



SUSTAINABILITY REPORT **2020**
LET'S GROW TOGETHER

Contents

- 3. About This Report
- 6. 2020 Highlight
- 10. Message From The Managing Director
- 12. TPL Business Overview
- 20. Awards And Certifications
- 22. Stakeholder Engagement
- 26. Materiality Matrix



28 Corporate And Sustainability Governance



42 Economic



56 Environment



72 Social

- 90. TPL's 2020 Contribution on SDGs
- 92. Sustainability Performance
- 96. GRI Content Index
- 106. SPOTT Content Index



ABOUT THIS REPORT

GRI 102-1, 102-2

PT Toba Pulp Lestari Tbk (TPL, Our, We and/or The Company) is a forest management and pulp producing company. TPL has been in the midst of the community contributing to sustainable management of licensed forest as expected by the government of Indonesia and, seamlessly building and developing the community. In its journey, as a responsible forest manager and pulp producer, TPL is taking every step in ensuring sustainability is embedded in its business strategy and practice. Thus, align with the expectation of Otoritas Jasa Keuangan (OJK) Indonesia (Financial Services Authority) and international best practices; TPL is proud to present its third sustainability report.

LET'S
GROW
TOGETHER



Our Reporting Approach

GRI 102-46, 102-54, 102-56

This 2020 Sustainability Report covers TPL's sustainable development initiatives across its Mill operations in Porsea and all Plantation operation in North Sumatra, Indonesia. This report has been prepared in accordance with the GRI Standards: Core option. The material matters covered in this report are in alignment

with the requirements of Financial Services Authority - Otoritas Jasa Keuangan (OJK), ZSL's SPOTT assessment and GRI Standards. TPL's sustainability reports are published annually since 2019 and plans to initiate external assurance for the 2022 Sustainability Reports onwards .

Report Disclosure

GRI 102-46, 102-48, 102-49, 102-51, 102-52



The reporting disclosure ("material matter") was identified via GRI's stakeholder engagement and materiality matrix methodology performed in 2019. TPL management made a decision of maintaining reporting disclosure on a three-year cycle as a reasonable period to achieve set goals and/or targets for each material matter. In 2020 reporting disclosure there are no significant change in the list of material topics and topic boundaries. Listed below is the material matters disclosed in this report.

- GRI 201 : Economic Performance 2016
- GRI 203 : Indirect Economic Impacts 2016
- GRI 205 : Anti-Corruption 2016
- GRI 304 : Biodiversity 2016
- GRI 308 : Supplier Environmental Assessment 2016
- GRI 401 : Employment 2016
- GRI 402 : Labor/Management Relations 2016
- GRI 403 : Occupational Health and Safety 2018
- GRI 404 : Training and Education 2016
- GRI 416 : Customer Health and Safety 2016

Reporting Period

GRI 102-50

This report covers sustainability material matter's management approach and performance data for the period January

2020 - December 2020 (unless and otherwise stated).

Scope and Boundaries

GRI 102-46, 102-50, 102-52

This report covers TPL's operation, Governance structure and framework, and sustainability related activities. The data presented are

collected from TPL's mill and fiber operations located in North Sumatera.

Sustainability Across Supply Chain

GRI 102-10

TPL implements sustainability strategy throughout its supply chain to achieve positive impact in Economy, Environment and

Social. There are no significant change to the organization and its supply chain in the year of 2020.

Membership of Association

GRI 102-13

TPL is a member of Asosiasi Pengusaha Hutan Indonesia (APHI). APHI was formed to develop, improve and protect the businesses of its members in accordance with the regulation of increasing sustainable forest. This initiative by APHI further introduced a healthy competition in the forestry industry. APHI

members consist of companies domiciled and/or operating in the jurisdiction of Indonesia that hold Business Permits for the management of Natural Forest (IUPHHK-HA) and Business Permits for utilization of Timber Products from Plantation Forests (IUPHHK-HT).

Company Information

GRI 102-3, 102-4, 102-5, 102-7, 102-45, 102-53

TPL is a forest management and pulp producing company located in North Sumatera. The Company has one pulp mill and five forest management units. Company is domiciled in Medan, North Sumatera, with its mill located in Desa Pangombusan, Kecamatan Parmaksian,

Kabupaten Toba, North Sumatera. TPL is a public listed company, listed on the Indonesia Stock Exchange (IDX) since 1990 under the stock code INRU. There are no subsidiaries nor entities under TPL.

Head Office Address	: Uniplaza, East Tower, 3rd Floor, Jl. Letjend. Haryono MT No. A-1 Medan 20231
Mill Address	: Desa Pangombusan, Kecamatan Parmaksian, Kabupaten Toba
Phone	: Head Office (62-61) 4532088, Mill (62-632) 7346000
Email	: investor_relation@tobapulp.com
Website	: www.tobapulp.com



2020 HIGHLIGHT

GRI 102-2, 102-6, 102-7

The total area of wood production : 167,912 Ha (TPL HTI Concession Area), and the outgrower scheme (PKR) : 7,678 Ha which is divided into :

LIVELIHOOD AREA

55,317

HECTARES

PLANTATION AREA

70,073

HECTARES

CONSERVATION AREA

42,522

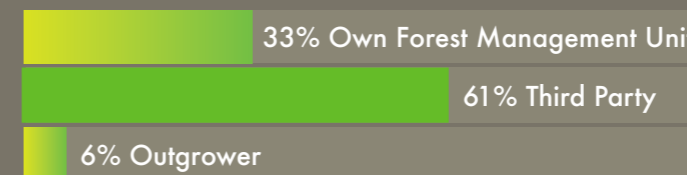
HECTARES



SUMATERA UTARA, INDONESIA

Nomor SK.307/Menlhk/Setjen/HPL.0/7/2020
TPL's wood source are 100% from Indonesia.

WOOD SUPPLY SOURCE



MILL CAPACITY

165,000

TONS/YEAR

WITH TOLERANCES EXCEEDING 30%

MARKET

DOMESTIC

89.45%

INTERNATIONAL

10.55%

2020 PRODUCTION

Dissolving Pulp (DP): 205,932.91 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

1,230 PEOPLE
DIRECT EMPLOYEE

7,726 PEOPLE
INDIRECT EMPLOYEE



Sustainability have become a buzz word lately. The reality is that every business needs to be sustainable if they want to be successful and survive. TPL as a resource based industry has a high expectations to demonstrate its commitment to sustainability.

TPL has already demonstrated that the company is here for the long term. With the support of a rejuvenated team focused on sustainability, TPL will ensure that it is viable for a long time.

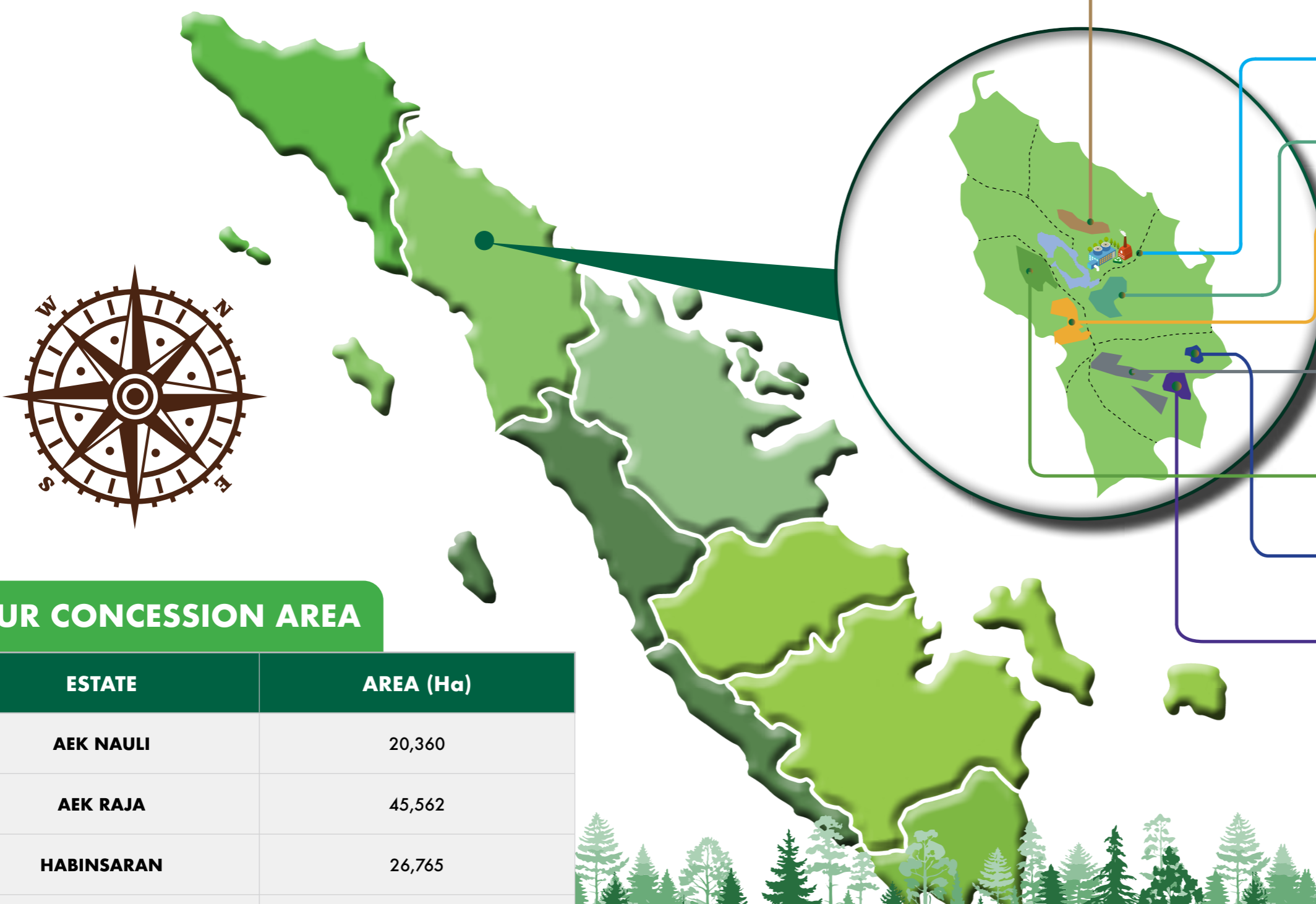


Alan Joseph Hitzroth
(Mill Operation Head)



SUMATERA

PT TOBA PULP LESTARI TBK



ESTATE AEKNAULI

98°50'00" BT
02°40'00" LU

MILL

02°27'49.84" BT
99°11'11'47.29" LU

ESTATE HABINSARAN

99°50'00" BT
02°07'00" LU

ESTATE AEK RAJA

98°42'00" BT
01°54'00" LU

ESTATE TAPANULI SELATAN

99°13'00" BT
01°15'00" LU

ESTATE TELE

98°20'00" BT
02°15'00" LU

THIRD PARTY SUPPLIER

SEI KEBARO

100°11'26" BT
01°26'08" LU

GARINGGING

99°47'31" BT
01°10'49" LU

OUR CONCESSION AREA

ESTATE	AREA (Ha)
AEK NAULI	20,360
AEK RAJA	45,562
HABINSARAN	26,765
TELE	46,885
TAPANULI SELATAN	28,340



MESSAGE FROM THE MANAGING DIRECTOR

GRI 102-14



Welcome to PT Toba Pulp Lestari Tbk's 2020 Sustainability Report.

Our philosophy at TPL has always been about making sure that we go beyond expectations when it comes to operating a business with integrity. 2019 has been one where, globally, we have experienced unprecedented challenges and we have all had to learn ways in which to navigate ourselves through these times and build resilience. In 2020, at TPL, our focus was to ensure that our business continues to run smoothly and that we can continue creating impact that matters.

Sustainability principles are no longer a luxury but a necessity for operational success. One of the most important drivers in our Sustainability journey has been our Core Values across every one of our stakeholders. We define clearly the six areas in which we operate namely; Complementary Team, Ownership, People, Integrity, Customer, Continuous Improvement (T.O.P.I.C.C) and I can confidently say that our team are trained extensively on what these values mean and have been exemplary in their day-to-day operation. We believe that practising a high level of governance across our business is the only way we can be the best.

We want to practice what we preach, and we strive to ensure that our core values go beyond simply being on paper. We believe that one of the key drivers in sustaining a healthy economy around our business is to



make sure that business is not only continuous but also circular. We take a 360° view of our business and our focus was to keep the economies around us thriving. We are proud to say that even in these challenging times, we have assured jobs and ensured there was no downsizing among our workforce, even across our contractors.

Our responsibility to the local communities continues to grow and we aspire to provide as best as we can with robust Community Development/Corporate Social Responsibility (CD/CSR) programs. One of the highlights that was close to my heart this year was the program whereby we built toilets for the local schools. I personally believe that it is a fundamental right for children to have a clean and happy environment in their schools and it was truly a high point of the year to be able to contribute proactively. These young minds are, after all, the next generation of leaders and managers.

In terms of a way forward in our sustainability strategy, we are always looking at how to connect the dots across our stakeholders. We continue to be a business that wants to

go beyond regulatory compliance and aspire to set the gold standard for the industry. We have encountered bumps along the way but we believe in taking the pragmatic approach. We take quick and corrective actions to protect high conservation value in areas within our concessions. This is why the sustainability department reports directly to me and I take a hands-on attitude toward our sustainability roadmap as well as formulating an actionable sustainability vision in our operations.

We hope that moving forward TPL will be a company that uses its influence to make a difference. We want all our stakeholders, especially our team, to take pride in being a company that is constantly improving in its business and culture. Our connection to our stakeholders as well as our responsibility to contribute to sustainable development is what keeps us going. We look forward to growing our commitments in sustainability across Economic, Environment and Social.

Vinod Kesavan
Managing Director
PT Toba Pulp Lestari Tbk.



TPL BUSINESS OVERVIEW

PT Toba Pulp Lestari Tbk is a global company leading in forest management and pulp production. The Company is currently licensed to manage 167,912 hectares of forest and plantation in North Sumatera, Indonesia. The plantation under the responsibility of TPL is located across five locations in North Sumatera namely Aek Nauli (20,360 ha), Habinsaran (26,765 ha), Tapanuli Selatan (28,340 ha), Aek Raja (45,562 ha), and Tele (46,885 ha).

TPL serves both local and international markets. The Company believes in sustainable fiber for its pulp manufacturing operations and has stringent forest management policies as well as sustainability policies that complies with the highest international standards. The unique mill process that TPL uses is ran with the utmost efficiency and with sustainability in mind to ensure that there is minimal wastage.

The aforementioned, process produces biodegradable waste product that contributes to closing the loop on machine utilization and environmental management.

TPL is committed to its implementation of Community Development or Corporate Social Responsibility (CD/CSR) Program beyond business as usual for Social and Community Development considering that this is one of the mandates of the 5 C philosophy, namely Good for Community. Therefore, since 2003 TPL has committed to allocating 1% of its net sales to supporting the Corporate Social Responsibility Program. In its implementation, the CD/CSR Program from Community Development is carried out in 6 areas as follows:



EDUCATION AND CULTURE

This field is intended to support the improvement of the quality of human resources around the Company's operations.



JOB CREATION AND SKILLS DEVELOPMENT

This area aims to improve the community's economy.



HEALTH

The health sector is carried out in the Company's operations area by setting up a program to transport waste from community settlements to be transported to the final disposal site (TPA).



ENVIRONMENT

The environmental sector will work to pay attention to environmental sustainability and cleanliness.



SOCIAL INVESTMENT

Infrastructure, Sanitation, Provision of Clean Water Facilities and Material Procurement for Houses of Worship material.



EMPLOYEE VOLUNTARY

Through this field, the Company engages employees directly with the community in carrying out cleanliness of the environment around the community's residence.

Furthermore, the good relationship established between The Company and the local community has been elevated in the collaboration of Community Timber Plantation (PKR) program since 2014.

PKR program is embraced around the five Forest Management Units. PKR is a scheme that is built as a manifestation of TPL's empowerment

of smallholders and communities as well as an approach to building symbiotic relationship with the community.

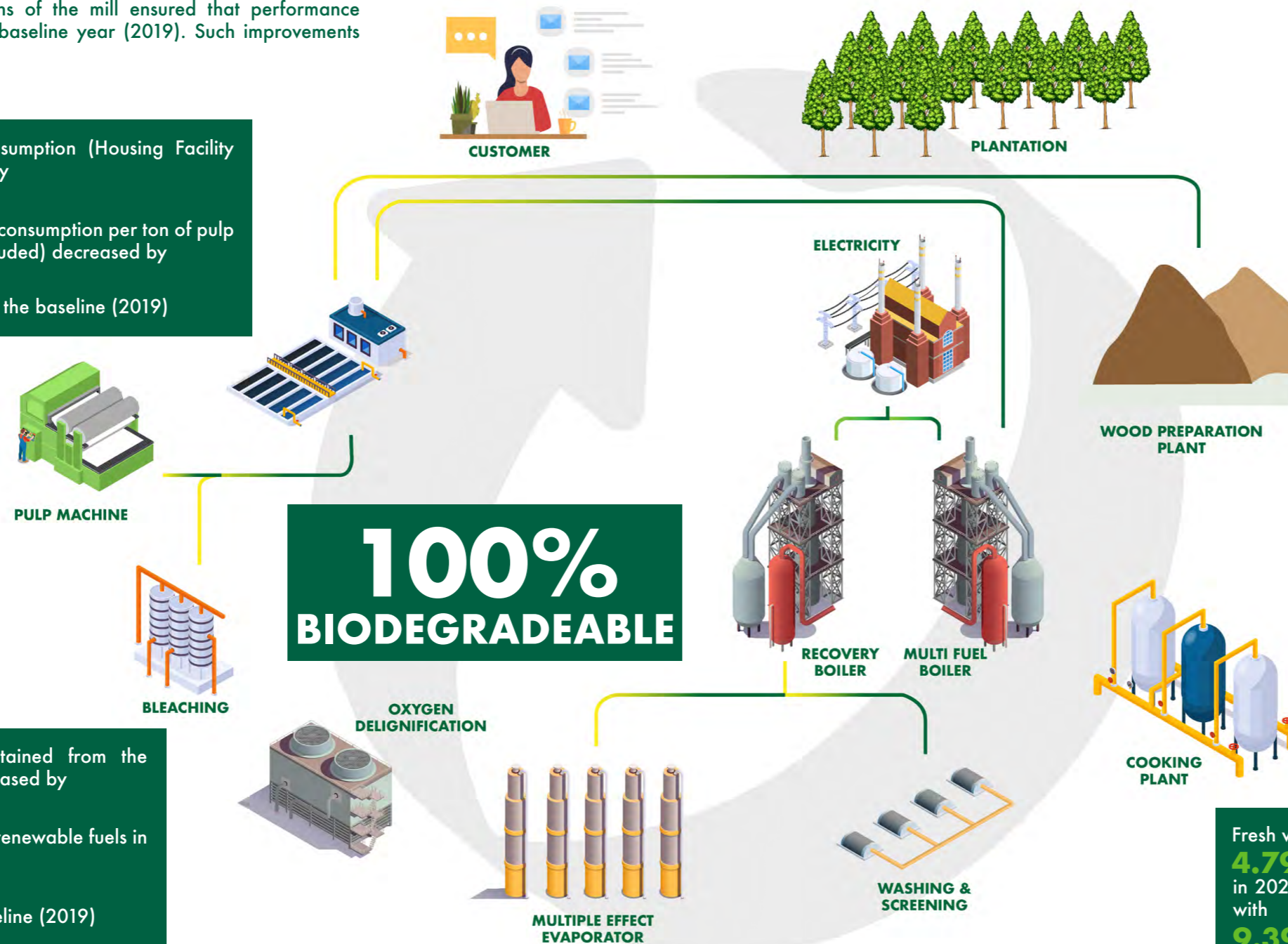


TPL's CIRCULAR MILL PROCESS

In 2020, the operations of the mill ensured that performance was improved from its baseline year (2019). Such improvements included:

Mill-wide power consumption (Housing Facility included) increased by **1.99%** in 2020 while power consumption per ton of pulp (Housing Facility excluded) decreased by **5.93%** in 2020 compared to the baseline (2019)

Renewable fuels obtained from the cooking process increased by **4.18%** in 2020 while use of renewable fuels in the mill increased by **0.11%** compared to the baseline (2019)



The BOD (Biological Oxygen Demand) and COD (Chemical Oxygen Demand) present in the downstream river of the Mill was **50%** below the maximum limit set by Government Standard, **7.5%** better compared to the baseline (2019), and **9.75%** better compared to the baseline (2019)

49.81% of wastes were reused, recycled or recovered.

Fresh water consumption decreased by **13.36%** in 2020 compared to the baseline (2019)

Fresh water is used up to **4.79 times** in 2020 before returning back to river with **9.39%** better than the use of fresh water compared to the baseline (2019)

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



TPL's CORPORATE VISION AND MISSION

VISION

To become a well-managed eucalyptus pulp factory, and to become a supplier preferred by our customers and a company preferred by our employees.

MISSION

- To produce sustainable growth.
- To become a cost effective producer.
- To maximize profit for stakeholders and contribute to socio-economic improvement of the local and regional community.
- To create value through modern technology, industrial knowledge, and human resources.

TPL's CORE VALUES

GRI 102-16

TPL believes that our business should not only contribute positively but also add value to our people and to the environment around us. Our culture of integrity has been upheld by our Core Values. The Core Values are built around Behavioral Competency Framework and it is a guideline on how our people should conduct themselves as they go about their day-to-day operation and personal growth.

TOPICC

As a way to help TPL's stakeholders understand our Core Values better, the acronym T.O.P.I.C.C, was developed. Below are the principles on each Core Value.

COMPLEMENTARY TEAM

- We put team's success ahead of our own.
- We give our best as a team and achieve more together.
- We work together based on mutual trust and respect.
- We are direct and open in our communication with each other.
- We share our knowledge and ideas with our colleagues and we do not operate in silos.
- We align ourselves and support the development goals of the countries we operate in.



OWNERSHIP

- We are responsible and accountable for our actions.
- We practice hands on management and lead by example.
- We set ambitious targets through internal and external benchmarking.
- We achieve results through people, process, system and structure.
- We seek out the best value when making decisions.
- We keep things simple and smart.
- We have a "can-do" attitude.

PEOPLE

- We groom our talent by developing their skills and capabilities.
- We strive to build our organisation from within.
- We promote and reward based on performance and people development, in a fair and transparent way.
- We grow people to be better than ourselves.
- We learn from our mistakes and do not repeat them.
- We enable the communities we operate in to grow with us.

INTEGRITY

- We are uncompromising on dishonesty.
- We put problems and issues on the table and act without fear or favour.
- We do not accept corrupt practices.
- We safeguard company's assets and knowledge.

CUSTOMER

- We regularly engage our customers to better understand their businesses and needs.
- We serve our customers through stable quality, supply and service.
- We track the pulse of the competitive landscape and market dynamics.
- We align internally to what our customers need.
- We innovate and customise our products and services to provide.

CONTINUOUS IMPROVEMENT

- We aim for today to be better than yesterday and tomorrow to be better than today.
- We strive to do better, faster, and at a lower cost.
- We focus on quality, productivity and cost to always stay competitive.
- We understand the changing market landscape and trends, and their impact on the organization.
- We are always vigilant in ensuring health and safety, and strive for zero accidents and zero non-compliance.
- We do not tolerate wastage.
- We act in accordance with our Sustainability Framework.





TPL's KEY MILESTONES

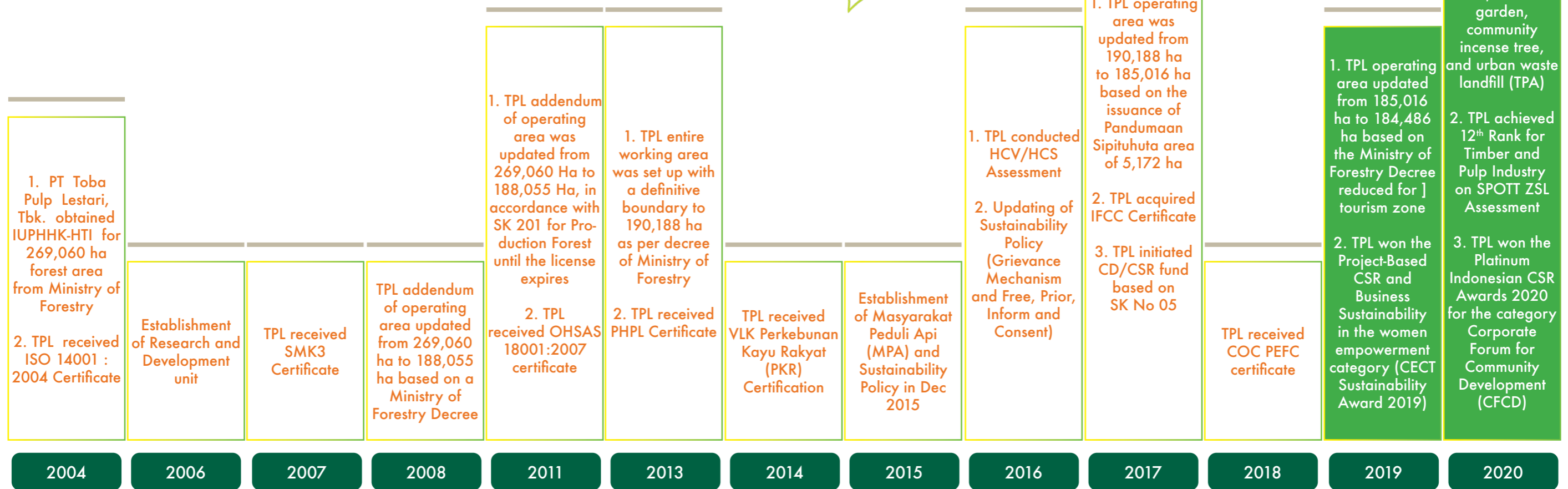
TPL has always strived to be the best for our stakeholders and have come a long way since inception. The last two decades have seen TPL achieve significant milestone in sustainability. Listed below is the reflection of some of the key milestones along the years.

"Sustainability is when we can place ourselves as good friends and neighbours for the community towards establishing a symbiotic relationship between the company (TPL) and its stakeholders."

Parlindungan Hutagaol (Fiber Operation Head)



PT TOBA PULP LESTARI TBK
NORTH SUMATERA





AWARDS AND CERTIFICATIONS

GRI 102-12

In 2020, TPL received Awards and Certification from various national and global institutions.

In total, there are three awards and 11 certifications given to TPL as shown below:



Indonesian CSR Awards 2020

Awarded for Toilet for School Program (6 villages in 4 sub-districts, Toba and Samosir districts, North Sumatra)



Indonesian CSR Awards 2020

Awarded for Gerobak Madu Program (Nagori Sait Buttu Saribu villages, Pematang Sidamanik sub-districts, Simalungun districts, North Sumatra)



Indonesian CSR Awards 2020

Awarded for Village Infrastructure (Sopo Lestari) Program (Pangombusan villages, Parmaksian sub-districts, Toba districts, North Sumatra)



Corporate Forum for Community Development (CFCD) presenting the three awards to PT Toba Pulp Lestari Tbk for Platinum category

Sustainability is the foundation for a company to sustain its business. This has been embedded in the company throughout all process.

Ramida H.F Siringo-ringo (CD/CSR Manager)



CERTIFICATION	CERTIFICATION BODY
PEFC/IFCC Sustainable Forest Management	Bureau Veritas Certification
PEFC - Chain of Custody	Societe General de Surveillance (SGS)
Pengelolaan Hutan Produksi Lestari (PHPL)	PT Ayamaru Sertifikasi
Timber Legality Verification (VLK) - Mill	Societe General de Surveillance (SGS)
Timber Legality Verification (VLK) - Perkebunan Kayu Rakyat (PKR)	Societe General de Surveillance (SGS)
Occupational Health and Safety Assessment Series (OHSAS)	Societe General de Surveillance (SGS)
Occupational Safety And Health Management System (SMK3)	PT Sucofindo
ISO 14001: 2015 Environmental Management System - Fiber	Societe General de Surveillance (SGS)
ISO 14001: 2015 Environmental Management System - Mill	Societe General de Surveillance (SGS)
ISO 9001: 2015 Quality Management System	Societe General de Surveillance (SGS)
Program Penilaian Peringkat Kinerja Perusahaan (PROPER) ranked BLUE	Kementerian Lingkungan Hidup dan Kehutanan (KLHK) Republik Indonesia



STAKEHOLDER ENGAGEMENT

GRI 102-40, 102-42, 102,43

Our stakeholders and their concerns are of utmost importance to TPL. For the Fiscal Year 2020, TPL continued focusing on the material matters raised by its stakeholders in 2019 and improved on the material matters milestones align with TPL's sustainability strategy. The stakeholder engagement performed in the year 2019 is a critical path in setting the reporting parameter of sustainability report and meeting the reporting standards of GRI and regulatory requirement of OJK.

TPL's stakeholder groups comprise of; the employees, shareholders and investors, suppliers, customers, NGOs, the Government of Indonesia at district, provincial and national level, local communities and media. TPL identifies our stakeholders as entities or individuals that can reasonably be affected by TPL's activities, products, and/or services. These can also include those whose actions can affect the ability of TPL to implement its

strategies or achieve its objectives.

TPL's sustainability strategy is to engage with its stakeholder's once in every three years as a way to have sufficient time to meet the stakeholder group's expectation on the identified material matters. With this approach of engagement cycle once every three years, TPL is able to sustainably and organically learn and grow as a sustainable forest management company.

Each stakeholder group were engaged in a number of ways with varying frequency. The diagram below illustrates the stakeholder groups and the modes and frequency of engagement with these groups throughout the year.

Resilience in Safeguarding Sustainable Growth





STAKEHOLDERS/INVESTORS

Mode of Engagement

- Annual General Meeting
- Extraordinary General Meeting
- Annual Report
- Announcement on Corporate Website

frequency of Engagement

- Annually
- As Needed
- Annually
- As Needed

CUSTOMERS

Mode of Engagement

- Electronic Communications
- Customer Feedback Channel
- Corporate Website
- Sales/Purchase Contract

frequency of Engagement

- As Needed
- As Needed
- As Needed
- Periodicaly/As Agreed

EMPLOYEES

Mode of Engagement

- Management Meeting with Labor Union
- Annual Appraisal
- Electronic Communication
- Event (e.g Family Gatherings, and Celebrations)
- Coaching and Mentoring by Superiors

frequency of Engagement

- Per Two Month
- Annually
- As Needed
- Annually
- Once A Day/As Needed

GOVERNMENTS REGULATIONS

Mode of Engagement

- License Processing
- Mill Visits
- Development Plan Discussion
- Ceremony/Celebration of National, Religious or Cultural Days
- Handover of Community Development (CD) Assistance
- Plenary Meeting (e.g Regional/ Central Legislative/Government)

frequency of Engagement

- Periodicaly
- Monthly
- Annually
- Periodicaly
- As Needed
- As Needed

MEDIA

Mode of Engagement

- Press Release and News Publication
- Media Visits
- Media Gathering
- Event such as Communal Breaking of Fast
- Infomal Meeting

frequency of Engagement

- Daily
- Monthly
- Monthly
- Annually
- Daily

SUPPLIERS

Mode of Engagement

- Meeting and Site Visits
- Supplier Assessment System
- Electronic Communication
- Making of Aggrement Contract

frequency of Engagement

- Periodicaly/As Agreed
- Annually
- As Needed
- Periodicaly/As Agreed

LOCAL COMMUNITIES

Mode of Engagement

- Community Outreach (Gotong Royong)
- FPIC
- Mill Visits
- Village Discussions
- Informal Meeting and Discussion
- Handover of CD Assistance

frequency of Engagement

- Monthly
- Periodicaly/As Agreed
- Monthly
- Annually
- Daily
- As Needed

NGOs

Mode of Engagement

- Company Website
- Submission of Complaints
- Resolving Complaints Strategic Partnership and Cooperation
- Consultation on Selected Topics

frequency of Engagement

- As Needed
- As Needed
- As Needed/As Agreed
- Periodicaly/As Agreed

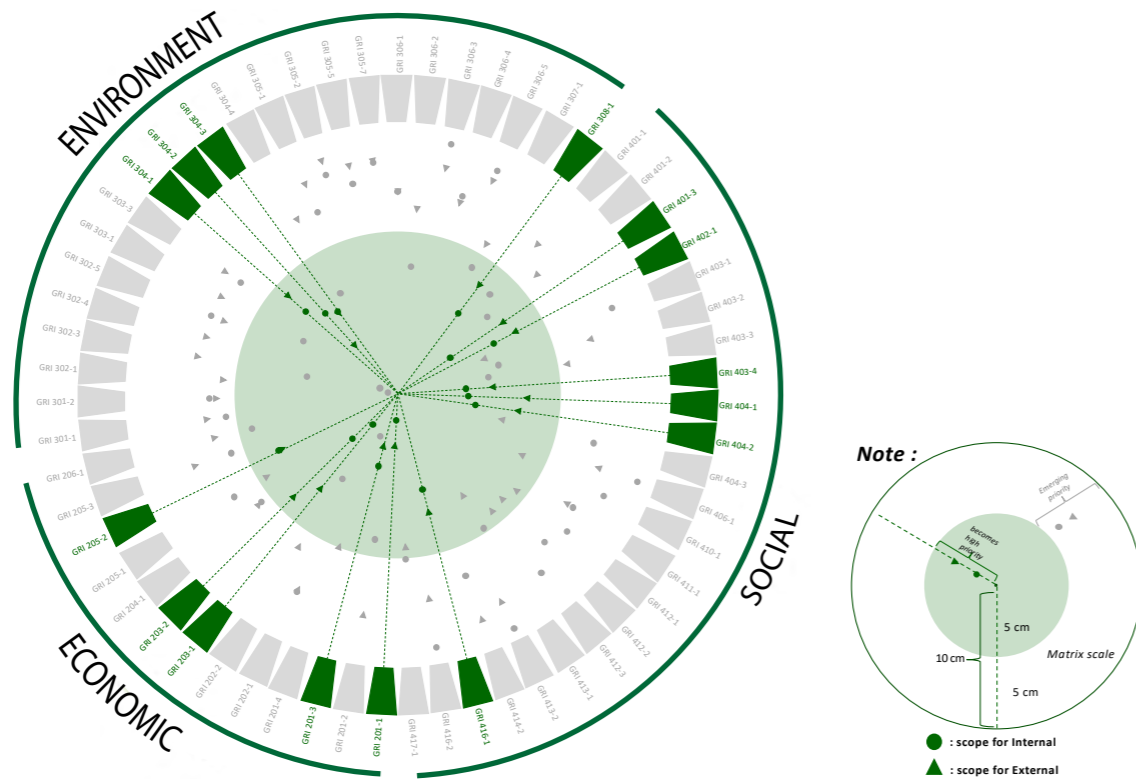


MATERIALITY MATRIX

GRI 102-44, 102-46, 102-47

In 2019, the stakeholder engagement was conducted using an online system. This online approach had an intrinsic benefit as it saved time, cost, and reached out to a wider audience while acquiring a meaningful and balanced response. Following the guideline of GRI, the result from the stakeholder engagement is

further computed into a matrix to identify the high priority material matters. The following materiality matrix illustrates the topics that were raised by stakeholders according to the importance and of which TPL has disclosed in 2019, and will continue for 2020 and 2021.



This materiality matrix is a design based on the circular concept inspired by the shape of the human eye, retina. This concept depicts the reality of PT TPL as the center point in responding to the concern and expectations of the stakeholders. The high prioritized materiality presented in the matrix, are the triangular (▲) and round (●) shapes in green.

The triangle logo represents the concerns of the stakeholders (external) and the round logo represents the concerns of the management of PT TPL (internal). Consolidating both internal and external stakeholders' concerns led to identifying 15 high-priority topics as showcased in the table.

MATERIALITY MATRIX

ASPECT	GRI	INDICATOR
ECONOMIC	201-1	Direct economic value generated and distributed
	201-3	Defined benefit plan obligations and other retirement plans
	203-1	Infrastructure investments and services supported
	203-2	Significant indirect economic impacts
	205-2	Communication and training about anti-corruption policies and procedures
ENVIRONMENT	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas
	304-2	Significant impacts of activities, products, and services on biodiversity
	304-3	Habitats protected or restored
	308-1	New suppliers that were screened using environmental criteria
SOCIAL	401-3	Parental leave
	402-1	Minimum notice periods regarding operational changes
	403-4	Health and safety topics covered in formal agreements with trade unions
	404-1	Average hours of training per year per employee
	404-2	Programs for upgrading employee skills and transition assistance programs
	416-1	Assessment of the health and safety impacts of product and service categories



CORPORATE AND SUSTAINABILITY GOVERNANCE

GRI 102-18

PT. TOBA PULP LESTARI Organization Structure - 2020

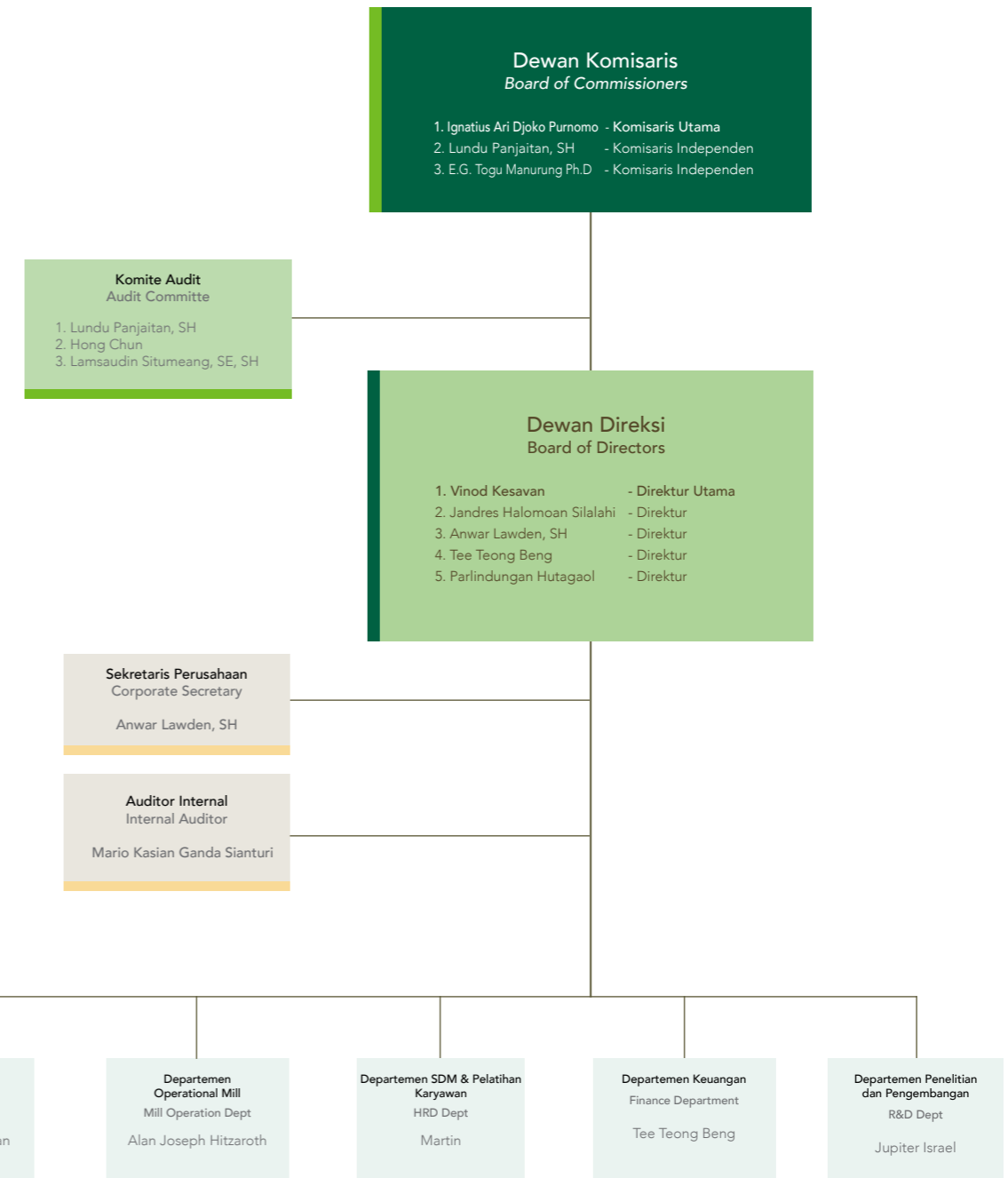
TPL aims to continue our commitment to uphold good governance practice throughout the company. TPL manages its economic, social, and environmental affairs via good

corporate governance as it is our goal to be a responsible business partner at the local, national, and international level.

TPL and Sustainability Governance Structure Leadership

TPL's Corporate Governance is led by Board of Commissioners namely, Mr. Ignatius Ari Djoko Purnomo, Mr. Lundu Panjaitan, and Mr. Elisa Ganda Togu Manurung. The Board of Commissioner oversees the Board of Directors (BOD). The Board of Commissioners are responsible to monitor and provide advice to the Board of Directors for the benefit of TPL in accordance with its aims and objectives.

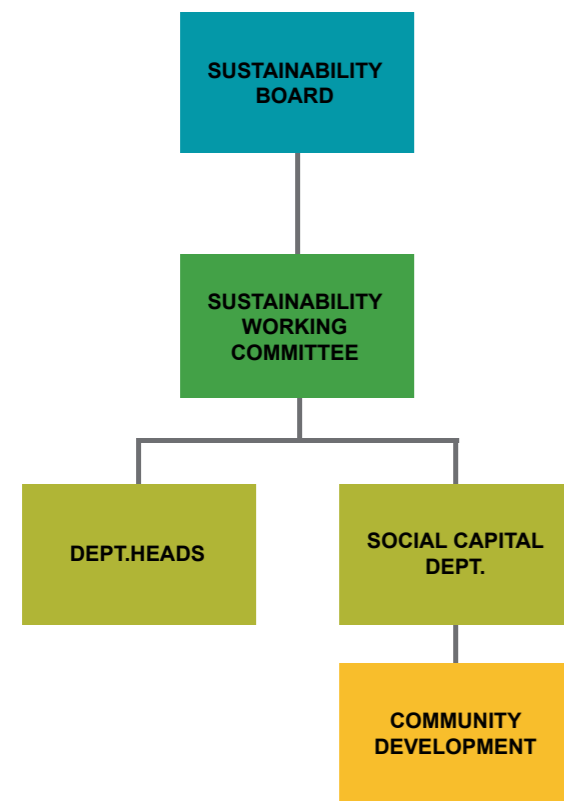
The Board of Directors are responsible for the management of TPL's vision, mission, strategy, and the departments in TPL. For the year 2020, TPL has five Board of Directors seating in the board. All five BOD members are male and zero female at the moment for the year 2020. The Board of Directors of TPL is led by the Managing Director, Mr. Vinod Kesavan. Shown below is the corporate governance structure in TPL.





In addition to the corporate governance, TPL established a dynamic sustainability governance structure. The Sustainability Governance Structure was established as part of TPL's Sustainability Strategy starting in 2020. This structure was aimed to achieve an accountable, seamless and effective

drive of TPL's sustainability strategies. Every department head and/or manager are responsible for their respective material matter data, goals, targets and initiatives that cover economic, environment, and social aspect.



- Consisting a member from the Board of Commissioners and a member from the Boards of Directors - overseeing the sustainability strategy of Economic, Environment, and Social materials against the vision and mission of the organization

- Planning, aligning, and driving the sustainability strategy and goals against international standards and global relevance

- Supporting the sustainability strategy, goals, targets, initiatives, and material information

- Aligning to contribute towards SDGs 2030 goals without compromising the local sustainability impact needs

- Program mitigating key sustainability risk, opportunity, and identifying quantitative and quantitative impact through diverse medium

SUSTAINABILITY FRAMEWORK

GRI 102-18

In 2020, TPL updated its Sustainability Strategy to focus on material targets that are in line with global and industry best practice standards. TPL understands that its sustainability aspirations and plans have to be mapped with global sustainable development goals, national drivers and local reality.

the communities surrounding our operations, producing only from renewable resources, and pursuing world-class standards in four aspects of sustainability; namely – Economic, Environment, Social and Governance.

Sustainability Vision

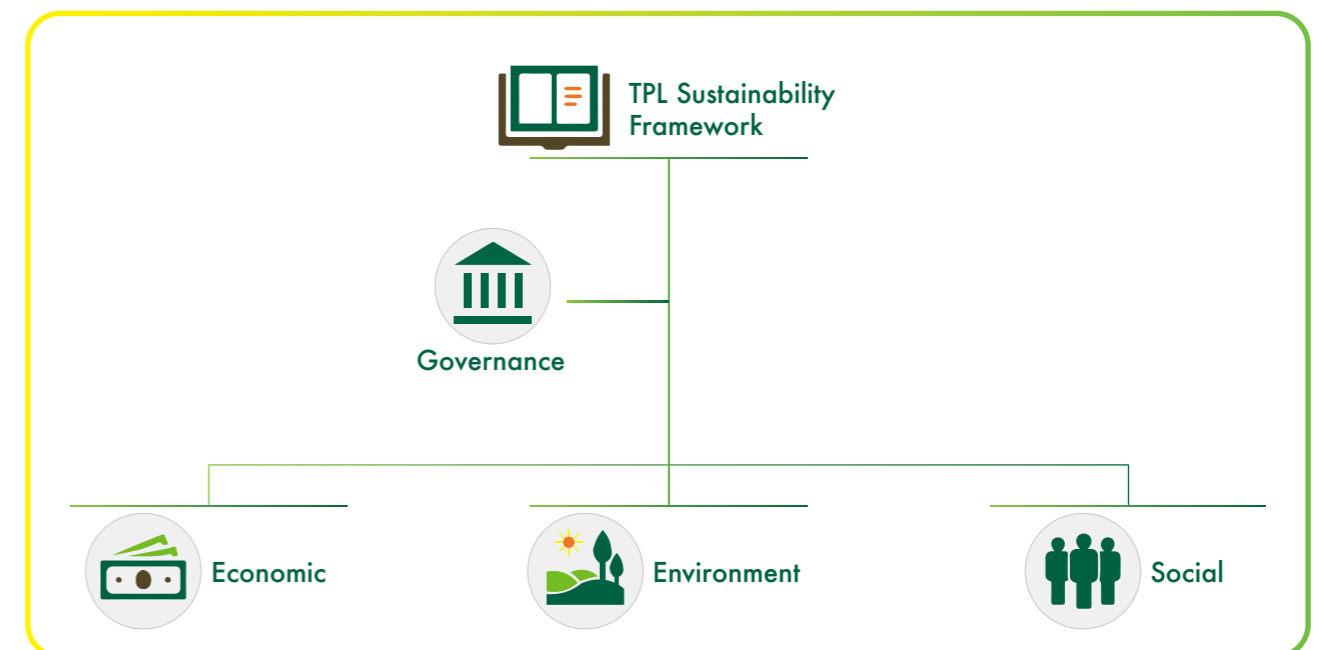
TPL aims to become the preferred forest management and pulp producing organisation with world-class sustainability standards.

Sustainability Framework

TPL's sustainability framework is built to be a robust structure that is divided into key pillars comprising; Governance, Economic, Environment and Social. This is to ensure a seamless integration of sustainability into our business process and initiatives. The framework guides us in our approach to be seamless in integrating the sustainability vision and mission into TPL's operation with the support of a robust governance system.

Sustainability Mission

We strive in developing the lives of our talent, ameliorating and harmoniously living with





Sustainability Strategy

TPL's sustainability strategy centres on establishing an effective and robust approach towards governance structure, transparent reporting, process assurance, efficient and effective grievance mechanism, and leading special projects with thought leadership.



"Sustainable development is our duty and responsibility to the environment, socio-culture and economy not only for today but also for the future by ensuring that every process that has been formed therein can run well and increase continuously."

Adventris Hutagaol (Dy. R&D Manager)



OUR POLICIES

Sustainability Vision

GRI 102-11

Launched in 2015, TPL's Sustainability Policy is the primary mother policy for the company in terms of environmental and social commitment to address key sustainability issues. This policy was developed with inputs from key stakeholders that includes an Independence Team, appointed by the North

Sumatera Governor, local communities and civil society. Our sustainable commitments outlined in this policy extends to all layers of our business including our mill, plantations and the management of natural forests in our concessions as well as our suppliers.



SUSTAINABILITY POLICY



MILL

- Environment Policy
- Mill Quality Policy
- OHS Policy
- Chain of Custody Policy

FIBER

- Environment Policy
- GMO Policy
- OHS Policy
- Pesticide Usage Policy
- Sustainable Forest Management Policy

TPL Policy Governance Structure

TPL's Sustainability Policy expands to other material area with guiding policies to help TPL achieve its commitments and sustainability vision, such as, environmental policy, occupational health and safety policy, sustainable forest management policy, etc. These policies acts as a guidance for robust governance, transparency, and accurate representation of TPL's sustainability vision and mission. These various policies are communicated to employees, partners,

suppliers, and related parties for their understanding and awareness. TPL employees receive training annually on these guiding sustainability policies.

TPL's Sustainability Policy spells out its commitment in alignment with its core values as a responsible forest management company. These commitments are outlined as below:



1. Long Term Sustainability
2. Forest Protection and Conservation
3. Responsible Management of Peatlands
4. Continuous Reduction of Carbon Footprint
5. Proactive Support of Local Communities
6. Respect the Rights of Indigenous Peoples and Communities
7. Clean Production
8. Responsible Practices in Our Work Places
9. Legal Compliance and Certification
10. Good Corporate Governance, Verification and Transparency

In our effort to eliminate deforestation from our supply chains and supporting best practice forest management in all locations (including third party wood supplier), we source only sustainable wood that meets the compliance requirement such as respecting human rights and environmental parameters. We source our raw material (wood) only through suppliers or subcontractors that abide by this policy and provide us with transparency and traceability to their supply.

To become the best in class in our sustainability efforts, we support only the highest standards in forest management and advocate responsible mill operations. To illustrate this, TPL is the first of its kind in the industry to shift from business as usual to setting sustainable commitments in its operations beyond its existing sustainability policy via a commitment policy, named Paradigma Baru.

Fiber Environmental Policy

Responsible management of forest against potential environmental risks contributes positively to the business and benefits the employees, consumers, shareholders, communities, and other stakeholders. TPL is committed to complying with applicable legislation and other environmental related requirements, improving environmental performance, managing plantation forests in alignment with forest management best practices and encouraging environmental responsibility among suppliers. TPL has an environmental management system to manage and monitor operational compliance to environmental policies, objectives, and targets. TPL reviews the environmental management system periodically to determine effectiveness of the policies and procedures.

Mill Environmental Policy

Responsible management of mill against potential environmental risks will enable TPL to contribute positively to its operation and surrounding. TPL is committed to fulfil regulatory compliance and other environmental related requirements as established by the company's environmental aspects, such as improving environmental performance, efficient usage of resources such as raw materials, energy and water, and benchmarking its performance against best practices in the pulp industry. TPL's mill has an environmental management system to manage and monitors its environmental target align with its environmental policy. TPL periodically reviews the environmental

management system to determine effectiveness of implementation and ensure that the business are in compliance with environmental policy objectives and targets.

Mill Quality Policy

The Management of TPL firmly believes that products that add value to stakeholders are the foundation of our business. The success of TPL depends on our ability to continuously meet and satisfy customers' requirements and fulfilling the needs and expectations of stakeholders. TPL is committed to maintaining a Quality Management System that conforms to prevailing ISO 9001 standards. We also commit to developing an inspiring working environment conducive to motivate employees, increasing shareholders' value and improving the business standards amongst our business partners, suppliers and contractors.

TPL strives to maintain its process equipment to ensure its ability to continue producing high quality pulp products.

Sustainable Forest Management Policy

The Management of TPL believes in the implementation of good management of forest with regards to timber utilisation, silviculture techniques, environmental stewardship, and social responsibility. The company also understands that the aforementioned, aspirations can only be achieved by maintaining the value of forest as a source of timber and other forest products, maintaining its biodiversity functions, conserving soil,

water, and catchment areas as well as other ecosystem functions.

TPL is committed to its sustainable forest management policy meeting international standards and utilising new technology as a forest management company. We believe that the good management of forest land for today without compromising the future through increased productivity and carrying capacity of increasing community needs for forest products helps to maintain biodiversity, support global warming reduction programmes, and provide benefits to all stakeholders.

Occupational Health and Safety (OHS) Policy

TPL will do their best to protect the safety and health of our employees and all those who may be affected by our business activities. TPL aims to achieve and maintain a high standard on health and safety system with full cooperation from employees. Injuries and accidents at work can be prevented and no job is important enough that employees or contractors are at risk of injury from completing the tasks.

TPL believes that work done safely will prevent accidents. Excellence in health and safety will support operational excellence and employees have a role to play in preventing injuries and illnesses. Creating awareness and training employees is essential to achieve the best performance in health and safety.

TPL believes that every employee is entitled and responsible to a safe and empowering



working environment. TPL aims to improve the health and safety standard in line with best practices and International K3 Standards.

To achieve TPL's OHS vision, appropriate awareness, education, and training have been provided to employees, business partners and related parties. This initiative supports the increment of stakeholder understanding and eliminating any unsafe actions and conditions. TPL ensures all the business partners and/or related parties are aligned and take measure(s) following this policy.

Chain of Custody (COC) Policy

TPL participates in global Sustainable Forest Management certification schemes. It has and will continue to maintain its timber legality assurance certifications, and continually improve the PEFC-COC Management System. TPL has a robust COC tracking system and wood sourcing monitoring system to ensure all the wood is traceable back to its source.

Genetically Modified Organism Policy

Since December 2019, TPL declared that no Genetically Modified Organism are used or are present in licensed areas or areas where

research takes place under TPL's direct and indirect responsibility. TPL ensures all the suppliers are aligned and take measure(s) following this policy.

Pesticide Usage Policy

TPL is committed to only using pesticide and other materials in accordance to laws and regulations and as stated in Annex 3 IFCC Standard 2013, World Health Organization (WHO) type 1a and 2b (2013), Stockholm Convention (2016) and Rotterdam Convention (2018).

TPL is also committed to managing the usage of pesticides in a manner that is not harmful to health in accordance to International K3 Standards. The usage of pesticides are documented to ensure adherence to legal requirements and usage guidelines.

TPL is also committed to prioritize the usage of biological and non-chemical methods, and minimising the usage of chemical pesticides. TPL ensures all the suppliers are aligned and take measure(s) following this policy.



We are committed to Improve Mill Operation through Continuous Improvement to minimize our effect on the Environment and meet Sustainability Goals.

Suhunan Sirait (Energy Dept Head)

GRIEVANCE MECHANISM AND WHISTLEBLOWING

TPL's grievance mechanism and whistleblowing system covers all external and internal complaints.

Sustainability Vision

GRI 103-2

TPL has in place an External Grievance Handling standard operating procedure (SOP) updated in 2020. The Sustainability Department Head is responsible for the management and monitoring of grievance mechanism in TPL. The Sustainability Management Team Leader supports the Sustainability Department Head. The Sustainability Management Team Leader is responsible to identify the risk level of the complaint and determining which department and personnel to follow-up on the complaint. Grievances are categorised into the following categories listed below.

- Labour and payroll, contractors and payments
- Perkebunan Kayu Rakyat (PKR)
- Law and social conflicts (customary land, illegal logging, lawlessness, social issues)
- Transportation (Logging and Pulp trucks), truck queues, and other transportation problems
- Job vacancies
- Occupational Health and Safety

The complainer can express their grievances via e-mail, SMS or call. A specific email and hotline number to receive grievances has been designated since 2015. Shown below is the call to action roadmap placed across all TPL's operating area for the benefit of stakeholders.

- Forestry environment (forest fires, pollution, deforestation etc.)
- Mill environment (smell, noise, pollution etc.)



EXTERNAL GRIEVANCE MECHANISM

Your grievance will be identified and processed

We will submit your grievance to the relevant person in charge to handle the grievance

Grievance will be solved and you will get the response

We will work together to solve your grievance with the best strategy and solution

Submit your grievance

Submit your grievance via phone/SMS/email

Your grievance will be followed up

1. We will insert your grievance and personal information to the form
2. Your grievance will be followed up within four working days

Response accepted and grievance closed

We will make a grievance settlement document report and it will be signed by the parties who were involved

SUBMIT YOUR COMPLAINT IN AN APPROPRIATE TIME AND APPROPRIATE MANNER

CONTACT US



Grievance Mechanism SOP has clear steps spelled for the benefit of relevant department in handling grievances. Documentation of grievances in the form of standardised forms are required to be completed by relevant grievance handling personnel prior and post grievance closure. Grievances are archived in softcopy for future reference.



0812 6210 461

PHONE

(Monday - Friday 8.00 am - 5.00 pm)
(Saturday 8.00 am - 12.00 pm)

Message
(24 Hours)

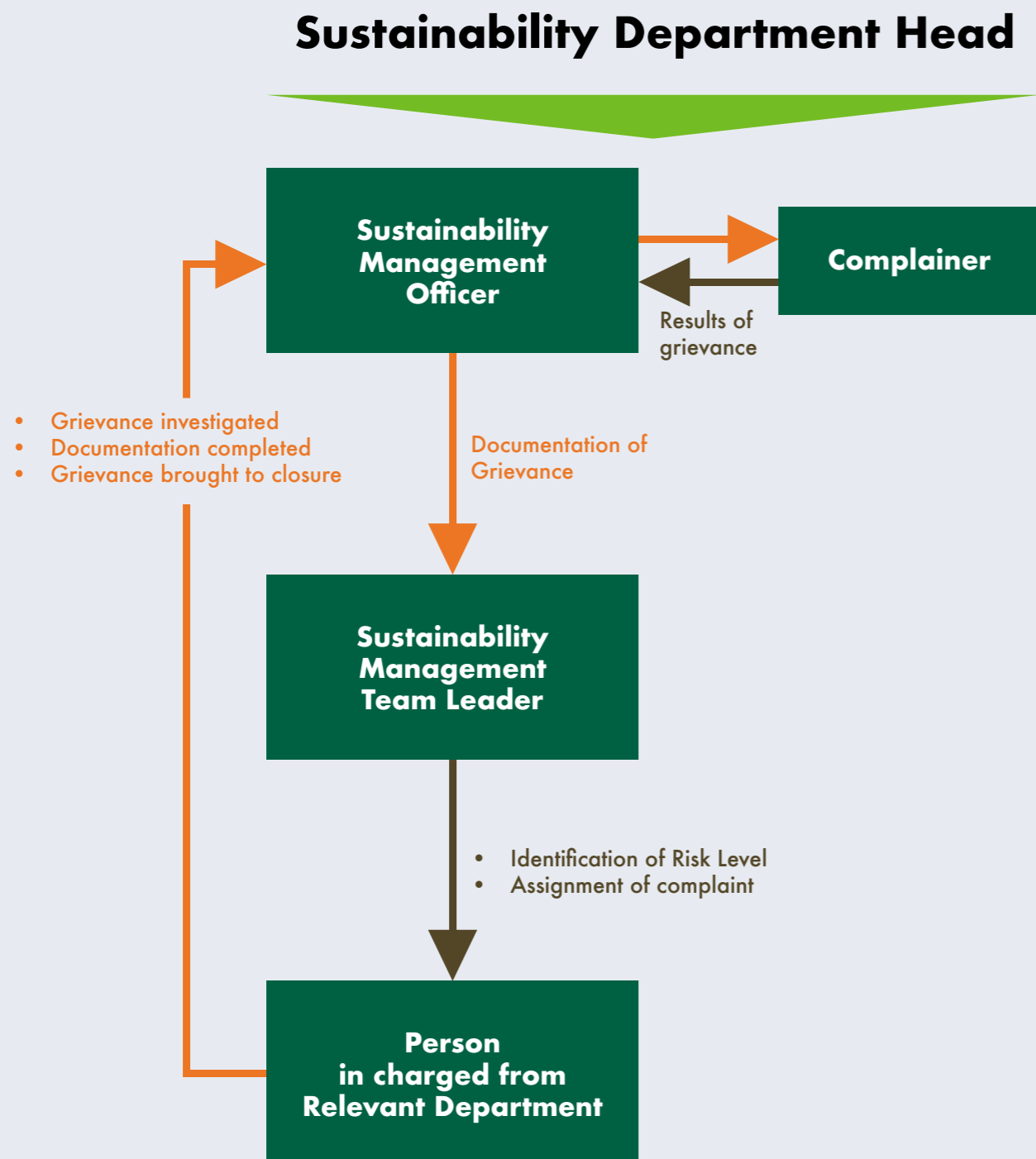


E - Mail

(24 Hours)

pengaduan@tobapulp.com

The image below demonstrates the process flow of grievance mechanism:



Whistleblowing

The Whistleblowing Procedure is in place to help detect, report and manage potential fraud. TPL intends to promote anti-fraud environment via creating awareness about whistleblowing and adherence to TPL's Code of Ethics.

Any employee who suspect's violation of TPL's policy and/or fraud has occurred is responsible to report the incident via hotline number or dedicated e-mail address for antifraud. The whistle blower is encouraged

to use his or her actual name or pseudonym. TPL will take measures to protect the identity of the whistle blower and information are kept confidential. During the briefing, the whistle blower are advised not to conduct their own investigation and not to discuss the case, facts, suspicion or accusations with anyone but the Management Team or Investigation Team.

The extent of investigation will be based on type of fraud and is handled by either HR Department, Internal Audit or a Special Investigation Team.



Investigation results will only be discussed with those that have a legitimate need to know. If fraudulent activities are identified from the

investigation, the employee involved will be subjected to disciplinary action.

ECONOMIC CHAPTER

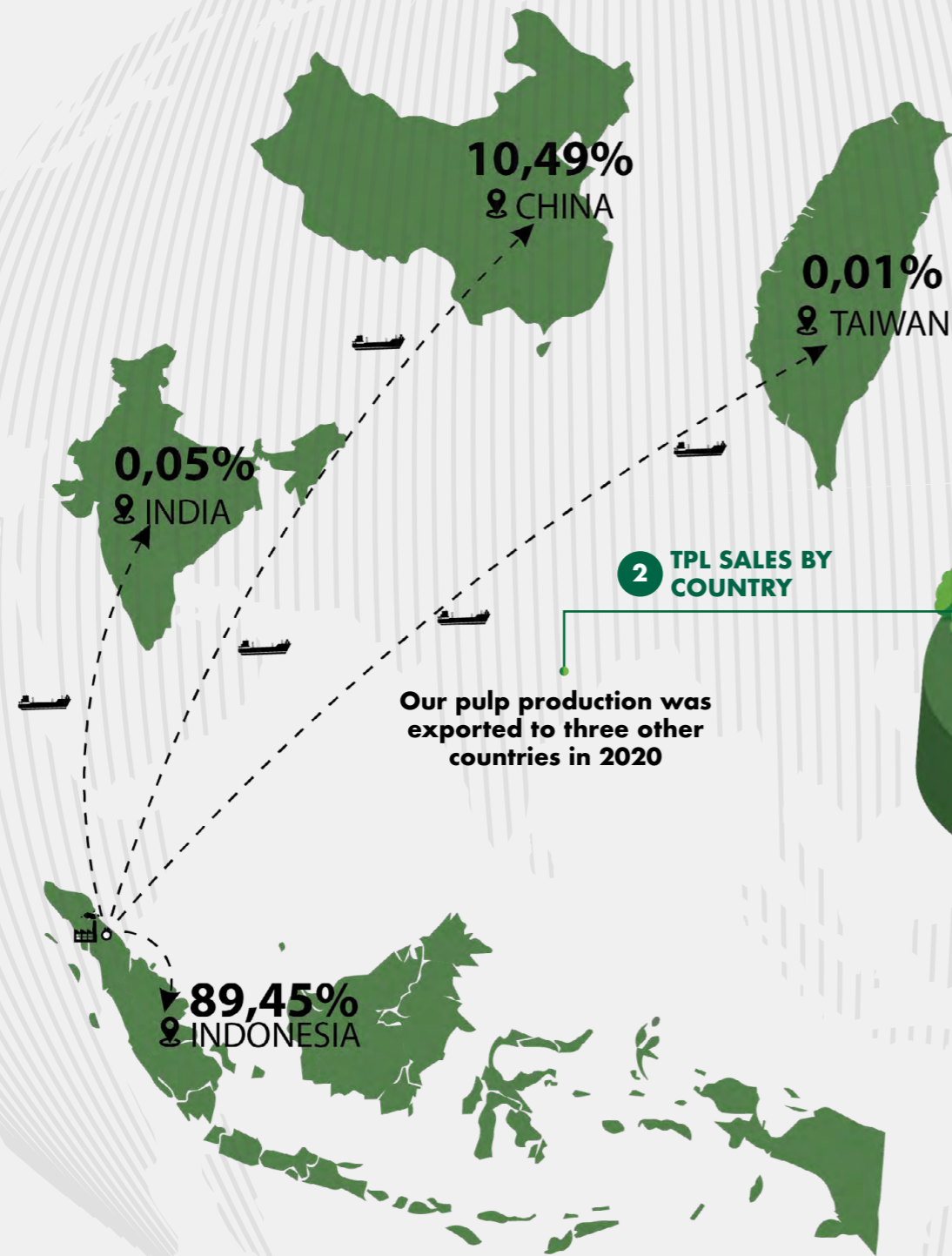
- ECONOMIC PERFORMANCE
- INDIRECT ECONOMIC PERFORMANCE
- ANTI CORRUPTION



"We encourage sustainable economic development, create welfare and improve infrastructure connectivity across our operational areas and the communities around our operations by investing in infrastructure, agriculture for economic improvement and other productive sectors."



ECONOMIC HIGHLIGHT



1 EMPLOYEE WAGES AND BENEFITS

We pay attention to the welfare of our employees and their retirement plan

- ▶ 9% Employee Wages and Benefits

4 ANTI-CORRUPTION

We commit to socialize the anti-corruption policy to all our employees and contractors

- ▶ 100% Employee And Contractor Socializations Anti Corruptions

3 CD/CSR PROGRAM

We contributed 1% of our net sales to the community



ECONOMIC

Though 2020 was a challenging year in economic terms globally due to the global pandemic, TPL maintained its ambition to keep our production aloft as a sustainable operation. We understand that our stakeholders rely on us to contribute to their socio-economic improvement and that we must

Economic Performance

The long-term strength and profitability of our business is built upon our collaboration with our employees, communities, customers, shareholders, and the government. This material topic plays an important role to all our stakeholders, particularly our employees as its paramount for TPL to maintain our position as a reliable employer and value-adding partner to other stakeholders. We want to ensure that we contribute to the economic position of our surrounding localities as well as upholding our obligations as a responsible employer to our employees.

Managing economic performance, keeping oversight over the Company's strategic direction and business view is the responsibility of TPL's Board of Directors. The management team in TPL supports the Board of Directors to achieve sustainable economic value for the Company.

A robust monitoring and evaluation process

still stay relevant to the global sustainability agendas. TPL believes by taking note of our stakeholders' concerns and focusing its strategy on future planning, while striving hard to generate sustainable economic value will bring balance between Economy, Environment, and Social.

GRI 103-1, 103-2, 103-3

of TPL's economic performance is critical in recognising risks, opportunities, and impact of our investments and operations. The management team addresses any bumps identified along the way effectively and proactively. The Financial Controller supported by the Finance team leads the primary responsibility of monitoring and managing TPL's operational profitability.

TPL's employees are our most valuable stakeholder and as a responsible employer, our employees are taken cared to ensure a two-way long-term commitment between us. TPL's defined benefit obligations and pension plans are guided by regulatory. The retirement age at TPL is 55 years following the provisions of the Collective Bargaining Agreement.

TPL's financial performance is audited on an annual basis by appointed external auditors who are public accountants registered with the OJK.

Direct Economic Value Generated Distributed

GRI 102-7, GRI 201-1

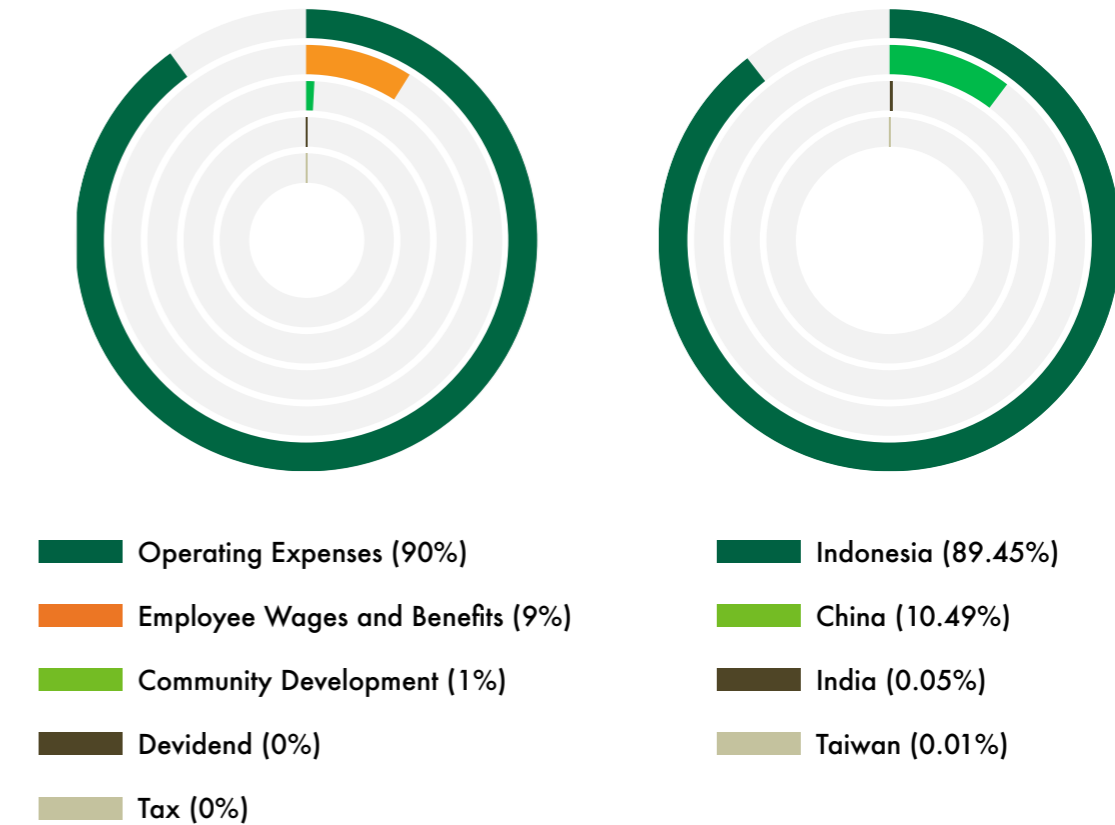


Figure A. Economic Value Distributed

Figure B. TPL Sales by Country

Figure A shows the total Economic Value Distributed (according to type) by TPL in 2020, which amounted to approximately USD 132,034,000. Of this around 90% or approximately USD 119,255,000 has been reinvested for Business Operations. CD/CSR expenses amounting to 1% of TPL's Economic Value Distributed, reflecting TPL's ongoing commitment to support community activities.

Figure B shows TPL's Sales by Country namely China, Taiwan, India and Indonesia. 89.45% of TPL's business is from the local market, Indonesia.



The Economic Value Generated by TPL came up to approximately USD 126,023,000 made up from net sales and interest income.

The Economic Value Retained for 2020 is approximately (USD 6,011,000). The table below shows TPL's sales by country

TPL SALES BY COUNTRY GRI 102-7	
COUNTRY	USD '000
CHINA	13,226
TAIWAN	11
INDIA	61
INDONESIA	112,725

Defined Benefit Plan, Obligations and Other Retirement Plans

GRI 201-3

100% of TPL's employees are enrolled in the retirement plan. This is a regulatory contribution plan as per the legal requirements of Indonesia. In accordance to the law, TPL contributes 2% and 1% of employees' salaries to the national pension insurance (Jaminan Pensiun - JP). This JP insurance can be retrieved by TPL employee after they retire.

which includes providing a briefing to the staff on their benefits as per their entitlement as well as retirement training to prepare employees psychologically and financially. (Refer to Social section for more details)

The main department managing this process is the Human Resources department which works closely with Payroll, Learning and Development and the Industrial Relations Team to ensure a smooth process for retiring

Other than financial obligations, TPL also manages the retirement process of its employee



"We embed sustainability into the heart of all our investment and spending philosophy. This is in order for us to achieve sustainable returns".

Tee Teong Beng (Financial Controller)

staff. The provisions regarding pension also stated in the PKB and pension rights have been granted in accordance with the applicable regulations while the financial aspect of this

process has check and balances based on the actuarial valuation as well as the annual audit.

Value of Liabilities

The post-employment benefit liability of TPL as of 31st December 2020 is approximately USD 6,846,000 TPL has recognised the post-employment benefit expense of approximately

USD 941,000 as part its operating expenses and Actuarial loss/gain of approximately USD 740,000 in other comprehensive gain/loss for the year 2020.

INDIRECT ECONOMIC IMPACT

GRI 103-1, 103-2, 103-3

TPL has been investing on social aspect to the surrounding communities of its concessions and to support their development and infrastructure. This has been a key contribution to ensure that the economic value of these areas and communities are constantly growing. The improved conditions would benefit the communities in several aspects such as accessibility, etc.

discussion between the company, community and local government), stakeholders proposals, and social mapping. A significant portion from the aforementioned, financial commitment by TPL is contributed to the improvement of infrastructure to ease living conditions and accessibility to basic facilities. Key TPL projects in 2020 was contracted to local contractors as a way to enhancing local economic conditions.

The ability of TPL to operate well to achieve their production targets is heavily reliant on its employees and those that live within its concession areas. TPL is committed to contribute to the improvement of the local sectors in the aspects of economy, education, health, and environment.

TPL's Community Development/Corporate Social Responsibility (CD/CSR) team is responsible for identifying the needs of the local communities and developing impactful programs annually. The CD/CSR team uses engagement methods such as group meetings and surveys to consult with relevant stakeholders on identifying the needs of the communities. As part of the program development process in 2020, community

TPL has allocated 1% of its Net Sales for CD/CSR programs every years. The programs are made annually based on rembug desa (a



leaders, farmer groups, medical officers, teachers, and youths in the community were engaged on the approaches on various social needs. The resource allocations are set according to the needs of the community. There is also an internal standard operating procedure in place to guide the CD/CSR in the implementation of the projects.

Furthermore, TPL reports on the implementation of the CD/CSR programs on a periodic basis

Infrastructure Investments and Services Supported

TPL has contributed to various projects in 2020 achieving its social investment goals to the surrounding communities. In 2020, a total of Rp. 11,345,030,383 were spent for 241 CD/CSR programs conducted by TPL via contribution and programs.

Of the various types of programs that TPL contributed in 2020, infrastructure and social aspects had the most amount with 31.9% and 24.1% respectively.

to the Governor of North Sumatera as per the requirements in Deed 05 of 2017 which spells out the details for TPL's new commitment in the implementation of Law 40 of 2007 and Government Regulation 47 of 2012.

TPL has a mission to maximize benefits for stakeholders and contribute to the improvement of the economic condition of local and regional communities.

GRI 203-1

TPL completed 41 infrastructure programs in 2020 with expenditure amounting to Rp. 3,623,399,378 and 64 social investment programs with expenditure amounting to Rp. 2,734,476,059. The programs contributed under the aspect of economy and job creation amounting to 50 programs costing Rp. 1,000,083,833



CD/CSR Programs Realization by Percentage (%)	
Infrastructure	31,9%
Social Investment	24,1%
Education and Culture	18,8%
Health	15,1%
Economy and Job Creations	8,8%
Environment	1,2%
Community Outreach	0,1%

Sustainability is about answering question; how we produce our product, how its benefited people, and how we conserve the habitat of the population.

Norma Hutajulu (Corporate Communications Manager)



CD/CSR PROGRAMS

ECONOMY AND JOB CREATIONS

50 PROGRAMS



Economic program's is implemented to improve the community's economy. CD/CSR staff provide direct assistance in community economic development such as coffee plant cultivation, application of jajar legowo rice planting, and economy creative such as kripik andaliman and BSF (Black Soldier Fly) cultivation. (Probono)

SOCIAL INVESTMENT

64 PROGRAMS



Through the social investment CD/CSR program, we focus on the development of public space facilities such as construction of tablenacle, clarity for certain events website TPL. (In-kind)

ENVIRONMENT

10 PROGRAMS



The company contributed to environmental sustainability and cleanliness programs.(Probono)

COMMUNITY OUTREACH

2 PROGRAMS



The company employees accompanied the community in carrying out environmental cleanliness around the community residence. (Probono)

EDUCATION AND CULTURE

41 PROGRAMS



The company also supported the improvement of the quality of human resources around the Company's operations through scholarship programs, class room building program, and Pendidikan Anak Usia Dini (PAUD) building program. (In-kind)

HEALTH

33 PROGRAMS



The company also supported the improvement of the human resources quality in its operations through scholarship and guidance program. (Probono)

INFRASTRUCTURE

41 PROGRAMS



Infrastructure program is included in social investment. Through the social investment CD/CSR Program, we focus on the development of public space facilities and infrastructure such as the constructions of clean water supply, pipelines, and road paving. (In-kind)

Significant Indirect Economic Impacts

GRI 203-1, 203-2

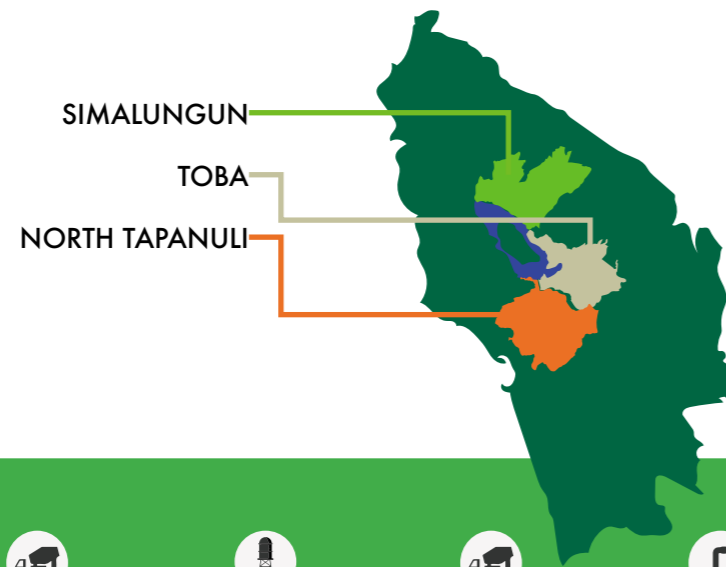
Infrastructure

The infrastructure programs completed by TPL for the community in 2020 are such as road building whether using asphalt or concrete, depending on the area has helped the community to improve their commute, taking less time and easing their travel route especially when bringing their produce to the market place.

Water is a necessity for life and clean water helps to prevent diseases. TPL via their CD/CSR programs has helped to construct dams,

water tanks, drilled wells and laid pipes for improved clean water access to the community. Other infrastructure projects include erecting and fixing street light, building retention walls to prevent landslides, flood prevention actions, irrigation system to help farmers, and fixing of bridges. Whether the programs are big or small, they all bring positive impact to the community that is being served.

The following were significant infrastructure programs completed in 2020



INFRASTRUCTURE				
TOBA	TOBA	NORTH TAPANULI	SIMALUNGUN	SIMALUNGUN
Asphalting a 800m long road in the Pardomuan Village, Silaen District	Construction of concrete rabate road in Sosor Tao, Siantar Utara Village, Parmaksian District	Assistance for the construction of water tank, drilling wells and piping in the Hutatinggi Village, Parmonangan District.	Construction of concrete rebates in Nagahulambu Hamlet, Pondok Buluh Village, Dolok Panribuan District	Dam construction and clean water pipeline on Sihaporas Village, Pematang Sidamanik District

Agriculture

One of the highlights of our CD/CSR programs are helping farmers in the community to increase the crop diversity and yield which in turn increases their sales and income. Material assistance in the form of superior seeds, fertilizers and pesticides was also part of the aforementioned, initiative. Some of the key farmer's projects are:

1. Rice farmer development programs using "Jajar Legowo" method together with

- material assistance resulting in average production increase by over 20%;
2. Implementation of Intercrop corn program together with material assistance contributed to the increment of farmers income; and
3. Chili cultivation yields increase sales of red chili and cayenne pepper harvest.

Others

Out of 241 CD/CSR programs, 129 programs focusing on economy and job creation, social investment, education and culture, health, infrastructure, environmental and community

outreach took place in the region of Toba District. The table below showcases the breakdown by type, number of programs and amount of funds contributed.

OTHERS	
Type	Number of programs
Economy and job creation	29
Social Investment	33
Education and Culture	24
Health	16
Infrastructure	19
Environmental	7
Communal Program	1

Significance of the indirect economic impacts in the context of external benchmarks is show with our achievement at the Indonesia CSR Awards 2020. At the Indonesia CSR Awards

2020 Social Investment and Sustainable Development, TPL won three platinum awards for "School Toilet Program", "Honey Cart Program", and "Sopo Lestari Program".



TPL received the award for “School Toilet Program”, for constructing toilets in several schools. This program carried out by TPL was to promote better hygiene for the students in 12 schools across Toba District and one school in Samosir District.

The Honey Cart program helped business groups increase their honey productivity as well as coffee plant production because bees helps to pollinate plants. TPL conducted the program across Nagori Sait Buttu Saribu villages due to the abundance of honey producing bees such as *Apis cerana*, and

Trigona Sp as part of the initiative to increase the local communities livelihood.

Sopo Lestari Program refers to the development of the Sopo Lestari Hall by TPL for the communal benefit of the community. This infrastructure development supports communal activities such as meetings, traditional events, arts and gatherings. The Sopo Lestari Hall is managed independently by Sopo Lestari community members as a way to empower them and bring awareness about sustainable programs.

ANTI-CORRUPTION

GRI 103-1, 103-2, 103-3

Anti-corruption is a material and critical topic for TPL and our stakeholders. As a way for TPL to eliminate all corrupt practices within the company’s business operations, a sound governance structure, proper communication, and training on this topic is vital. Elimination of corruption is in line with the Company’s aim to practice good corporate governance in accordance with SEOJK No. 32/SEOJK.04/2015 Principle 7 and recommendation 7.2. The anti-corruption policy applies and extends to all stakeholders including TPL’s suppliers.

“Integrity. We Reject Corrupt Practices”

Our Core Value (TOPICC) number 4 is Integrity. All employees are required to reject all forms of corrupt practices. It is in TPL’s Code of Ethics as well as in all standard

employment contracts that TPL has a policy of zero tolerance towards corrupt practices. Any sort of participation in corrupt practices will lead to termination.

Our Core Values (TOPICC) are the main guiding principles by which we operate our business. This values are reinforced on a daily basis to our employees through various forms of communication including, daily meeting, posters, and pamphlets. TPL appointed 42 TOPICC ambassadors whose role is to disseminate anti-corruption policies and procedures among staff and to instil a sense of integrity at all working levels.

TPL CODE OF ETHICS FUNDAMENTALS

Gifts	Employees are prohibited from receiving gifts in any form, including cash or presents of any kind, from any party including but not limited to contractors, customers, suppliers, or any related party to their authority in the position or office.
Entertainment	With the exception of normal meals and other common insignificant gifts (which bear the logo of the respective company) during a business transaction, an employee may not accept, directly or indirectly, commission, rebate, service fee, loan, or gift from a company which is currently or will be a supplier of goods or services to the Company. A gift or entertainment offer in any form which is inappropriate must be reported to the Department Head/Manager of the respective employee or to HRD Dept. Head as soon as possible.
Bribes	No employee is allowed to misuse products or funds of the Company, including but not limited to inappropriate placement of funds for personal profit of the employees of the producer company, or the customers.

TPL has a general policy on anti-corruption and anti-fraud as stated in the Code of Procurement Ethics. This policy is communicated through Employment Contract (Surat Perjanjian Kerja) to all employee and service contract to all suppliers. The contract outlines about zero

tolerance policy on corrupt practices such as embezzlement, money laundering, bribery and the acceptance of gifts. TPL ensures all the suppliers are aligned and take measure(s) following this policy.

Communication and Training About Anti-Corruption Policies

GRI 205-2

In 2020, there were eight members from the governance body (three board of commissioner and five board of director), 1225 existing employees and 207 new contractors. TPL has communicated the anti-corruption policies to all categories of employees consisting of Non-Executive, Executive and Managerial level as well as members of the governance body.

Assessment and/or audit in the form of PHPL and bi-annual inspection of the Collective Bargaining/Perjanjian Kerja Bersama (PKB) together with the labour unions did not result in any finding or discrepancies relating to corruptive practices.

ENVIRONMENT CHAPTER

- BIODIVERSITY
- SUPPLIER ENVIRONMENTAL ASSESSMENT



"We protect the forests for those who can't speak for themselves such as birds, animals, fish, and trees. We believe when protect the forest, we protect our future. Forest management and monitoring is one of our ways to achieve sustainable forests."



ENVIRONMENT HIGHLIGHT

SUPPLIER ENVIRONMENTAL ASSESSMENT

100%
of all wood supplier in TPL screened using environmental criteria

Artificial Succession 10 Ha

PERFORMANCE AND TARGET

Planting of feed plant for animal
2500 Trees

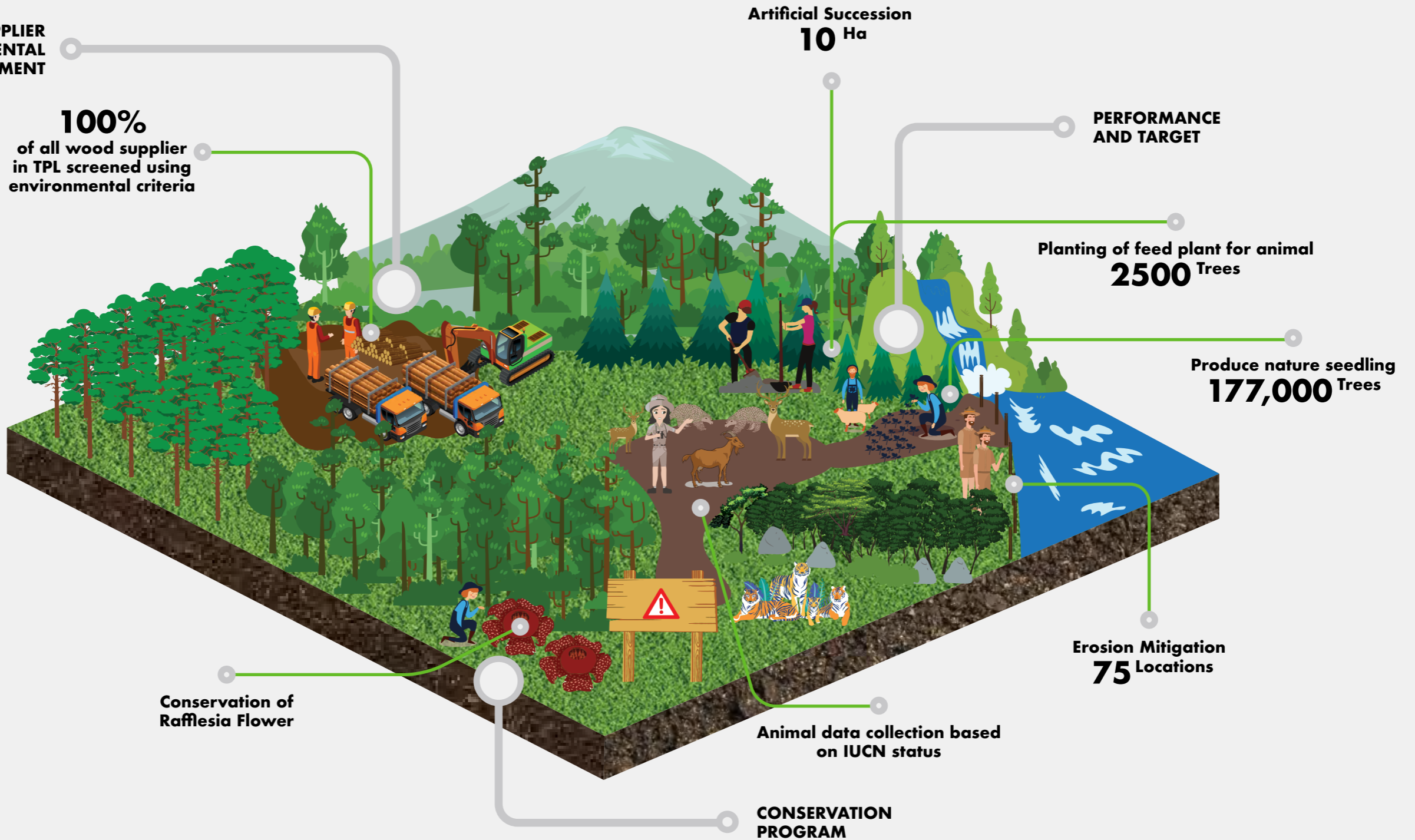
Produce nature seedling
177,000 Trees

Erosion Mitigation
75 Locations

Conservation of Rafflesia Flower

Animal data collection based on IUCN status

CONSERVATION PROGRAM





ENVIRONMENT

TPL is a forest management company operating in government licensed forest areas. Therefore, TPL understands that to run the business sustainably, we have to incorporate sustainability into our vision for good environmental and forest management practices. We believe that we have a responsibility to encourage all our stakeholders in our supply chain on the upkeep of good governance in lieu of sustainable forest and environmental management.

We are aware that to contribute to the nations sustainable development goals and targets we must be mindful of our impact on forest areas as they hold large stores of carbon and biodiversity. We incorporated several environmental and forest management policies into our business process, which includes biodiversity protection, management of protected flora and fauna, land-use management, air and water pollution

prevention, and strict operating standards that extends across our supply chain.

The Sustainability Policy, Sustainable Forest Management Policy and Environmental Policy guides TPL in its environmental management approach. These policies outline TPL's commitment to ensuring traceability of forest resources, conducting environmental impact assessments such as High Carbon Stock (HCS) and High Conservation Values (HCV) on new areas targeted for development, protecting the biodiversity, and monitoring water use intensity and water quality. TPL has a strict "No Burning" policy and complies with national legal requirements regarding the impact of fires. TPL has strict zero tolerance in the application of fire for land clearance. TPL ensures that all suppliers comply with this policy. Beyond this policy, TPL has a strong commitment followed with a robust system and well-trained task force in fire combat.



"Sustainability is an ability to keep and maintain the balance between environment and business for the future."

Jekson Sinurat
(Environment, VLK and Q-EMS Manager)

BIODIVERSITY

GRI 103-1, 103-2, 103-3

At TPL, biodiversity and ensuring the survival of endangered and protected flora and fauna species and natural ecosystem remains a top priority as part of our sustainability goals. This is particularly important to us as some of TPL's operation are located in areas close to high biodiversity value.

Biodiversity plays an important part in our environment as it boosts ecosystem productivity where each species, no matter how small, has a role to play in contributing to the health of the ecosystem. Healthy biodiversity leads to an improved ecosystem and a healthy ecosystem can better withstand and recover from a variety of issues. Nature-based solutions from biodiversity will help buffer us from natural disasters, filter our water and air pollution and even regenerate the soil. This, in turn, contributes to local livelihoods and wellbeing.

TPL's sustainable forest management goals are set to mitigate threats to natural habitats arising from our operations by adhering to strict operating procedures in alignment with sustainability. Since 2015, TPL has made a commitment to performing a comprehensive and robust HCV and HCS assessments conducted by independent experts before starting any new plantation initiatives. This is to advocate the protection and conservation of identified HCV/HCS areas. Among the initiatives that TPL has included in its efforts to bring positive impact to the ecosystems it operates in are;

- the protection of germplasm conservation areas,
- ensuring buffer boundaries along rivers and biodiversity areas,
- ensuring buffer boundaries for wildlife conservation areas,
- peat ecosystem protection,
- procurement of endemic natural tillers, and
- enrichment of protected areas.

What are HCV Areas ?

High Conservation Value (HCV) areas are areas that need to be managed in order to maintain or enhance the identified conservation values. According to the HCV Common Guidance Toolkit, HCVs are defined as biological, ecological, social or cultural values which are considered outstandingly significant at the national, regional or global level or critically important at a local level.

All natural habitats possess inherent conservation values including the presence of rare or endemic species, provisions of ecosystem services, sacred sites, or resources harvested by local residents.

The six categories of HCVs are as in the follows:

HCV 1: Species diversity

Concentrations of biological diversity including endemic species, and rare, threatened, or endangered species, that are significant at global, regional or national levels.

HCV 6: Cultural values

Sites, resources, habitats and landscapes of global or national cultural, archaeological or historical significance, and/or of critical cultural, ecological, economic or religious/sacred importance for the traditional cultures of local communities or indigenous peoples, identified through engagement with these local communities or indigenous peoples

HCV 2: Landscape level ecosystems

Large landscape level ecosystems, ecosystem mosaics and Intact Forest Landscapes that are significant at global, regional or national levels, containing viable populations of the great majority of the naturally occurring species in natural patterns of distribution and abundance.

The 6 categories of HCVs

HCV 3: Ecosystems and habitats

Rare, threatened, or endangered ecosystems, habitats or refugia.

HCV 5: Community needs

Sites and resources fundamental for satisfying the necessities of local communities or indigenous peoples (for liv elihoods, health, nutrition, water, et c.c.), identified through engagement with these communities or indigenous peoples.

HCV 4: Ecosystem services

Basic ecosystem services in critical situations, including protection of water catchments and control of erosion of vulnerable soils and slopes.

What are HCV Areas ?

The amount of carbon and biodiversity stored within an area varies according to the type of vegetation class. When deforestation occurs - forests are cleared, carbon is released to the atmosphere and biodiversity is lost. The High Carbon Stock (HCS) approach is a methodology that distinguishes forested areas (that need protection) from degraded lands with low carbon and biodiversity value.

The methodology was developed with the aim to ensure a practical, transparent, robust and scientifically credible approach that is widely accepted for commitments to halt deforestation in the tropics; and to be implemented while ensuring the rights and livelihoods of local peoples are respected.

Using data from satellite and ground survey measurements, the HCS Approach separates the vegetation in an area of land into six different classes - High Density Forest, Medium Density Forest, Low Density Forest, Young Regenerating Forest, Scrub and Cleared/Open Land of which the first four are considered HCS forests.

Each vegetation class is validated through calibration with carbon stock estimates above-ground tree biomass and field checks. Community land rights and uses are mapped, and the HCS forest patches are further analysed via a Decision Tree to identify viable and optimal forest areas for potential protection and areas for development. The

methodology acknowledges local community rights through its integration of Free Prior and Informed Consent (FPIC) procedures, identifying community land used for livelihood. For plantation companies and manufacturers committed to breaking the link between deforestation and land development in their operations and supply chains, the HCS Approach is a breakthrough as this is a tool that is used before embarking on new developments to ensure the forests are protected.

TPL's environmental management approach implements an environmental management system establishing environmental policies, engaging competent human capital, identifying environmental impacts, developing targeted program (e.g. conservation and rehabilitation initiatives), and conducting training and environmental awareness campaigns. The performance of the environmental management system are reported monthly.

TPL's purpose in having a robust environmental management system is to maintain and conserve areas with high biodiversity value, protecting forest areas, maintaining the boundary of reserve forest designated by the government and as an initiative to meet the expectation of managing HCV and HCS areas.

The Environmental Policy outlines commitments to sustainable forest management in the



following areas:

- Complying with applicable laws and regulations, taking into account the needs and expectations of relevant stakeholders.
- Implementing environmental protection initiatives including improvement and efficient use of resource through the '3R' (Reduce, Reuse, Recycle), protection of biodiversity, protecting habitats and ecosystems, mitigating climate change, and improving water and air quality.
- Implementing landscape conservation of ecosystem representation and management of protected or rare, endangered, and endemic flora and fauna.
- Zero deforestation of natural forests including no new development on forested peatland, non-forested peatland and HCV areas and it's applies to all suppliers.
- In addition to the Environmental Policy, TPL has also taken key measures with managing and executing sustainable forest plantations. One of such key measures is the HCV/HCS assessments.
- Conducted regularly prior to new land development. Upon identifying impacted areas, TPL executes further commitment in maintaining the strict management guidelines for HCV/HCS areas. In the HCV/HCS areas identified for their cultural values, the monitoring plan ensures that the boundaries are respected

and that there are no illegal activities such as encroachment by external parties in the area. This approach is only performed with HCV Resource Network licensed assessor.

HCV/HCS areas are managed as follow;

- Formulating plans and schedules for monitoring the HCV/HCS areas to ensure that no illegal activities (i.e. logging, mining or poaching) occur.
- Taking proactive measures to preserve areas with confirmed historical and/or conservation sites.
- Mitigating further risk by setting up buffer zones and Green Belt areas.
- Identifying and monitoring protected species within the concession area and mapping against the international and national referenced standard with identified species of threatened concern and species classification. This species mapping and monitoring activity has been carried out since 2015. The species classification and mapping are based on the Indonesian National Regulations, International Union for Conservation of Nature (IUCN), and Convention of International Trade in Endangered Species of Wild Fauna and Flora (CITES) Appendices.

Environmental Management at TPL

TPL implements environmental management system guided by the environmental policies in achieving the vision and mission for sustainable forest management. Competent

and special skill resources are allocated to the respective areas to implement the environmental management system.



Operational Sites Owned, Leased, Managed in, or Adjacent to, Protected Areas, and Areas of High of Biodiversity Value Outside Protected Areas

GRI 102-4, GRI 304-1

Operation

TPL's mill operates in the Pangombusan village, Parmaksian Sub-District, Toba District about 220 km from Medan City, North Sumatra. TPL's licensed concession are spread out across five estates, each of which are located in a separate geographical area in North Sumatra Province. These estates are namely Tapanuli Selatan (TAS), Aek Nauli (AEN), Habinsaran

(HAB), Aek Raja (AER), and Tele (TEL). TPL does not own any subsurface land owned, leased or managed by the organization.

Several conservation areas are found to be adjacent to TPL's concessions. These areas are listed as follows:

OPERATION

TAPANULI SELATAN

- Lubuk Raya Nature Reserve with an area of approximately 3,050 hectares located about 1.1 km west of TAS.
- Dolok Sibual-buali Nature Reserve with an area of about 5,000 Ha located about 200 m west of TAS.
- Dolok Sipirok Nature Reserve with an area of approximately 6,970 hectares located 9.6 km north of TAS.
- Barumon Wildlife Reserve with an area of 40,330 hectares located 1.6 km southwest of TAS.

TELE

- The Siranggas Wildlife Reserve in Pakpak Bharat with an area of approximately 5,657 hectares is located 10.4 km west of TEL.
- The Sicikeike Nature Reserve in Pakpak Bharat is located 3.9 km northwest of TEL.
- The Gunung Leuser National Parks in Simalungun is located 52.3 km northeast of TEL.
- The Sipinsur Nature Reserve in Humbang Hasundutan is located 22.4 km southeast of TEL.

HABINSARAN

- Dolok Surungan Wildlife Reserve in Toba with an area of 23,800 hectares located 4.7 km east of HAB.
- Sipinsur Nature Reserve in Toba and Humbang Hasundutan located 15.6 km west of HAB.

AEK RAJA

- Sipinsur Nature Reserve in Dolok Sanggul with an area of approximately 500 hectares, 11,9 km northeast of AER.

AEK NAULI

- Martelu Purba Nature Reserve in Dairi 15,5 km west of AEN.
- Gunung Leuser National Parks in Karo 33,8 km northwest of AEN.
- Batu Gajah Nature Reserve in Simalungun 1,3 km north of AEN.



As of 2020, TPL is licensed to operate in 167,912 ha of industrial plantation forestry as per the Decree of the Ministry of Environment and Forestry of Republic of Indonesia Number:

SK.307/Menlhk /Setjen /HPL.0/7/2020 with the operation in the concession area being Industrial Plantation Forestry.

The table below shows several types of species that identified in TPL concession area based on IUCN category.

SPECIES IN TPL CONCESSION

NO	SPECIES	ESTATE	SOURCE
Critically Endangered Species (CR)			
1	Sumatran tiger (<i>Panthera tigris sumatrae</i>)	Aek Nauli	Feces and Footprint
		Tele	Information from local community
2	Sunda pangolin (<i>Manis javanica</i>)	Aek Nauli	Direct Observation
		Habinsaran	Direct Observation
		Tele	Direct Observation
Endangered Species (EN)			
1	Siamang (<i>Symphalangus syndactylus</i>)	Aek Nauli	Direct Observation
		Tele	Direct Observation
2	Kukang (<i>Nycticebus sp.</i>)	Aek Nauli	Information from local community
3	Beruk (<i>Macaca sp.</i>)	Aek Nauli	Direct Observation
Vulnerable (VU)			
1	Sumatran serow (<i>Capricornis sumatraensis</i>)	Aek Nauli	Direct Observation
2	Sambar deer (<i>Rusa unicolor</i>)	Tele	Direct Observation
3	Malayan sun bear (<i>Helarctos malayanus</i>)	Tele	Direct Observation
4	Macan Akar (<i>Felis bengalensis</i>)	Aek Nauli	Information from local community
		Tele	Information from local community
5	Lutung (<i>Trachypithecus sp.</i>)	Aek Nauli	Direct Observation
		Tele	Direct Observation

Significant Impact of Activities, Product, and Services on Biodiversity

GRI 304-2

During the reporting period, no new infrastructure (e.g. roads) was built in 2020. However, existing roads that were constructed before 2020 throughout the concession area were maintained to act as a habitat boundary of the local fauna. Greenbelts are still managed and maintained along riverbanks acting as links between habitats.

In practise, TPL does not use nor introduce invasive species, pests, and pathogens as

part of its production and management of pests and diseases. There was no change in ecological process outside of natural range observed in 2020.

During the reporting period, TPL has not recorded any significant direct or indirect negative impacts on biodiversity that has risen from our operations and there has not been any conversion of natural forest areas into industrial plantations.

Habitat Protected or Restored

GRI 304-3

TPL constantly stays abreast on all applicable regulations in relation to biodiversity conservation while working with relevant authorities and stakeholders to enhance the quality of the natural habitats that occur in and around our concession sectors. Out of the aforementioned, total operating area based on the SK, 42,522 ha of protection areas have been established throughout the estates as of 2020 in comparison to 49,659 ha in 2019 due to the change in Environmental Ministries change in SK 307.

TPL's efforts in identifying wildlife protected areas for the year 2020 were focused on, sustaining the green belt zones, maintaining a strict border buffer zone along river, etc. There were no partnership exist in 2020 with

third parties to protect and restore habitat area and/or implementation on conservation. The table below shows the planned targets for 2020 against actual achievement on conservation efforts by TPL.

Activities	UoM	PLANNED	ACTUAL
Providing natural seedling	Tree	150,000	177,000
Natural succession	Ha	191	191
Artificial succession	Ha	8	10
Erosion mitigation	Location	65	75
Quarry rehabilitation/maintenance	Location	3	3
Planting of feed plant for animal	Tree	2,500	2,100
Rafflesia protection	Location	1	1

There was a surveillance audit performed under ISO 14001:2015 in June 2020. During the audit, there were no major findings identified. Further to the audit, TPL was appraised with a result of "Good" in the PHPL (Pengelolaan Hutan Produksi Lestari) Certification.



Rafflesia Facts

- Rafflesia is a genus of parasitic flowering plants in the Rafflesiaceae family. This species has very large flowers, with the buds growing from the ground or directly from the rootstock of the host plant.
- Out of the 30 species of Rafflesia in the world, 14 of them can be found in Indonesia.
- Rafflesia, the world's largest flower is named after Sir Stamford Raffles.
- *Rafflesia meijeri*, a type of Rafflesia species which was found in the protected Green Belt of TPL, is named after Willem Meijer who spent much of his adult life studying the Rafflesia.
- TPL is determined to protect the area where the Rafflesia was found. Signboards have been erected in the area, plant finding coordinates have been plotted, the distribution of the Rafflesia is mapped, and the area is regularly monitored.



"Part of sustainability is ensuring forest plantation best practice to maintain and enhance natural ecosystem wild life biodiversity. Sustainability ensures continuous improvement and environmental friendly management."

Mangasi Sianipar (EIMS Manager)

SUPPLIER ENVIRONMENTAL ASSESSMENT

GRI 103-1, 103-2, 103-3

We adhere to environmental legislations as acclaimed in our Sustainability Policy guiding us to preserving the environment. TPL is determined to becoming a responsible business partner. Our pool of suppliers consists of wood suppliers, independent farmers, service providers, material providers and human resource suppliers. We are continuously working to instil the same sense of respect, diligence and approach with our entire supply chain including customers, suppliers, government authorities and members of the community in our vicinity. *GRI 102-9*

These ensures, areas where TPL operates and/or plans to operate, the location will be assessed accordingly and ensure its not part of HCV and HCS forests. Through our supplier environmental assessment, we demonstrate our commitment to eliminating deforestation from our supply chain and protecting all primary forests and peatland. It is important that not only TPL take necessary measures to avoid deforestation but also that our suppliers do the same.

In TPL, we work hard to acquire sustainable wood. We implement a strict screening and assessment (e.g. supplier management system) system across our supply chain as a way to ensure that sustainability practices is embraced through the entire lifecycle of our product. The Supplier Management System

was developed in lieu of TPL's Sustainability Policy and Environmental Policy. The system tracks all stages of purchasing of goods and/or services, for products or materials that fall within the scope of Quality Management System (ISO 9001) and products with environmental impact (ISO 14001).

Some of the key aspects of TPL's sustainable fibre are as follows:

- All wood sourced from legal and responsibly managed plantations with third party verification and certification like PHPL, SVLK, and IFCC.
- Maintaining a balance between economic and social development initiatives whilst protecting and conserving the environmental aspects based on impact analysis of our operation against the surrounding.
- Ensuring responsible operations of the entire supply chain in line with TPL's Sustainability Policy, forest management policies, and adopting industry best practices.
- Enhancing economic welfare of communities surrounding our concession areas align with sustainability commitments.

All suppliers and potential suppliers will have to go through our supplier management system. The process involved in TPL's supplier management system is as the flowchart shown below.

In the pre-qualification screening (form), there is a requirement that our supplier would conform to a baseline standard of environmental management. One of the baseline requirement is that our suppliers should have achieved ISO 14001 Certification

or at the least obtain a firm commitment in the process of being certified.

TPL has a robust wood tracking system to ensure all the wood is traceable back to its source. TPL identifies the origin of the pulp through it's mapping system that is based on PEFC certification and mapping of it's entire raw material supply chain (the chain of custody) back to the mill, plantation, and forest area to ensure the transparency and traceability of its operations.



New Supplier that were Screened Using Environmental Criteria

GRI 308-1

In 2020, 100% of all wood suppliers in TPL were screened using environmental criteria as per our internal policies.

"We Ensure the products and services that we obtain are sustainable from environmental impact, produce positive results, fair price and good quality."

Tan Ai Lie
(Sub-Contractor/Services Team Leader)



SOCIAL CHAPTER

- EMPLOYMENT
- LABOR AND MANAGEMENT RELATIONS
- OCCUPATIONAL HEALTH AND SAFETY
- TRAINING AND EDUCATION
- CUSTOMER HEALTH AND SAFETY

"We value our employees and invest in their professional development and always try to understand customer needs by providing the best quality in every pulp production process while adhering to health protocols during the Covid-19 pandemic."





SOCIAL HIGHLIGHT

RETIREMENT TRAINING

Preparation for pension before retirement

- Psychology preparation
- Financial preparation
- Regular activities
- Small business opportunities
- Couple consultation
- Small industries visit

100%

New hire employees has communicated OHS Training

7,5 Point

CUSTOMER SURVEY

Customer satisfaction survey was satisfied

Average total training hours for employee

- Technical training and soft skills
- Driving License Program (DLP)

14,83 Hours

Number of employees that took parental leave

113 Employees

We try to give our best by:

- On time delivery
- Zero mistake in grade delivery

100%

SOCIAL

In TPL, growing our people is synonymous with growing our business. This commitment to socio-economic development remains the biggest asset to TPL and 2020 was an exceptional year. 2020 was a challenging year in which Covid-19 outbreak affected the world significantly. The impact on Indonesia was comparatively significant, having high number of Covid-19 cases. Further to the impact on health, it also affected the economy and social aspects significantly.

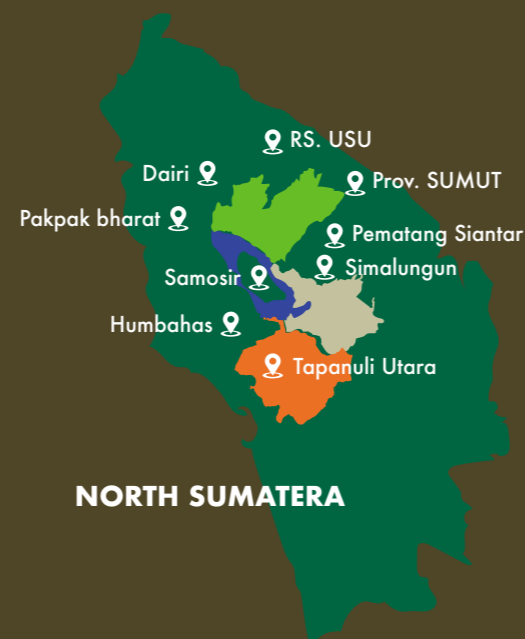
During these unprecedented times, TPL took a pragmatic and symbiotic approach together with its stakeholders in battling this pandemic on the frontline. TPL implemented extra precautionary steps align with government recommendations to break the chain of spread in TPL as well as the surrounding communities.

Several Covid-19 prevention program on food, health, sanitization and economic assistance were launched by TPL starting first quarter of 2020 to mitigate the outbreak as well as the impact caused by the pandemic. The infograph below shows some of the key role TPL played and approaches took in 2020 as an immediate response managing Covid-19 outbreak.

CONTRIBUTION FOR COVID - 19 CRISIS MANAGEMENT

During the 2020, Covid - 19 pandemic, TPL took extra precaution by providing our employees with face masks and other relevant protective gear. Sanitation was also done several times in high traffic areas. The health of our employee was prioritized and TPL ensured that all precaution have been met in curbing the spread of the virus

CONTRIBUTION AREA :



TOTAL CONTRIBUTION

Rp 3.3 Trillion

Allocated to:

Rp **1.8** Trillion
HEALTH



Rp **289.3** Million
Food Material



Rp **98.5** Million
Provision of food Material - Employee Initiative



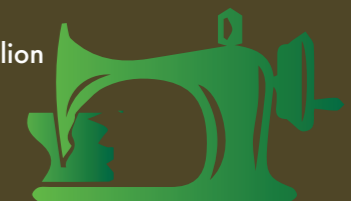
Rp **57.5** Million
Rice Assistance to Forest Farmers Groups (KTH) and Orphanages



Rp **638.6** Million
SINK



Rp **124.8** Million
Empowerment of Local Tailors (making of masks)



Rp **216.2** Million
Disinfectant (Including Spraying)



TOGETHER WE CAN, FIGHT AGAINST CORONA

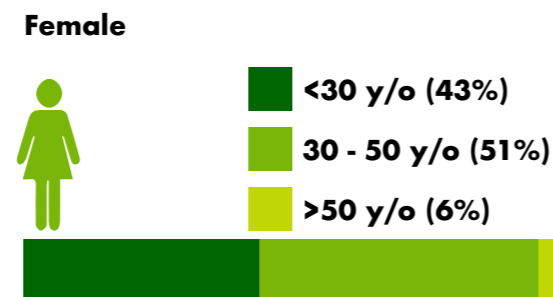
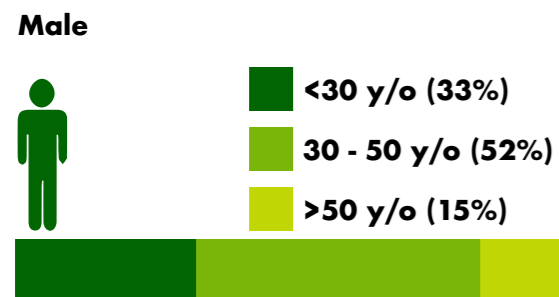
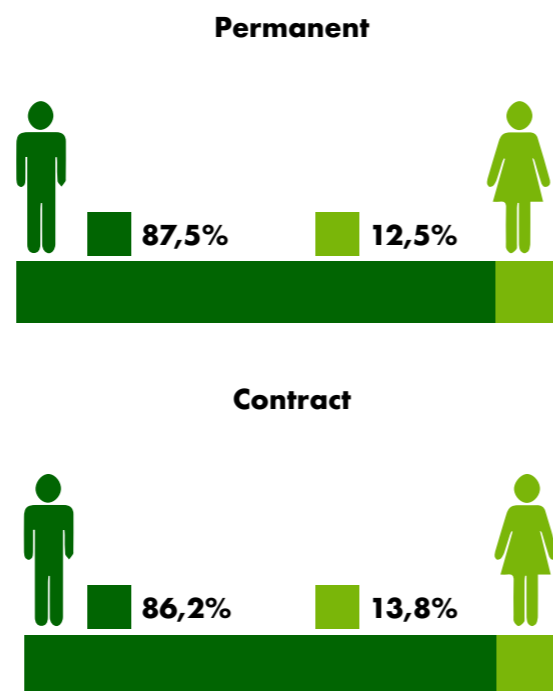


Despite the Covid-19 outbreak, TPL strived to maintain and grow its status quo on talent development, safe working environment and workforce diversity. TPL believes that Employees that have the opportunity to develop their skills will become better versions of themselves enabling TPL to improve from within. Furthermore, employee upskill contributes to the social and economic development of the surrounding areas as well as to the human development index of Indonesia.

Employee participation, consultation and communication are an integral part in materialising policies. In TPL, we actively engage with our employees to ensure that the implementation of the policies contributes to a seamless, healthy and safe working environment.

We consider the diversity of our workforce to be one of the company's biggest assets. The following shows the distribution of employees at TPL: **GRI 102-8**

Gender based on direct employee category



EMPLOYMENT

GRI 103-1, 103-2, 103-3

TPL's workforce is highly committed and diverse. We believe in equal opportunities for employees and we prove this by being inclusive in our talent hiring and management. We understand that an inclusive workplace ensures a healthy work-life balance and creates an empowered working environment.

respectful and responsible manner. Several human resource policies has been established, disseminated and socialised for seamless adoption into our business operation. This includes policies such as fair treatment, non-discrimination, equality, diversity, human rights and trade unions. This ensures integrity; transparency and accountability during our day-to-day operation as well as when engaging with our stakeholders.

TPL's Core Values and Code of Conduct have always been the point of reference as governance to conducting business in a

Parental Leave

GRI 401-3

Parental leave is an employee right and a regulatory requirement. Parental leave is embedded in the employment contract for all employees. Additionally, details on maternity and parental leave is covered in collective bargaining/perjanjian kerja bersama (PKB) which is shared to all employee for them to further understand their leave rights. The parental leave allocation is as per national regulatory and reflected in the labour agreement between TPL and the labour union.

TPL manages and monitors employee leave plans including parental leave through a system called Workday. Female employees are entitled to maternity leave amounting to 1.5 months of leave prior to delivery and another 1.5 months leave post-delivery and are required to submit their request for maternity leave 2 months before their expected childbirth due date.

"Sustainability is my objective as a leader to ensure PT TPL is transparent, 100% complying with constitution, regulations and laws, continuously improving the environmental quality, focusing on education and building the capacity of human resource internally and externally."

Jandres Silalahi (Dy. Social Capital Dept Head)





For the year 2020, 102 male and 11 female staffs utilised their parental. All female employees returned to work after their leave and were still employed after 12 months; helping TPL achieve a 100% return to work

retention rate of female employees. Only 1 out of 102 male employees who took the parental leave did not return to work after the leave ended.

PARENTAL LEAVE			
Gender	Male	Female	Total
Employees Entitled to Parental Leave			
Employees who took Parental Leave	102	11	113
Employees returned to work after	102	11	113
Employees still employed after 12 months	101	11	112
Return to Work Rate	100%	100%	100%
Retention rate of employees who took parental leave	99%	100%	99%

100% Return to Work Rate



100% Retention Rate (12 months) for Employees who took parental leave and returned post leave

100% Return to Work Rate



99% Retention Rate (12 months) for Employees who took parental leave and returned post leave

LABOR AND MANAGEMENT RELATIONS

GRI 103-1, 103-2, 103-3

Employee feedback is important as it assists TPL to understand the needs and concerns of its employees. TPL strives to be an inclusive employer and includes collective bargaining agreements with labour unions and freedom of association policies. This unions and association are in place to ensure that across the company there is fair treatment of our employees. Transparency is also practiced at every level and every employee has access to career opportunities and company information.

aspects. In addition, seven representatives from the HRD Department mainly HRD Department Head, HR Operation Section Head, HR Operation Team Leader, HR Operation Officer, Estate General Admin, Payroll Officer and, Employee and Industrial Relations Officer will carry out the administrative processes.

In TPL, collective bargaining is guided by the national regulatory requirement as stated in the collective bargaining/perjanjian kerja bersama (PKB) as well as TPL's internal SOP. This topic is managed by all department head on the application level while the Human Resources Development (HRD) Department manages the governance and enforcement

The employees of TPL are free to join the labor unions of their choice. The labor union is given the space and opportunity for negotiation and/or discussion with TPL management. Their freedom of association in collective bargaining is not at risk. TPL actively engages with the labor unions which supports the employees rights.

The Industrial Relations team manages all internal grievance process with regards to issues that are not in accordance with the clauses in the PKB.

Minimum Notice Periods Regarding Operational Change

GRI 402-1

Significant Operational Changes

Currently, there is no minimum notice period with regards to operational changes written into our policies. Any changes are communicated by management and/or relevant person-in-charge via e-mail and posting on notice board for the benefit of the employees with a reasonable notice period.

We aim to have a new Standard Operating Procedure (SOP) with respect to minimum notice periods regarding operational changes by 2021.



Collective Bargaining Agreements

102-41

The collective bargaining agreement (PKB) is valid for two years with an extension of one year if necessary. Changes in the PKB have to be disseminated to other parties no later than 90 days before the expiry date of the PKB or

no later than 90 days before the expiry date of the extension. In TPL, 100% of employees are covered by the collective bargaining agreement.

OCCUPATIONAL HEALTH AND SAFETY

GRI 103-1, 103-2, 103-3

Personal safety is at the top of TPL's priority and the management emphasizes this to every new hire. Our main goal is to ensure an injury-free operation and that all staff can feel safe coming and going from work. The responsibility for a safe working environment lies on all employees and that we all should apply accountability and a safe mind-set both at work and at home.

In 2020, 100% of TPL's new hires were given basic safety training during their induction. In addition, operation staff making up one third of new hires were also trained in Basic Fire and Occupational, Health and Safety (OHS) training. The number of new hires and training's conducted in 2020 decreased compared to previous year due to the Covid-19 outbreak.

PERFORMANCE DATA			
Status		Total Employee (personnel)	Percentage (%)
New hire in 2020		74	100
OHS Training for new hire in 2020			
1	Safety Induction	74	100
2	Basic fire and OHS training	24	33
OHS Training for Employee			
1	Basic Hazard Identification and Risk Management	37	100
2	10 Safety Golden Rule	30	100
3	Basic Fire Safety and SMK3	90	100

TPL believes that every employee is responsible to implement and improve their health and safety standards. The company is guided

by industry best practice, the International Standards, and the Indonesian K3 standards.

TPL's Occupational Health and Safety Commitment

- Comply with OHS regulations and internal policies
- Eliminate dangers and reduce occupational health and safety risks
- Continuous improvement by providing a safe workplace, improved skills and motivation
- Manage working environment according to best practices and international standards
- Promote OHS culture
- Manage OHS issues as part of daily business activities
- Periodic review of OHS policies and implementation
- Supporting injured employees
- Provide appropriate OHS education and training to all workers
- Create and maintain a safe and healthy working environment
- Monitoring of employees' health
- Ensure that OHS policies are communicated and understood by employees, business partners and related parties.

TPL started the implementation of the K3 policy that requires every new employee to attend work safety training for two days in 2020. We also fulfil the requirement of providing personal protective equipment (PPE) to all employees in mill operation sectors. TPL's Occupational Health and Safety (OHS) policies are communicated to all employees through education and training programs to empower and elevate employee's knowledge and understanding.

precautions in providing our employees with face masks and other relevant protective gear when working in close proximity spaces. Sanitation was also done several times in high traffic areas. The steps were taken as precautionary to mitigate the risk of the virus spreading.

With the outbreak of Covid-19 pandemic in 2020, personal safety standards were aligned with Covid-19 governmental protocols (e.g. social distancing, wearing mask, hand sanitisation and etc.). TPL took extra

OHS in TPL is managed by a committee - Panitia Pembina Kesehatan dan Keselamatan Pekerja (P2K3) who ensures that OHS is practiced at TPL in line with government regulation and to build competency. This committee is also responsible for monitoring and raising serious incidents and other related issues to management.



Worker Participation, Consultation, and Communication on Occupational Health and Safety

GRI 403-4

Workers and Employees in TPL participate in monthly held P2K3 meeting, daily held Tool Box meeting and bi-monthly held Safety Inspection Management meeting for the implementation and development of OHS. Currently, communication of OHS policies and procedures are disseminated during the P2K3, Daily Management meetings, Safety Inductions, e-mails and other channels.

OHS in TPL is managed by a committee – Panitia Pembina Kesehatan dan Keselamatan Pekerja (P2K3) consisting of management and

employees who ensures that OHS is practised at TPL in line with government regulation and to build competency. This committee is responsible for monitoring, ensuring and deciding issues related to OHS. The composition of the P2K3 committee consists of chairman (BU Head), secretary (one person from the Dept. of Lost, Prevention and Control (LP&C) who has general OHS expert license), and members (representative employees from each Dept.). The meeting of P2K3 is conducted once a month.

TRAINING AND EDUCATION

GRI 103-1, 103-2, 103-3

In Core Value “People” explains that we develop our people to grow with us and TPL believe that the best way to focus on this value is to provide education and training to the employees to help them improve and grow. Education and training plays a significant role to ensure the quality of our staff’s professional competencies. Our people should not only be good at what they do but to also strive to constantly improve themselves.

TPL’s success is dependent on a workforce that have high job satisfaction, which would help them achieve efficiency and increase further professional accomplishments. We want to ensure our long-term success by committing

to maintain high level of professionalism and dynamic output for employees through training and education.

TPL’s Learning and Development (LnD) section in the Human Resources Development (HRD) Department leads the training and development initiatives. LnD focuses on upskilling employees and developing their knowledge in appropriate business areas.

A formal internal training plan is in place and reviewed on an annual basis to ensure sufficient management and expertise development for our future business. The annual training plan is based on the needs of the employees and

is coordinated with all people manager and talent management team.

In 2020, TPL budgeted approximately IDR 1.71 billion for training and spent only IDR 744 million. This is a decrease compared to 2019. The decrease in TPL’s training expense was caused by Covid-19 outbreak requiring TPL to meet the government regulation on social distancing. For the year 2021, TPL has

budgeted IDR 1.2 billion for training. Further to the internal and external audit, TPL conducts progress reporting and target monitoring on monthly basis via Operation Review Meeting (ORM).

The table below displays the learning and development objectives for the year 2020 and 2021 (target).

LEARNING AND DEVELOPMENT OBJECTIVES FOR THE YEAR 2020 AND 2021 (TARGET)			
Objectives	2020		2021
	Target	Achieved	Target
Technical training and soft skills participation	95%	98%	95%
DLP Certified	95%	100%	95%
Certified Trainers	10	8	15
E-Learning Created	10	7	5

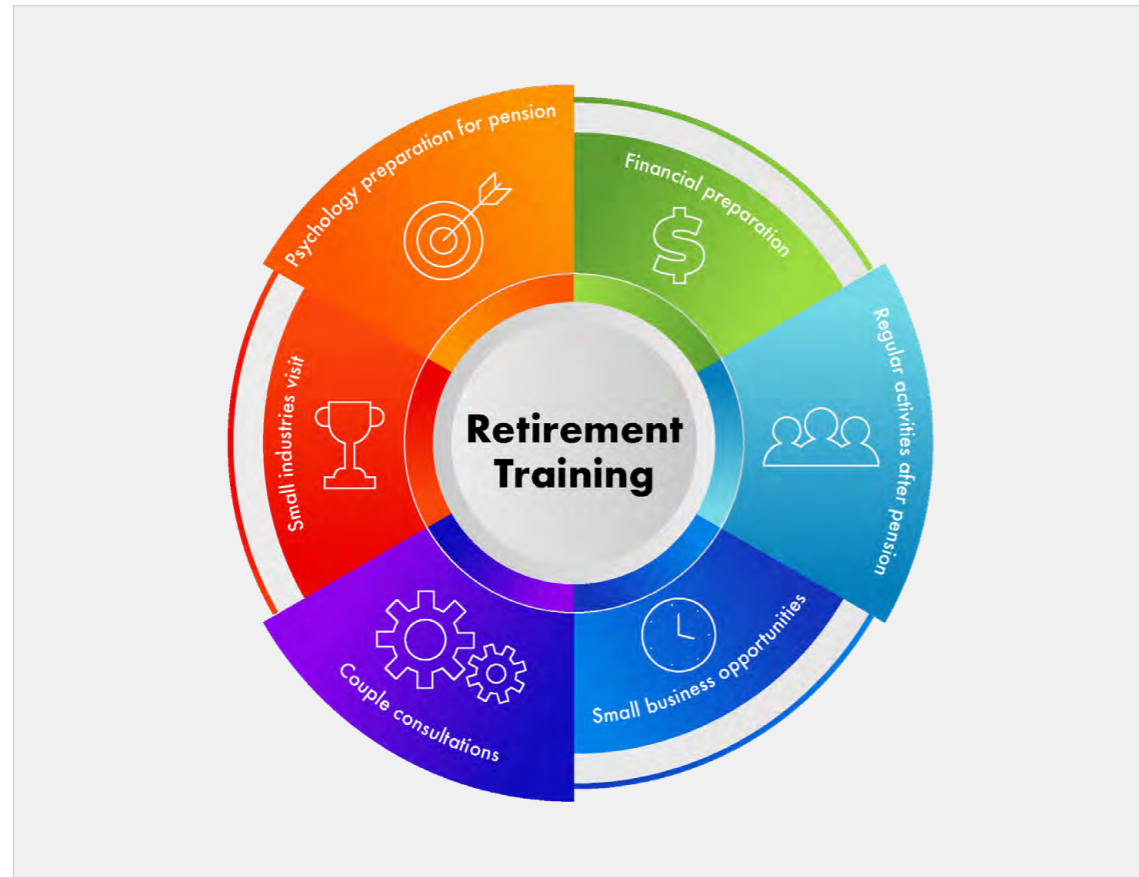
Programs for Upgrading Employee Skills and Transition Assistance Programs

GRI 404-2

A mix of internal and external training are conducted for the employees, which encompasses technical training, soft skills training, formal certification, internship and even scholarships to further their studies. For retiring employees, trainings are conducted as a way to prepare them for post-retirement.

employees. The types of programs conducted are on a comprehensive basis and cover various areas. Psychological preparation is important, as it will help the retirees to be mentally prepared as their regular working hours are freed up.

The infograph below highlights some of the areas in which we focus for our retiring

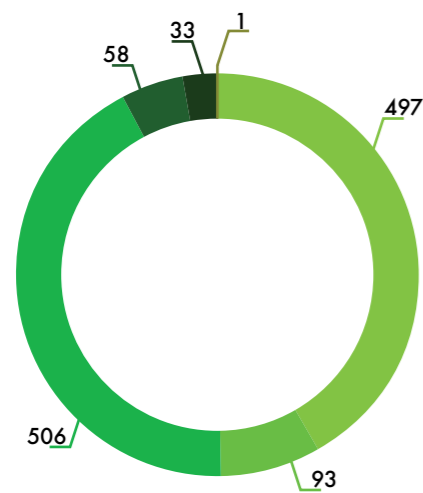


On a monthly basis, reports on conducted training is shared to the management team. On a quarterly basis, progress report on the achievement of Quality Objectives is

shared to the management. Feedback and suggestions from the management is taken to improve the trainings conducted.

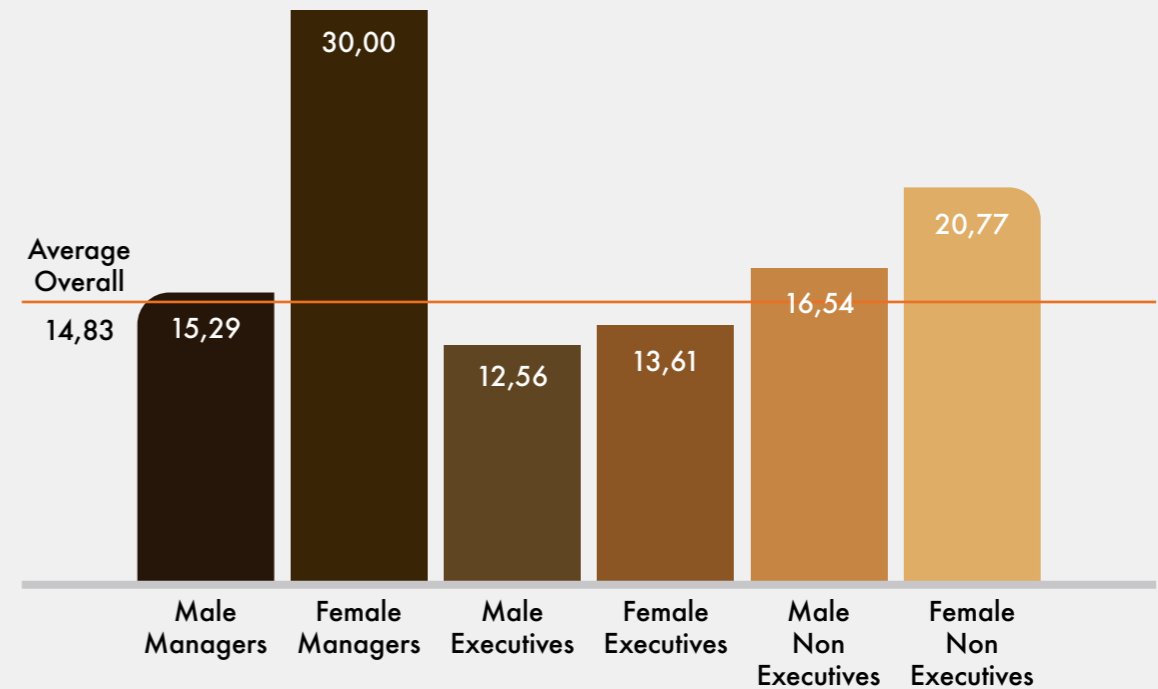
Average Hour Training per Year per Employee

GRI 404-1



The following diagram shows the number of employees by category and gender, and the average training hours for each sub-group.

- Male Managers
- Female Managers
- Male Executives
- Female Executives
- Male Non-Executives
- Female Non-Executives



Based on the graph shown above, one female manager is an the outlier when it comes to average training hours, clocking in 30 hours, more than double the average overall. On average female staff that make up approximately 13% of TPL's workforce completed 16.45 hours of training compared

to male staff that averaged 14.59 hours. In comparison at staff level on average training hours completed, managers completed 15.72 hours, executives completed 12.72 hours and non-executives completed 16.97 hours with an overall average of all TPL employees completing 14.83 hours.

CUSTOMER HEALTH AND SAFETY

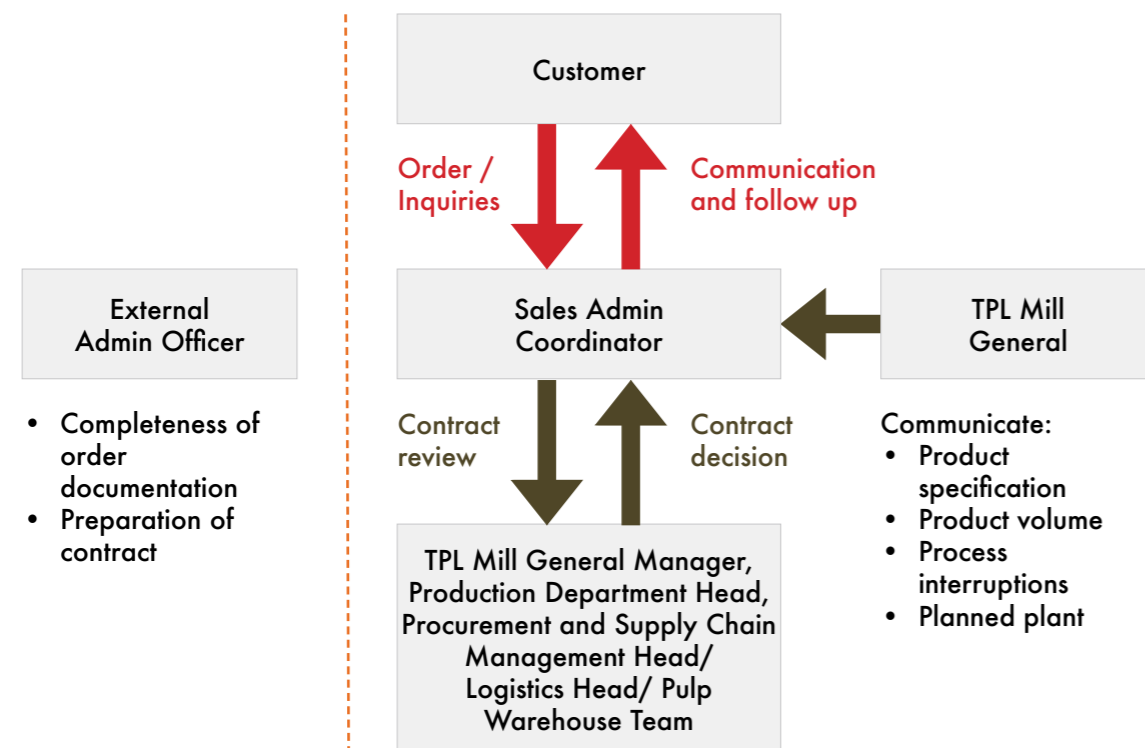
GRI 103-1, 103-2, 103-3

TPL endeavours to meet the needs and product quality standard of our customer. TPL assesses its core product – Dissolving Pulp (100%) to meet the customers (domestic and international) health and safety requirement.

The impact is assessed by TPL from a sales point of view and is based on customers feedback on their satisfaction of TPL's products. TPL has a Sales Administration team in charge of managing customers product health and safety requirement. If there are technical issue, the issue will be forwarded to the Technical Sales team to be investigated and resolved.

There is a standard operating procedure in place for customer communication to guide TPL's employee in ensuring their requirements are met. Customer satisfaction surveys are sent out twice a year to obtain feedback from customers. Customers are also able to communicate with TPL at their discretion via e-mail or telephone (e.g certification verification, product information, etc).

The chart illustrates the communication process flow on how information and feedback from the customer is communicated back to TPL management and vice-versa:



SALES ADMIN COORDINATOR



- The main person for product health and safety when dealing with customers
- Responsible to ensure that customer's safety and health requirements related to products are identified and reviewed
 - Ensure TPL is able to meet customers' safety and health requirements of the product

TPL's evaluation of the effectiveness of the product health and safety impact assessment is conducted via an external auditor, the SGS Certification Body with UKAS accreditation. Further to the external audit, TPL conducts customer satisfaction surveys and monitors the customer requirements on monthly basis.

The SGS external Audit for 2020 concluded with four observations for improvement. There were no customer complaints in 2020 and the

results from the customer satisfaction survey held for both domestic and international customers returned with a score of 7.5 (satisfied).

TPL's goals and targets for 2020 displayed below. For 2021, the change in our target for production volume will be 202,128 tons, 96% Grade 1 while all other goals and targets will remain the same.

GOALS AND TARGETS 2020	HOW WE PERFORMED?
Production volume 200,200 Tons, 97% on grade	✓
Zero mistake in grade delivery	✓
100% on-time delivery	✓
Certificate of Analysis within 3 days after the vessel docked	✓
Maximum of 1 complaint from customers	✓
Turnaround time for customer complaint is within 48 hours	✓

Assessment of the Health and Safety Impacts of Product and Service Categories

GRI 416-1

TPL is an industry that produces semi-finished materials in the form of pulp. The pulp produced by TPL is sent to customers to be used as material which then processed again into a finished product. Customer health and safety (GRI 416) is not relevant to TPL because TPL's pulp products are not used directly by end customers (users) and on the other hand pulp products do not have potential/direct

negative impact on the health and safety of our customers. However we still provide our performance data regarding the quality of our pulp products as proof that we produce pulp that meets the requirements and quality demanded by our customers. This topic will be removed from the material matter for the reporting year 2021 due to its non-relevance to our business.

TPL's 2020 CONTRIBUTION ON SDGs

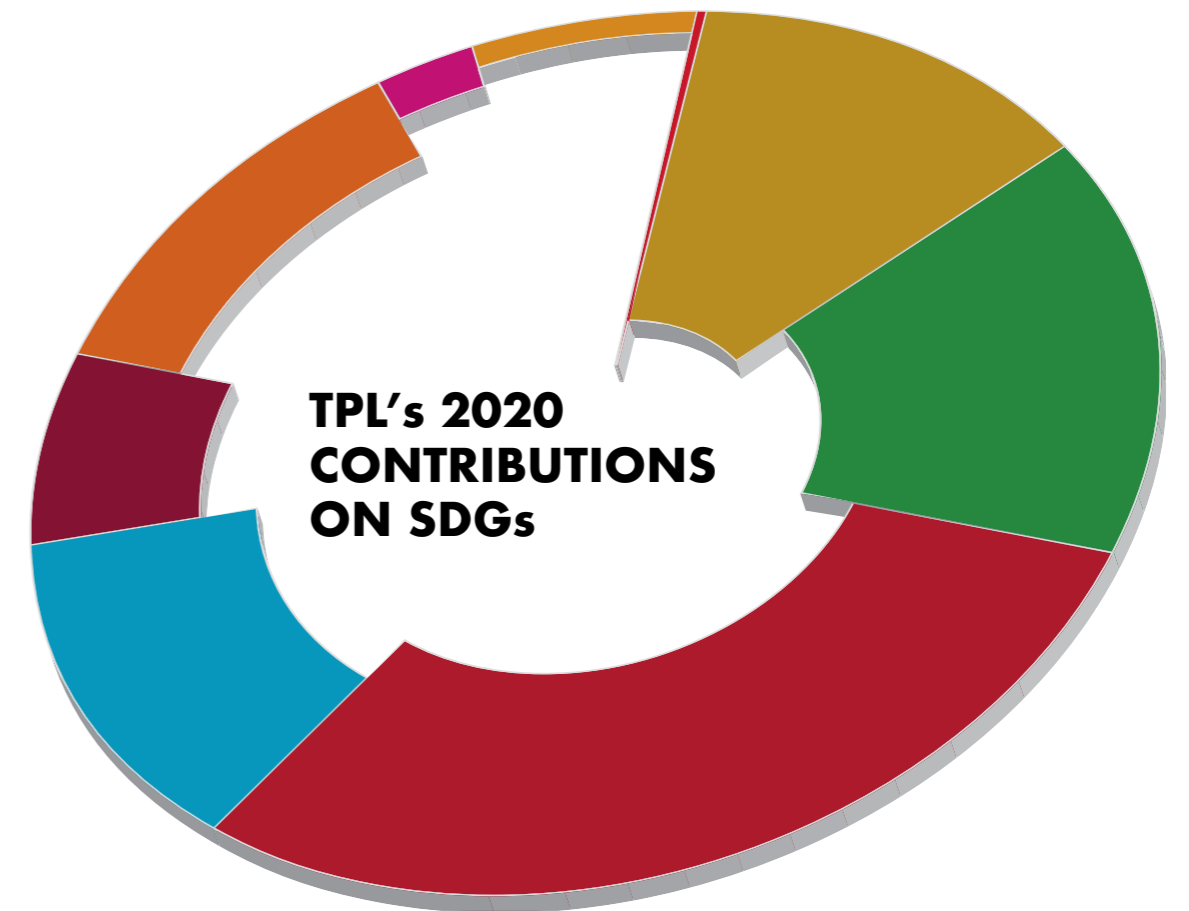
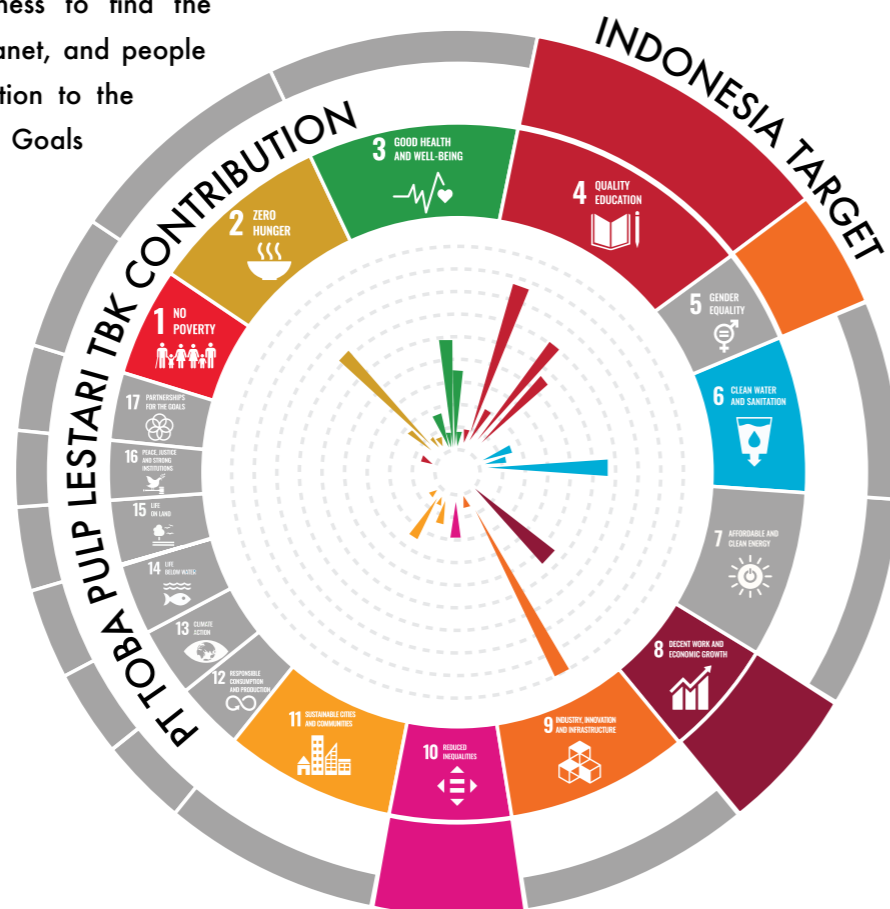
Indonesia has pledged to cooperate with other countries in formulating sustainable development targets aligned with the United Nations Sustainable Development Goals (SDGs). The formulation of the development goals, also called Global Goals, came from five basic principles of sustainability, namely People, Planet, Partnership, Peace, and Prosperity which are translated and measured into 17 goals.

Business activities have a significant impact on the country's economy and people's welfare. TPL is fully committed to embedding sustainable strategy as a responsible organization into its business to find the balance between profit, planet, and people through maximum contribution to the Sustainable Development Goals (SDGs).

The Company's approach has been ensuring its CD/CSR program are align with the SDGs agenda

with significant contribution to the goals and targets. For the year 2020, Indonesia prioritized SDGs 4, 5, 8 and 10. Based on our mapping, 241 CD/CSR programs are align with 3 out of 4 national SDGs targets and 9 out of 17 SDGs goals.

The circular graph consists two (2) circulars which contain the representative colour of SDGs Goal. The outer circle shows indonesia Government's target on SDGs and the inner circle shows TPL's contribution to overall SDGs.



SDG Goal	Contribution Percentage
1 NO POVERTY	0,41%
2 ZERO HUNGER	9,13%
3 GOOD HEALTH AND WELL-BEING	11,62%
4 QUALITY EDUCATION	22,41%
6 CLEAN WATER AND SANITATION	9,54%
8 DECENT WORK AND ECONOMIC GROWTH	4,98%
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	9,13%
10 REDUCED INEQUALITIES	2,07%
11 SUSTAINABLE CITIES AND COMMUNITIES	4,56%

TPL's programs are focused on the outcome and impact for its stakeholder especially the communities. We ensure CD/CSR program that we conduct are based on the impact to the community and its alignment with Global Sustainable Development Goals. TPL is aware that economic inequality is greatly influenced by the level of education of a place. Thus, based on the idea that quality education will elevate the quality of life, TPL contribution on quality education (SDG 4) has been

significant, with 22,41% compared to other SDGs in 2020. Programs that support TPL's contribution to SDG 4 are scholarships, short courses, exam try out for student who want to continue education in higher education, educational infrastructure and facility for school. TPL plans to establish a much robust approach to developing sustainable development programs and achieving greater milestone in the future.



SUSTAINABILITY PERFORMANCE

2019 - 2020

TPL management made a decision of maintaining reporting disclosure on a three-year cycle as a reasonable period to achieve set goals and/or targets for material matter with 2019 as a baseline year. Showcased here is the performance data for the first two years.

DIRECT ECONOMIC VALUE GENERATED DISTRIBUTED

No	TPL Sales by Country	Year		Status
		2019	2020	
1	Indonesia	37.24%	89.45%	↑
2	China	42.19%	10.49%	↓
3	India	12.48%	0.05%	↓
4	Taiwan	0.05%	0.01%	↓
5	Bangladesh	8.04%	0%	↓

DEFINED BENEFIT PLAN OBLIGATIONS AND OTHER RETIREMENT PLANS

Performance Data on Retirement Program			
Type	2019	2020	Status
Participation	100%	100%	↔
Value of Liabilities (USD)	6,359,000	6,846,000	↑

INFRASTRUCTURE INVESTMENTS AND SERVICES SUPPORTED

Performance Data Realization of CD/CSR Programs by Number of Programs			
CD/CSR Programs	Total Program		Status
	2019	2020	
Economy/Job creation	43	50	↑
Community Outreach	-	2	↑
Infrastructure	195	41	↓
Social Investment		64	↓
Health	16	33	↑
Environment	11	10	↓
Education and Culture	71	41	↓

COMMUNICATION AND TRAINING ABOUT ANTI CORRUPTION POLICIES AND PROCEDURES

Performance Data on Communicating and Training Anti-Corruption			
Type	Communication	Training	Status
	2019	2020	
Governance Body	100%	100%	↔
Employees	100%	100%	↔
New Contractors	100%	100%	↔

BIODIVERSITY

No	Activities	UoM	Year		Status
			2019	2020	
1	Providing natural seedling	Tree	52,622	177,000	↑
2	Protected area enrichment				
	Natural succession	Ha	347	191	↓
	Artificial succession	Ha	29	10	↓
3	Erosion mitigation	Location	51	75	↑
4	Quarry rehabilitation/maintenance	Location	3	3	↔
5	Planting of feed plant for animal	Tree	4,500	2,100	↓
6	Rafflesia protection	Location	-	1	↑

NEW SUPPLIERS THAT WERE SCREENED USING ENVIRONMENTAL CRITERIA

Criteria	Total Programs		Status
	2019	2020	
Environmental	100%	100%	↔

PARENTAL LEAVE

Performance Data on Parental Leave			
Type	2019	2020	Status
Employees who are entitled to maternity leave	100%	100%	↔
Number of employees who are entitled to takes Parental leave	100%	100%	↔
Return to Work Rate	100%	100%	↔
Retention Rate of Employees who took Parental Leave	100%	99%	↓



WORKER PARTICIPATION, CONSULTATION, AND COMMUNICATION ON OCCUPATIONAL HEALTH AND SAFETY

Performance Data on Occupational Health and Safety Training

Training Topic	New Employee		Status	Employee		Status
	2019	2020		2019	2020	
Safety Induction	100%	100%	↔	-	-	↔
Basic Fire and OHS	100%	33%	↓	66%	100%	↑
Basic Hazard Identification and Risk Management	-	-	↔	-	100%	↑
10 Safety Golden Rule	-	-	↔	-	100%	↑

*Data Based on the Target and Actual in each Year

PROGRAMS FOR UPGRADING EMPLOYEE SKILLS AND TRANSITION ASSISTANCE PROGRAMS

Performance Data on Learning and Development Objectives

Type	2019	2020	Status
Technical training and soft skills participation	95%	98%	↑
DLP Certified	95%	100%	↑
Certified Trainers (#)	8 persons	8 persons	↔
E-Learning Created (#)	1 persons	7 persons	↑

*Data Based on the Target and Actual in each Year

ASSESSMENT OF THE HEALTH AND SAFETY IMPACTS OF PRODUCT AND SERVICE CATEGORIES

Performance Data on Customer Expectation

Goals and Targets	2019	2020	Status
On grade pulp quality	95%	97%	↑
Complain from customer	0	0	↔
On time Delivery	100%	100%	↔





GRI CONTENT INDEX

GENERAL DISCLOSURE

GRI DISCLOSURE	REQUIREMENT	CONTENT	PAGE
ORGANIZATIONAL PROFILE			
GRI 102 - 1	Name of the organization	About This Report	3
GRI 102 - 2	Activities, brands, product, and services	About This Report	3
GRI 102 - 3	Location of headquarters	About This Report	5
GRI 102 - 4	Location of operations	About This Report	5
		Environment	65
GRI 102 - 5	Ownership and legal form	2020 Highlight	7
GRI 102 - 6	Markets served	2020 Highlight	6
GRI 102 - 7	Scale of the organization	About This Report	5
		2020 Highlight	7
		Economic	47 - 48
		Annual Report 2020	-
GRI 102 - 8	Information on employees and other workers	Social	78
GRI 102 - 9	Supply chain	Environment	70
GRI 102 - 10	Significant changes to the organization and its supply chain	About this Report	5
GRI 102 - 11	Precautionary Principle or approach	Corporate and Sustainability Governance	33 - 36
GRI 102 - 12	External initiatives	Award and Certifications	20 - 21
GRI 102 - 13	Membership of associations	About This Report	5



GENERAL DISCLOSURE

GRI DISCLOSURE	REQUIREMENT	CONTENT	PAGE
STRATEGY			
GRI 102 - 14	Statement from senior decision-maker	CEO Message	10 - 11
ETHICS AND INTEGRITY			
GRI 102 - 16	Values, principles, standards, and norms of behavior	TPL Business Overview	16 - 17
GOVERNANCE			
GRI 102 - 18	Governance structure	Corporate and Sustainability Governance	28 - 32
STAKEHOLDER ENGAGEMENT			
GRI 102 - 40	List of stakeholder groups	Stakeholder Engagement	22
GRI 102 - 41	Collective bargaining agreements	Social	82
GRI 102 - 42	Identifying and selecting stakeholders	Stakeholder Engagement	22
GRI 102 - 43	Approach to stakeholder engagement	Stakeholder Engagement	22
GRI 102 - 44	Key topics and concerns raised	Materiality Matrix	26 - 27
REPORTING PRACTICE			
GRI 102 - 45	Entities included in the consolidated financial statements	About This Report	5
GRI 102 - 46	Defining report content and topic Boundaries	About This Report	4 - 5
		Materiality Matrix	26 - 27
GRI 102 - 47	List of material topics	Materiality Matrix	27
GRI 102 - 48	Restatements of information	About This Report	4
GRI 102 - 49	Changes in reporting	About This Report	4
GRI 102 - 50	Reporting period	About This Report	4 - 5
GRI 102 - 51	Date of most recent report	About This Report	4



GENERAL DISCLOSURE

GRI DISCLOSURE	REQUIREMENT	CONTENT	PAGE
GRI 102 - 52	Reporting cycle	About This Report	4 - 5
GRI 102 - 53	Contact point for questions regarding the report	About This Report	5
GRI 102 - 54	Claims of reporting in accordance with the GRI Standards	About This Report	4
GRI 102 - 55	GRI content index	GRI Content Index	96 - 105
GRI 102 - 56	External assurance	About This Report	4

TOPIC-SPECIFIC DISCLOSURE

GRI STANDARD	GRI DISCLOSURE	REQUIREMENT	CONTENT	PAGE
Management Approach	GRI 103 - 1	Explanation of material topic and boundary	Economic	46
	GRI 103 - 2	The management approach and its components	Economic	46
	GRI 103 - 3	Evaluation of the management approach	Economic	46
Economic Performance	GRI 201 - 1	Direct economic value generated and distributed	Economic	47 - 48
	GRI 201 - 3	Defined benefit plan obligations and other retirement plans	Economic	48 - 49
Management Approach	GRI 103 - 1	Explanation of material topic and boundary	Economic	49 - 50
	GRI 103 - 2	The management approach and its components	Economic	49 - 50
	GRI 103 - 3	Evaluation of the management approach	Economic	49 - 50
Indirect economic impacts	GRI 203 - 1	Infrastructure investments and services supported	Economic	50 - 54
	GRI 203 - 2	Significant indirect economic impacts	Economic	52 - 54



TOPIC-SPECIFIC DISCLOSURE

GRI STANDARD	GRI DISCLOSURE	REQUIREMENT	CONTENT	PAGE
Management Approach	GRI 103 - 1	Explanation of material topic and boundary	Economic	54 - 55
	GRI 103 - 2	The management approach and its components	Economic	54 - 55
	GRI 103 - 3	Evaluation of the management approach	Economic	54 - 55
Anti corruption	GRI 205 - 2	Communication and training about anti-corruption policies and procedures	Economic	55
Management Approach	GRI 103 - 1	Explanation of material topic and boundary	Environment	61 - 65
	GRI 103 - 2	The management approach and its components	Environment	61 - 65
	GRI 103 - 3	Evaluation of the management approach	Environment	61 - 65
Biodiversity	GRI 304 - 1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Environment	65 - 67
	GRI 304 - 2	Significant impacts of activities, products, and services on biodiversity	Environment	68
	GRI 304 - 3	Habitats protected or restored	Environment	68 - 69
Management Approach	GRI 103 - 1	Explanation of material topic and boundary	Environment	70 - 71
	GRI 103 - 2	The management approach and its components	Environment	70 - 71
	GRI 103 - 3	Evaluation of the management approach	Environment	70 - 71
Supplier Environmental Assessment	GRI 308 - 1	New suppliers that were screened using environmental criteria	Environment	71
Management Approach	GRI 103 - 1	Explanation of material topic and boundary	Social	79
	GRI 103 - 2	The management approach and its components	Social	79
	GRI 103 - 3	Evaluation of the management approach	Social	79
Employment	GRI 401 - 3	Parental leave	Social	79 - 80



TOPIC-SPECIFIC DISCLOSURE

GRI STANDARD	GRI DISCLOSURE	REQUIREMENT	CONTENT	PAGE
Management Approach	GRI 103 - 1	Explanation of material topic and boundary	Social	81
	GRI 103 - 2	The management approach and its components	Social	81
	GRI 103 - 3	Evaluation of the management approach	Social	81
Labor Management Relations	GRI 402 - 1	Minimum notice periods regarding operational changes	Social	81
Management Approach	GRI 103 - 1	Explanation of material topic and boundary	Social	82 - 83
	GRI 103 - 2	The management approach and its components	Social	82 - 83
	GRI 103 - 3	Evaluation of the management approach	Social	82 - 83
Occupational health & safety	GRI 403 - 4	Worker participation, consultation, and communications on occupational health and safety	Social	84
Management Approach	GRI 103 - 1	Explanation of material topic and boundary	Social	84 - 85
	GRI 103 - 2	The management approach and its components	Social	84 - 85
	GRI 103 - 3	Evaluation of the management approach	Social	84 - 85
Training & education	GRI 404 - 1	Average hours of training per year per employee	Social	85 - 86
	GRI 404 - 2	Programs for upgrading employee skills and transition assistance programs	Social	86 - 87
Management Approach	GRI 103 - 1	Explanation of material topic and boundary	Social	88 - 89
	GRI 103 - 2	The management approach and its components	Social	88 - 89
	GRI 103 - 3	Evaluation of the management approach	Social	88 - 89
Customer health and safety	GRI 416 - 1	Assessment of the health and safety impacts of product and service categories	Social	89



SPOTT CONTENT INDEX

SUSTAINABILITY POLICY TRANSPARENCY TOOLKIT (SPOTT)

NO	REQUIREMENT	SECTION	PAGE
Sustainability policy and leadership			
1	Sustainable forestry policy or commitment for all its operations	Sustainability Policies	-
2	Sustainable forestry policy or commitment applies to all suppliers	Sustainability Policies	-
3	High-level position of responsibility for sustainability	TPL and Sustainability Governance Structure	30
4	One or more members within the board of the company have responsibility for sustainability	TPL and Sustainability Governance Structure	28 - 30
5	Percentage or number of women in senior management team	Website TPL	-
6	Percentage or number of women board members	TPL and Sustainability Governance Structure	28
7	Member of multiple industry schemes or other external initiatives to reduce negative environmental or social outcomes associated with timber and pulp production	Membership of Association	5
8	Collaboration with stakeholders to reduce negative environmental or social outcomes associated with timber and pulp production	Social Chapter	-
9	Sustainability report published within last two years	Website TPL	-
10	Reports through standardised reporting systems	-	4
11	Climate risks assessment available	-	-
12	Natural capital assessment available	-	-
Landbank, maps and traceability			
13	Lists countries and operations	Company Information	5
14	Lists countries sourcing from	Not Relevant	-
15	Total area of natural forest designated for wood/wood fibre production (ha)	2020 Highlight	7



SUSTAINABILITY POLICY TRANSPARENCY TOOLKIT (SPOTT)

NO	REQUIREMENT	SECTION	PAGE
16	Total area of forest plantation (ha)	2020 Highlight	7
17	Area of plantation/natural forest within outgrower schemes (ha)	2020 Highlight	7
18	Unplanted (areas designated for future development as plantation forest) (ha)	Website TPL	-
19	Conservation set-aside area, including HCV area (ha)	2020 Highlight	7
20	Area of Intact Forest Landscape (ha)	Website TPL	-
21	Number of Forest Management Units (FMUs)	TPL Business Overview	12
22	Maps of forest management units (FMUs)	Website TPL	-
23	Forest management plans available for all FMUs	Website TPL	-
24	Monitoring of forest management plan implementation available	Website TPL	-
25	Company has provided valid legal documents to Open Timber Portal on use right (at the time of SPOTT assessments)	Not Relevant	-
26	Company has provided valid legal documents to Open Timber Portal on forest management (at the time of SPOTT assessments)	Not Relevant	-
27	Company has provided valid legal documents to Open Timber Portal on timber harvesting (at the time of SPOTT assessments)	Not Relevant	-
28	Names and locations of all third-party supplying FMUs	Website TPL	9
29	Number of company owned sawmills	Not Relevant	-
30	Names and locations of company owned sawmills	Not Relevant	-
31	Number of company-owned pulp and paper mills	Company Information	5
32	Names and locations of company-owned pulp and paper mills	Company Information	5
33	Reports total volumes (or percentages) sourced by company-owned sawmills that come from company's own operations and/or third-parties	Not Relevant	-
34	Reports total volumes (or percentages) sourced by company-owned pulp and paper mills that come from company's own operations and/or third-parties	2020 Highlight	7
35	Number of third party supplying mills	2020 Highlight	-



SUSTAINABILITY POLICY TRANSPARENCY TOOLKIT (SPOTT)

NO	REQUIREMENT	SECTION	PAGE
36	Names and locations of all third party supplying mills	2020 Highlight	-
37	Reports total volume (or percentages) sourced from third-party supplying mills that come from the supplying mills' own operations and/or third parties	Website TPL	-
38	Procedures to trace raw materials to country of harvest	Chain of Custody Policy	-
39	Percentage of supply traceable to country of harvest	2020 Highlight	7
40	Procedures to trace raw materials to FMU level	Chain of Custody Policy	-
41	Percentage of supply traceable to FMU level	Website TPL	-
Certification standards			
42	Time-bound plan for achieving 100% third-party legality verification of FMUs or achieved	Website TPL	-
43	Percentage area (ha) verified as being in legal compliance by a third party	Website TPL	-
44	Time-bound plan to source only wood/wood fibre that is in legal compliance verified by a third party	-	-
45	Percentage of all wood/wood fibre supply traded/processed verified as being in legal compliance by a third party	-	-
46	Percentage area (ha) FSC FM certified	-	-
47	Time-bound plan for achieving 100% FSC FM certification of FMUs or achieved 100% FSC-certification of FMUs	-	-
48	Percentage of wood/wood fibre supply (tonnes) from all suppliers that comes from FSC FM certified areas	-	-
49	Commitment to source only wood/wood fibre that meets FSC Controlled Wood and/or PEFC Controversial Sources requirements	Website TPL	-
50	Percentage area (ha) PEFC certified (excluding FSC certified area)	Indonesia Forestry Certification Cooperation Memberlist	-
Deforestation and biodiversity			
51	Commitment to zero deforestation or zero conversion of natural ecosystems	Biodiversity	64
52	Commitment to zero deforestation or zero conversion of natural ecosystems applies to all suppliers	Biodiversity	64
53	Criteria and cut-off date for defining deforestation	Sustainability Policy	-



SUSTAINABILITY POLICY TRANSPARENCY TOOLKIT (SPOTT)

NO	REQUIREMENT	SECTION	PAGE
54	Evidence of monitoring deforestation	Website TPL	-
55	Evidence of monitoring deforestation in supplier operations	Website TPL	-
56	Amount of illegal/non-compliant deforestation recorded	Website TPL	-
57	Amount of illegal/non-compliant deforestation recorded in supplier operations	Website TPL	-
58	Commitment to restoration of non-compliant deforestation/conversion	Website TPL	-
59	Commitment to restoration of non-compliant deforestation/conversion applies to all suppliers	Website TPL	-
60	Implementing a landscape or jurisdictional level approach	Biodiversity	64
61	Commitment to biodiversity conservation	Habitat Protected and Restored	68
62	Commitment to biodiversity conservation applies to all suppliers	Habitat Protected and Restored	68
63	Identified species of conservation concern, referencing international or national system of species classification	Website TPL	-
64	Examples of species and/or habitat conservation management	Habitat Protected and Restored	69
65	Commitment to no hunting or only sustainable hunting of species	Biodiversity Policy	-
66	Commitment to no hunting or only sustainable hunting of species applies to all suppliers	Biodiversity Policy	-
67	Commitment to protect forest areas from illegal activities	Biodiversity Policy	-
68	Commitment to protect forest areas from illegal activities applies to all suppliers	Biodiversity Policy	-
69	Evidence of protecting forest areas from illegal activities	Website TPL	-
70	Commitment to no use of genetically modified organisms	Genetically Modified Organism Policy	36
71	Commitment to no use of genetically modified organisms applies to all suppliers	Genetically Modified Organism Policy	36



SUSTAINABILITY POLICY TRANSPARENCY TOOLKIT (SPOTT)

NO	REQUIREMENT	SECTION	PAGE
HCV, HCS and Impact assessments			
72	Commitment to conduct High Conservation Value (HCV) assessments	Biodiversity	61
73	Commitment to conduct High Conservation Value (HCV) assessments applies to all suppliers	Sustainability Policy	-
74	High Conservation Value (HCV) assessments available	Website TPL	-
75	High Conservation Value (HCV) management and monitoring plans available	Website TPL	-
76	Commitment to the High Carbon Stock (HCS) Approach	Biodiversity	61
77	Commitment to the High Carbon Stock (HCS) Approach applies to all suppliers.	Sustainability Policy	-
78	High Carbon Stock (HCS) assessments available	Website TPL	-
79	Commitment to conduct social and environmental impact assessments (SEIAs)	Website TPL	-
80	Commitment to conduct social and environmental impact assessments (SEIAs) applies to all suppliers	Website TPL	-
81	Social and environmental impact assessments (SEIAs) available, and associated management and monitoring plans	Website TPL	-
82	Company has provided valid legal documents to Open Timber Portal on impact assessments (at the time of SPOTT assessments)	Not Relevant	-
Peat, fire and GHG emissions			
83	Commitment to no planting on peat of any depth	Biodiversity Policy	-
84	Commitment to no planting on peat of any depth applies to all suppliers	Biodiversity Policy	-
85	Landbank or planted area on peat (ha)	Website TPL	-
86	Implementation of commitment to no planting on peat of any depth	Website TPL	-
87	Commitment to best management practices for soils and peat	Biodiversity Policy	-
88	Commitment to best management practices for soils and peat applies to all suppliers	Biodiversity Policy	-



SUSTAINABILITY POLICY TRANSPARENCY TOOLKIT (SPOTT)

NO	REQUIREMENT	SECTION	PAGE
89	Evidence of best management practices for soils and peat	Website TPL	-
90	Commitment to reduced impact logging	Website TPL	-
91	Commitment to reduced impact logging applies to all suppliers	Website TPL	-
92	Evidence of implementing reduced impact logging practices	Website TPL	-
93	Commitment to zero burning	Environment	60
94	Commitment to zero burning applies to all suppliers	Environment	60
95	Evidence of fire monitoring and management	Website TPL	-
96	Details/number of hotspots/fires in company FMUs	Website TPL	-
97	Details/number of hotspots/fires in suppliers operations	Website TPL	-
98	Time-bound commitment to reduce greenhouse gas (GHG) emissions intensity	-	-
99	GHG emissions intensity	Website TPL	-
100	GHG emissions from land use change	-	-
101	Progress towards commitment to reduce GHG emissions intensity	Website TPL	-
102	Methodology used to calculate GHG emissions	Website TPL	-
Water, chemical and pest management			
103	Time-bound commitment to improve water use intensity	Website TPL	-
104	Water use intensity	Website TPL	-
105	Progress towards commitment on water use intensity	TPL's Circular Mill Process	14 - 15
106	Time-bound commitment to improve water quality (BOD and COD)	Website TPL	-



SUSTAINABILITY POLICY TRANSPARENCY TOOLKIT (SPOTT)

NO	REQUIREMENT	SECTION	PAGE
107	Progress towards commitment on water quality (BOD and COD)	TPL's Circular Mill Process	14 - 15
108	Treatment of pulp and paper mill effluent	TPL Business Overview	12
109	Evidence of sawmill run-off containment and wastewater treatment	Not Relevant	-
110	Proportion of processing facilities with closed-loop water treatment system	TPL Business Overview	12
111	Commitment to protect natural waterways through buffer zones	Website TPL	-
112	Implementation of commitment to protect natural waterways through buffer zones	Website TPL	-
113	Commitment to minimise the use of chemicals, including pesticides and chemical fertilisers	Pesticide Usage Policy	36
114	Commitment to minimise the use of chemicals, including pesticides and chemical fertilisers, applies to all suppliers	Pesticide Usage Policy	36
115	Evidence of eliminating chlorine and chlorine compounds for bleaching	Website TPL	-
116	Commitment to no use of World Health Organisation (WHO) Class 1A and 1B pesticides	Pesticide Usage Policy	36
117	Commitment to no use of World Health Organisation (WHO) Class 1A and 1B pesticides applies to all suppliers	Pesticide Usage Policy	36
118	Commitment to no use of chemicals listed under the Stockholm Convention and Rotterdam Convention	Pesticide Usage Policy	36
119	Commitment to no use of chemicals listed under the Stockholm Convention and Rotterdam Convention applies to all suppliers	Pesticide Usage Policy	36
120	Chemical usage per ha or list of chemicals used	Pesticide Usage Policy	36
121	Implementation of commitment to reduce chemical usage	Website TPL	-
122	Integrated Pest Management (IPM) approach	Website TPL	-
123	Waste management system in place to avoid negative impacts	Website TPL	-



SUSTAINABILITY POLICY TRANSPARENCY TOOLKIT (SPOTT)

NO	REQUIREMENT	SECTION	PAGE
Community, land and labour rights			
124	Commitment to human rights	Website TPL	-
125	Commitment to human rights applies to all suppliers	Website TPL	-
126	Progress on human rights commitment	Website TPL	-
127	Commitment to respect indigenous and local communities' rights	Our Policies	33 - 34
128	Commitment to indigenous and local communities' rights applies to all suppliers	Our Policies	33 - 34
129	Commitment to respect legal and customary land tenure rights	Website TPL	-
130	Commitment to legal and customary land rights applies to all suppliers	Website TPL	-
131	Commitment to free, prior and informed consent (FPIC)	Website TPL	-
132	Commitment to free, prior and informed consent (FPIC) applies to all suppliers	Website TPL	-
133	Details of free, prior and informed consent (FPIC) process available	Website TPL	-
134	Examples of local stakeholder engagement to prevent conflicts	Website TPL	-
135	Details of process for addressing land conflicts available	Website TPL	-
136	Supports the inclusion of women across forestry operations, including addressing barriers faced	Website TPL	-
137	Company has provided valid legal documents to Open Timber Portal on population rights (at the time of SPOTT assessments)	Not Relevant	-
138	Commitment to enable sustainable use of non-timber forest products (NTFPs) by local communities	Website TPL	-
139	Commitment to provide essential community services and facilities	Website TPL	-
140	Progress on commitment to provide essential community services and facilities	Indirect Economic Impact	49 - 50
141	Commitment to provide business/work opportunities for local communities	Website TPL	-



SUSTAINABILITY POLICY TRANSPARENCY TOOLKIT (SPOTT)

NO	REQUIREMENT	SECTION	PAGE
Community, land and labour rights			
142	Company has provided valid legal documents to Open Timber Portal on labour regulations (at the time of SPOTT assessments)	Not Relevant	-
143	Commitment to Fundamental ILO Conventions or Free and Fair Labour Principles	Website TPL	-
144	Commitment to Fundamental ILO Conventions or Free and Fair Labour Principles applies to all suppliers	Website TPL	-
145	Progress on commitment to respect all workers' rights	Website TPL	-
146	Commitment to eliminate gender related discrimination with regards to employment	Website TPL	-
147	Commitment to eliminate gender related discrimination with regards to employment applies to all suppliers	Website TPL	-
148	Progress on commitment to eliminate gender related discrimination with regards to employment	Website TPL	-
149	Percentage or number of temporary employees	Social	76 - 78
150	Percentage or number of women employees	Social	76 - 78
151	Commitment to pay at least minimum wage	Website TPL	-
152	Commitment to pay at least minimum wage applies to all suppliers	Website TPL	-
153	Progress on commitment to pay at least minimum wage	-	-
154	Reporting of salary by gender	-	-
155	Commitment to address occupational health and safety	Occupational Health and Safety (OHS) Policy	35 - 36
156	Commitment to address occupational health and safety applies to all suppliers	Occupational Health and Safety (OHS) Policy	35 - 36
157	Provision of personal protective equipment and related training	Occupational Health and Safety (OHS)	82 - 84
158	Time lost due to work-based injuries	Website TPL	-
159	Number of fatalities as a result of work-based accidents	Website TPL	-



SUSTAINABILITY POLICY TRANSPARENCY TOOLKIT (SPOTT)

NO	REQUIREMENT	SECTION	PAGE
Smallholders and suppliers			
160	Commitment to support smallholders	Indirect economic impact	49
161	Programme to support outgrower scheme and/or independent smallholders	Indirect economic impact	49 - 54
162	Percentage of outgrower scheme and/or independent smallholders involved in programme	Website TPL	-
163	Process used to prioritise, assess and/or engage suppliers on compliance with company's policy and/or legal requirements	Supplier Environmental Assessment	70 - 71
164	Number or percentage of suppliers assessed and/or engaged on compliance with company's policy and/or legal requirements	Supplier Environmental Assessment	70 - 71
165	Suspension or exclusion criteria for suppliers	Supplier Environmental Assessment	70 - 71
166	Timebound action plans (including Key Performance Indicators) for suppliers to be in compliance with timber and pulp sourcing commitments	Website TPL	-
167	Proportion of direct and indirect supply that comes from FMUs which are compliant with timber and pulp sourcing policies	Website TPL	-
Governance and grievances			
168	Commitment to ethical conduct and prohibition of corruption	Anticorruption	54 - 55
169	Commitment to ethical conduct and prohibition of corruption applies to all suppliers	Anticorruption	54 - 55
170	Progress on commitment to ethical conduct and prohibition of corruption	Communications and Training about Anticorruption Policy and Procedure	55
171	Company has provided valid legal documents to Open Timber Portal on legal registration (at the time of SPOTT assessments)	Not Relevant	-
172	Disclosure of the company's management approach to tax and payments to governments	-	-
173	Company has provided valid legal documents to Open Timber Portal on taxes, fees and royalties (at the time of SPOTT assessments)	Not Relevant	-
174	Whistleblowing procedure	Grievance Mechanism and Whistle Blowing	37 - 41
175	Own grievance or complaints system open to all stakeholders	Grievance Mechanism and Whistle Blowing	37 - 41
176	Details of complaints and grievances disclosed	Website TPL	-



**SUSTAINABILITY
REPORT 2020**

**LET'S
GROW
TOGETHER**



PT Toba Pulp Lestari Tbk

Uniplaza East Tower, 3rd Fl.
Jl. Letjend. MT Haryono No A-1
Medan 20231, Indonesia

Telp. (6261) 453 2088
Fax. (6261) 453 0967

Mill

Desa Pangombusan, Kecamatan Parmaksian
Sumatera Utara, Indonesia

Telp. (62 632) 734 6000, 734 6001
Fax. (62 632) 734 6006

www.tobapulp.com