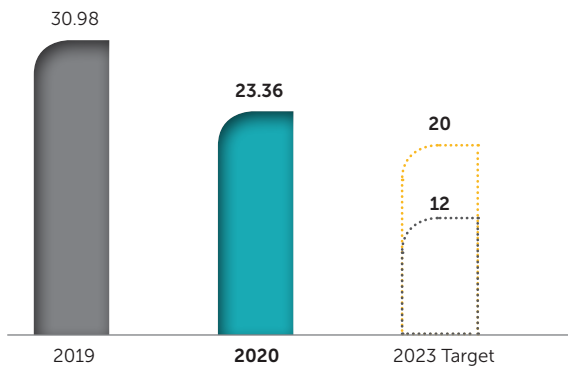
Note: The sulphur recovery process recovers CS₂, H₂S and NaHS

Managing air emissions

APR adheres to Indonesia’s regulatory requirements on air emissions, EU BAT Polymer BREF, ZDHC MMCF responsible fibre production guideline and World Health Organization (WHO) air quality guidelines on ambient (outdoor) air quality. Our online atmospheric emissions monitoring system enables continuous monitoring of and reporting on our CS₂ and H₂S emissions to air.

In 2020, our total sulphur emission intensity was 23.63 kilograms per tonne of viscose staple fibre (kg/MT VSF), a 24% reduction from 2019. Our target is to comply with EU BAT Polymer BREF levels of 12-20 kg/MT VSF by 2023, achieving just over a 45% reduction from our 2019 baseline.

Total sulphur emission intensity 2019-2020 (kg/MT VSF)



Note: Sulphur emission intensity calculated includes CS₂, H₂S and NaHS

Minimising impacts on water

Minimising our impacts on water is a critical component of our sustainable VSF production strategy. To mitigate the effects of our water use, APR has implemented water management plans that monitor consumption and wastewater quality and treatment.

Process water consumption

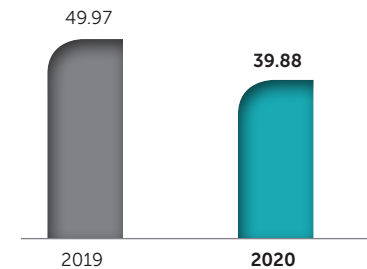
APR purchases processed water, sourced from the Kampar River and treated for industrial use, from PT RPE and we comply with EU BAT Polymer BREF guidelines on water consumption. Our production departments have put into place water reduction plans and strive to reduce their dependency on purchased water by recycling and reusing as much water as possible during the manufacturing process.

In 2020, our process water consumption intensity was 39.88 cubic metres per tonne of VSF processed (m³/MT VSF), a 20% reduction from 2019, exceeding our 2021 target of 7.5% reduction using 2019 as our baseline.

This is due to the improvements in our process efficiency and optimisation.



Process water consumption 2019–2020 (m³/MT VSF)



CHAMPIONING CLEAN AND CLOSED LOOP MANUFACTURING

GRI 102-12, GRI 302-3-4, GRI 303-1-2, GRI 306-1-2

Wastewater management

APR is committed to ensuring that wastewater generated during the manufacturing process is safe enough to reuse or release into the environment. Our mill is equipped with an effective wastewater treatment system that results in zero discharge of hazardous substances. All wastewater collected at the treatment facility undergoes primary and secondary treatment before the water is discharged into the Kampar River.

We collect and analyse wastewater samples from multiple strategic sampling points within our facility twice a day and sample upstream and downstream discharge points in the Kampar River for monthly evaluation any direct impact on the river system.

To comply with government regulations, APR installed a computerised wastewater monitoring system called SPARING in 2020.⁴ This live system continuously and accurately monitors wastewater quality in real-time. It updates the Ministry of Environment and Forestry's servers using an electronic analyser to measure chemical oxygen demand, total suspended solids, pH levels, flow rates and wastewater volumes. The system will be calibrated annually by an Indonesian national standard ISO-accredited and approved laboratory.

Besides complying with wastewater licence regulations issued by the Indonesian government, we adhere to OEKO-TEX® STeP Annex 5 and ZDHC wastewater guidelines and have aligned our wastewater quality targets with EU BAT Polymer BREF standards, the strictest of these protocols.

Wastewater discharge quality by type 2019–2020

Quality parameters of discharged wastewater	2019	2020	Recommended limits
Chemical oxygen demand (COD) (g/MT VSF)	2,690.53	3,110.31	3000 – 5000 (EU BAT)
Biochemical oxygen demand (BOD) (mg/L)	15.20	13.47	N/A
Total suspended solids (TSS) (mg/L)	36.39	29.67	ZDHC limits Foundational: 50 Progressive: 15 Aspirational: 5
Zinc (g/kg)	0.013	0.033	0.01 – 0.05 (EU BAT)
Sulphate (kg/T VSF)	165.87	188.1	200 – 300 (EU BAT)

Note: Monitoring for sulphate began in mid-2019

To increase transparency and accountability, we make our data available publicly through the [ZDHC Wastewater Gateway](#), a global web-based platform for sharing verified wastewater testing results.



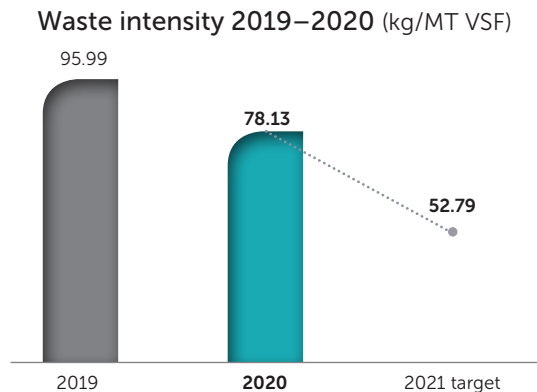
⁴ Article 14 of the Regulation of the Minister of Environment and Forestry (MoEF) Number P.93/MENLHK/SETJEN/KUM.1/8/2018 and P.80/MENLHK/SETJEN/KUM.1/10/2019

Waste management

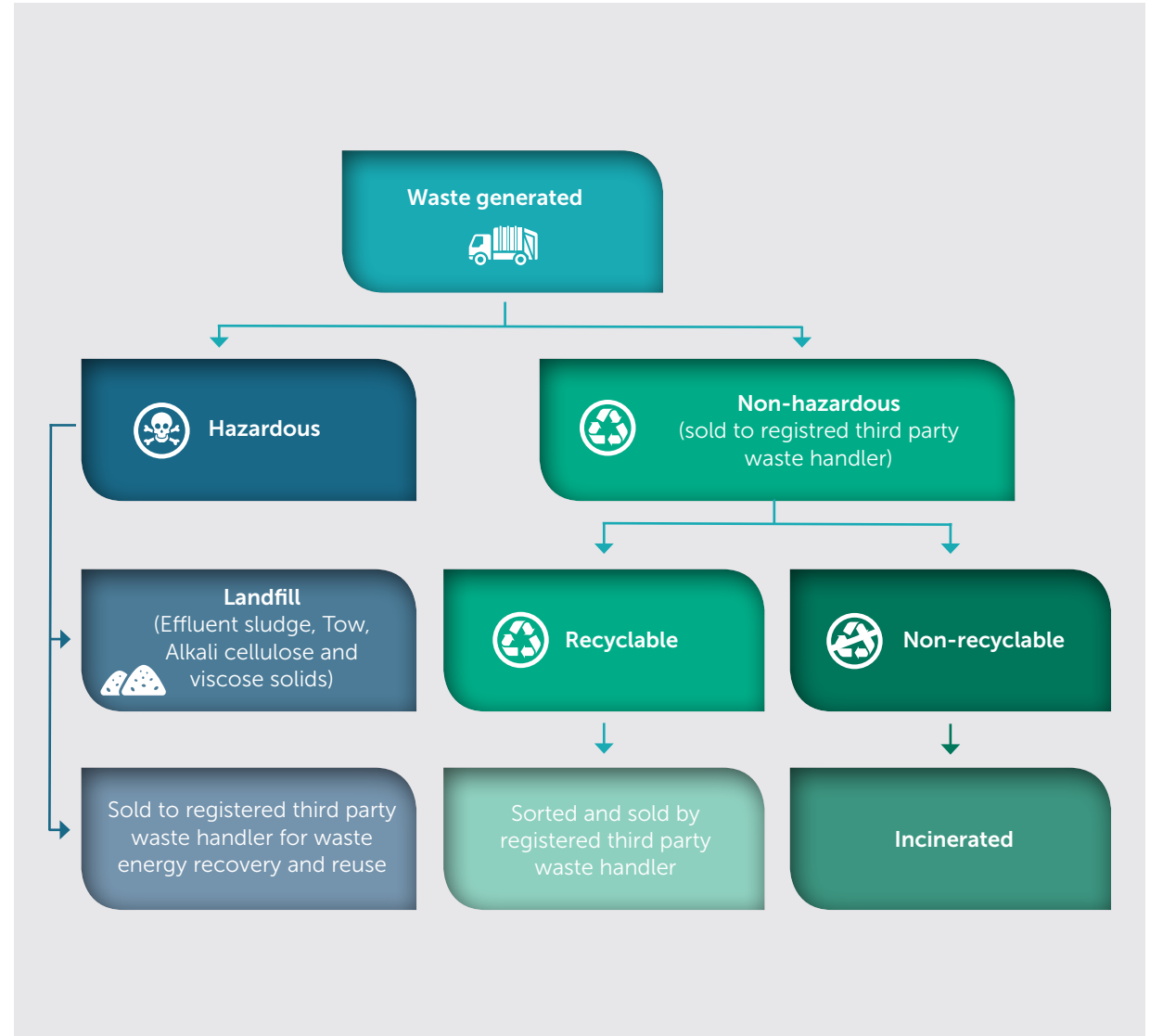
APR operations produce hazardous and non-hazardous waste, which we manage using the 3R principles of reduce, reuse and recycle. Industrial waste is classified as hazardous and handled, disposed of, or sold as per regulatory requirements. Non-hazardous waste is sent to a registered third-party handler to be sorted and disposed of appropriately. We actively seek feasible alternative waste management options within our facilities to reduce our dependency on landfills for waste disposal.

In 2020, our waste intensity was 78.13 kg/MT VSF, an 18.6% reduction from 2019. This improvement can be attributed to enhancements in process efficiency and optimisation. A waste recycling programme was also implemented, which enables certain types of waste to be reintroduced back into the manufacturing process instead of being sent to landfill.

APR has targeted a 45% reduction in hazardous waste intensity by 2021, using 2019 as our baseline. We are implementing a robust waste reduction strategy to become compliant with EU BAT Polymer BREF hazardous waste limits by 2023.



APR's approach to waste management



ACCELERATING CIRCULARITY THROUGH INNOVATION

GRI 102-12-13

Fibre and yarn producers like APR play a vital role in minimising waste and promoting circularity. Our responsibility extends beyond incremental improvements to minimise environmental impacts at our mills. We are working to change the landscape of the textile industry at every level, from consumers through industry partners and peers.

The foundation of APR's production processes is circularity. Viscose is a biodegradable wood-based fibre that is naturally sourced and decomposes into soil. Our viscose fabric is potentially recyclable. However, we are only in the early stages of testing and understanding its recyclability and its impact on circularity in the textile industry.

Dedicated R&D team

APR has invested in a world-class research and development (R&D) team of dedicated experts. This team is devoted to testing and understanding how to re-use disposed material, convert textile waste streams into raw material for new products, sort different fibres and blends according to their properties, treat dyes and fabrics to make them reusable, and scale recycling opportunities in the manufacturing process.



The R&D team can test hypotheses at our lab through trial-and-error, pilot working solutions, and scale them to the industrial level. The process may take years to run at an industry level, and our R&D team is working around the clock to push forward. Notably, we have found a way to introduce recycled materials into rayon production in our pilot phase and we are working to scale up this technology and start using it at our plants once the technology is proven to work at scale.

Our fully automated viscose pilot plant

In 2020, APR commissioned a fully automated viscose pilot plant at our Kerinci viscose R&D facility. This test plant models the entire viscose manufacturing process but on a much smaller scale. It allows us to test new fibre formulations and manufacturing techniques quickly and efficiently. We use it to evaluate proofs of concept, determine material and production costs, and estimate process yields to establish whether a full-size plant is feasible.

A further innovation from our R&D team is its research into new sources of fibre from recycled textile and agricultural residuals. Trials to date have been promising and have shown that viscose can include up to 50% of recycled content.

Studying pre- and post-consumer waste for recyclability

In 2021, APR will explore opportunities in pre-consumer waste. Specifically, we will be looking at material diverted from the waste stream during the manufacturing process but not re-used or re-worked to produce other garments or fabrics. The study will help us understand the source of waste scraps and the feasibility of building infrastructure specifically to convert these scraps into usable material for our manufacturing processes.

Our teams are also working to deepen our understanding of post-consumer waste markets and explore the opportunities they represent in partnership with Singaporean, Indonesian and international universities and research institutes, among others.



TOUCHING LIVES

GRI 102-8, 12-13, GRI 203-1-2, GRI 403-6, GRI 413-2

As one of the biggest employers and a major contributor to the socio-economic development in Pangkalan Kerinci, we strive to have a positive impact on the communities that surround us. We do this through community development programmes and by creating jobs aligned with government initiatives while also continuously improving our employees' livelihoods.

Our employees

GRI 201-1, GRI 401-1-3, GRI 404-1-2, GRI 405-1-2, GRI 406-1

APR is committed to upholding the rights of our employees in line with the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. As a member of the Sustainable Apparel Coalition (SAC), we measure and improve our social and labour-related performance using the Higg Facility Social & Labor Module (FSLM). This tool assesses recruitment practices, working hours, wages and benefits, employee involvement, workplace health and safety, ways of empowering people and communities, and other issues. **In August 2020, APR scored 93.1% on our Higg FSLM assessment.**



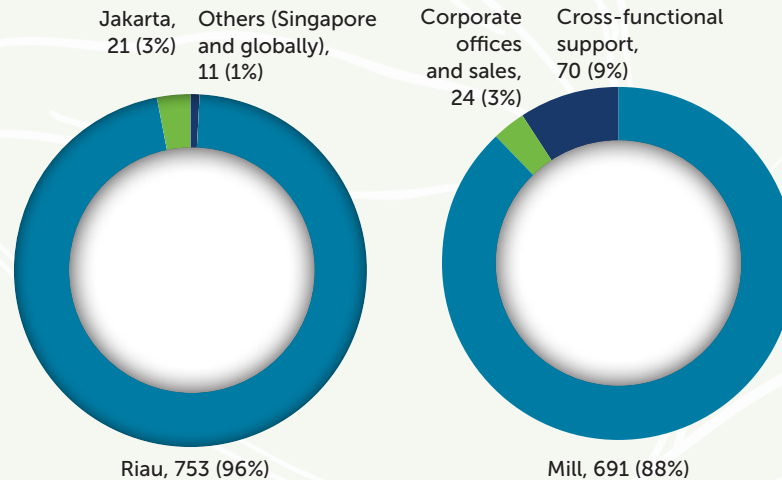
Overview

APR employs over 780 people across our operations and offices in Riau, Jakarta and Singapore, of whom about 77% are local to Sumatra. The remainder comprises employees from other regions or nationalities with diverse cultural and ethnic backgrounds.

The majority of our total workforce are APR employees, with only 79 people employed by Asia Pacific Yarn (APY). Because we operate in a remote location and all employees are permanent hires, we provide our workers and their families with quality housing, recreational facilities, medical care, disability coverage, parental leave, and insurance. Our employees' children have access to schools that teach either Indonesia's national curriculum or the International Baccalaureate syllabus. A collective bargaining agreement covers 100% of our employees in Riau.

Employees by region and function 2020 (no., %)

Total: 785 employees



Employee development and retention

APR believes in investing in our employees and recognises that our organisation’s success depends upon recruiting, retaining, and developing a talented and highly motivated workforce. We offer employees soft-skill, technical, and leadership training at the APRIL Learning Institute (ALI) and teach them relevant job skills to boost their work performance. At the mill, technical training is mandatory for all, regardless of gender. This continued to be a primary focus during the pandemic, whereas soft-skill training was kept at a minimum. This resulted in a difference in average training hours between men and women at the mill, because more men are employed than women for the manual work required. We hope to resume all training once it is conducive to do so. Every employee undergoes an annual performance review with their manager, during which their yearly development goals and targets are set.

In 2020, we hired 114 new employees at APR, including 86 men and 28 women. Of the new hires, 81 were below the age of 30. Our turnover rate is 6.1% for employees under 30 and 2.2% for those aged 30 to 50. These low figures suggest that employees are satisfied with APR as their employer.

Average hours of training per employee by function by gender 2020 (hours)

Function	Male	Female
Mill employees	4.01	1.95
Corporate office and sales employees	1.3	1.3
Cross-functional support employees	6.27	6.48

Note: Data includes APY employees

Diversity and inclusion



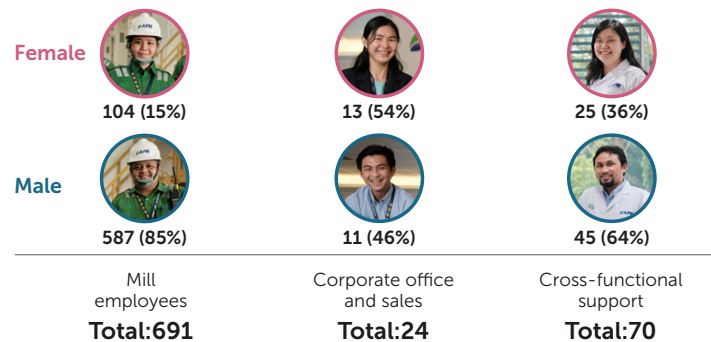
29% of senior management are women



0 cases of discrimination or human rights abuses reported in 2020

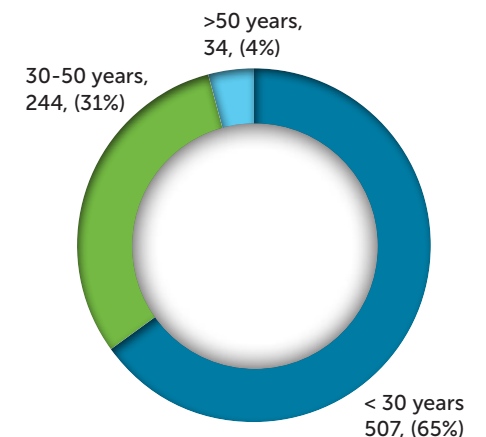
APR has a zero-tolerance policy against discrimination. We are committed to ensuring an inclusive and fair work environment and are dedicated to advancing gender parity and welcoming diversity. Our equal pay for equal labour policy extends to all employees regardless of gender, including our lowest-paid workers. We employ more men, mainly due to the manual nature of the work required at our facilities, while women tend to occupy corporate, sales, and administrative positions. While women make up 18% of our total workforce 29% of our senior management positions (two out of seven) are held by women.⁵ We are actively recruiting more women into the APR workforce.

Employees by function and gender 2020 (no.,%)



Note: Data includes APY employees

Employees by age group 2020 (no.,%)



⁵ Percentage of women employees in senior management restated.

TOUCHING LIVES

GRI 102-8, 12-13, GRI 203-1-2, GRI 403-6, GRI 413-2

Health and safety

GRI 403-1-7, 9

APR upholds the highest workplace safety standards. Our Occupational Health and Safety (OSH) policy adheres to best practices and the OHSAS 18001 standard to ensure compliance with prevailing statutory obligations. It is the guiding document on minimising health and safety risks within our operations. We also have an in-house Contractor Safety Management System (CSMS) that guides our employees in effectively managing OHS risks associated with work performed by contractors. APR is committed to building a positive OHS culture through employee awareness, education and training, and also encourages OHS responsibility amongst our business partners, suppliers, and contractors. The health and safety committee consists of our employees who partake in APR's OSH management system development and reviews.

APR conducts medical surveillance and periodic workplace monitoring on health and safety hazards. We track all accidents and injuries in our OSH system. **In 2020, our lost time injury frequency rate (LTIFR) was 6.09 per million hour.**^{6,7} We are working to improve accident rates as we review and improve our systems and procedures.

We regret to report one fatal incident in 2020. The incident was investigated by the OSH unit and reported to the relevant government authorities. We carried out a comprehensive review in response to this incident and immediately implemented all its recommendations, including enhancing existing measures, reinforcing our ongoing health and safety training efforts, and making the use of personal protective equipment (PPE) mandatory.

- 6 Our 2019 LTIFR was 5.90. However, we cannot compare this figure to our 2020 numbers because we have adjusted our new calculation to include contractor hours worked. Consequently, we will be using 2020 as our LTIFR baseline data moving forward.
- 7 To calculate the lost time frequency rate, we divide the number of accidents by total person-hours and multiply this figure by 1,000,000. APR considers an injury an LTI if a worker is unable to return to work the day after the accident.

COVID-19 measures

APR has implemented strict health and safety protocols for all employees, contractors, and vendors at our mill site. Measures in effect include taking the temperature of people entering our compound and requiring everyone in the complex to wear a face mask at all times. Employees and visitors must maintain social distancing and frequently wash their hands with soap or use hand sanitiser, especially before entering an office area. We regularly clean and disinfect common and work areas and offer regular COVID-19 socialisation and education activities, among our other precautions.

APR logs all visitors to the complex, including new and returning employees, contractors, and vendors, and share this information with the government. We also require them to undergo COVID-19 tests and quarantine while awaiting their results.





Communities

APR and APRIL run separate community programmes under the same umbrella to leverage our strengths and target ways our respective companies can best serve the communities in which it operates. APR leads some of these programmes — like our textile initiatives to empower local women — because they align with our activities. APRIL’s programmes, in turn, reflect that company’s long-standing work in areas like community health. The dividing line between our programmes is geographical.

APR focuses on people and communities within a 10-km radius of our Pelalawan and Siak Regency operations, whereas APRIL’s programmes extend to a 50-km radius. These boundaries reflect the size of our respective operations and the number of years we have operated in the region.

One year into the pandemic

The COVID-19 pandemic has created unprecedented disruptions and has severely impacted livelihoods in Indonesia. APR acted promptly at the onset of the crisis to prioritise the health and safety of employees and the welfare of surrounding communities. In response, we have:

- **Set up a Steering Committee that guides the decisions around health screen, sanitation and keeping the complex COVID-safe**
- **Safeguard employee health through strict standard operating procedures (SOPs)**
- **Provide local relief and aid by donating food and essential items to communities**
- **Partner with provincial and district health officials to support frontline efforts.**

One year into the pandemic, we continue to identify gaps in community needs and determine the long-term impact of COVID-19 on community members. We are finding new ways to address these challenges and are adapting our community programmes accordingly.



TOUCHING LIVES

GRI 102-8, 12-13, GRI 203-1-2, GRI 403-6, GRI 413-2

Providing basic necessities to communities



On 20 May 2020, PT Riau Andalan Pulp and Paper (PT RAPP) and APR distributed approximately 11,000 household packages (Sembako) to COVID-19 impacted communities in 176 villages in five regencies across Pelalawan, Siak, Kuansing, Meranti and Kampar.



[Article](#)



[Video](#)

APR celebrated Founder's Day by distributing 3,222 staple goods packages to households struggling due to the COVID-19 pandemic in the Pelalawan, Kuantan Singingi, Kampar and Siak districts. We also distributed health supplements and vitamins to toddlers and expectant mothers in these four districts in partnership with local *posyandus*.



[Article](#)

Supporting community wellbeing



APR continues to promote community well-being in partnership with *posyandus* (community-based healthcare centres) and *puskesmas* (government-mandated community health clinics). We support healthcare workers' COVID-19 public education activities and continue to schedule socialisation classes on the pandemic for community members.



[Article](#)

Many APR employees and their families have expressed an interest in growing food crops and using their free time at home during COVID-19 lockdowns to plant fruit and vegetable gardens. APR recognised the benefits of this activity and responded by distributing compost, garden soil, and assorted seeds to interested households to promote gardening and support access to nutritious food.



[Article](#)

Supplying environmentally friendly masks to local communities



Since March 2020, APR has produced and distributed 100,000 face masks to communities in our operational areas. These reusable masks are made with APR's viscose staple fibre using PEFC™-certified dissolving wood pulp. Recipients include APR employees and their families, workers at district and government offices, and members of the local police force and other local agencies. We also worked with RAPP's Forest Protection team to distribute 2,430 masks to villagers in the Pelalawan sub-district during its annual Fire Free Village Program.



[Article](#)

Continuing access to education



APR distributed educational kits containing colouring and drawing materials to keep these students encouraged and actively engaged in ongoing learning programmes during school closure. We also distributed 1,367 school uniforms to students from two schools in Pangkalan Kerinci who have access to online learning. These uniforms serve as reminders students of their connection to the education system while studying from home.



[Article](#)



2020 Key Community Development Highlights

Education

Distributed **2,567 school uniforms** to seven schools across all villages



Awarded **10 scholarships** to students majoring in mechanics and fashion design at vocational schools



Distributed **607 educational kits** to support home-schooling students during the pandemic



Distributed **2,430 viscose rayon masks** to students in the community



Empowerment

Organised **train the trainer** Rumah Batik workshops to help 12 women improve their artisanal and business skills



Promoted the development of Batik viscose-rayon fabric using **1,005 viscose fabric**

Launched a **Viscose rayon trial** with the traditional songket weavers in Siak region

Enhancement



Provided **food and nutritional packages** to **1,487 children** and **152 expectant mothers**

Distributed **200 supplementary feeding packages** at *Posyandu Keluarga*

Trained **60 cadres** at **15 Posyandus** on toddler development



Social Capital



Donated **6 cows** to **6 villages** during Eid-Adha celebration

Sponsored **an annual gathering** (Pelalawan Develop Assembly) in partnership with the Pelalawan Progress Council



TOUCHING LIVES

GRI 102-8, 12-13, GRI 203-1-2, GRI 403-6, GRI 413-2

COVID-19 contribution highlights



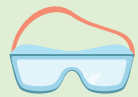
165

Distributed **165 hygiene kits** to **32 posyandus**, places of worship, and other public facilities



32k

Provided **32,000 litres of disinfectant** to help local authorities sanitise public spaces



3k

surgical goggles



1m

surgical gloves



1m

medical masks

Distributed a total of **1 million medical masks**, **1 million surgical gloves**, **3,000 surgical goggles**, and **100,000 PPE gowns** to the community



Donated **15,000 PPE gowns**, **150,000 medical face masks** and **450 surgical gloves** to Riau's COVID-19 task force



100k

PPE gowns



STAKEHOLDER ENGAGEMENT TABLE

Stakeholder group	Key topics engaged on	Method of engagement	Frequency of engagement
Customers	Quality, service, price competitiveness, sustainability certifications	Sales team outreach, networking events (especially via the Jakarta Fashion Hub), collaboration on product innovation (e.g., face masks, towels, etc.)	Regular contact as part of sales management
NGOs	Sourcing risks, zero harm production, circularity, conservation	Introductory meetings, regular dialogue with our supply partners especially on controversial issues	As needed or during industry roundtable meetings
Employees	ALI Leadership training, Exchange programmes with Sateri	Social media engagement showcasing life in Kerinci	Regularly (mainly in Kerinci)
	Occupational health and safety (OHS)	Awareness campaigns, education, and training programmes to encourage OHS practices among employees	Regularly
Suppliers	Addressing NGO concerns, connection between conservation and sourcing	Regular dialogue	Regularly
Local communities in Kerinci and Riau	Community development engagement, dialogue on issues of community concern, job creation	Regular dialogue and community outreach programmes	Regularly
Industry associations	Affiliations with Textile Exchange, ZDHC, MMCF 2030 Vision, Sustainable Apparel Coalition, Textile and Fashion Federation, Indonesia Business Council for Sustainable Development (IBCSD)	Regular dialogue, roundtable discussions, advisory group meetings, annual events	Regularly
Local and national governments	Investments to support advancing sustainable textiles and fabrics in Indonesia and Singapore, research and development	Regular dialogue	Regularly
Media	Press releases, annual media outreach	Media platforms	Annually or as needed
Industry peers	Industry-related topics	Industry platforms	Regularly

BASE DATA

This covers all available recorded data. Grey cells indicate no relevant data was collected.

Category/Indicator	Breakdown (measurement unit)	FY2020	FY2019
General disclosures			
Number of countries exported	VSF	16	14
	Viscose yarn	15	
Number of operations	VSF mill	1	1
	Viscose yarn mill	1	0
Net sales	USD million	280.83	130
Capacity of production facility	VSF (MT/annum)	240,000	240,000
	Viscose yarn (MT/annum)	7,552	
Total production	VSF (MT)	227,401	192,758
	Viscose yarn (MT)	4,340	
Number of employees	Total	785	697
	Male	643	594
	Female	142	103
Permanent employees	Total	785	555
	Male	643	455
	Female	145	100
Temporary employees	Total	0	142
	Male	0	139
	Female	0	3
Employees covered by collective bargaining agreements	No.	785	555

Category/Indicator	Breakdown (measurement unit)	FY2020	FY2019
Employment, labour practices and people development			
New employee hires and turnover			
New hires by age group	<30 years of age	81	108
	30-50 years of age	28	15
	> 50 years of age	5	2
Turnover by age group	<30 years of age	6.1%	
	30-50 years of age	2.2%	
	> 50 years of age	0.0%	
New hires by gender	Male	86	122
	Female	28	3
Turnover by gender	Male	4.6%	
	Female	6.0%	
Parental leave			
Employees entitled to parental leave	Male	266	
	Female	29	
Employees took parental leave	Male	24	
	Female	10	
Employees returned to work after parental leave ended	Male	24	
	Female	10	
Employees still employed 12 months after their return to work from parental leave	Male	24	
	Female	10	

Category/Indicator	Breakdown (measurement unit)	FY2020	FY2019
Diversity of employees			
Composition of mill employees	Male	587	508
	Female	104	97
	<30 years of age	473	416
	30-50 years of age	187	148
	> 50 years of age	31	41
	Riau	691	605
	Jakarta	0	0
	Singapore and international	0	0
	Composition of corporate offices and sales employees		
Composition of corporate offices and sales employees	Male	11	12
	Female	13	12
	<30 years of age	3	
	30-50 years of age	20	
	> 50 years of age	1	
	Riau	0	
	Jakarta	18	
Singapore and international	6		
Composition of cross functional support employees			
Composition of cross functional support employees	Male	45	41
	Female	26	27
	<30 years of age	31	
	30-50 years of age	36	
	> 50 years of age	3	
	Riau	62	
Jakarta	3		
Singapore and international	5		

Category/Indicator	Breakdown (measurement unit)	FY2020	FY2019
Sustainable pulp sourcing			
DWP sourced	Total MT	231,861	196,390
	Indonesia	222,305	178,014
	Canada, U.S., E.U.	9556	18,376
Total production of DWP/VSF	MT DWP / MT VSF	1,0196	1,0188
Traceability	VSF traceable to plantations	100%	
	VSF traceable to mills	100%	
Certification – PEFC™	DWP from certified sources	98.87%	
	DWP from controlled sources	1.13%	
Screening of suppliers using environmental and social criteria			
New suppliers screened	No.	1	
Total suppliers screened	No.	4	
Suppliers identified as having significant actual and potential negative impacts on environment and social	No.	0	
Freshwater and wastewater management			
Water withdrawal	m ³	11,130,519	11,743,071
Water discharged to Kampar river	m ³	10,559,040	9,933,068

BASE DATA

Category/Indicator	Breakdown (measurement unit)	FY2020	FY2019
Quality of water discharged			
COD	g/MT/VSF	3,110	2,691
	mg/L	64.26	48.74
BOD	mg/L	13.47	15.2
TSS	mg/L	29.67	36.39
Zn to water	g/kg	0.0329	0.013
Sulphate to water	kg/MT VSF	188.1	165.87
Water consumption			
Process water consumption intensity	m ³ /MT VSF	39.88	49.97
Cooling water consumption intensity	m ³ /MT VSF	138.31	291.7
Emissions and energy			
Energy intensity	GJ/MT VSF	24.85	26.54
Total sulphur emission intensity	kg/MT VSF	23.63	30.98
Chemical management			
Consumption intensity			
Carbon Disulphide (CS ₂)	kg/MT VSF	73.76	73.95
Sulphuric acid (H ₂ SO ₄)	kg/MT VSF	0.69	0.69
Caustic Soda (NaOH)	kg/MT VSF	0.56	0.58
Zinc (Zn)	kg/MT VSF	2.54	2.91
Spin Finish	kg/MT VSF	5.06	5.75
Sodium hypochlorite (NaOCl)	kg/MT VSF	35.94	20.67
Recovery			
Carbon Disulphide (CS ₂) recovery	%	90.66%	89.21%
Sulphate recovery	%	54.81	57.17
Waste management			
Waste intensity	kg/MT VSF	78.13	95.99

Category/Indicator	Breakdown (measurement unit)	FY2020	FY2019
Occupational health and safety			
Workers covered by an OSH management system			
Employees and workers covered by OSH management system	No.	785	697
	%	100%	100%
Workers covered by Contractor Safety Management System	No.	272	272
	%	100%	100%
Work related injuries – Employees and workers OSH management system			
Fatalities	No.	1	0
Lost time injuries (fatality & loss time injury)	No.	9	4
Recordable injuries (first-aid cases)	No.	17	22
Total hours worked	No.	1,391,671	1,356,684
Total days lost due to work related injury	No.	6,071⁹	4
Work related injuries – Contractor safety management system			
Fatalities	No.	0	0
Lost time injuries (fatality & loss time injury)	No.	2	4
Recordable injuries (first-aid cases)	No.	3	8
Total hours worked	No.	564,365	
Total days lost due to work related injury	No.	10	5
Overall APR lost time injury frequency rate and total recordable injury frequency rate			
LTIFR	per million hours worked	6.09	5.90
TRIFR	per million hours worked	16.25	28.01
Noise at the fence			
Noise monitoring level	dB(A)	61.75	

⁹ One fatality is registered as 6,000 lost days per national regulation.

GRI CONTENT INDEX

The Global Reporting Initiative (GRI) is a multi-stakeholder standard for sustainability reporting, providing guidance on determining report content and indicators. GRI is the first and most widely adopted global standard for sustainability reporting. It has been designed to enhance the global comparability and quality of information on economic, environmental and social impacts, thereby enabling greater transparency and accountability

of organisations. Sustainability reporting based on the GRI Standards should provide a balanced and reasonable representation of an organisation’s positive and negative contributions towards the goal of sustainable development. This report has been prepared in alignment with the GRI Standards: Core option.

Disclosure	Section, or reason for omission	Page No.
GRI 102: General Disclosures 2016		
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102-1	Name of organisation	About us 9–16
102-2	Activities, brands, products, and services	About us 9–16
102-3	Location of headquarters	About us 9–16
102-4	Location of operations	About us 9–16
102-5	Ownership and legal form	About us 9–16
102-6	Markets served	About us 9–16
102-7	Scale of the organisation	About us 9–16
102-8	Information on employees and other workers	About us 9–16
102-9	Supply chain	About us 9–16
102-10	Significant changes to the organisation and its supply chain	About us 9–16
102-11	Precautionary principle or approach	Approach to sustainability 17–20 Certifications and labels 17–20 Becoming climate positive for nature and biodiversity 21–22
102-12	External initiatives	Transforming the fashion industry in Indonesia 13–16 Stakeholder engagement 20
102-13	Membership of associations	Stakeholder engagement 20 Membership and industry associations 20
Strategy		
102-14	Statement from senior decision-maker	Statement from the President Director 4–5
102-15	Key impacts, risks, and opportunities	About this report 2–3 Statement from the President Director 4–5 Approach to sustainability 17–20

Ethics and integrity			
102-16	Values, principles, standards, and norms of behaviour	Responsible business practices	18
102-17	Mechanisms for advice and concerns about ethics	Responsible business practices Grievance procedure	18 19
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102-19	Delegating authority	Governance and management	18
102-20	Executive-level responsibility for economic, environmental, and social topics	Governance and management	18
102-21	Consulting stakeholders on economic, environmental, and social topics	Governance and management 2019 APR materiality assessment: approach and topics Stakeholder engagement	18 2 20
102-23	Chair of the highest governance body	Governance and management	18
102-26	Role of highest governance body in setting purpose, values, and strategy	Governance and management	18
102-27	Collective knowledge of highest governance body	2019 APR materiality assessment: approach and topics	2
102-29	Identifying and managing economic, environmental, and social impacts	2019 APR materiality assessment: approach and topics Approach to sustainability	2 17–20
102-30	Effectiveness of risk management processes	Governance and management	18
102-31	Review of economic, environmental, and social topics	Governance and management	18
102-32	Highest governance body’s role in sustainability reporting	Governance and management	18
102-33	Communicating critical concerns	Governance and management	18
102-34	Nature and total number of critical concerns	Grievance procedure	19

GRI CONTENT INDEX

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102-41	Collective bargaining agreements	Stakeholder engagement	32
102-42	Identifying and selecting stakeholders	Stakeholder engagement	20
102-43	Approach to stakeholder engagement	Stakeholder engagement	20
102-44	Key topics and concerns raised	2019 APR materiality assessment: approach and topics Stakeholder engagement	2 20
Reporting practice			
102-46	Defining report content and topic boundaries	About this report Report cycle and completeness Scope and boundaries	2 2 2
102-47	List of material topics	About this report Materiality	3
102-48	Restatements of information	About this report	2
102-49	Changes in reporting	About this report Report cycle and completeness	2 2
102-50	Reporting period	About this report Scope and boundaries	2 2
102-51	Date of most recent report	The last produced report was the Sustainability Progress Report Jan 2019 – June 2020	
102-52	Reporting cycle	About this report	2
102-53	Contact point for questions regarding the report	Contact	48
102-54	Claims of reporting in accordance with the GRI Standards	About this report Report cycle and completeness	2-3 2
102-55	GRI content index	GRI Content Index	43-48
102-56	External assurance	About this report Report cycle and completeness	2-3 2
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ECONOMIC			
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GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	About us Integrated sustainable operations 10
	103-2	The management approach and its components	About us Integrated sustainable operations 10
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GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	Integrated sustainable operations Our employees 10 32
	201-2	Financial implications and other risks and opportunities due to climate change	Becoming climate positive for nature and biodiversity 21-22
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	103-2	The management approach and its components	Integrated sustainable operations Touching Lives 10 35-38
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GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Transforming the fashion industry in Indonesia Launch of Indonesia's Jakarta Fashion Hub (JFH) Touching Lives 2020 Key community development highlights 13-16 14 32-38 37
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Procurement practices				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Sustainable pulp sourcing Supply chain overview	23–25 23
	103-2	The management approach and its components	Sustainable pulp sourcing Supply chain overview	23–25 23
	103-3	Evaluation of the management approach	Sustainable pulp sourcing Supply chain overview Traceability	23–25 23 24
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Sustainable pulp sourcing Supply chain overview	23 23
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GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Responsible business practice	18
	103-2	The management approach and its components	Governance and management Responsible business practice	18 18
	103-3	Evaluation of the management approach	Governance and management Responsible business practice	18 18
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Material Topics				
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GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Becoming climate positive for nature and biodiversity Managing our carbon footprint	21–22 21
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CONTACT

We value the opinions of internal and external stakeholders to help us improve and progress in our approach to sustainability and sustainability communications.

We welcome your comments and feedback: sustainability@aprayon.com

Contact information: www.aprayon.com/en/contact

GLOSSARY

Biobased - Products that are partially or completely made from renewable resources.

Blockchain - A retrospective, decentralised digital ledger consisting of records, called blocks, that cannot be altered and are used to record transactions across many computers.

Biodiversity - The diversity (number and variety of species) of plant and animal life within a region.

Biological Oxygen Demand (BOD) - The amount of oxygen used when organic matter undergoes decomposition by micro-organisms. Testing for BOD is done to assess the amount of organic matter in water.

Carbon footprint - The sum of greenhouse gas emissions and greenhouse gas removals of a product system or an organisation, expressed as a carbon dioxide equivalent.

Cellulose - A component of all plants, approximately 40% of wood and the raw material for dissolving wood pulp production.

Chain of custody - Chronological paper trail documenting the flow of materials and raw materials through various stages of a process up to the final product.

Chemical Oxygen Demand (COD) - The measurement of the oxygen required to oxidise soluble and particulate organic matter in water. COD testing involves using a strong chemical oxidising agent to chemically oxidise the organic material in a sample of wastewater under controlled conditions.

Dissolving wood pulp (DWP) - Highly purified chemical pulp derived from wood intended primarily for conversion into chemical derivatives of cellulose and used mainly in the manufacturing of viscose staple fibre.

European Union Best Available Techniques (EU BAT) - The technology approved by legislators and regulators for meeting input and output standards for a particular process.

Global Reporting Initiative (GRI) - A multi-stakeholder standard for sustainability reporting, providing guidance on determining report content and indicators.

Greenhouse gas (GHG) emissions Gases in the atmosphere that absorb and emit radiation within the thermal infrared range. The primary greenhouse gases in the Earth's atmosphere are water vapour, carbon dioxide, methane, nitrous oxide, and ozone.

Higg Index - A suite of tools that measures environmental and social impacts across the life cycle of apparel and footwear products.

High Conservation Value (HCV) - A concept originally developed by the Forest Stewardship Council (FSC) to standardise the definition and evaluation of a natural forest that should be set aside for conservation. Six HCVs have been identified, covering environmental and social aspects of a natural forest.

International Organization for Standardization (ISO) - An organisation that has defined several series of standards impacting APR activities. The ISO 9000 series of standards pertains to quality management systems, ISO 14001 focuses on environmental performance and management, and ISO 45001 covers occupational health and safety management.

Life Cycle Assessment (LCA) - A systematic analysis of the environmental impact of products throughout their life cycle from cradle to gate, or cradle to grave.

Manmade cellulosic fibre (MMCF) - Materials made from cellulose-based fibres derived from plants, most commonly wood pulp.

Non-governmental organisation (NGO) - A term used in this report to refer to grassroots and campaigning organisations focused on environmental and social issues.

Posyandus - Community-based integrated health posts that support mothers and toddlers, staffed by community volunteers called cadres.

Small and medium-sized enterprise (SME) - Business whose revenues, assets, or number of employees fall below a certain threshold.

Stakeholder - Any group or individual that is affected by or can affect a company's operations.

Sustainability - A term expressing a long-term balance between social, economic, and environmental objectives. It is often linked to sustainable development, which is defined as development that meets the needs of current generations without compromising the needs of future generations.

Sustainable Development Goals (SDGs) - Developed by the United Nations and serving as a blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including those related to poverty, inequality, climate change, environmental degradation, peace, and justice.

Solid waste - Dry organic and inorganic waste materials.

The Forest Stewardship Council® (FSC) - An international non-profit forest management organisation.

The Program for the Endorsement of Forest Certification™ (PEFC) - Schemes An international non-profit organisation that promotes sustainable forest management through independent third-party certification.

Traceability - The ability to track sustainable palm oil along the entire supply chain.

United Nations Framework Convention on Climate Change (UNFCCC) - An international environmental treaty negotiated at the United Nations Conference on Environment and Development (UNCED) in Rio de Janeiro in 1992.

Viscose staple fibre (VSF) - A natural fibre made from purified cellulose, primarily from DWP that can be twisted to form yarn.

SUSTAINABLE VISCOSE FIBRE



Biodegradable



Sustainably manufactured with zero harmful chemicals



Compostable



100% Bio based



Skin compatible



Sustainably sourced





Jl M.H.Thamrin (d/h Jl. Teluk Betung)
No. 31, Kebon Melati - Tanah Abang,
Jakarta Pusat 10230, Indonesia

Tel +62 (21) 3193 0134

aprayon.com