

SUSTAINABILITY REPORT

**Executive
Summary
2021**



**Moving Together in
Sustainability**



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SUSTAINABLE DEVELOPMENT GOALS



MESSAGE FROM THE MANAGING DIRECTOR

Dear Stakeholders,

One of TPL's ethos is sustainability in economic, social and environmental aspects We are sustainable when we conduct our business with strong principles of good governance and integrity We strongly believe that building a thriving business that seeks positive impact will create long term value for all our stakeholders.

As we enter 2022 we also want to emphasize that we are doing our part in the fight against climate change and use our resources to promote sustainable development We continue our efforts to protect and preserve biodiversity within our concession areas as well as improve efficiencies within our operations so that we conserve water and energy.

Our priority is to engage our stakeholders and to push toward a collective objective of success through sustainability areas We are incredibly proud of our teams and communities that have shaped the journey so far and we look forward to their continued support.



VENKATESHWARLU

*Managing Director
PT Toba Pulp Lestari Tbk*

2021 HIGHLIGHT

TPL Concession: 167,912 Ha
Third Party (SRL Concession):
 Estate Sei Kebaro = 25,320 Ha,
 Estate Garingging = 42,521 Ha
Outgrower Scheme (PKR): 8,147 Ha



Number SK.307/Menlhk/Setjen/
 HPL.0/7/2020

TPL's wood source are 100% from Indonesia
 NORTH SUMATERA, INDONESIA



DOMESTIC

INTERNATIONAL

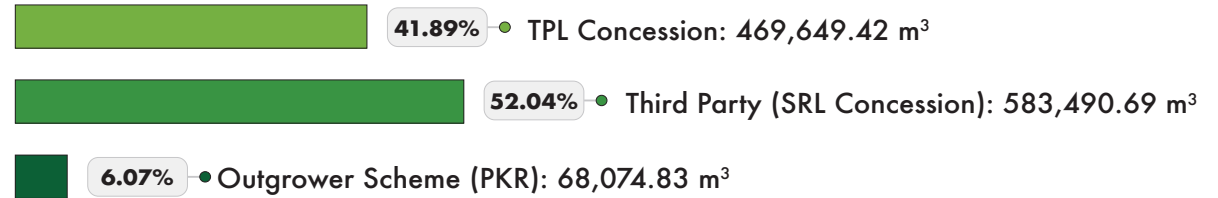
79%

21%

Indonesia

China, Taiwan, Vietnam

WOOD SUPPLY SOURCE



TPL CONCESSION AREA

PLANTED AREA

28%
 (46,984) HECTARES

CONSERVATION AREA AND HCV/HCS

38%
 (64,547) HECTARES

2021 PRODUCTION

Dissolving Pulp (DP) :
200,192 Ton

Tones in its production, 100% of the pulp product comes from TPL's own mill and does not have any third party that supplies pulp to TPL

EMPLOYMENT AT TPL

PERMANENT EMPLOYEE

1,163 ORANG

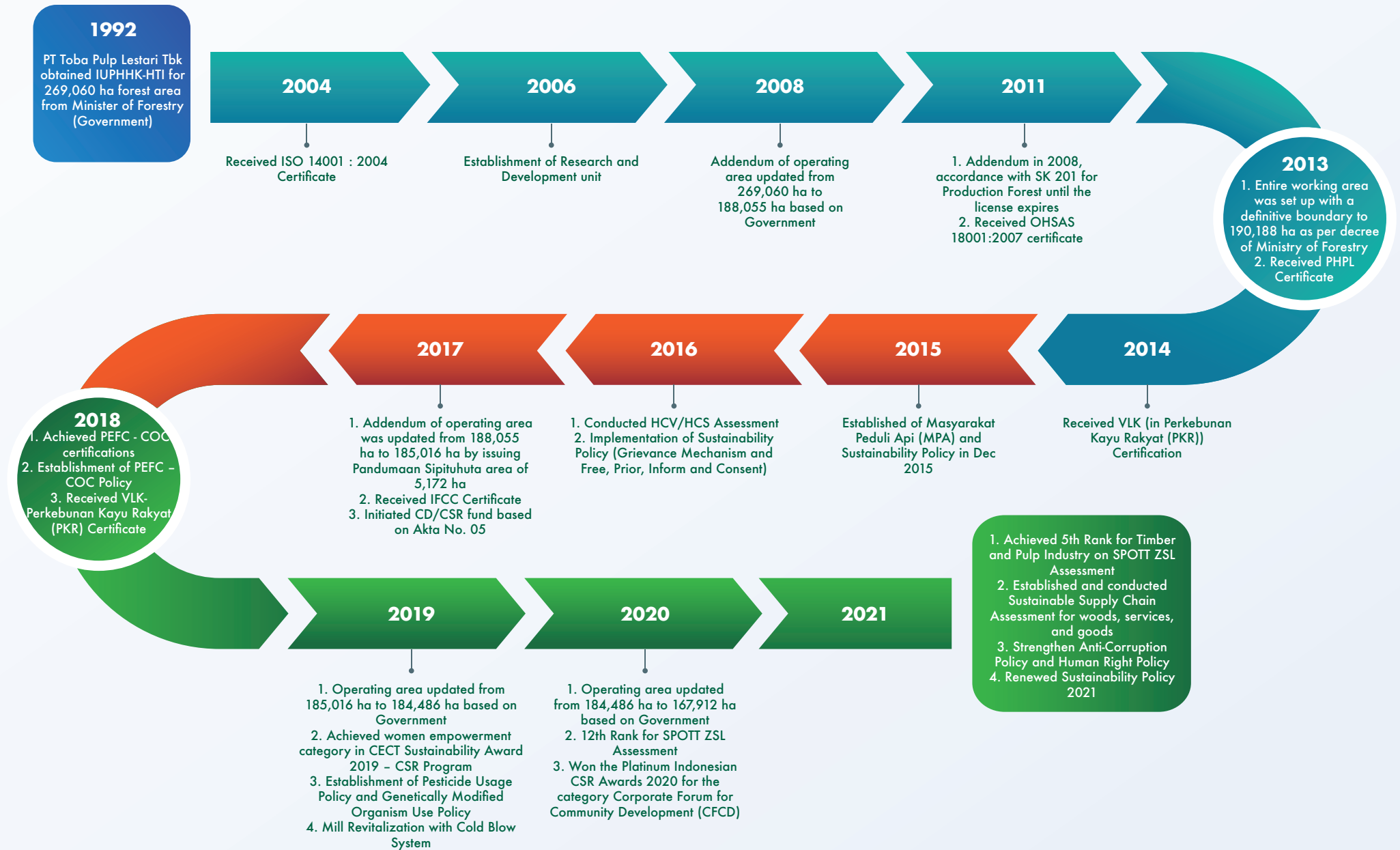
TEMPORARY EMPLOYEE

65 ORANG

INDIRECT EMPLOYEE

5,159 ORANG

TPL'S KEY MILESTONE



SUSTAINABILITY IN TPL

Vision & Mission

VISION

PT Toba Pulp Lestari, Tbk. (TPL) aims to become a sustainable forest management and preferred world-class pulp producing organization.

MISSION

We strive in developing the lives of our talent, ameliorating and harmoniously living with the community surrounding our operation, producing only from renewable resources, managing the forest sustainably and pursuing world class standards in four aspects of sustainability – Economic, Environment, Social, and Good Governance.

TPL's Core Values



Complementary Team

We are aligned by our common purpose and work together as a **complementary team**

Ownership

We take **ownership** to achieve outstanding results and seek value at all times

People

We develop our **people** to grow with us

Integrity

We act with **integrity** at all times

Customer

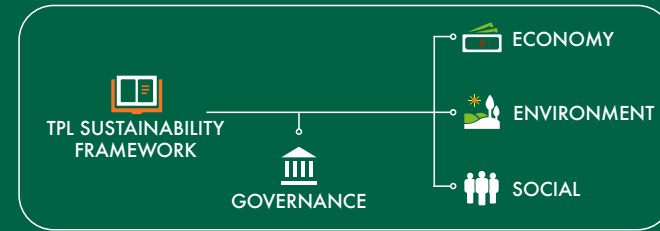
We understand our **customers** and deliver best value to them

Continuous Improvement

We act with zero complacency and always strive for **continuous improvement**

FRAMEWORK

TPL's sustainability framework is built to be a robust structure that is divided into aspects comprising; Governance, Economic, Environment and Social. This is to ensure a seamless integration of sustainability into TPL's business and initiatives. The framework guides TPL in our operations and is built on the Sustainability Policy as well as the supporting governance policies under its umbrella.



OUR POLICIES

TPL launched its latest revised Sustainability Policy in 2021, as the main governance document in terms of our environmental and social commitments to address key sustainability issues.

TPL's Sustainability Policy spells out our commitment through areas which are important to our core values of sustainability as a responsible pulp producer. These commitments are:



Sustainable Wood



Forest Conservation and Protection



Peatland Management



Continuous Reduction of Carbon Footprint



Community Development



Respecting the Rights of Indigenous Peoples and Rural Communities



Clean Production



Responsible Practices at Work



Legal Compliance and Certification



Good Corporate Governance, Verification and Transparency

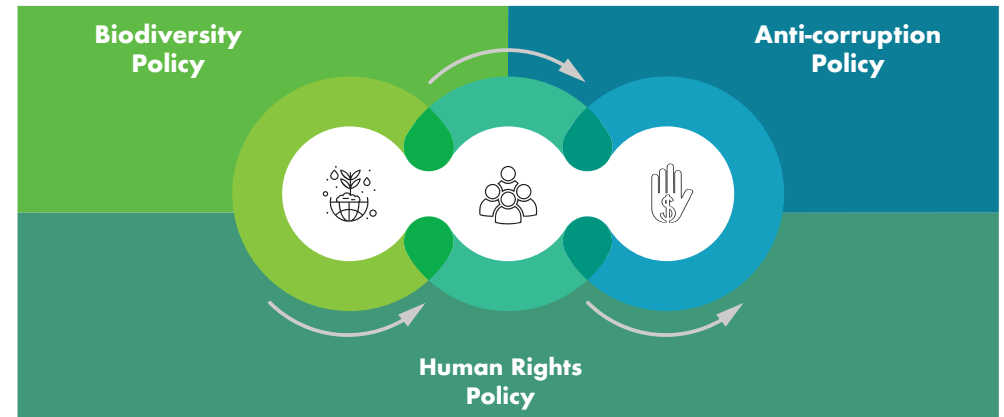
SUPPORTING POLICIES

TPL's Sustainability Policy is also strengthened by other policies that help TPL achieve our commitments to the sustainability vision. We want to ensure that TPL's stakeholders will be equipped with an accurate representation of TPL's environmental management system's performance. We also entrust that our employees and communities will be provided with relevant training on their responsibilities, and that all policies will be communicated accordingly



NEW POLICIES

As of 2021, the following policies have been added to support our Sustainability Policy:



STRATEGY

TPL's sustainability strategy centers on establishing an effective and robust governance structure, transparent reporting, process assurance, an efficient grievance mechanism and special projects that are target-driven.



TPL'S CIRCULAR MILL PROCESS

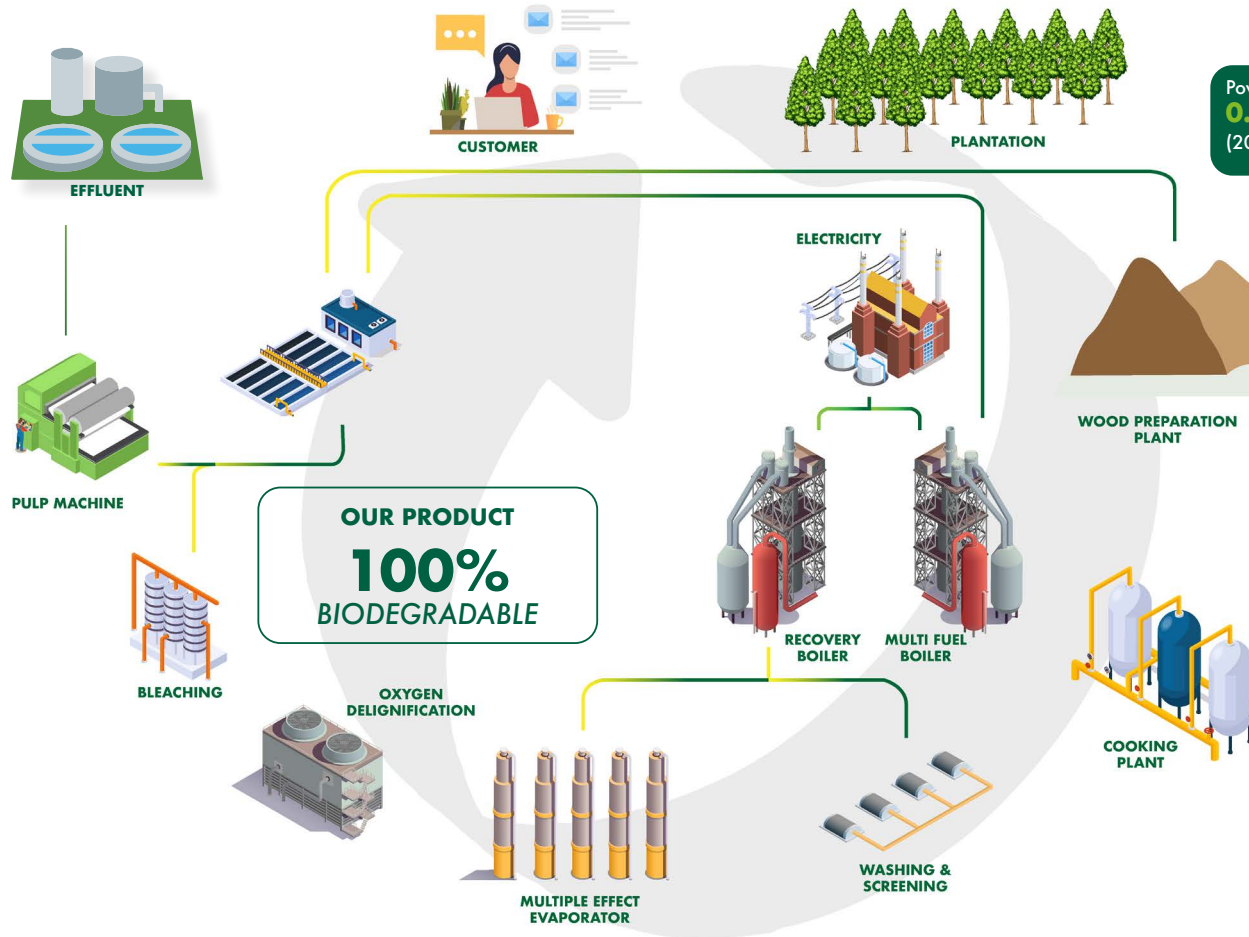
In 2021 operations of the mill ensured that performance was improved from its previous year. Such improvements included:

The BOD (Biological Oxygen Demand) and COD (Chemical Oxygen Demand) present in the downstream river of the Mill was **47.8%** below the Government Standard in 2021 and **14.5%** increase from the upstream in 2021 that caused the BOD and COD **5.00%** higher compared to previous year (2020) **6.73%** higher compared to previous year (2020)

Effluent generations is **60.44 m³/ton pulp** in 2021 with reduction of **4.32%** compared to previous year (2020)

43.96% of water is reused, recycled or recovered (in 2021)

Fresh water is used up to **3.71 times** before returning back to river with Efficiency of Fresh water usage increase **6.17%** in 2021 better than the use of fresh water in 2020



Power consumption per ton of pulp decreased **0.98%** in 2021 compared to previous year (2020)

99.76% of fuels used in both boilers in 2021 are renewable fuels which is same as 2020

Energy needed to produce pulp is reduce by **2.69%** in 2021 compared to previous year (2020)

Fresh water consumption decreased by **3.41%** in 2021 compared to previous year (2020)

The chart represents the mill's circular process that highlights the energy efficiency, water efficiency, use of renewable energy as well as 100% biodegradable product that close the loop on the machine utilization and optimization

AWARD AND CERTIFICATION

AWARD

PT Toba Pulp Lestari Tbk
Achieved "GOLD" Category
 In Prevention and Control of COVID-19
 in the workplace

Penghargaan dari Gubernur Sumatera Utara dalam Bidang Pencegahan dan Pengendalian COVID 19 di Tempat Kerja dengan Kategori Emas



“Over the years, we have continued to build trust with our customers and stakeholders by demonstrating positive impact on the society, environment, and achieving meaningful impacts. We believe sustainability is an integrated component of our business.”

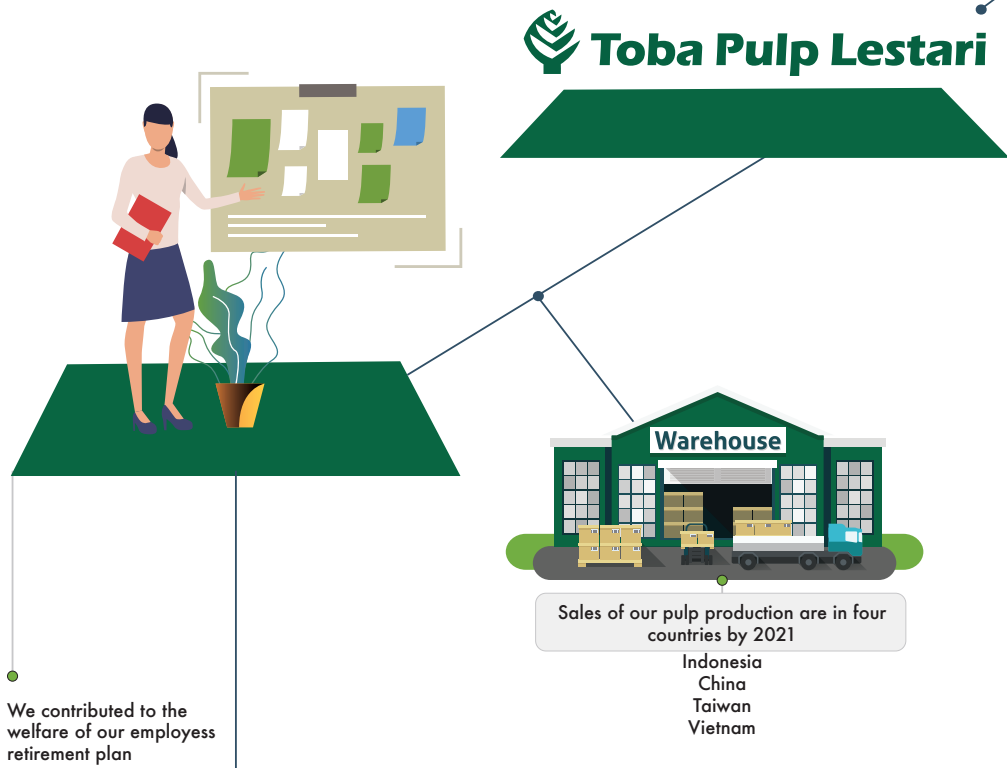
CERTIFICATION



ECONOMIC HIGHLIGHT 2021



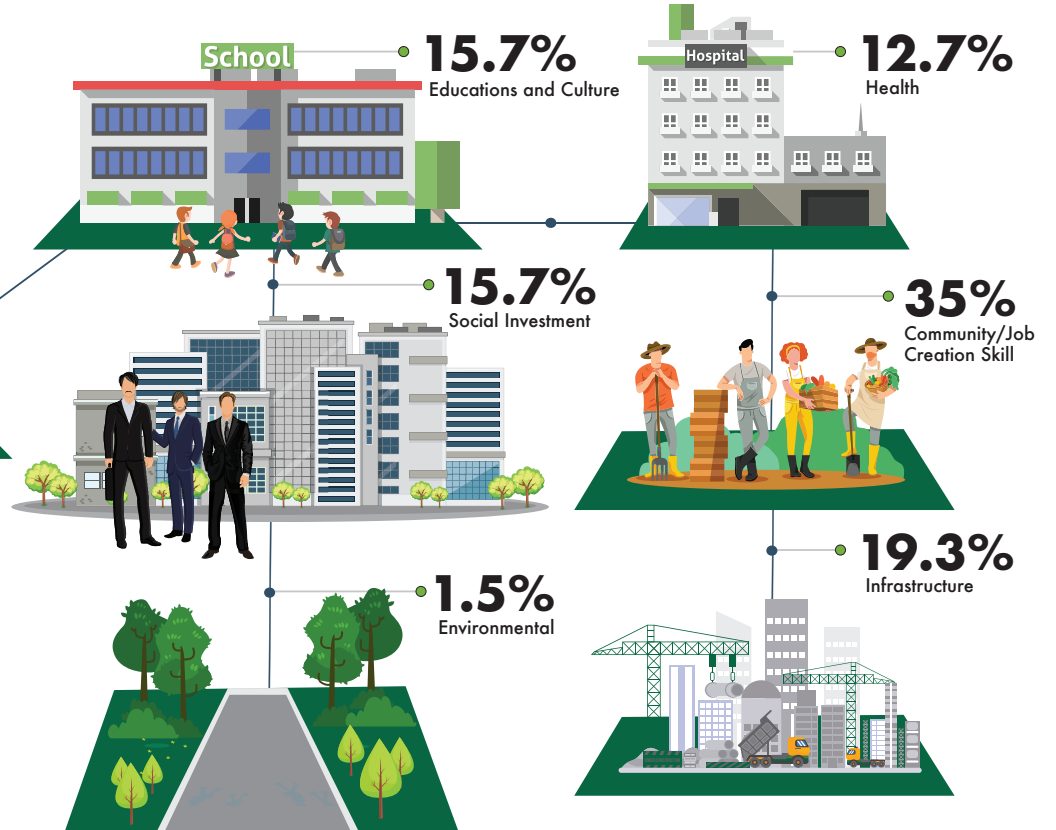
ECONOMIC PERFORMANCE



4,837,000 USD
Employee wages and benefits

INDIRECT ECONOMIC IMPACT

We set aside 1% of our net sales to the community



ANTI CORRUPTION

We commit to socializing the anti-corruption to all our employee and contractors

100% Employee and Contractor Socializations
Anti-Corruptions



ENVIRONMENT HIGHLIGHT 2021

EXTERNAL YEARLY AUDIT



100%
OUR FMU
AREAS

External Auditor by ISO
14001, ISO 45001, IFCC
dan PHPL

TPL'S CONSERVATION

- ✓ Germplasm Conservation Areas
- ✓ River Borders
- ✓ Wildlife Conservation Areas
- ✓ Peat Ecosystem Protection Functions
- ✓ Buffer Zone

MONITOR WILDLIFE

- ✓ OWA or SIAMANG (*Symphalamus syndactylus*)

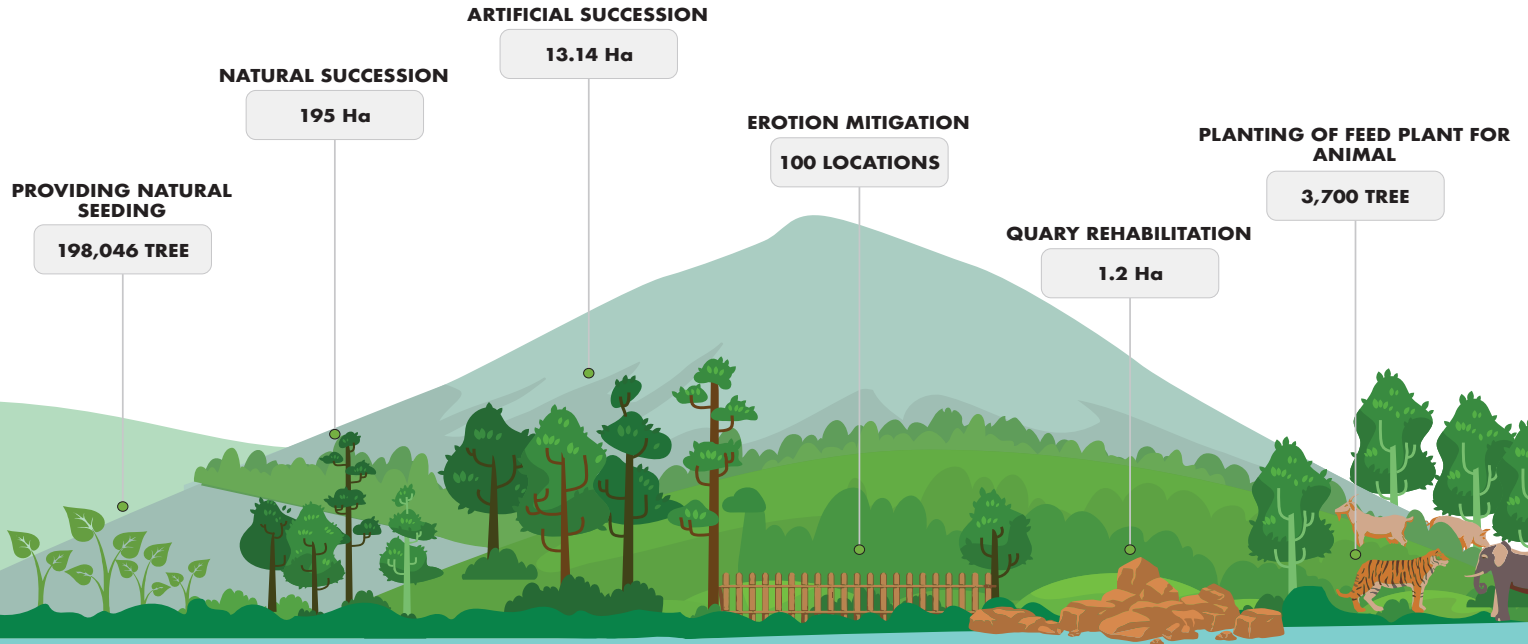


SUPPLIER ENVIRONMENTAL ASSESSMENT



100%
Of wood supplier on TPL
Screened using environment
criteria

BIODIVERSITY





2021 SOCIAL HIGHLIGHTS

**WE RESPECT AND SUPPORT
EMPLOYEE RIGHTS**

**WE DEVELOP THE CAPABILITIES OF
OUR EMPLOYEES**



PARENTAL LEAVE

>98%

Retention rate of employees
that took parental leave



COLLECTIVE BARGAINING AGREEMENT (CBA)

No latter than 90 days

Before the CBA ends or before the expiration
of the extension, the update will be notified to
all employees, unions and related parties



PT TOBA PULP LESTARI TBK



OHS TRAINING

100%

New hire employees has
undergone OHS training and/
or awareness



TOTAL TRAINING HOURS

16,238 Hours

TPL Conducted training for
employee on technical skill,
soft skill and certifications

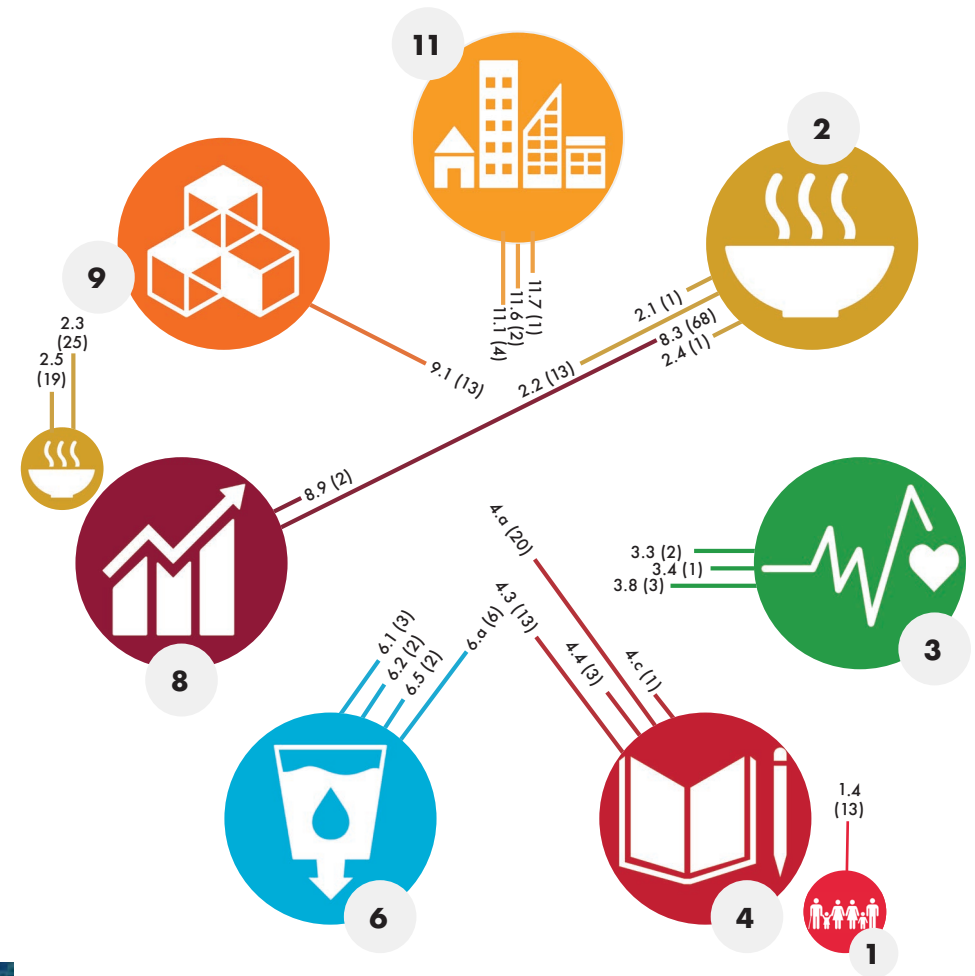
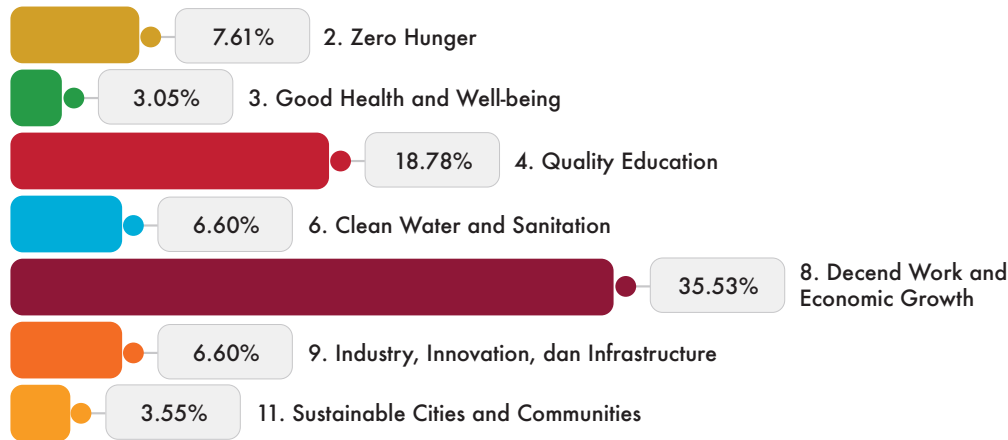


RETIREMENT TRAINING

TPL has a retirement preparation training
program for employee

SUSTAINABLE DEVELOPMENT GOALS

Indonesia and other countries have made commitment to the Sustainable Development Goals (SDGs). TPL understands that SDGs can only be achieved by the government through community engagement and business activities with significant impact on the benchmark for success in achieving global target. Through the renewal of its sustainability policy, TPL is fully committed to embedding sustainable strategy into its business to find a balance between prosperity, planet and people through maximum contribution in Sustainable Development Goals (SDGs). For the year 2021, TPL consistently ensured that the CD/ CSR program is in line with its contribution to SDGs 2030. Based on its mapping, TPL has contributed to 8 goals with 23 targets.



Note :

- Big Circle : Contribution across SDGs
- Small Circle : Correlation in SDGs
- The Line : Scale Number of CD/CSR Programs
- Number in bracket : Number of CD/CSR Programs





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Kunjungi laporan keberlanjutan 2021

