

SUSTAINABILITY REPORT 2021

“
Moving
Together
Beyond
Sustainability”



“ Moving Together Beyond Sustainability ”

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In achieving sustainability goals, PT Toba Pulp Lestari Tbk (TPL) together with its stakeholders continues to strive to fulfill the sustainability agenda in its sustainability commitment and global sustainable development agenda. We always maintain good relations with our stakeholders through improving the social welfare of the community, protecting the ecology, and increasing economic efficiency. By moving together in the spirit of sustainable development, we believe we can meet the needs of today and future generations.





ABOUT THIS REPORT

GRI 102-1, 102-2

PT Toba Pulp Lestari Tbk (TPL, Our, We, and/or The Company) is an Industrial Forest management and pulp producing company. TPL has been in the midst of the community contributing to sustainable management of licensed forests as expected by the government of Indonesia and, seamlessly building and developing the community. In its journey, as a responsible Industrial Forest manager and pulp

producer, TPL is taking every step in ensuring sustainability is embedded in its business strategy and practice. Thus, TPL operations are aligned with the expectation of Otoritas Jasa Keuangan (OJK) Indonesia (Financial Services Authority) and international best practices; TPL is proud to present Sustainability Report 2021.

OUR REPORTING APPROACH

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

This 2021 Sustainability Report covers TPL's sustainable development initiatives across its Mill operations in Toba district 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 102-47, 102-48, 102-49, 102-51, 102-52

Sustainability Report 2021 reporting disclosures ("material matter") were identified through stakeholder engagement feedback consolidated into materiality matrix align with

GRI methodology carried out in 2019. TPL management decided to maintain reporting disclosures with a three-year cycle as the reporting period to achieve the goals and/or

targets set for every materiality matter. In the 2021 reporting disclosure, we excluded GRI 416: Customer Health and Safety from the reporting disclosure because the topic is no longer relevant to TPL operations. Apart from this, there are no significant changes to the list of material topics and topic boundaries.

Below are materiality matters disclosed in this report.

- GRI 201 : Economic Performance 2016

REPORTING PERIOD

GRI 102-50

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

SCOPE AND BOUNDARIES

GRI 102-45, 102-46, 102-50, 102-52

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

SUSTAINABILITY ACROSS SUPPLY CHAIN

GRI 102-10

Fiber for the TPL pulp mill comes from TPL's 167,912 hectares of HTI land managed by TPL, as well as from supplier partner and Perkebunan Kayu Rakyat (PKR). In 2021, TPL has carried out Sustainable Supply Chain Assessments for its suppliers. TPL's Sustainability Policy was the basis for this

- 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

2021 - December 2021 (unless and otherwise stated).

collected from TPL's mill and fiber operations located in North Sumatera. There are no subsidiaries nor entities under TPL.

assessment. This activity is carried out to ensure that TPL and its suppliers have the same commitment in achieving optimal results for the community, the environment, and the economy. There will be no significant changes to its organization and supply chain in 2021.

MEMBERSHIP OF ASSOCIATION

GRI 102-13

• ASOSIASI PENGUSAHA HUTAN INDONESIA (APHI).

TPL actively participates in national associations that promote information and improve industry best practise standards. 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).

• ASOSIASI PULP DAN KERTAS INDONESIA (APKI)

TPL is also a member of the Asosiasi Pulp dan Kertas Indonesia (APKI). APKI is an organization that has shared insights and improvements for pulp and paper companies in Indonesia to be able to enter the global market while still paying attention to economic growth based on Environment, Social, and Governance aspects. APKI assists its members in complying with Indonesian government regulations. The members of the APKI association are companies that produce products such as Pulp, Industrial Board, Carbonless, Carton Boxes, Cigarette Paper, Fluting And Kraft Liner, Joss Paper, Newsprint, Sack Kraft, Specialty Paper, Tissue Paper, Writing And Printing Paper.

COMPANY PROFILE

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

Company Name	: PT Toba Pulp Lestari Tbk
Activities, Brands,	
Products and Services	: Pulp Production and Industrial Plantation Forest
Head office address	: Uniplaza, East Tower, 3rd Floor, Jl. Lt. Gen. Haryono MT No.A-1 Medan 20231
Mill Address	: Pangombusan Village, Parmaksian District, Toba Regency, North Sumatra Province, Indonesia
Operational Location	: North Sumatra Province, Indonesia
Legal Form	: TPL is a public company, listed on the Indonesia Stock Exchange (IDX) since 1990 under the stock code INRU
Phone	: Head Office (62-61) 4532088, Mill (62-632) 7346000
E-mail	: investor_relation@tobapulp.com
Website	: www.tobapulp.com

2021 HIGHLIGHT

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

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

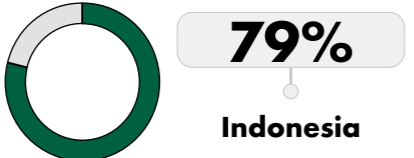


SUMATERA UTARA, INDONESIA
 Nomor SK.307/Menlhk/Setjen/HPL.0/7/2020
 TPL's wood source are 100% from Indonesia.



MARKET

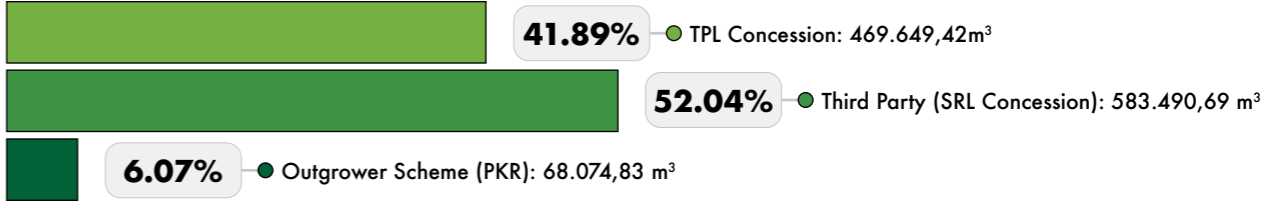
DOMESTIC



INTERNATIONAL



WOOD SUPPLY SOURCE



TPL CONCESSION AREA

PLANTED AREA

28%
 (46,984) HECTARES

CONSERVATION AREA AND HCV/HCS

38%
 (64,547) HECTARES

2021 PRODUCTION

Dissolving Pulp (DP): 200,192 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



MESSAGE FROM THE MANAGING DIRECTOR

GRI 102-14



We are pleased to present the 2021 Sustainability Report for PT Toba Pulp Lestari Tbk.

The last year has been one of transition, recovery and forging ahead with our strategic goals and commitments to not just our people but also the planet. We want to ensure that our journey is aligned with our sustainability targets and that our stories and successes are shared with our stakeholders. We aspire to keep our focus on driving continuous improvement within the business while identifying the challenges and opportunities that arise along the way.

At TPL, our very ethos is one of sustainability and going above and beyond in operating a business while keeping our principles of good governance and integrity. We strongly believe that building a thriving business that seeks positive impact will create long-term value for all our stakeholders. In my time here at TPL, I have learned that its reigning force is its Core Values. It is without doubt that our business objectives are directly related with these core values. Through coherent messaging and leading by example, the six areas by which we operate (Complementary Team, Ownership, People, Integrity, Customer, Continuous Improvement – T.O.P.I.C.C) are

VENKATESHWARLU
Managing Director
PT Toba Pulp Lestari Tbk

constantly being disseminated, encouraged and refreshed across all employees throughout the year.

As People remain one of our core values, TPL has promoted the growth within our own communities as well as those that serve us. As we grow, we want our communities to thrive and follow us on this journey. The true metric by which we measure our own success is by the success of our communities. We have a long standing commitment to promote education as a means of empowering people and improve their livelihoods. I am especially proud of our support toward the improvement of schools and educational programmes that help shape young minds to go beyond and forge their paths as future leaders.

The communication between TPL and the local communities is one of transparency. We encourage these communities to travel with us on our growth-journey but we also understand that we have a responsibility to take care of them. 100% of TPL's activities are dependent on our communities living within the concession areas as they make up our work force. We are committed to understanding the aspirations of our communities. We want to sustain our relationship with them and therefore pledge to be fully transparent and to understand better their expectations.

As mentioned, plantations are a people-centric business and through open communication with our communities we

mean to continue our efforts in supporting their livelihoods and safeguarding their well-being. In our Community Development/Corporate Social Responsible programmes, we leverage technology to fill in the gaps in farming methods. We study yield patterns and promote our inter-crop planting programme where local farmers can grow crop ranging from corn, coffee and paddy and get better yield on the land that is not fully utilized by eucalyptus. We have seen encouraging results where farmers have an extra source of income and are also learning better, more productive farming methods.

As we enter 2022, we also want to emphasise that we are doing our part in the fight against climate change and use our resources to promote sustainable development.

We continue our efforts to protect and preserve biodiversity within our concession areas as well as improve efficiencies within our operations so that we conserve water and energy. Our priority is to engage our stakeholders and to push toward a collective objective of success through sustainability areas that can create value.

We are incredibly proud of our teams and communities that have shaped the journey so far and we look forward to their continued support.

TPL BUSINESS OVERVIEW

GRI 102-7

TPL obtain IUPHHK - HTI at forest area from minister of forestry, Toba Pulp Lestari Tbk. is a global company leading in forest management and pulp production. The Company is licensed to manage 167.912 hectares of forest and plantation in North Sumatra, Indonesia. The plantation authorized to TPL with an operation license by the Indonesian Government is located across five location in North Sumatra namely Aek Nauli, Habinsaran, South Tapanuli, Aek Raja and Tele.

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 100% 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 Program for Social and Community Development considering that this is one of the mandates of the 5 C philosophy, namely Good for Community. Therefore, since 2007 TPL has committed to allocating 1% of its net sales to finance the Corporate Social Responsibility Program. In its implementation, the Corporate Social Responsibility Program for the Company's 2021 Social and

Community Development is carried out in five areas as follows:



EDUCATION AND CULTURE

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



HEALTH

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



SOCIAL INVESTMENT

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



JOB CREATION AND SKILLS DEVELOPMENT

This area aims to improve the community's economy.



ENVIRONMENT

The environmental sector works to pay attention to environmental sustainability and cleanliness.

Further to the above, 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 community.

“During this time, we have continued to build trust with our customers and stakeholders by demonstrating our positive impact on society and the planet, along with developing meaningful steps to report on our progress. We realized sustainability is an integrated component of our business”



TPL'S CIRCULAR MILL PROCESS

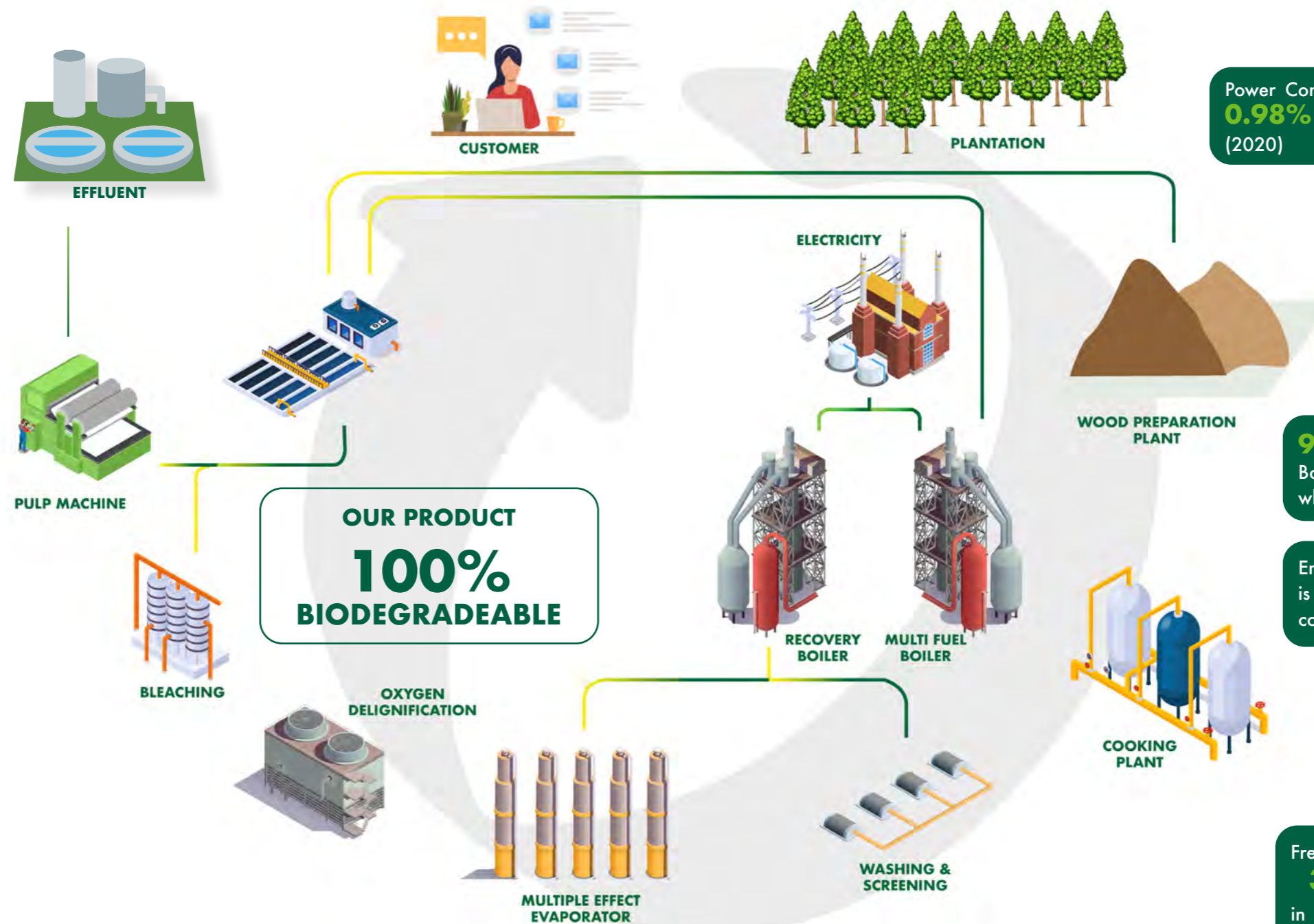
In 2021, the operations of the mill ensured that performance was improved from its previous year. Such improvements included:

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

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

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

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



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

99.76% of fuels used in Both Boilers in 2021 are renewable fuels which is same as 2020

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

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

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

TPL'S SUSTAINABILITY VISION AND MISSION

GRI 102-16

VISION

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

MISSION

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



TPL's CORE VALUES

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

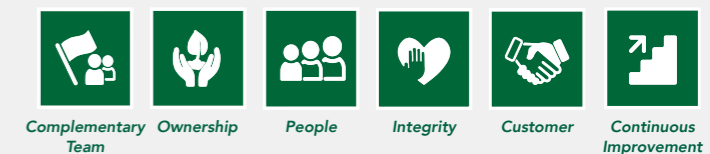
- We are uncompromising on dishonesty.
- We put problems and issues on the table and act without fear or favour.
- We do not accept corrupt practices.
- We safeguard company's assets and knowledge.

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.

1992	PT Toba Pulp Lestari, Tbk. obtained IUPHHK-HTI for 269,060 ha forest area from Minister of Forestry
2004	TPL received ISO 14001 : 2004 Certificate
2006	Establishment of Research and Development unit
2007	TPL received SMK3 Certification
2008	TPL addendum of operating area updated from 269,060 ha to 188,055 ha based on a Ministry of Forestry Decree
2011	<ol style="list-style-type: none"> 1. TPL addendum of operating area was updated from 269,060 Ha to 188,055 Ha, in accordance with SK 201 for Production Forest until the license expires 2. TPL received OHSAS 18001:2007 certificate
2013	<ol style="list-style-type: none"> 1. TPL entire working area was set up with a definitive boundary to 190,188 ha as per decree of Ministry of Forestry 2. TPL received PHPL Certificate
2014	TPL received VLK (in Perkebunan Kayu Rakyat (PKR)) Certification
2015	Established of Masyarakat Peduli Api (MPA) and Sustainability Policy in Dec 2015
2016	<ol style="list-style-type: none"> 1. TPL conducted HCV/HCS Assessment 2. Implementation of Sustainability Policy (Grievance Mechanism and Free, Prior, Inform and Consent)
2017	<ol style="list-style-type: none"> 1. TPL work area in addendum with width change from 188,055 ha to 185,016 ha by issuing Pandumaan Sipituhuta area of 5,172 ha 2. TPL acquired IFCC Certificate 3. TPL initiated CD/CSR fund based on SK No 05

2018	<ol style="list-style-type: none"> 1. TPL achieved PEFC - COC certifications 2. Establishment of PEFC - COC Policy 3. TPL acquired VLK-Perkebunan Kayu Rakyat (PKR) Certificate
2019	<ol style="list-style-type: none"> 1. TPL operating area updated from 185,016 ha to 184,486 ha based on the Ministry of Forestry Decree reduced for strategies tourism zone 2. TPL achieved Project-Based CSR & Business Sustainability in the women empowerment category in CECT Sustainability Award 2019 3. Establishment of Pesticide Usage Policy 4. Establishment of Genetically Modified Organism Use Policy 5. Mill Revitalization with Cold Blow System
2020	<ol style="list-style-type: none"> 1. TPL operating area updated from 184,486 ha to 167,912 ha based on the Ministry of Forestry Decree reduced for food estate, botanical garden, community incense tree, and urban waste landfill (TPA) 2. TPL achieved 12th Rank for Timber and Pulp Industry on SPOTT ZSL Assessment 3. TPL won the Platinum Indonesian CSR Awards 2020 for the category Corporate Forum for Community Development (CFCD)
2021	<ol style="list-style-type: none"> 1. TPL achieved 5th Rank for Timber and Pulp Industry on SPOTT ZSL Assessment 2. Established and conducted Sustainable Supply Chain Assessment for woods, services, and goods 3. Strengthen Anti-Corruption Policy and Human Right Policy 4. Renewed Sustainability Policy 2021



RESPECT AND EMPOWER PEOPLE



HUMAN RIGHTS



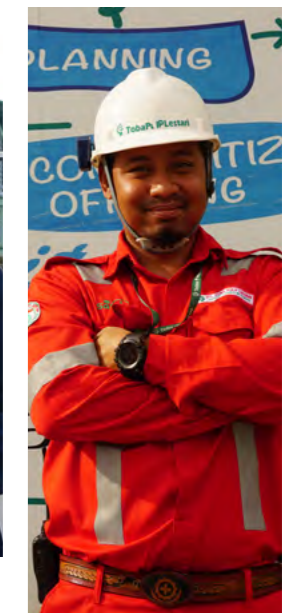
GENDER EQUALITY



FAIRNESS IN THE WORKPLACE



WORKER ENGAGEMENT



OCCUPATIONAL HEALTH AND SAFETY

AWARDS AND CERTIFICATIONS

GRI 102-12

In 2021, TPL received Awards and Certification from various national and global institutions. In total, there are 1 awards and 10 certifications given to TPL as shown below:



North Sumatera Governor Award in Prevention and Control of COVID 19 in the workplace with the Gold Category

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
Occupational Safety And Health Management System (SMK3)	PT Sucofindo
ISO 9001:2015 Quality Management System - Mill	Societe General de Surveillance (SGS)
ISO 14001:2015 Environmental Management System - Mill	Societe General de Surveillance (SGS)
Timber Legality Verification (VLK) - Mill	Societe General de Surveillance (SGS)
Timber Legality Verification (VLK) - Perkebunan Kayu Rakyat (PKR)	Societe General de Surveillance (SGS)
ISO 45001 Occupational Health and Safety (OH&S) Management System	Societe General de Surveillance (SGS)
ISO 14001:2015 Environmental Management System - Fiber	Societe General de Surveillance (SGS)

STAKEHOLDER ENGAGEMENT

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

Our stakeholders and their concerns are of the utmost importance to us. For the Fiscal Year 2021, 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. As a guideline, TPL adopted OJK's guidelines on sustainability reporting as well as direction from the Global Reporting Initiatives GRI standards.

We understand that we have to be mindful of global standards and set our sustainability journey to be align with Sustainable Development Goals and international sustainability targets as our vision to go beyond local level.

TPL identifies our stakeholders as entities or individuals that can reasonably be expected to be significantly affected by TPL's activities, products, and/or services. These

can also include those whose actions can reasonably be expected to affect the ability of TPL to implement its strategies or achieve its objectives.

TPL's stakeholder groups comprise of; the employees of TPL and their families, shareholders and investors, our suppliers and customers, NGOs, the Government of Indonesia at district, provincial and national level, local communities that surround our concessions and the media.

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

“

A sustainable company is always updated with the latest regulations, complying with every existing regulation.

A sustainable company is also a company that is always updated on market developments according to customer demands so that our value chain can be balanced

RUSMIDA HARAHAP
TPL's Employee

”



CUSTOMERS

- | | |
|--|--|
| Mode of Engagement | Frequency of Engagement |
| <ul style="list-style-type: none"> • Electronic Communications • Customer Feedback Channel • Corporate Website • Sales/Purchase Contract | <ul style="list-style-type: none"> • As Needed • As Needed • As Needed • Periodicaly/As Agreed |

STAKEHOLDERS/INVESTORS

- | | |
|---|--|
| Mode of Engagement | Frequency of Engagement |
| <ul style="list-style-type: none"> • Annual General Meeting • Extraordinary General Meeting • Annual Report • Announcement on Corporate Website | <ul style="list-style-type: none"> • Annually • As Needed • Annually • As Needed |

GOVERNMENTS REGULATIONS

- | | |
|---|---|
| Mode of Engagement | Frequency of Engagement |
| <ul style="list-style-type: none"> • 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) | <ul style="list-style-type: none"> • Periodicaly • Monthly • Annually • Periodicaly • As Needed • As Needed |

EMPLOYEES

- | | |
|---|--|
| Mode of Engagement | Frequency of Engagement |
| <ul style="list-style-type: none"> • Management Meeting with Labor Union • Annual Appraisal • Electronic Communication • Event (e.g Family Gatherings, and Celebrations) • Coaching and Mentoring by Superiors | <ul style="list-style-type: none"> • Per Two Month • Annually • As Needed • Annually • Once A Day/As Needed |

MEDIA

- | | |
|---|--|
| Mode of Engagement | Frequency of Engagement |
| <ul style="list-style-type: none"> • Press Release and News Publication • Media Visits • Media Gathering • Event such as Communal Breaking of Fast • Infomal Meeting | <ul style="list-style-type: none"> • Daily • Monthly • Monthly • Annually • Daily |

SUPPLIERS

- | | |
|---|---|
| Mode of Engagement | Frequency of Engagement |
| <ul style="list-style-type: none"> • Meeting and Site Visits • Supplier Assessment System • Electronic Communication • Making of Aggrement Contract | <ul style="list-style-type: none"> • Periodicaly/As Agreed • Annually • As Needed • Periodicaly/As Agreed |

LOCAL COMMUNITIES

- | | |
|--|---|
| Mode of Engagement | Frequency of Engagement |
| <ul style="list-style-type: none"> • Community Outreach (Gotong Royong) • FPIC • Mill Visits • Village Discussions • Informal Meeting and Discussion • Handover of CD Assistance | <ul style="list-style-type: none"> • Monthly • Periodicaly/As Agreed • Monthly • Annually • Daily • As Needed |

NGOs

- | | |
|--|--|
| Mode of Engagement | Frequency of Engagement |
| <ul style="list-style-type: none"> • Company Website • Submission of Complaints • Resolving Complaints Strategic Partnership and Cooperation • Consultation on Selected Topics | <ul style="list-style-type: none"> • As Needed • As Needed • As Needed/As Agreed • Periodicaly/As Agreed |

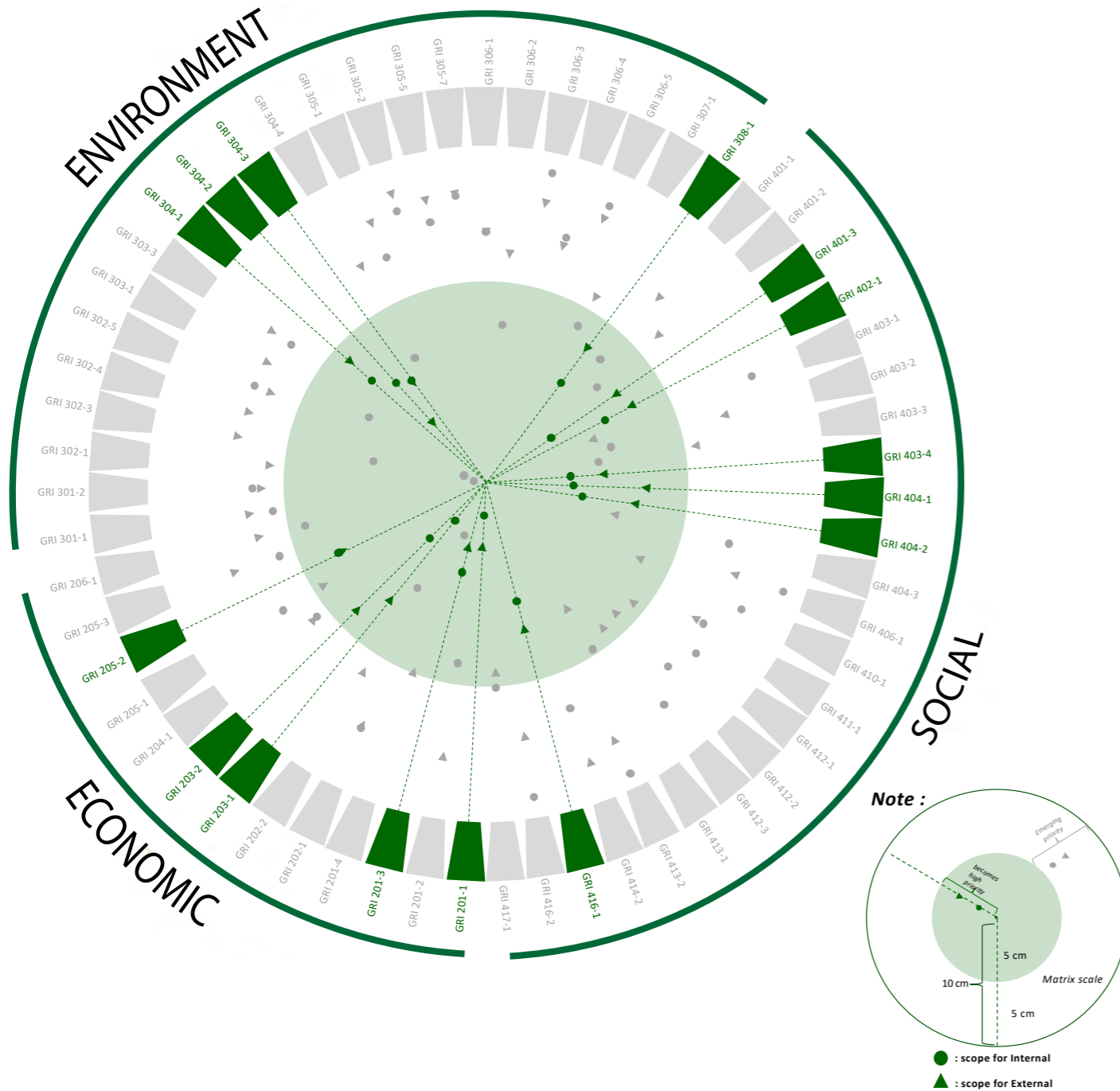


TPL builds a good relationships and educates its suppliers to achieve and improve the quality of work in accordance with company standards. TPL also empowers local suppliers and local communities in the completion of work related to the company's operations.

PARLINDUNGAN MARPAUNG Supplier



MATERIALITY MATTER



STAKEHOLDER ENGAGEMENT RESULTS

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

In ensuring that our stakeholder engagement process had continuity from the 2019 Sustainability Report we applied the same Online Stakeholder Engagement method in order to establish an impactful and meaningful roadmap. This online method also had intrinsic benefit as it saved time, cost and reached out to a wider audience while acquiring a meaningful and balanced response.

inspired by the shape of the retina of the eye, with the intention that PT TPL as the center of attention of its stakeholders also sees and cares about their concerns and tries to meet their expectations. To see which topics are prioritized in this matrix, it can be seen if the triangular (▲) and round logos (●) of a GRI topic enter into a green circle.

The following materiality matrix illustrates the topics that were raised by our stakeholders as important to them and of which will ultimately help TPL to identify areas that we can build and improve on moving forward. This materiality is unique with circular concept. This shape is

The triangle logo represents the concerns of the stakeholders (external) and the round logo represents the concerns of the management of PT TPL (internal). Based on this matrix, it can be seen that there are 15 priority topics that are of concern to stakeholders and PT TPL management.

CORPORATE & SUSTAINABILITY GOVERNANCE

GRI 102-18 to GRI 102-29, GRI 102-43 to GRI 102-44

TPL is committed to uphold a high standard of corporate governance and strive to safeguard the interests of our stakeholders by practicing good governance throughout the company. We have established a governance structure

across our business that ensures that the right attitude and culture is instilled across all levels of our people. Our goal is to be a responsible business partner be it at an international, national or local level.

SUSTAINABILITY GOVERNANCE STRUCTURE

LEADERSHIP

TPL's management structure is led by a Board of Commissioners which oversees the Board of Directors. TPL recognises the need to practice diversity at our board level and we are

proud to include a Board of Commissioners that bring a range of skills, experience and relevant industry knowledge.



As a supplier of TPL, we are educated and accompanied by the company to become a better supplier that complies with company standards and government regulations.

MANGAPUL MARPAUNG
Supplier



The Board of Commissioners is headed by Ignatius Ari Djoko Purnomo, the President Commissioner, with three Independent Commissioners - Elisa Ganda Togu Manurung, Lundu Panjaitan and Thomson Siagian.

- Examining the execution of internal audits and monitoring the execution of follow-ups by the Board of Directors;
- Examining the Board of Commissioners' risk management profile;

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.

TPL's Board of Directors (BOD) is advised by the Board of Commissioners. It currently comprises of 5 Directors. All five BOD members are male and zero female, namely: Venkateshwarlu Cheruku, Tee Teong Beng, Jandres Halomoan Silalahi, Anwar Lawden, and Parlindungan Hutagaol

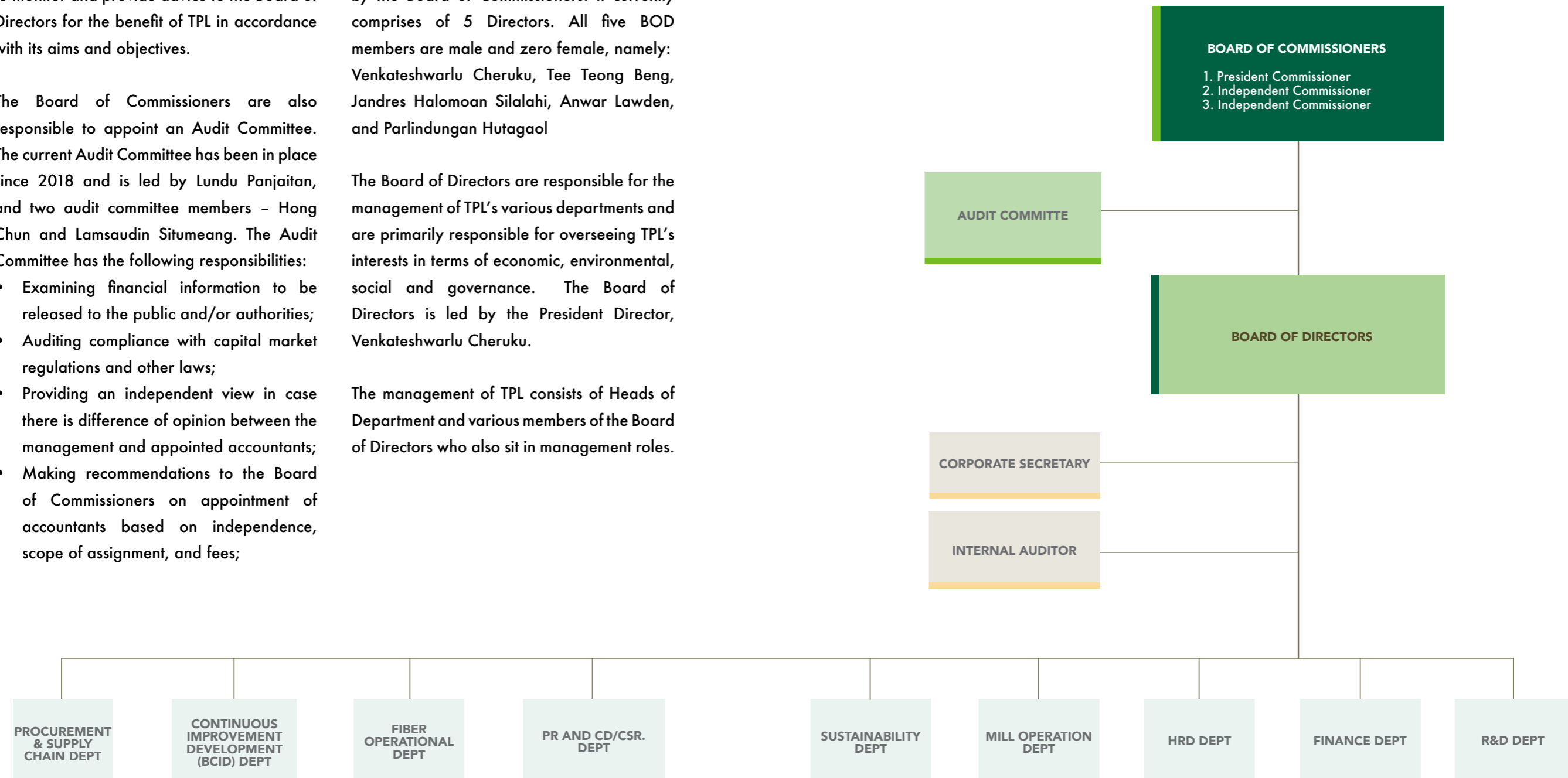
The Board of Commissioners are also responsible to appoint an Audit Committee. The current Audit Committee has been in place since 2018 and is led by Lundu Panjaitan, and two audit committee members - Hong Chun and Lamsudin Situmeang. The Audit Committee has the following responsibilities:

The Board of Directors are responsible for the management of TPL's various departments and are primarily responsible for overseeing TPL's interests in terms of economic, environmental, social and governance. The Board of Directors is led by the President Director, Venkateshwarlu Cheruku.

- Examining financial information to be released to the public and/or authorities;
- Auditing compliance with capital market regulations and other laws;
- Providing an independent view in case there is difference of opinion between the management and appointed accountants;
- Making recommendations to the Board of Commissioners on appointment of accountants based on independence, scope of assignment, and fees;

The management of TPL consists of Heads of Department and various members of the Board of Directors who also sit in management roles.

PT. TOBA PULP LESTARI Organization Structure - 2021



SUSTAINABILITY FRAMEWORK & STRUCTURE

At the end of 2021, TPL updated our Sustainability Strategy to focus on sustainable, achievable targets that are in line with global standards of sustainable development goals and national strategies.

SUSTAINABILITY VISION

TPL aims to become a sustainable and preferred world-class pulp producing organisation.

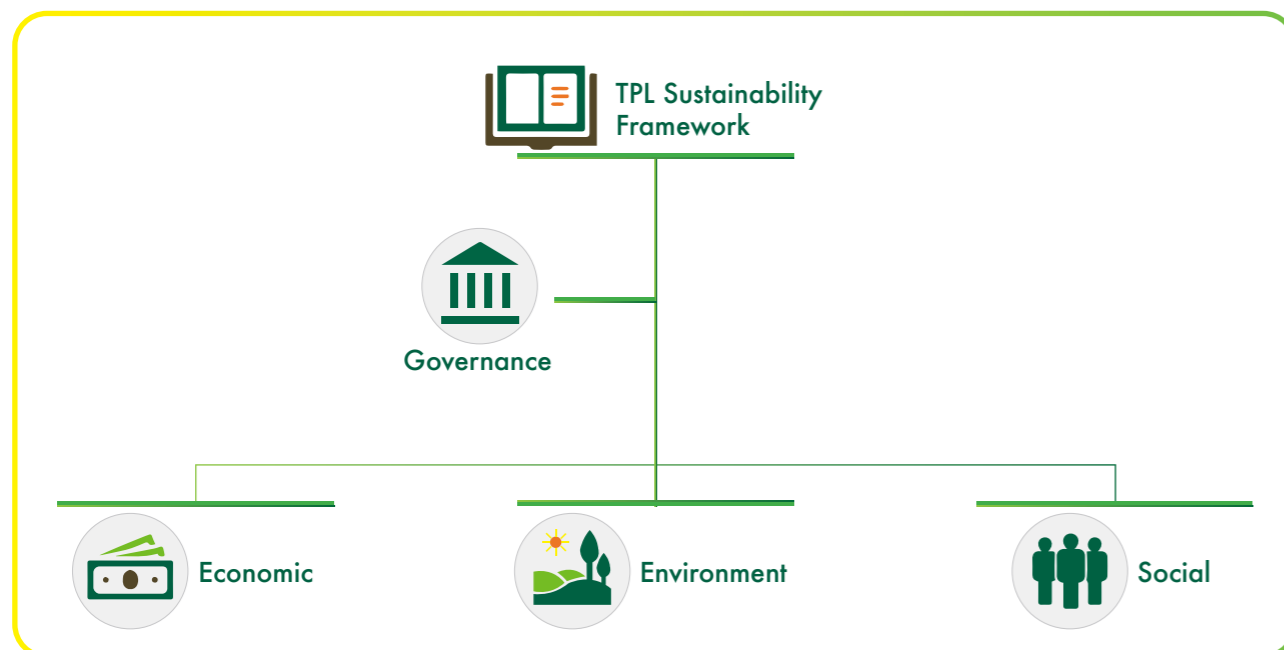
SUSTAINABILITY MISSION

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

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



SUSTAINABILITY STRATEGY

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



TPL and its supplier continue to synergize in achieving commitments and even have a commitment to social, economic, and environmental development around our operations. We also work together to achieve a sustainable company. TPL and its supplier work together to accommodate community aspirations related to social and environmental aspects through the development of farmer groups and programs for other communities.

BENNI SITORUS
Supplier



SUSTAINABILITY POLICY & OTHER SUPPORTING POLICIES

GRI 102-11

SUSTAINABILITY POLICY

TPL launched its latest revised Sustainability Policy in 2021, as the main governance document in terms of our environmental and social commitments to address key sustainability issues. It acts as a guideline and strategic vision for TPL. This Sustainability Policy has been developed based on stakeholder input, including feedback from the Independent Team formed by the Governor of North Sumatra and Sustainability Board, with discussions conducted with local communities and civil society.

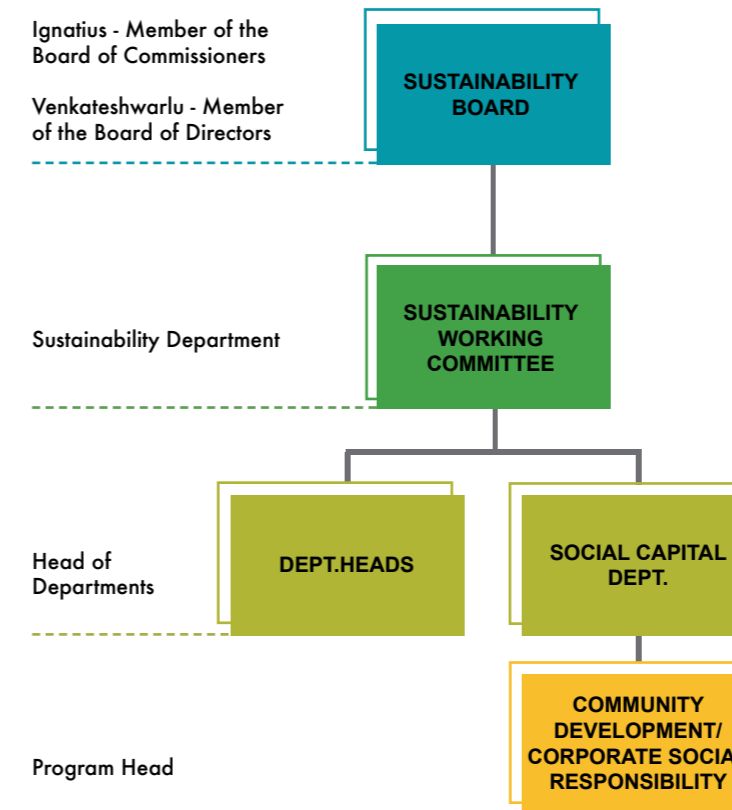
To be the best in class, we are committed to maintain the highest quality product and services while organically contributing to global and national climate change agendas. We want to promote rehabilitation of forests, transition to renewable energy and manage waste in line with best industry practices. TPL is committed to eliminating deforestation from our supply chain by sourcing only from suppliers that comply with TPL's sustainability policies; these include those that provide traceability in their supply chain and who also have policies that are committed to sustainability practices in their own operations as well as our suppliers.

TPL's Sustainability Policy spells out our commitment through areas which are

important to our core values of sustainability as a responsible pulp producer. These commitments are:

1. Sustainable Wood
2. Forest Conservation & Protection
3. Peatland Management
4. Continuous Reduction of Carbon Footprint
5. Community Development
6. Respect the Rights of Indigenous Peoples and Rural Communities
7. Clean Production
8. Responsible Practices at Work
9. Legal Compliance and Certification
10. Good Corporate Governance, Verification and Transparency

As part of TPL's Sustainability Strategy, a Sustainability Governance Structure was also introduced in 2020 to have a more centralized, seamless and effective drive towards achieving our Sustainability Strategy objectives. Department heads or managers in TPL will be in charge of their department's material data, goals, target and initiatives that are driven by our Sustainability Targets. The chain of reporting is as shown below:



- 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

SUPPORTING POLICIES

TPL's Sustainability Policy is also strengthened by other policies that help TPL achieve our commitments to the sustainability vision. We want to ensure that TPL's stakeholders will be equipped with an accurate representation of TPL's environmental management system's

performance. We also entrust that our employees and communities will be provided with relevant training on their responsibilities, and that all policies will be communicated accordingly.

FIBER ENVIRONMENTAL POLICY

The Fiber Environmental Policy was created in our effort to commit to responsible environmental management and reduce negative impacts to the environment while increasing socio-economic benefits.

TPL pledges to comply with applicable legislations, implement environmental protection of biodiversity, habitats and ecosystems, implement sustainable resource management, empower local communities and continuously review the effectiveness of this policy.

This is to ensure that this policy will have a positive contribution to not only the business, but also toward internal stakeholders, consumers, shareholders and the surrounding communities.

MILL ENVIRONMENTAL POLICY

Responsible management of mill against potential environmental risks will enable TPL to contribute positively to the business.

TPL is committed to fulfil all compliance and environmental obligations, improve environmental, health and safety performance, ensure efficient resource use, implement the 3R program which benchmarks against the best practices of the pulp industry, empower the community and continuously review the effectiveness of this policy.

TPL requires that all stakeholders and employees to have access to these policies with relevant training and education for the success of this policy.

MILL QUALITY POLICY

TPL's management aims for the company to be one of the best managed, cost effective and environmentally sustainable pulp mills in the world. The success of TPL depends on our ability to continue to 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 ISO9001 standards. We also commit to inspiring a working environment conducive to motivate employees, increasing shareholders' value and encouraging quality responsibility and standards amongst our business partners, suppliers and contractors.

SUSTAINABLE FOREST MANAGEMENT POLICY

TPL believes that the good management of forest land for today will benefit the future, support global warming reduction programmes and provide benefits to all stakeholders. TPL's Management is committed to the implementation of good forest management practices such as timber utilisation, implementing silvicultural techniques, environmental stewardship and social responsibility. We believe that these practices will maintain the value of forest as a source of timber and other forest products, whilst preserving biodiversity and ecosystem functions and act towards the conservation of soil, water, and catchment areas.

TPL is committed to upholding the Sustainable Forest Management Policy as per international standards and utilizing new technology in the HTI industry.

OCCUPATIONAL HEALTH AND SAFETY (OHS) POLICY

TPL strives to ensure to provide a safe workplace for all employees that is free of occupational illnesses and incidents with the full cooperation of each employee of TPL. TPL is also committed to provide support for injured employees to the maximum limit of TPL's capabilities to ensure the care needed is given.

TPL is committed to comply with health and safety regulations, eliminate any possible dangers and constantly promote good OHS practices while remaining vigilant to incidences. TPL is also dedicated to keeping forest plantations to comply to best practices in accordance to the international standards. Reviews of effectiveness of this policy will also be implemented to ensure OHS policies, targets, and objectives are held to the highest standards, standards, and this policy applies to all suppliers

CHAIN OF CUSTODY (COC) POLICY

Following through with TPL's commitment to sustainability, we also look for development opportunities in all locations where we operate. TPL continues to maintain timber legality assurance certifications, and continuously improves on the Programme for the Endorsement of Forest Certification Chain Of Custody (PEFC-COC) Management System. TPL has a robust COC tracking system and mill wood sourcing monitoring system that ensures all wood is traceable back to the source.

TPL pledges transparency and to keep our stakeholders informed to ensure this policy is up to date and applied.

GENETICALLY MODIFIED ORGANISM POLICY

Since December 2019, TPL has confirmed that no Genetically Modified Organisms are used or are present in licensed areas or areas where research takes place under TPL's direct and indirect responsibility and it's apply to all supplier.

PESTICIDE USAGE POLICY

TPL prioritizes the usage of biological and non-chemical methods and minimising the usage of chemical pesticides and other materials (chemical fertilisers). We continue to be committed to only using pesticides 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 strives to manage 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. This policy also applies to all suppliers and sub contractors throughout TPL's operations.

NEW SUPPORTING POLICIES

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

BIODIVERSITY POLICY

As part of TPL's acknowledgement of its responsibility towards biodiversity sustainability, we have also created what we believe is a robust forest management system and framework applicable to all employees, suppliers and our stakeholders. We believe that this policy will preserve natural resources, that will improve the balance of natural biodiversity.

As part of this policy, we have achieved our commitment to stop harvesting mixed hardwood in 2014 and enabling the use of sustainable non-timber forest products (NTFPs), preserve High Conservation Value (HCV) and High Carbon Stock (HCS) areas, promoting and improving biodiversity by way of best management practices, no hunting and no illegal activities as well as devoting to the three Zeros – Zero deforestation, Zero conversion of natural ecosystem and Zero tolerance to new developments in forest and non-forest areas by all our suppliers.

We are also dedicated to teaching and increasing knowledge to our employees, partners, and communities around TPL operations.

HUMAN RIGHTS POLICY

TPL believes that within our operations and supply chain, it is our responsibility to operate our businesses with respect and understanding

that everybody deserves to be treated equally with respect and dignity, guided by the following local and international human rights principles and applicable laws:

- UN Guiding Principles on Business and Human Rights;
- International Bill of Human Rights consisting of the Universal Declaration of Human Rights;
- International Covenant on Civil and Political Rights;
- International Covenant on Economic, Social and Cultural Rights;
- International Labour Organization (ILO);
- Undang-Undang Dasar Negara Republik Indonesia Tahun 1945;
- Undang-Undang Republik Indonesia No. 39 tahun 1999 tentang Hak Asasi Manusia; and
- Undang-Undang No.13 Tahun 2003 tentang Ketenagakerjaan dan/atau Undang-Undang Cipta Kerja No.11 tahun 2020 Bab IV tentang Ketenagakerjaan.

TPL continues to be committed to avoiding, causing or contributing to adverse impacts to human rights and to the best of our abilities, prevent adverse human rights impacts. We also pledge to be responsible to respecting the tenured rights of indigenous people and their customs, as well as communities without TPL's operational boundaries – may it be current or new locations - and in our workers' rights, and the equality of human rights to all persons without discrimination.

We will continue to monitor and review the effectiveness of our steps to prevent activities that can cause or contribute impact to human rights. This includes our Grievances and Whistleblowing Mechanisms.

ANTI-CORRUPTION POLICY

With upholding TPL's high ethical standards and ensuring business is conducted with integrity, to also comply to all applicable laws and regulatory requirements, we have created an anti-bribery policy that applies to all employees, suppliers and stakeholders in order to remain compliant with all applicable laws and regulatory requirements to prevent any incidents of corruption, bribery or extortion.

TPL has placed high priority to supporting good corporate governance, business ethics and business sustainability to maintain high ethical culture in performing work or services to internal or external parties, by continually improving business processes in line with prevailing laws and regulations by conducting business professionally, fairly and responsibly based on TPL's Code of Conducts and Ethics. TPL has a zero-tolerance approach to addressing all forms of bribery, corruption and extortion as we are committed to support the Indonesian government's effort to eradicate corruption.

GRIEVANCE MECHANISM & WHISTLEBLOWING

TPL's grievance mechanism is in place for the management of external complaints to minimize potential impacts, whilst the internal complaints are handled by the whistleblowing policy.

GRIEVANCE MECHANISM

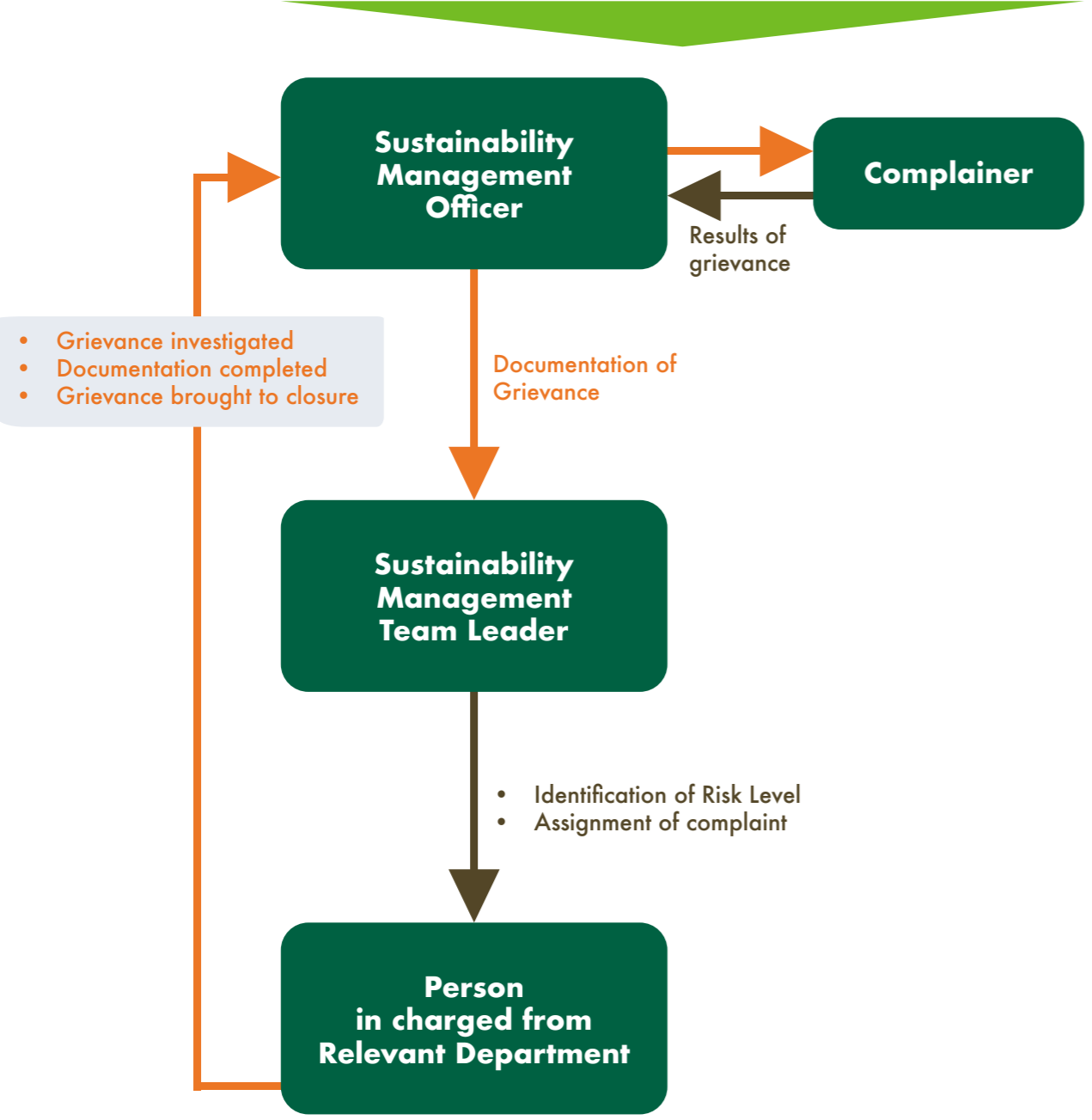
An External Grievance Mechanism Handling SOP was created in 2020 to manage external stakeholder complaints covering all operational areas of TPL. Handled primarily by the Sustainability Management Team, and a person responsible from each related department, the teams will provide responses and resolve actions to complete the Grievance Documents following any complaint.

Grievances received are classified within the following categories :

- Forestry environment (forest fires, pollution, deforestation etc.)
- Mill environment (smell, noise, pollution etc.)
- Labor and payroll, contractors and payments
- Perkebunan Kayu Rakyat (PKR – operational co-operation related complaints)
- 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
- Other than the above

The procedure of handling the grievances can be summarized by the diagram below. Submission can be submitted via SMS, phone or email, and timeline for addressing the grievances will depending on the risk category of the submission -whether it is in risk category 1, 2 or 3.

Sustainability Department Head



WHISTLEBLOWING

TPL's Whistle Blower System SOP was created to provide a guideline to prevent, detect, report and manage any cases of potential fraud. It is consistent with the company's intent to promote a consistent anti-fraud environment and to encourage a positive work environment and adhere to TPL's code of conduct.

their superior or via email or the provided anti-fraud hotline. They can make the report using either their actual name (which is encouraged) but using an alias is also permitted. The whistleblower is not advised to conduct their own investigation or to discuss the case, facts, suspicions or allegations with anyone while investigations are ongoing.

For any employee who has reasonable suspicions to believe that fraudulent acts have occurred, they can report the suspected act to

Investigations are conducted by the related department as shown on the following image:



Investigation results of the report will not be disclosed or discussed with anyone other than those that have a legitimate need to know. If

fraudulent activities are substantiated from the investigation, the employee involved will be subjected to appropriate disciplinary action.

ECONOMIC

 **ECONOMIC PERFORMANCE**

 **INDIRECT ECONOMIC IMPACTS**

 **ANTI-CORRUPTION**



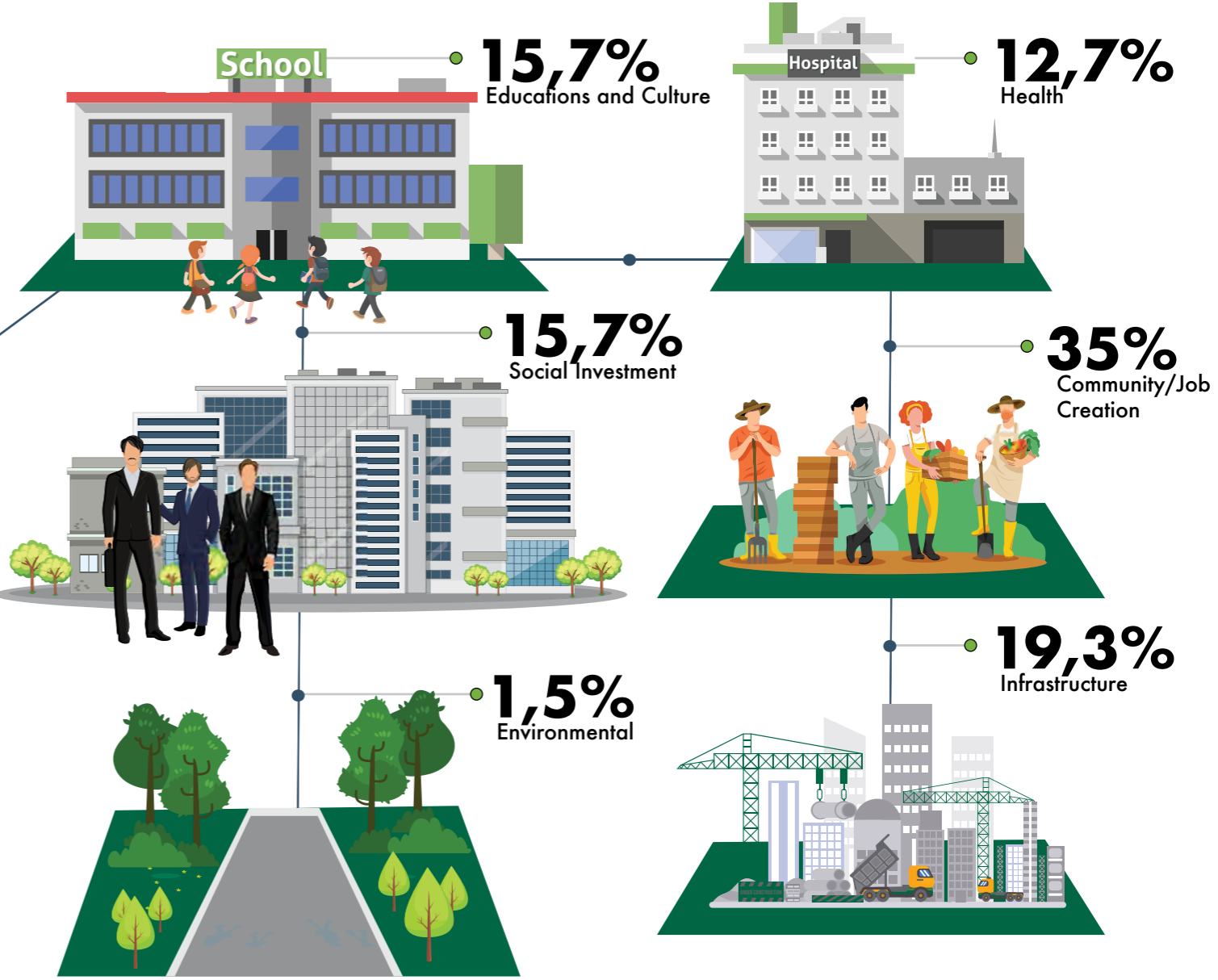
We believe that the success of a sustainable business is when the economic aspect is integrated with the social aspect.



ECONOMIC HIGHLIGHT

INDIRECT ECONOMIC IMPACT

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



ECONOMIC PERFORMANCE



Sales of our pulp production are in four countries by 2021

- Indonesia
- China
- Taiwan
- Vietnam

We contribute to the welfare of our employees retirement plan

4,837,000 USD

Employee Wages and Benefits

ANTI CORRUPTION

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

100%

Employee and Contractor Socializations Anti Corruptions



ECONOMIC

TPL takes pride in the inclusivity with our various communities, customers, shareholders, and the governments, that our business has

ECONOMIC PERFORMANCE

The sustainability of TPL has been directly impacted by our direct economic value generated, and how it is distributed. This has been weighted in our accountability so that we can produce an impact on the community around the areas in which we operate under the jurisdiction of the Forest Utilization Business Permit (Perizinan Berusaha Pemanfaatan Hutan/PBPH) and our Mill areas.

TPL's Economic Value Generated Distributed (EVGD) is demonstrated through the following actions including:

1. To Country – By submitting our tax report to the government
2. To Community – By enriching community through community development program
3. To Local Business Contractors – By creating employment opportunities

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

TPL focuses on contributing to the social-economic development in local and regional communities and meeting the request of our stakeholders. This goes hand in hand with our implementation of good corporate governance, in the form of openness, transparency and accountability in our

used as foundation for our long-term strength and the business profitability of our company.

GRI 103-1, 103-2, 103-3, 201-1, 201-3, 205-2

business operations. We aim to become a cost-effective producer when it comes to our production operations.

One of the methods in which our company tracks our progress is through the implementation of the SAP's system, an Enterprise Resources Planning (ERP) based software that is used to carry out daily management activities of our organization.

Following the guidelines based on Indonesia's financial accounting standards, and supported by TPL's 40 staff within the finance department, TPL's financial performance is audited on a yearly basis by a public accounting firm. The financial statements are presented on an impartial ground and communicated to the shareholders and investors via electronic mail and publicly via a public portal which can be found through TPL's website.

DEFINED BENEFIT PLAN OBLIGATIONS AND OTHER RETIREMENT PLANS

TPL has built a system to alert both the employee and the management when an employee is going into retirement. This process includes preparing the employee both psychologically and financially as they head

into retirement. They will be entitled to receive a severance money, long service money and/or, compensation rights remuneration.

Employees who have reached the age of 55 years, company can terminate their employment by fulfilling their rights in

accordance with government regulations. However, If the company still require retiring employees dedication, the company can give an option for a special contract based on the agreement of both parties.

OUR PERFORMANCE IN 2021

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

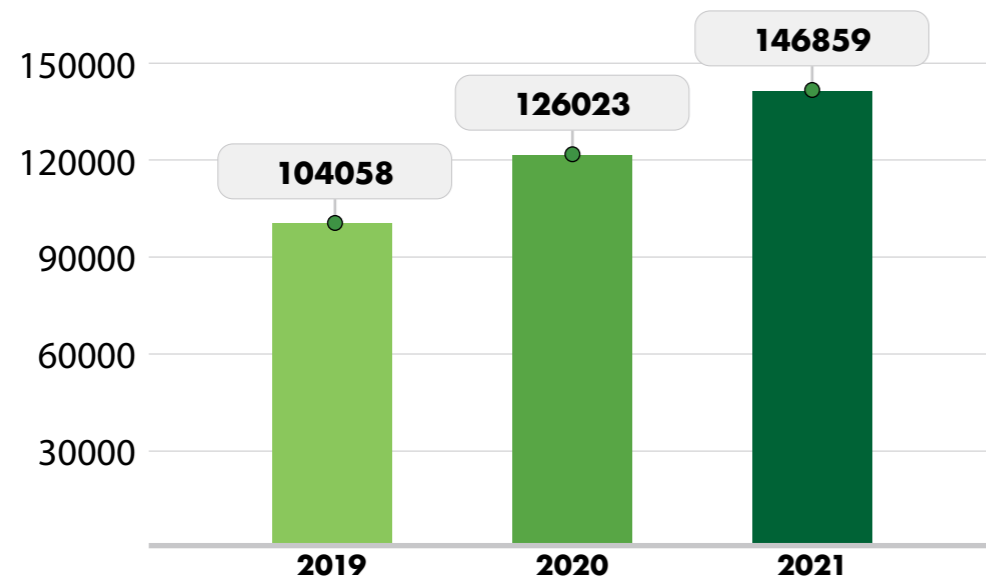
GRI 201-1

Table below shows the total direct economic value generated and distributed by TPL in 2019-2021. In 2021 the resulting economic value will be around 146,859,000 USD. The economic value has increased when compared to 2019 and 2020. This of course has a good impact on the company which can increase, especially in terms of the increased economic

value. One of the economic values that help, namely community development, which comes from the company's 1% revenue allocation, has also increased. The total economic value that has been set is around 136,100,000 USD (93%) of the generated economic value so that in 2021 the saved economic value is around 10,759,000 USD.

DESCRIPTION	2019	2020	2021
	(USD' 000)		
A Direct economic value generated:	104.058	126.023	146.859
B Economic value distributed :	116.357	132.034	136.100
1. Operating costs	104.097	119.255	125.021
2. Employee wages and benefit	11.242	11.569	9.651
3. Payments to providers of capital (Devident)	0	0	0
4. Payments to government (Income Tax Current)	0	0	0
5. Community Development	1018	1210	1428
C Economic value retained: (direct economic value generated - economic value distributed)	(12.299)	(6.011)	10.759

DIRECT ECONOMIC VALUE GENERATED (USD' 000)



DISTRIBUTED ECONOMIC VALUE 2021

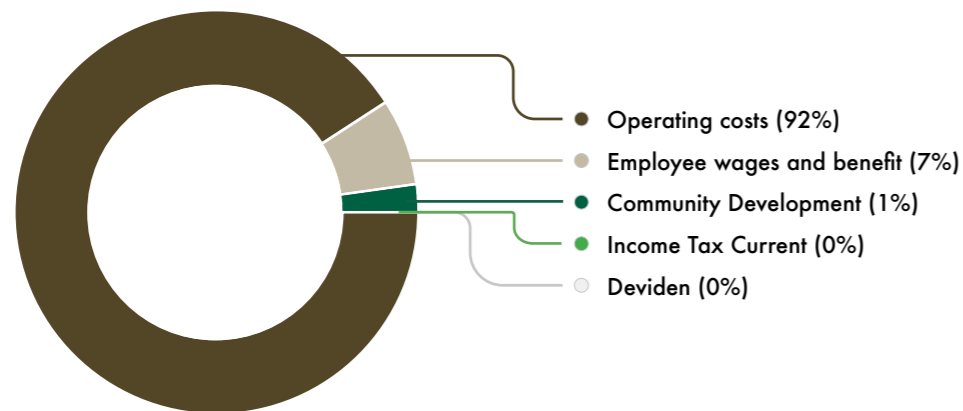


Figure Above shows Sales of TPL by country where the largest number is Indonesia, which is around 79% of the total pulp production sold. On the other hand, Vietnam is the smallest at around 49,000 USD.



The existence of TPL helps our family's economy through farming activities such as corn, coffee, and vegetables, this becomes additional income for our family.

ARNIATI BATEE
Indirect Employee

COUNTRY	USD '000
Indonesia	115,518
China	31,224
Taiwan	68
Vietnam	49
Total	146,859

DEFINED BENEFIT PLAN OBLIGATIONS AND OTHER RETIREMENT PLANS

GRI 201-3

TPL prides itself in being a responsible employer. We want to be able to take care of our most important stakeholders – our people.

Our long-term commitment for our employees is set for them through our retirement benefits.

OUR PERFORMANCE IN 2021

Each and every TPL employee are enrolled in the retirement plan as part of the legal requirements of Indonesia's National Pension Insurance (Jaminan Pensiun - JP) . As part of the national responsibility to provide social and economic protection, TPL employees contribute 1% and TPL contributes 2% of reported wages which can be disbursed to the after retirement.

team, covering topic such as retirement benefits, psychological, financial readiness, and how to start other productive activities. This training are conducted within 1-2 years before retirement.

As part of the retirement process for TPL employee, in the month prior to an employee going into retirement, the HRD department will notify the employee's supervisor regarding the employee's retirement date.

Employees who are going to retire must sign a collective agreement that contain the expired date of the employment and the rights granted from the company. This was implemented in the Mechanism for Termination of Employment Procedure. If there is any grievances raise from this procedure, an employee has the right to pursue a complaint and a resolution can be achieved based on Industrial Relations Dispute Resolution SOP.

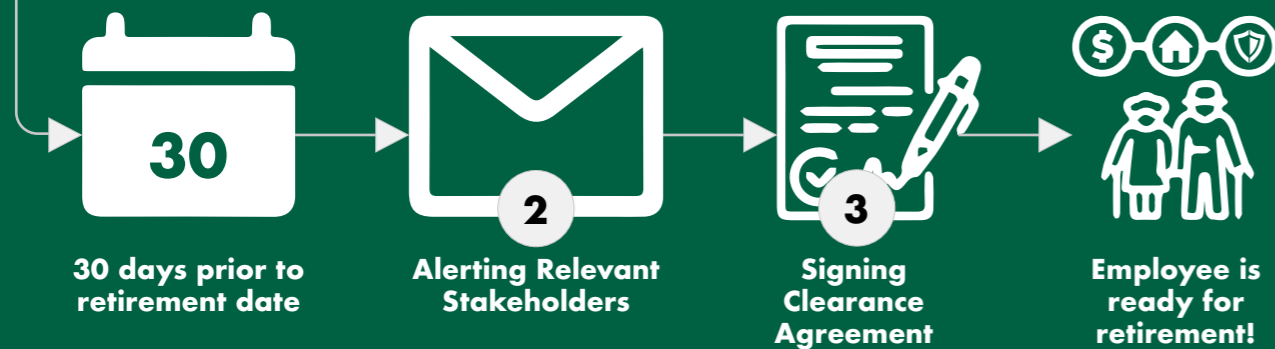
A retiring employee will go through retirement training from Learning and Development

RETIREMENT PROCESS

- ✓ TRAINING
- ✓ COUNSELLING
- ✓ FINANCIAL ADVICE

1

Retirement Training from Learning and Development Team 1 - 2 years prior to retirement year



To ensure that this procedure is effective and updated according to regulatory guidelines, the Collective Bargaining Agreement (CBA) is reviewed every 2 years, together with the labour unions. This approach ensures that all matters with regards to pension has been conducted smoothly, following government regulations. The CBA was renewed in 2020 and is valid till 2022. Several audits have

been carried out such as PHPL, ISO, IFCC and SMK3 audits in 2021, to ensure that the CBA is in accordance with applicable regulations.

VALUE OF LIABILITIES

The post-employment benefit liability of TPL as at 31st December 2021 is approximately 4,837,000 USD.

ANTI-CORRUPTION

GRI 205-2

Anti-corruption is a material topic that TPL does not take lightly. One of the consistent goals that we have every year is the aim to

eliminate all corruption practices within TPL and to uphold to our strict policy and standard operating procedure.

COMMUNICATION AND TRAINING ABOUT ANTI-CORRUPTION POLICIES AND PROCEDURES

Integrity - "We act with integrity at all times" As part of TPL's core values - INTEGRITY - all TPL employees have to go through anti-corruption training and upholding the core values [Complementary Team, Ownership, People, Integrity, Customer and Continuous Improvement (TOPICC)] and our Code of Conduct. Employees are also reminded of the policies as it is displayed in all office areas and also available publicly on TPL website. Anti-corruption procedures are communicated

through a working agreement (Surat Perjanjian Kerja - SPK) and in this contract, the zero-tolerance approach on corrupt practices such as embezzlement, money laundering and the acceptance of gifts are outlined. These are also covered as part of our Code of Ethic Fundamentals item 8 - Accepting Gifts, Entertainment and Hospitality, as broken down in the table below:

TPL CODE OF ETHICS FUNDAMENTALS

Accepting Gifts, Entertainment and Hospitality	We must adhere to the law and local business practice in dealing with gifts, entertainment and hospitality.
	Gifts, hospitality or entertainment should never be used to unduly influence business decisions making, whether this is perceived or used in actual situations.
	In order to protect company's reputation and its related parties, we should exercise caution when accepting gifts, entertainment or hospitality.
	We may only accept gifts, entertainment or hospitality if they are occasional, customary and/or modest value as per policy guideline. Gifts, entertainment and hospitality of any kind must not be requested from anyone company conducts business with, including suppliers, customers and business partners.

During the Core Values training where some 41 participants are assigned as the Core Values (CV) ambassadors, whose role is to instil the sense of Integrity and to disseminate the company's anti-corruption policies and procedures to all employee of all levels. This is done to educate every employee to not accept any form of - Accepting Gifts, Entertainment and Hospitality as it can be a cause for sanctions employee termination, as stated in Company Code of Conduct.

The anti-corruption policy is rewritten in the

SOP for Termination of Employment as well as an important part of our core values. Since May 2021, TPL has published our Anti-Corruption Policy on both our website, and in all office areas within TPL grounds. A review is also carried out for CBA - together with the labour unions every 2 years. Several audits have been carried out such as PHPL, ISO, IFCC and SMK3 audits in 2021, to ensure that the CBA is in accordance with applicable regulations.

OUR PERFORMANCE IN 2021

In 2021, 100% of TPL's 1,228 employees, 5 board of director members and 268 contractors contracted have been communicated about TPL's anti corruption policies. Evaluations in the form of PHPL, ISO, IFCC and SMK3 and

bi-annual inspection of the CBA together with the labour unions did not result in any finding or discrepancies, hence it is still running and valid according to government's regulations.

INDIRECT ECONOMIC IMPACTS

GRI 103-1, 103-2, 103-3, 203-1, 203-2

As the world moves cautiously forward through these unstable times, the economic needs of the community have also increased. As supply chains continue to become a hurdle for all industries, costs relating to economy, health, education, environment have also been increasing due to the rising inflation rates.

TPL takes our community development very seriously as we believe that when we help our community to expand their sources of income, we as a company will also be able to achieve our production targets. Some of the community development projects that we do throughout the year covers activities such as construction

of village roads, houses of worship, providing educational institutions, clean water facilities as well as supporting in training, research and material assistance to our communities.

Our communities in several districts, primarily the following, have been able to enjoy our infrastructure investments:

1. Toba Regency
2. Simalungun Regency
3. North Tapanuli Regency
4. Humbang Hasundutan Regency
5. Samosir Regency
6. Dairi Regency
7. West Pakpak Regency
8. South Tapanuli Regency



The company always contributes to the community in the social and economic fields, such as education, infrastructure, health, and community economic development through community development programs such as giving livestock. With TPL, people's mindset grows, unemployment decreases, and technology improves

TUNGGUL SIBUEA
Community



Our commitment within Deed 05 of 2017 has included that we will support in health and public facilities and infrastructures. In 2021, with regards to our development programs for public facilities and infrastructure developments, TPL support 38 projects in which we have seen great impact to the communities. This includes 29 community development program improvements projects in Toba, five in Simalungun, two in the Tapanuli Utara area, and two in Samosir.

Yearly, 1% from TPL's Direct Economic Value Generated (1% net sales) is spent on community development programs, in accordance to Deed 05 of 2017. This year, TPL supported 197 programs, costing us Rp. 12.700.684.096. We are also collaborating with the Parmaksian Sub-District government to train the community, particularly farmers, to market their products online (e.g. shopee).

Our CD/CSR team plans for our Community Development (CD)/Corporate Social Responsibility (CSR) programs a year in advance, when the annual budget 1% net

sales is agreed. In terms of infrastructures, the CD/CSR team works with our civil engineers to ensure projects are executed well. Our CD/CSR team has a specialized focus on paddy and coffee program as the access for these specialists are existent within our networks. Moreover, a significant economic impact can be achieved as we are able to see the increase in yields and income of the farmers after the training and assistance.

Once a program is planned, there is a standing SOP that the CD/CSR team has to abide to, and an independent team formed based on a decree from the Governor of North Sumatra's office ensures that the programs are done. The programs will then be audited and monitored by internal audit team and external auditors appointed by independent team.

SIGNIFICANT INDIRECT ECONOMIC IMPACT *GRI 203-2*

In 2021, TPL conducted several community empowerment activities that has opened up job opportunities to our communities which is

employment creation and skill development, increase in agricultural output and microenterprises, and also skill development (e.g. coffee farming). We supported in providing coffee seeds and production equipment (pulper), fertilizer for paddy fields, honey cultivation tools, equipment to produce banana and andaliman chips, and Black Soldier Fly (BSF) cultivation, and etc.

SOME KEY PROGRAMS THAT WE HAVE SUCCESSFULLY CONDUCTED IN 2021 INCLUDES :

COFFEE SCHOOL PROGRAM

In North Hutapaung Village, Pollung District and Humbang Hasundutan Regency, TPL conducted programs to train and mentor coffee farmers on procurement of facilities and infrastructures – such as coffee seeds, pulper, composting equipment, etc.

From the program, we saw changes in the coffee farmers in their behaviour patterns with regards to coffee cultivation methods, post-harvest techniques as well as making independent organic fertilizers, which has resulted in an increase in coffee production as well as cost reduction in chemical fertilizer usage, which is better for the environment as well.

VILLAGE CREATIVE ECONOMY PROGRAM

Three types of assistance for the creative economy was created throughout 2021.

BLACK SOLDIER FLY (BSF) CULTIVATION ASSISTANCE PROGRAM

As agriculture is a major economic driver for this region and its community, we also conducted creative economics program to encourage the cultivation of BSF.

This program was conducted in the areas of Banjar Ganjang Village, Parmaksian District and Sidulang Village, Laguboti District. Assistance in training and terms of materials were given to participants, in terms of buckets, nets, feed processing equipment, and BSF larvae. This BSF plays an essential role in assisting decomposition, allowing the reduction of organic household wastes (fruits, vegetable, fish gills or guts, livestock manure, and breaking down of organic elements) to become nutrients back to the soil.

This allows participants to create an additional income for farmers who raise chickens, ducks, fish, as BSF can be used as feed for these farm animals, or for the corps, indirectly increasing the income of the general community.

BANANA TOBA TONGGI DAINA AND ANDALIMAN CHIPS PROGRAMS


For the Banana Chips program that was carried out in Jangga Toruan Village, Lumban Julu

District, Toba Regency, TPL gave assistance to the Tonggi Daina group. This assistance is in the form of providing business materials such as cooking utensils, sealers, packaging, stickers, sales boxes and more. This allows the income of the community to increase with the business as well as giving exposure to the Banana Chips, which is a signature item of the Toba Samosir area.

For the Andaliman Chips program, coming from the typical Batak plant that is native in the North Sumatra area, TPL supported by contributing materials such as cooking utensils, sealers, packaging, stickers, spinners, pasta maker. The program was conducted in Porsea Sub district, in which the program resulted in opening up new businesses of Andaliman

Chips and its derivative products which then increases the income of the community.

As a future target, for the year 2022 TPL will use the Social Return of Investment (SROI) method to calculate the impact and positive social value of our community development programs on. We want to ensure that all our infrastructure development programs have a positive impact on improving the lives of the community. With SROI method, we hope to maximize TPL's efforts' in creating social value from the programs. We will be able to ensure appropriate resources are allocated align with the program outcome(s) and identifying key talent to support the programs. to find out more about SROI, please refer to page 86



As a contractor's employee, TPL provides free schools for our children to get an education

AGUSTINA LASE
Indirect Employee



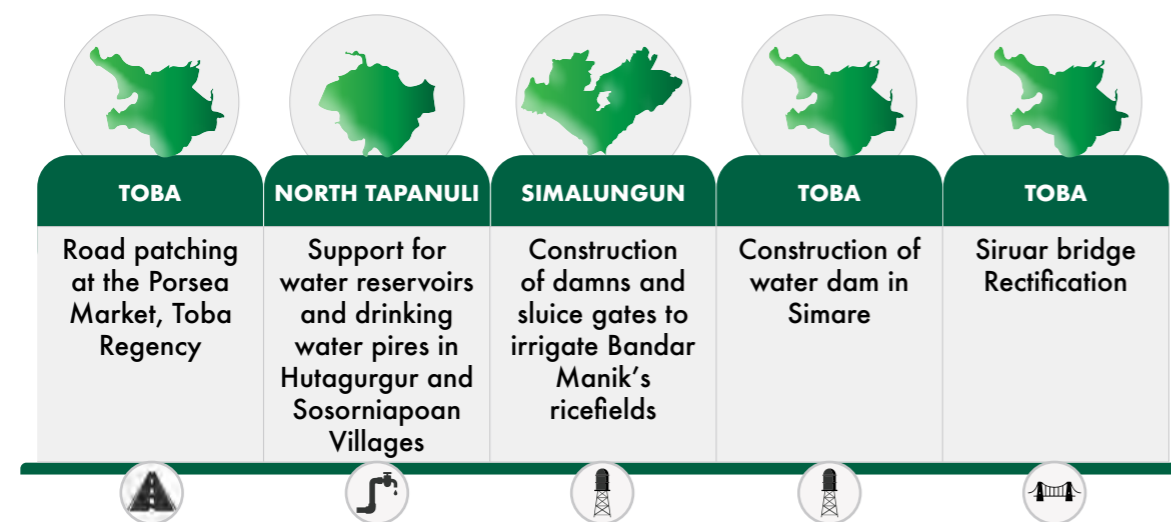
OUR PERFORMANCE IN 2021

INFRASTRUCTURE INVESTMENT AND SERVICES SUPPORTED GRI 203-1

To realise our community development goals in 2021, TPL has spent Rp. 7,262,397,193 in various infrastructure programmes covering four main areas – Toba, Simalungun, Tapanuli Utara and Samosir. As the pandemic was ongoing throughout 2021, we managed to develop, upgrade, and refurbish various public buildings and amenities, as we were not able to have as many social investment activities as the years pre-pandemic.

Overall, TPL’s Community Development efforts were in the categories of employment creation and skill development, infrastructure building that benefits the community and social, education and culture investments, totalling 93% of the amount spent on total Community Development efforts.

TPL has primarily completed 38 infrastructure projects. Out of these 38 projects, the biggest one was constructing a 700m drainage at Pintu Bosi and paving a road. Other key projects that have done in 2021 are as below:



ROAD PATCHING AT THE PORSEA MARKET, TOBA REGENCY

The Porsea Market plays an essential role in trade for the people of Toba Regency, hence it is important that the market remains an easy access for the people of the city. TPL’s initiative to repair the roads around the Porsea market took two weeks of work and looks to facilitate

the community’s logistics access, creating divergence for traffic congestion on market days. The road works will also ease the effort for the vendors to move their agricultural products and transact with nearby markets.



WATER RESERVOIRS AND DRINKING WATER PIPES IN HUTAGURGUR AND SOSORNIAPOAN VILLAGES ALONG 1.3KM

The water pipe and reservoirs plays a key role in ensuring that the people in Hutagurgur and Sosorniapoan Villages have clean water for their everyday needs. This project took one month of work and TPL spent Rp.63,000,000.



CONSTRUCTION OF DAMNS AND SLUICE GATES TO IRRIGATE BANDAR MANIK’S RICEFIELDS

As rice plays a major role of the economy for the people of the region, TPL wanted to help play a role in easing up the community’s effort to getting water into their rice paddy fields. With this project that took 3 weeks and costed TPL Rp. 48,266,001, the community are able to gain a more straightforward access to water.

CONSTRUCTION OF THE WATER DAM IN SIMARE

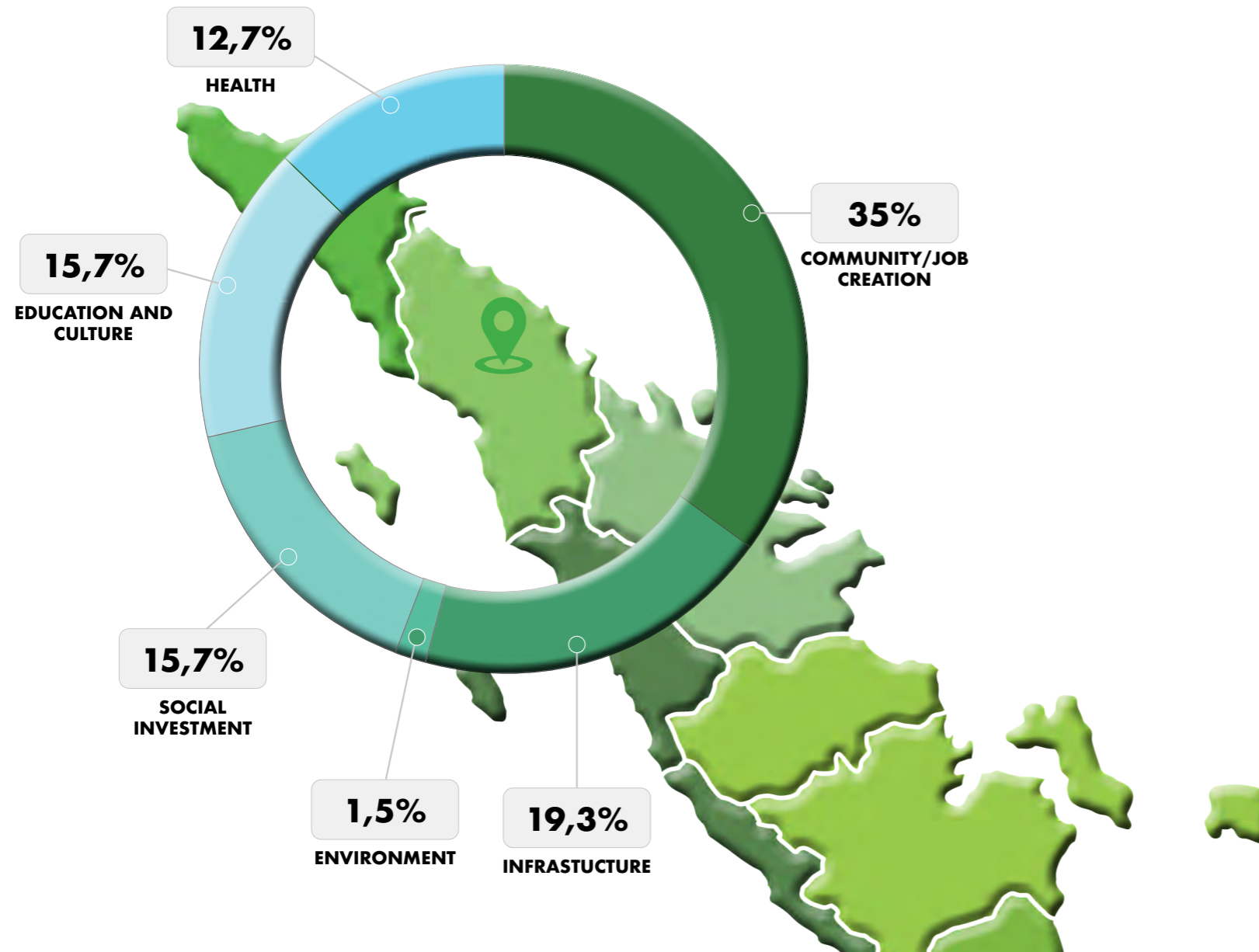
With the building of the Water Dam in Simare Village, TPL’s water dam project had the need for the community’s access to clean water at heart. It took the company 2 months to execute and Rp. 132,003,521 to complete.

SIRUAR BRIDGE RECTIFICATION

The sole Social Investment project that was made in 2021 was the rectification of the Siruar Bridge in the Siruar Village of the Toba District. As it is an important connector between the village and the areas nearby,

enabling them to sell agricultural products, transactions to the nearest market, and bringing merchandise to the nearby city. The repair of the bridge took 1 month of progress and was done by TPL.

COMMUNITY DEVELOPMENT PROJECTS BY PROJECT AMMOUNT



There has been so much improvement from the social management of TPL, where social management is not only about infrastructure but also human resource development, such as tutoring the students, so that the mindset and attitude of the younger generation become more advance. We are also working with TPL through CD/CSR to create a Men's Soccer School, to improve the quality of the younger generation. Not only improving human resources for student but also for the community in the field of agriculture and animal husbandry. We hope that TPL will also help traders around its operations

SAUT TERNAMA SITORUS
Supplier

COMMUNITY/JOB CREATION

TPL's staff, with the community carry out environmental cleanliness around the community residence.(Probono)

INFRASTRUCTURE

Through the social investment CD program, we focus on the development of public space facilities and infrastructures.(In-kind)

ENVIRONMENT

TPL paid attention to environmental sustainability and cleanliness.(Probono)

SOCIAL INVESTMENT

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

EDUCATION AND CULTURE

TPL also supports the improvement of the quality of human resources round the company's operations through scholarship programs, guidance support program, etc.(In-kind)

HEALTH

Health sector is one of the focuses of Community Development. The programs such as procurement of medicines, development support for public centre, etc.(Probono)

ENVIRONMENT



BIODIVERSITY



SUPPLIER ENVIRONMENTAL ASSESSMENT



We believe that monitoring and protecting the forests alongside company operations with sustainability aspects is a step in preventing the extinction of an ecosystem



ENVIRONMENT HIGHLIGHT 2021

EXTERNAL YEARLY AUDIT



**100%
OUR FMU
AREAS**

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

TPL's CONSERVATION

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

MONITOR WILDLIFE

- ✓ OWA or SIAMANG (*Symphalamus syndactylus*)

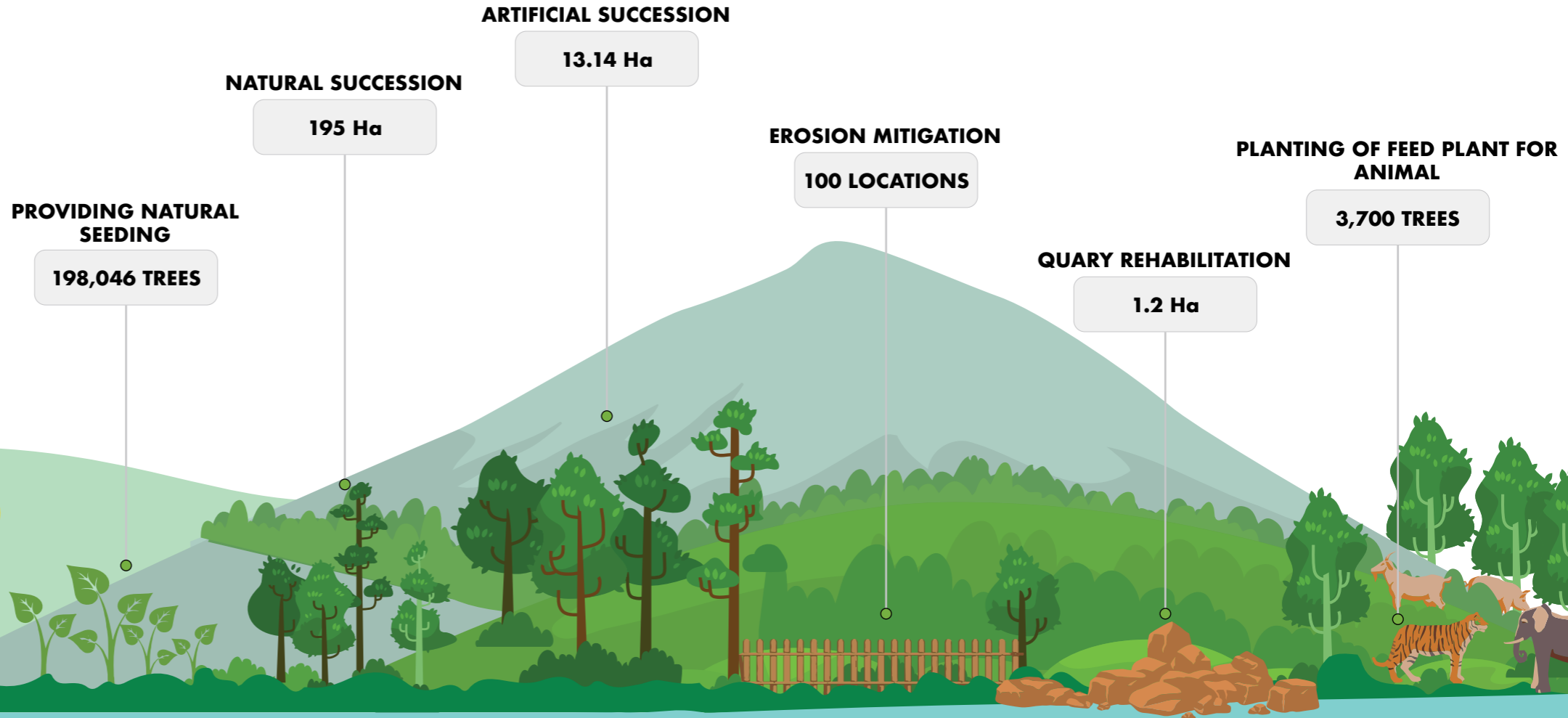


SUPPLIER ENVIRONMENTAL ASSESSMENT



100%
Of wood supplier in TPL
Screened using environment
criteria

BIODIVERSITY

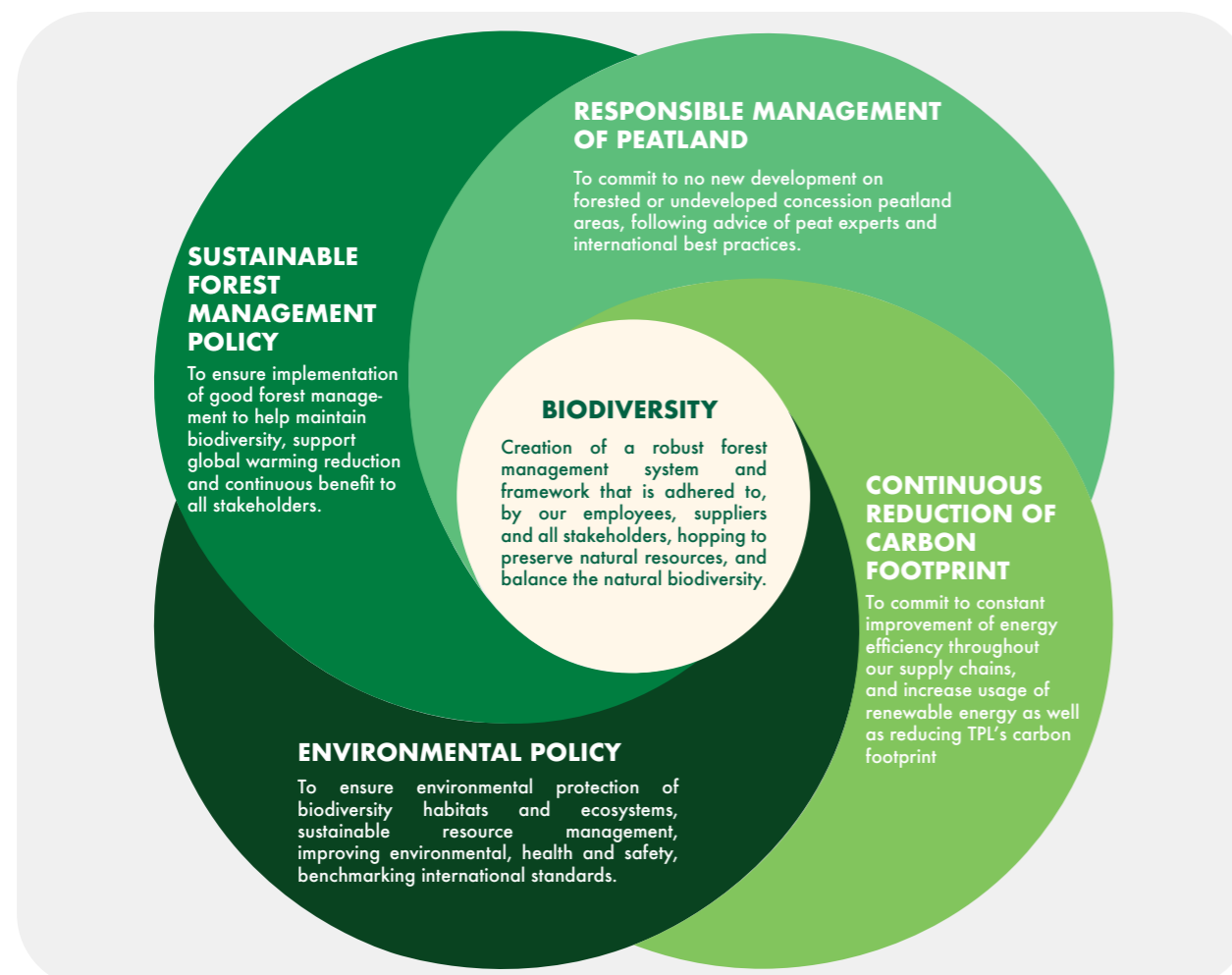


ENVIRONMENT

As climate change becomes a critical discussion in every aspect of business, TPL has taken vital steps towards incorporating environmental sustainability within our business. With our operations primarily based in forested areas, TPL has included good environmental practices and forest management into our core values and company vision. These practices tie into our responsibility towards not just our stakeholders but also the planet. We have also taken a stance to only work with partners within our supply chain that also practice good governance, especially those with businesses that affect the forest and environment.

In 2021, TPL continued to be guided by our various sustainability policies that include good environmental practices– Sustainability Policy, Production Forest Sustainable Management Policy, Environmental and Biodiversity Policy. We also strive to upholding our commitments to long-term sustainability within our five guiding principles for the protection of the environment, specifically :

1. Production Forest Sustainable Management Policy, particularly the following commitments:
 - Commitment I: Committed to comply with applicable laws and regulations and other prerequisites related to Sustainable Management of Production Forest;
 - Commitment II: Committed to improving the performance of sustainable forest management through the implementation of activities in accordance with low impact logging, efficient use of resources and maintaining the conservation areas that represent the ecosystem and maintaining the skills, capacity and motivation of workers;
 - Commitment IV: Committed to promoting sustainable forest management to partners, and the communities where the company operates;
 - Commitment VII: Committed to regularly reviewing the sustainable forest management system to determine the effectiveness of forest management on biodiversity conservation and environmental parameters and ensure that business conditions are in compliance with government policies and company policies
2. Responsible Management of Peatland,
3. Continuous Reduction of Carbon Footprint,
4. Environmental Policy
 - Commitment I: Committed to comply with applicable legislations, consider the needs and expectations of stakeholders and other requirements related to environmental aspects.
 - Commitment II: Committed to implement environmental protection through repair and efficient use in resources through 3R (Reuse, Reduce, Recycle); protection of biodiversity, habitats, and ecosystems; climate change mitigation; and, water and air quality improvement.
 - Commitment IV: Committed to implement conservation of landscapes and ecosystems representation and management of protected, rare, endangered, endemic flora and fauna.
 - Commitment IX: Committed to review periodically our environmental management system to determine effectiveness and ensure that business conditions comply with environmental policies, objectives, and targets.
5. Biodiversity Policy, which will be further discussed in the following section.



BIODIVERSITY

GRI 103-1, 103-2, 103-3, 304-1, 304-2, 304-3

As TPL’s operational locations are close to high conservation value areas, protected areas as well as other conservation or high biodiversity value areas, we have policies in place to ensure that the ecosystem near these areas are protected, as well as to mitigate any threats, may it be in the present or the future, that might result from our operations.

In line with the Indonesian Government’s commitment to UN’s Sustainable Development Goals (SDGs) as well as the recovery and transformation of the economy post the Covid-19 pandemic, TPL has created an environmental monitoring plan that we use to manage the protection of the following areas:

- Scoring > 175
- Slope > 40%
- Conservation Area for Germplasm (KPPN - Kawasan Pelestarian Plasma Nuftah)
- River Border (SS - Sempadan Sungai)
- Wildlife Protection Area (KPSL - Kawasan Perlindungan Satwa Liar)
- Buffer zone (BZ)
- Peatland Ecosystem Function (FEG - Fungsi Ekosistem Gambut).

The operational impacts are monitored periodically and evaluated by the management following the guidelines set by the government as well as those provided by the High Conservation Value Resource Network (HCVRN).

WHAT ARE HCV AREAS ?

High Conservation Value (HCV) areas are areas that need to be appropriately managed in order to maintain or enhance the identified values. HCVs are defined as biological, ecological, social or cultural values that are considered as 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, which includes multiple locations of TPL’s operations. Six categories that are deemed as HCVs are as follows :



The environmental management system at TPL is also getting better because TPL has managed its waste according to the Indonesia’s Regulation

ST. TARIGAN RUMAPEA
Community



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.



HCV 5: Community needs

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

HCV 3: Ecosystems and habitats

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

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 HCS AREAS ?

High carbon stock forests are forests that have high carbon content, which will be released when converted into plantations, and have high biodiversity values. For plantation companies and manufacturers, in their commitment to breaking the link between deforestation with land development in their operations and

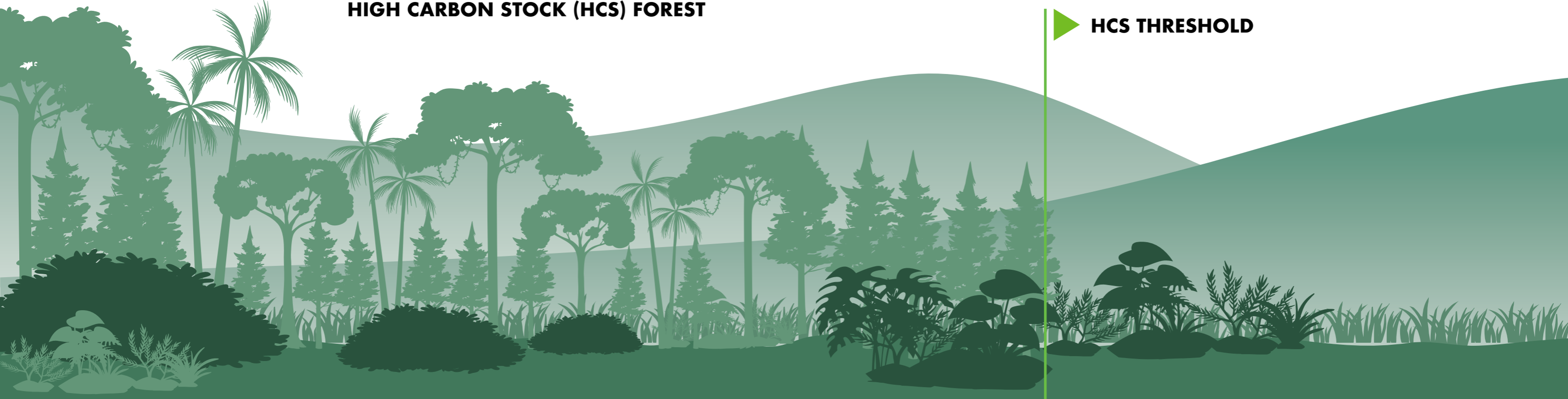
supply chains, the HCS Approach has created a relatively simple tool to be utilised for new developments while ensuring the forests are protected from conversions. HCS land are divided into 6 classes, which are:



“ In my opinion, TPL programs about rehabilitation of degraded area is important for the enrichment of plants. TPL provides us with guidance and education in doing the work right. ”

CHANDRA SIMANJUNTAK
Indirect Employee

HIGH CARBON STOCK (HCS) FOREST

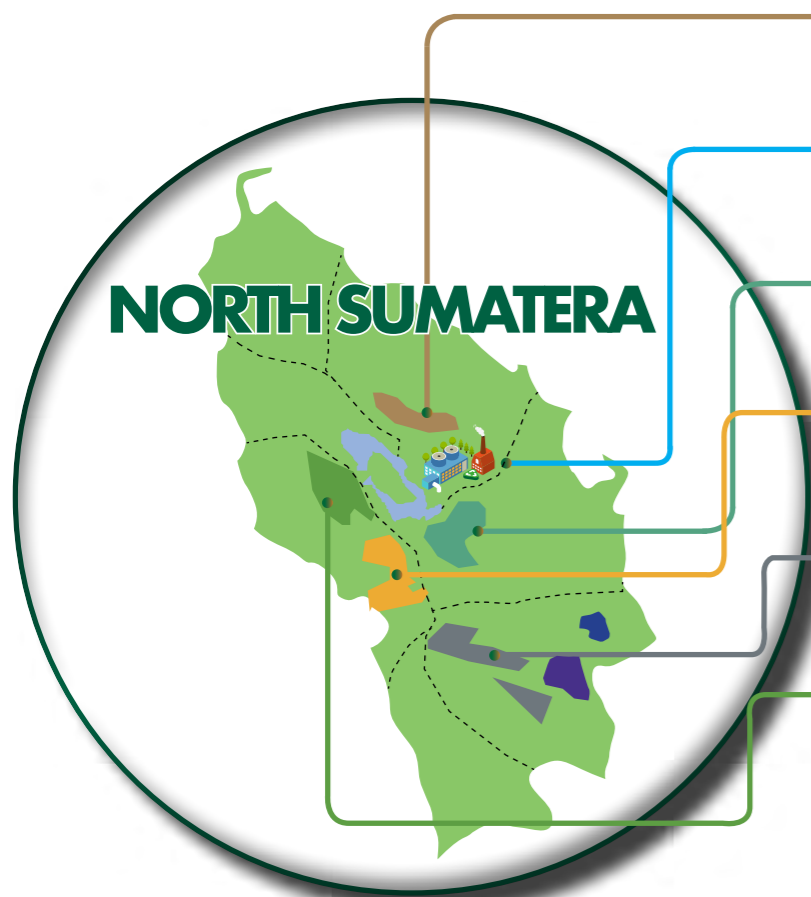


HIGH DENSITY FOREST (HDF)	MEDIUM DENSITY FOREST (MDF)	LOW DENSITY FOREST (LDF)	YOUNG REGENERATING FOREST (YRF)	SCRUB (S)	OPEN LAND
POTENTIAL HCS AREAS				MAY BE DEVELOPED	
Remnant forest or advanced secondary forest close to primary condition	Remnant forest but more disturb than HDF	Appears to be remnant forest but highly disturbed than recovering	Mostly young re-growth forest, but with occasional patches of older forest within the stratum	Recently cleared areas, some woody regrowth and grass-like ground cover	Very recently cleared land with mostly grass or crops, few woody plants

OPERATIONAL SITES OWNED, LEASED, MANAGED IN, OR ADJACENT TO, PROTECTED AREAS AND AREAS OF HIGH BIODIVERSITY VALUE OUTSIDE PROTECTED AREAS

GRI 304-1

TPL's Operational sites are in the following locations :



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

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

SOUTH TAPANULI SECTOR (TAS)

- Lubuk Raya Nature Reserve with an area of approximately 3,050 hectares located about 1.1 km west of the TAS.
- Dolok Sibual-buali Nature Reserve with an area of about 5,000 Ha located side by side about 200 m west of the TAS.
- Dolok Sipirok Nature Reserve with an

area of approximately 6,970 hectares located 9.6 km north of the TAS.

- Barumon Wildlife Reserve with an area of 40,330 hectares located 1.6 km southwest of the TAS.

TELE SECTOR (TEL)

- The Siranggas Wildlife Reserve in with

an area of approximately 5,657 hectares located about 10.4 km west of the TEL.

- The Sicikecike Nature Reserve is located about 3.9 km northwest of TEL.
- The Gunung Leuser National Parks is located about 52.3 km northeast of TEL.
- The Sipinsur Nature Reserve is located about 22.4 km southeast of TEL.

AEK NAULI SECTOR

- Martelu Purba Nature Reserve is located about 15.5 km west of AEN.
- Gunung Leuser National Parks is located about 33.8 km northwest of AEN.
- Batu Gajah Nature Reserve is located about 1.3 km north of AEN.

HABINSARAN SECTOR (HAB)

- Dolok Surungan Wildlife Reserve with an area of approximately 23,800 hectares located about 4.7 km east of the HAB.
- Sipinsur Nature Reserve is located about 15.6 km west of HAB

Within the EIMS team, there are selected expertise in different areas including wildlife and ecosystem conservation and environmental management. The team implements the environmental management system, provides competent resources following their fields, identifies environmental impacts, sets program target objectives, conducts training and awareness related to the environment, improves monitoring methods with the latest technology (e.g. camera traps) and reports this on an annual basis.

AEK RAJA SECTOR (AER)

- Sipinsur Nature Reserve with an area of approximately 500 hectares, located about 11.9 km northeast of AER.

HABITAT PROTECTED OR RESTORED

GRI 304-3

TPL manages the concession area by different categories of Staple Crops, Life Plants and Protected Areas. Management of protected areas includes:

- Scoring > 175
- Slope > 40%
- Conservation Area for Germplasm (KPPN - Kawasan Pelestarian Plasma Nuftah)
- River Border (SS - Sempadan Sungai)
- Wildlife Protection Area (KPSL - Kawasan Perlindungan Satwa Liar)
- Buffer zone (BZ)
- Peatland Ecosystem Function (FEG - Fungsi Ekosistem Gambut)

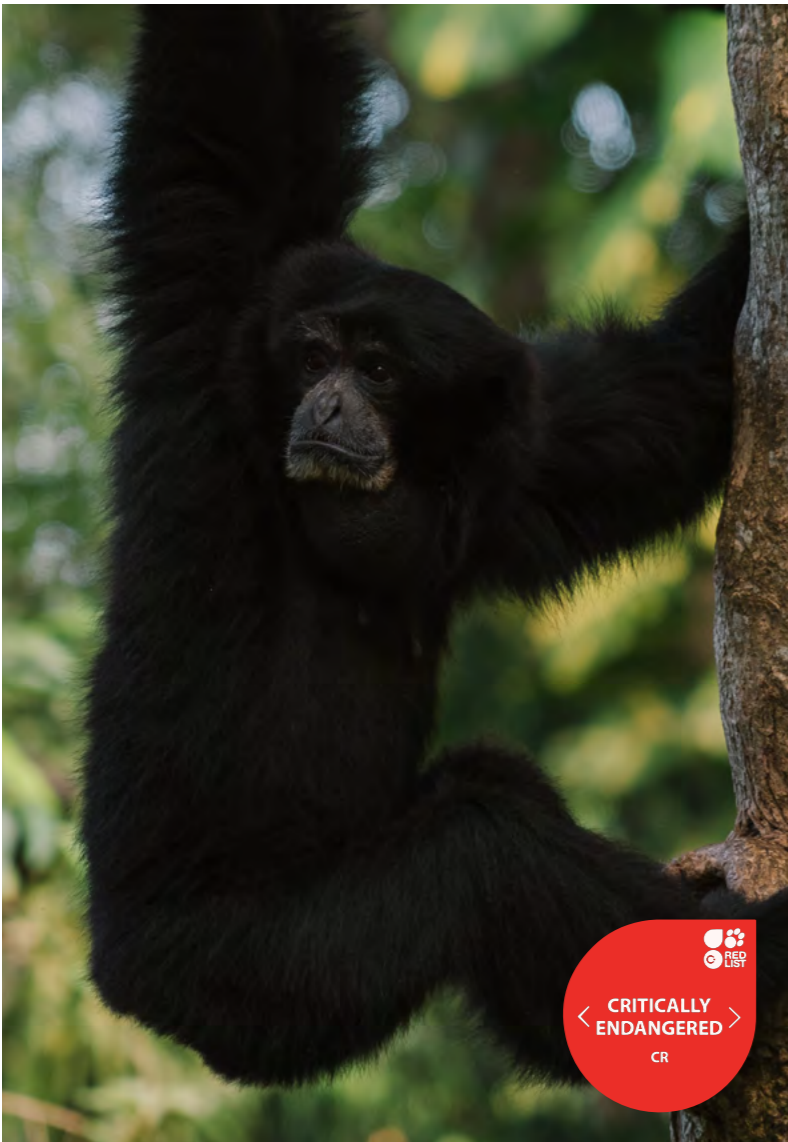
TPL's operational site is on 167, 912 hectares of land following the Decree of the Minister of Environment and Forestry of the Republic of Indonesia. The type of operation in the concession area is categorized as Industrial Plantation Forestry.

CONSERVATION AREAS MONITORING

One of the wildlife we found in conservation areas in 2021 are:

OWA OR SIAMANG (SYMPHALANGUS SYNDACTYLUS)

For the year 2021, TPL has collaborated



with the NGO Sumatra Forest to monitor wildlife in the Tele sector. This time, the animal monitoring was undertaken using camera traps and transects. During this monitoring, many primates were found throughout the activities, one of which was Owa or Siamang (*Symphalangus syndactylus*). Siamang are black monkeys with long arms, and live in trees.

In general, gibbons are very agile when moving up trees. Gibbons are protected species with the status of Endangered Species by IUCN.

Bird, Eagle, and Aceh Bird that live or migrate to the concession areas.

TPL is committed to upholding our environmental sustainability policy and practice strict control over our SOP with regards to our operational and management sites. There was no new road infrastructure development created in 2021. We also have protect a 'Greenbelt' on the riverbank designated as a link between habitats.

Since 2014, TPL has stopped harvesting mixed jungle woods, and for any mixed forest timber that was harvested previously have been used by Sept 2014. Since then, as per our Sustainability Policy, TPL has developed only non-forested areas as per HCV and HCS assessments.

OUR PERFORMANCE IN 2021

Our performance is reported monthly in the Management Review meeting, and is also audited by external assurance auditors. Annual external audit are conducted on TPL's Environmental Management System (ISO 14001), Indonesia Forestry Certification Cooperation (IFCC) and Sustainable Production Forest Management (PHPL).

Internal audits are conducted bi-annually as well. Should there be any complaints arising, the Sustainability Department will handle the grievance.

The following is our planned target for TPL's 2021 conservation work against our actual achievements:

SIGNIFICANT IMPACT OF ACTIVITIES, PRODUCT, AND SERVICES ON BIODIVERSITY

TPL is currently seeing the protracted impact of the policies that we have in place. Because of the implementation of our policies, we have not seen any reduction in the natural species of the flora and fauna in our management areas and there has been no change in ecological processes outside of the natural variation range. We also have not introduced

any invasive species, pests or pathogens, as we avoid using invasive production of corps and biological control in the management of pests and diseases. However, we cannot deny that there are some species that have been affected by our operational activities. For example, we have noted species such as Deer, Boar, Beruk, Long-tailed Monkey, Fan

GRI 304-2

ACTIVITIES	UoM	PLANNED	ACTUAL
Providing Natural Seedling	Tree	190,000	198,046
Natural Succession	Ha	191	195
Artificial Succession	Ha	8	13.14
Erosion Mitigation	Location	90	100
Quarry Rehabilitation / Maintenance	Ha	1.2	1.2
Planting the Feed Plant for Animals	Tree	3,700	3,700
Rafflesia Protection	Location	1	1
Ex Situ Conservation of Nephenthes Tobaica	Location	12	12
Ex Situ Conservation of Nephenthes Ampularia	Location	12	12

From these audits, in 2021, TPL received the results as shown in the table below.

AUDITOR	RESULTS
Surveillance audit ISO 14001:2015	Certificate maintained
Surveillance audit ISO 45001:2018	Certificate maintained
Surveillance II of Sustainable Production Forest Management (PHPL) certification	“Good” performance
Indonesia Forestry Certification Cooperation (IFCC) audit re-certification	Certificate maintained

SUPPLIER ENVIRONMENTAL ASSESSMENT

GRI 103-1, 103-2, 103-3, 308-1

TPL strictly abides by our own environmental policies that span across Sustainability and Good Governance as well as national regulation. It is expected that the same standard of governance is applied to the companies that we partner with. Our supply chain is diverse in nature consisting of wood suppliers, independent farmers (Perkebunan Kayu Rakyat [PKR]), service providers, material providers and human resource suppliers.

We strive to ensure that all our partners uphold same sense of respect, diligence and transparency, and we expect responsible business relations with our entire supply chain including customers, suppliers, members of the communities in our vicinity and the authorities.

Through our supplier environmental assessment, we demonstrate our commitment to eliminating deforestation from our supply chain. This is to protect all primary forests and peatland in which we operate and to support best practice in forest management. It is important that not only TPL take necessary

measures to avoid deforestation but also that our suppliers do the same.

TPL has a robust procedure in place for new suppliers and partner procurement. In line with our SOP, we distribute our Sustainability and Environmental policy to all new suppliers. Prior to selecting our suppliers, the procurement team evaluates new suppliers according to their commitments that cover environmental aspects.

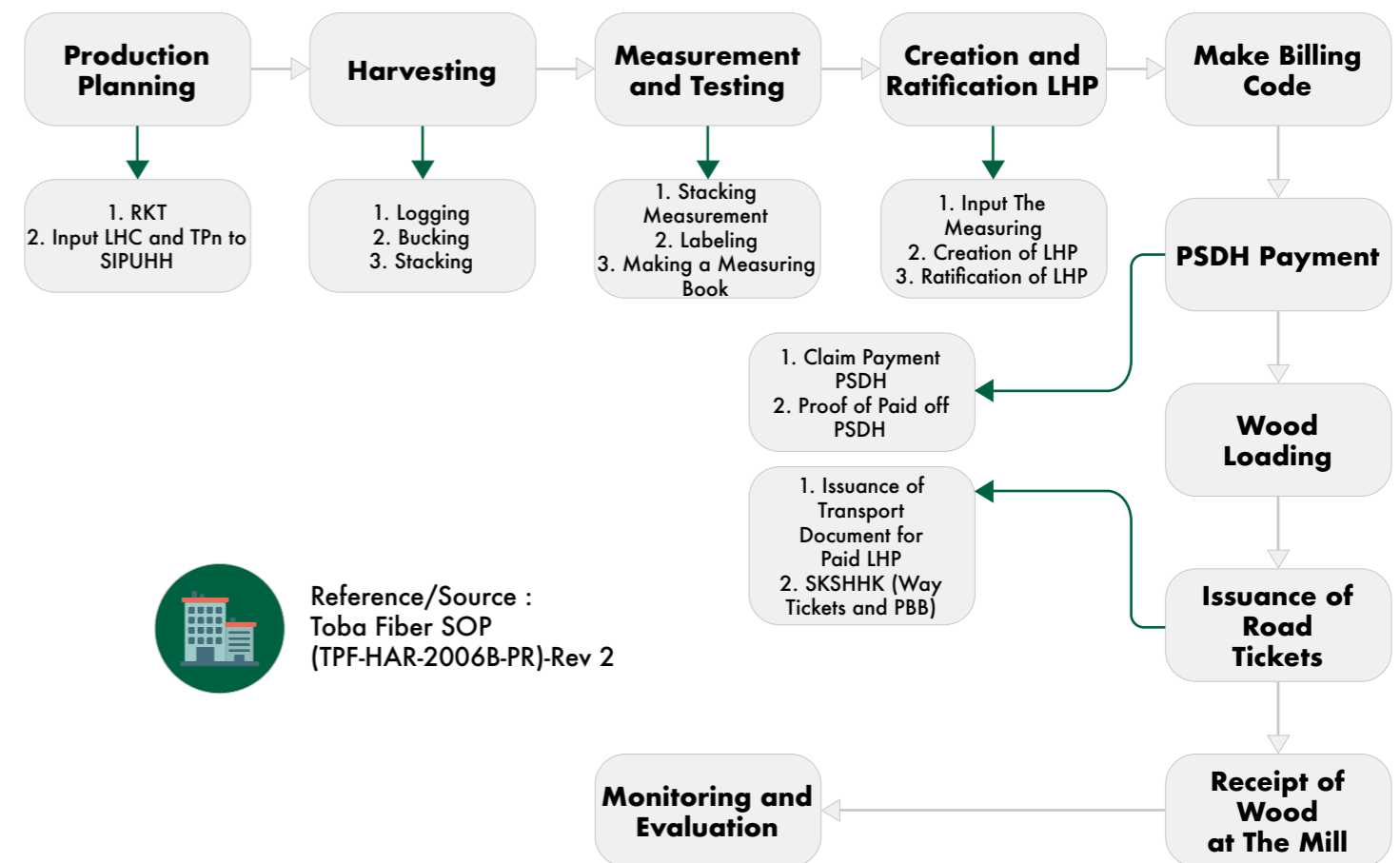
The pre-screening of the new suppliers will also require these partners to ensure that the right paperwork and legal requirements are in place.

The Supplier Management System was developed according to 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).

There is a grievance mechanism in place should there be any complaints from suppliers. In 2021, there were no complaints regarding suppliers.

The Chain of Custody (COC) policy is embedded to the timber tracking system together with traceability SOP. Upon confirmation of new suppliers, we monitor the raw material received from suppliers using the Forest Product Administration Information System (SIPUHH - Sistem

Informasi Penatausahaan Hasil Hutan) guidelines as shown below. This is to ensure that the wood transportation activities from the plantation to the pulp mill is align with the principles of our health and safety guidelines, as well as Indonesian regulation and general environmental safety principals. We aim to achieve the utmost efficiency for our wood transportation.



OUR PERFORMANCE IN 2021

In 2021, 100% of all wood suppliers in TPL were screened using environmental criteria as per our internal policies.

SOCIAL



EMPLOYMENT



LABOR MANAGEMENT RELATIONS



OCCUPATIONAL HEALTH AND SAFETY



TRAINING AND EDUCATION



We groom our talent by developing their skills and capabilities.



2021 SOCIAL HIGHLIGHTS

WE RESPECT AND SUPPORT EMPLOYEE RIGHTS

WE DEVELOP THE CAPABILITIES OF OUR EMPLOYEES



PARENTAL LEAVE

>98%
Retention rate of employees that took parental leave



COLLECTIVE BARGAINING AGREEMENT (CBA)

No Latter than 90 days before the CBA ends or before the expiration of the extension, the update will be notified to all employees, unions and related parties



OHS TRAINING

100%
new hire employees has undergone OHS training and/or awareness



PT TOBA PULP LESTARI TBK



TOTAL TRAINING HOURS

16,238 Hours
TPL conducted training for employee on technical skill, soft skill, and certification



RETIREMENT TRAINING

TPL has a retirement preparation training program for employee

SOCIAL

'People' is one of our Core Values and it translates directly to the strategy of our business development. We strive to continuously add diversity and be as inclusive in our development programs as we understand that growing our people will improve not just our business but also the economy of the areas in which we operate as a whole.

Our policies are implemented through a rigorous process of engagement, consultation, and participation from our workforce. We understand that across our business and supply chain, upskilling, and retaining skilled employees will be the driving force to our success as a company. TPL is committed to creating a work environment for our people that is happy, safe and motivating.

EMPLOYMENT

GRI 103-1, 103-2, 103-3, 401-3

TPL believes in empowering our employees with our Core Values as a guide and support. TPL has continuous strive maintain our workforce numbers, as well as the resources that have allowed our employees to have a healthy work-life balance. We follow through with TPL's policies to ensure that our workplace practices fair treatment, non-discrimination, equality, diversity, human

rights and encourages trade unions in the workplace. We also ensure that at all times, integrity, transparency and accountability are held at utmost importance when dealing with our stakeholders.

The chart below shows the breakdown of our employee information from last year:

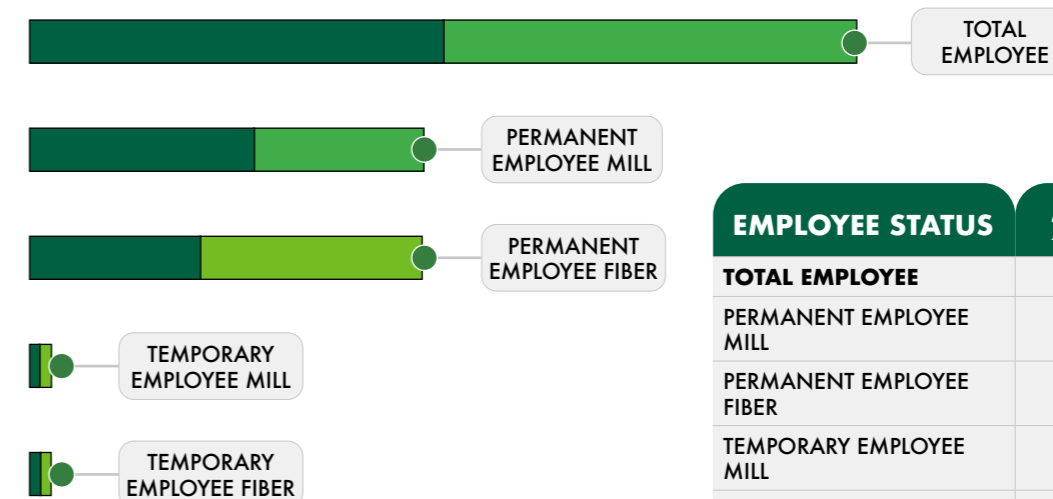


TPL consistently pays attention to employees and contractor workers in their work to avoid potential work accidents that occur. This can be seen from the documents required during registration, occupational health and safety training, and annual evaluation. The policy at TPL has been adopted by my company regards to the Occupational Health and Safety (OHS) and the Environment Policy which I hope can be reviewed more deeply in the future

RONAL GARUDA SIMANGUNSONG
Supplier

2020 VS 2021 EMPLOYEE STATUS BY LOCATIONS

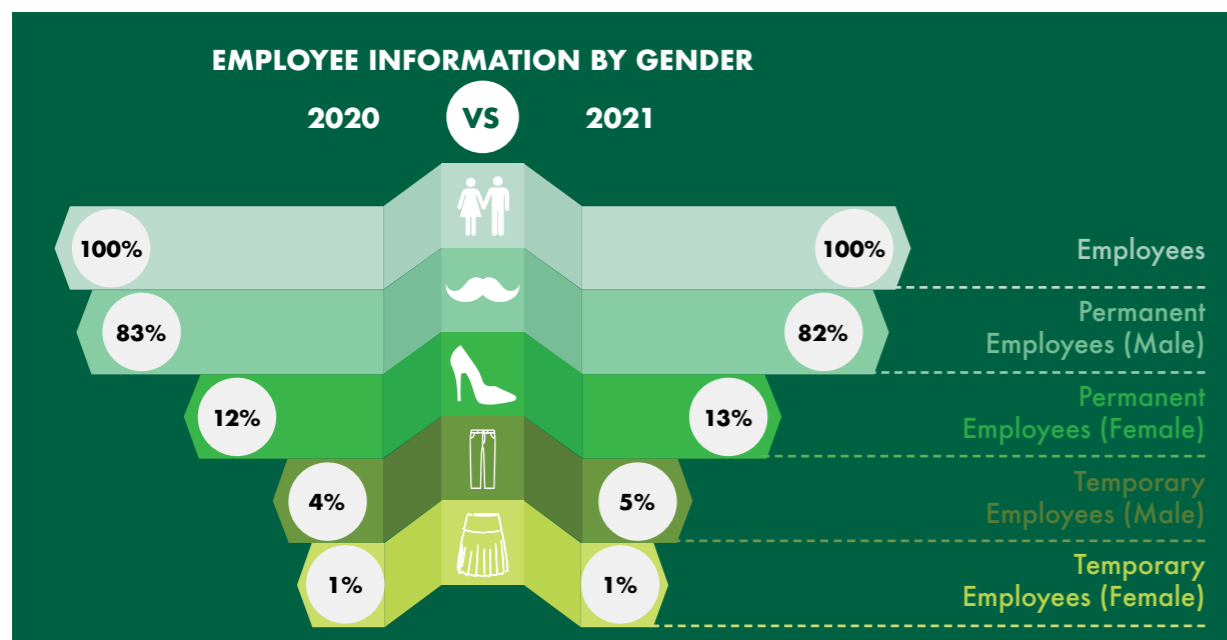
2020
2021



EMPLOYEE STATUS	2020	2021
TOTAL EMPLOYEE	1230	1228
PERMANENT EMPLOYEE MILL	666	504
PERMANENT EMPLOYEE FIBER	506	659
TEMPORARY EMPLOYEE MILL	28	34
TEMPORARY EMPLOYEE FIBER	30	31

We believe in empowering every one of our employees with the right to improving themselves. Each member of our staff has equal opportunities and are provided adequate benefits that allow them access to

personal and professional developments. We see this as pivotal to employee retention as well as progressing TPL's growth.



PARENTAL LEAVE

GRI 401-3

TPL grants all employee parental leave as part of their journey to parenthood. This is included as part of the labour agreement between TPL with the labour unions, and labour regulations in accordance with government regulations. Through an online application called Workday, each employee who is planning to take time off (annual leave, maternity, paternity, etc) will have to submit data at least 2 months before their delivery date as an official notice to TPL. Specifically for maternity leave, TPL provides 3 months leave.

for expectant mothers – 1.5 months prior to delivery and 1.5 post-delivery. With regards to Paternity leave, an employee whose wife has given birth are able to take up to 2 days, in accordance to “Pasal 29 and 30 in CBA and UU No. 13 tahun 2003 pasal 82 ayat 1 dan 2 and/or UU Cipta Kerja No.11 tahun 2020.” The information for the relevant Collective Bargaining Agreement (CBA) is shared with all employees so that everybody can understand the regulations about maternity and paternity leave rights.



**MATERNITY LEAVE
90 DAYS**



**PATERNITY LEAVE
2 DAYS**

OUR PERFORMANCE IN 2021

In 2021, 46 male and 8 female employees who were entitled to take parental leave took the leave. 98% of employees returned to work after their leave and were still with TPL after 12 months. In comparison to 2020 data, the return-to-work rate has been consistently been above 98%.

TPL is proud to have achieved return attendance post-maternity and paternity leave as it shows that we are a workplace where our workforce is happy to come back to.



We understand about the company’s policy of not allowing pregnant women working directly with chemicals and we are also pleased to return to work after our maternity leave.

**YATISA LAIA
Indirect Employee**



LABOUR MANAGEMENT RELATIONS

GRI 103-1, 103-2, 103-3, 402-1

As part of TPL’s effort of being an inclusive employer, we value feedback and participation from our employees and see it as a way for TPL to grow as a desirable company to work in. With the Collective Bargaining Agreements (CBA) with labour unions and freedom of association policies in place, TPL practice fair treatment and allows for transparency of information made available to every employee to close the gap and enable better communication between the management and other levels of our employees.

Development (HRD) Department, including the HRD Department Head; the HR Operation Section Head, HR Operation Team Leader, HR Operation Officer, General Admin Estate, Payroll Officer, and Employee and Industrial Relations Officer.

In 2021, in line with active engagements between TPL and the Labour Unions which supports employee’s rights, bi-monthly meetings have been held successfully between TPL representatives and labour unions, in which TPL employees have the freedom to join. Complaints are handled by the Industrial Relations team and are carried out within TPL’s internal scope according to the Employee Complaints Resolution SOP through suggestion boxes and Industrial Relations Dispute Resolution SOP. Refer to the Governance chapter on how TPL manages complaints and grievances.

TPL takes feedback very seriously to understand the requirements and concerns of our workforce. With guidance from the government regulatory requirements and the CBA, our human resource is managed by the Head of Operation and Human Resources Department. The administrative process is also handled by the Human Resources

OUR PERFORMANCE IN 2021

MINIMUM NOTICE PERIODS

GRI 402-1

SIGNIFICANT OPERATIONAL CHANGES

At present, the minimum notice period concerning operational changes are adopted from applicable laws and regulations. These notifications are communicated by TPL’s management to all employees via email, bulletin boards, and/or television media within TPL’s complex. Matters regarding labour relations are also communicated in the

bi-monthly meetings held between TPL and trade or labour unions, in accordance with the provisions in the CBA.

Any notification of termination of employees who resign and retire is done within a period of no later than 30 days (or 4 weeks), as agreed by our CBA.

Further to this, any specific notifications in relation to information for immediate dissemination to employees, (e.g. holiday announcements, new hires and special memorandums such as regulations relating to COVID-19) will be made by the HRD Department.

OCCUPATIONAL HEALTH AND SAFETY

TPL prioritizes occupational health and safety across our operations. We want our staff to feel safe coming and going back from work by ensuring that all employees adopt the culture of personal responsibility for themselves and their colleagues, as stated in one of our core values.

TPL endeavours to ensure that all employees and workers are aware that Occupational Health and Safety (OHS) is everybody's responsibility when it comes to their working environment; however, the OHS implementation in TPL is managed by the Loss Prevention and Control (LP&C) department.

Throughout the year, TPL aims to improve employee and worker OHS awareness through training, daily department toolbox meetings, monthly OHS committee meetings as well with management meetings, every semester. Also a safety observation form, WhatsApp group, and online emergency number allowing employee to take responsibility to report on unsafe act or incidences. With this depth of

COLLECTIVE BARGAINING AGREEMENTS (CBA)

CBA updates are carried out once in every two years and the current CBA is still valid and effective until October 2022.

GRI 103-1, 103-2, 103-3, 403-4

employee involvement, we hope to keep the lines of communication open and instil a sense of responsibility and ownership amongst employees.

Every two years, TPL renews Occupational Safety and Health Committee (Panitia Pembina Keselamatan dan Kesehatan Kerja / P2K3) structure. This committee has successfully established monthly meetings to discuss the results of OHS awareness on measures and guidelines.

Other efforts to ensure that TPL's OHS policies have been communicated to all employees include activities such as safety talks, toolbox meetings, and safety briefings that are done in mill and fibre operations which all employees are encouraged to attend. TPL wants to build a culture whereby TPL employees are aware and following the OHS guidelines.

Online measures are also in relaying OHS information via emails, publications and online media such as Whatsapp Groups or Google Forms.

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
- 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.

TRAINING AND EDUCATION

GRI 103-1, 103-2, 103-3, 404-1, 404-2

TPL's strength is we are a People-oriented company. We intend to continuously improve on that strength. With the importance of getting the right skills for every department, and the understanding that technology is moving forward at a faster rate than ever, we want our employees to keep improving themselves by filling up the gaps in their knowledge and competencies by acquiring the right tools.

We believe in developing our People to grow with us. We want our employees to have opportunity via learning and development.

TPL's Learning and Development (L&D) section is a part of the Human Resources Department that leads training and education initiatives. All employees have the right to up-skill

themselves, be it an internal or via an external training and we encourage our people to continuously improve on their competencies.

Every year, the L&D section creates a yearly schedule that is shared to every department and section together with training invitation. The training that TPL provides covers the areas as listed below, in the hope to develop the knowledge and competency of the employees:

- OHS training
- Soft skill training
- Technical skill training
- Leadership skill training
- Functionality training
- Certification

The costs of every training is covered by TPL, including transportation and accommodation, when necessary. After every training session, participants are requested to give feedback to help the L&D section maintain the quality of the training. The measurement of the evaluation falls under two categories:

1. Participation reaction of the trainer and materials; and
2. Internal audit from QEMS.

OUR PERFORMANCE IN 2021

AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE

In 2021, a substantial number of our employees have managed to go through several of our training courses that were provided across all employee level and gender. Overall, 16,238.15 hours of training were provided to

Monthly reports are presented by the L&D section in the management meeting, which also covers participant’s feedback as part of reporting. Feedback from trainee is captured and monitored via internal meeting and internal audit from QEMS.

GRI 401-1

1,164 employees. The training hour in 2021 is substantially more in comparison to 2020, as we move towards to improve training quality with the new normal setting in the pandemic.



These courses that was offered cover various topics. Example of topics are as listed below;

- OHS Training for all Employee that covers “how to identify unsafe act and unsafe condition”;
- Soft Skills training such as that covers “how to communicate with other person, negotiate, delegation, etc.”; and

- Leadership training based on organization needs.
- Professional certification for employee development.

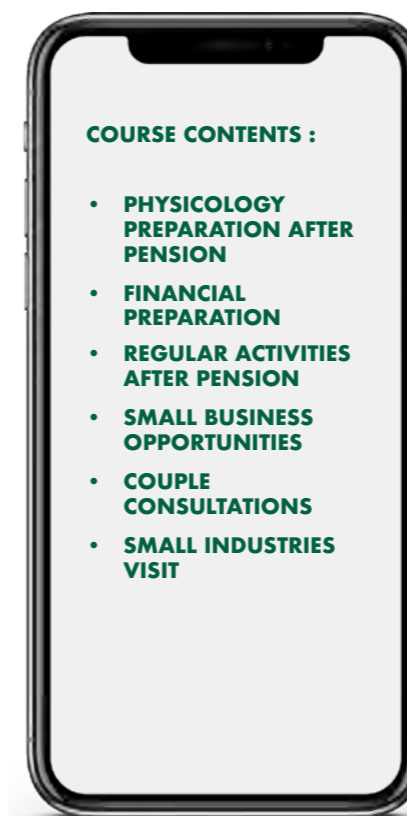
Beyond business as usual, TPL also provides scholarship for employee’s son-daughter, internship program, and student for doing their research for thesis.

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, certification, and scholarships to further their studies based on organization needs. For retiring employees, trainings are conducted as a way to prepare them for post-retirement.

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



PREPARATION FOR PENSION

COURSE OBJECTIVES

After this training, participant will be able to :

1. Mentally prepared after pension
2. Financial arrangement after pension
3. Continue his/her second carrier
4. Enjoy their life after retired

DURATION	PREFERRED PARTICIPANTS
3 Days	Staff who will pension
LEARNING METHODS	ASSIGNMENT (3 MTS AFTER TRAINING)
Lecture (ppt. Slide & video)	1. Define his/her SWOT analysis
PRESENTER	2. Make a plan for a business
IFCC	3. Make a feasibility study for his new business



We are aligning our commitment with TPL in empowering local communities as a workforce to support operational activities. We build them in developing themselves to be better. We also follow policies and regulations that align with the TPL and Government in supporting and fulfilling workers’ rights.

MALANO SITOMPUL
Supplier



COMMUNITY AND SUSTAINABLE DEVELOPMENT GOALS

TPL'S 2021 CONTRIBUTION ON SDGS

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

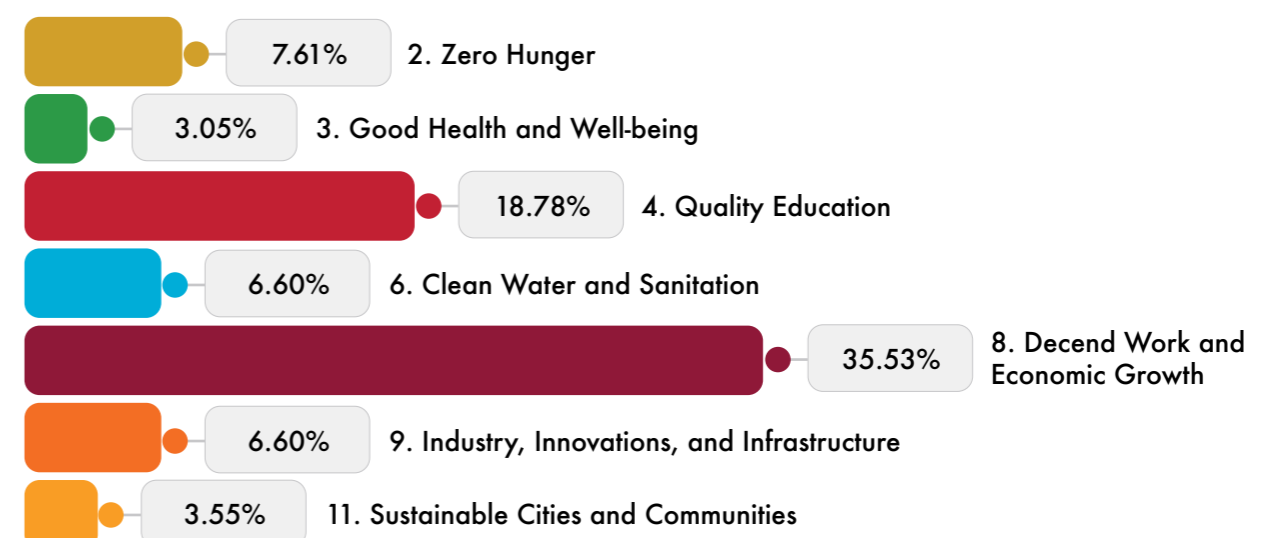
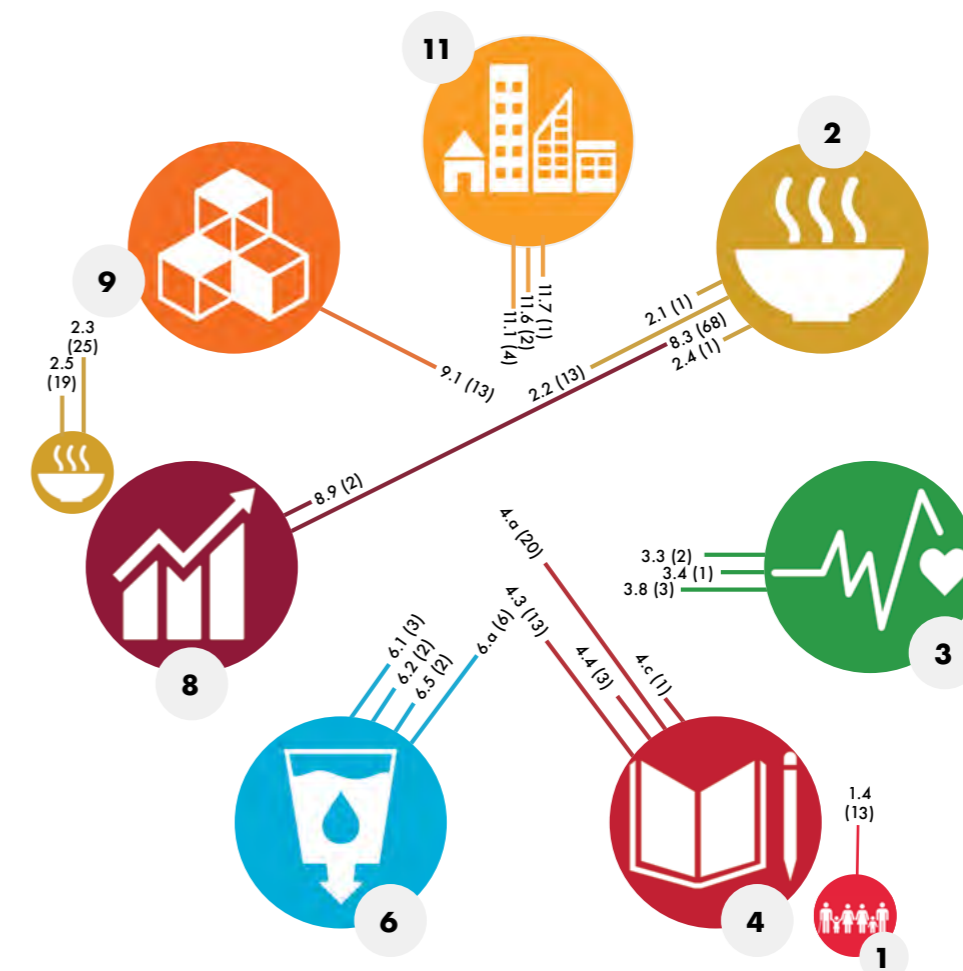
The circle graph shows TPL's contribution across SDGs 1,2,3,4,6,8,9, and 11. The lines in the circles beside show the SDGs targets in TPL's CD/CSR program, the different lengths between each SDGs show the number of CD/CSR program. The number shown at the end

of the line is a number that shows the SDGs targets achieved by TPL and the number of program in bracket.

In 2021, several programs that have been identified align with more than one SDGs, such as several programs that were mapped to SDG 4 have a correlation to SDG 1 (No Poverty), and several programs that were mapped to SDG 8 have a correlation to SDG 2. TPL tries to provide programs that have a significant impact to the community by seeking the impact of a program that can contribute to more than one Sustainable Development Target.

Align with Indonesia's target, focused on SDGs 4,5,8, and 10, TPL focused on socio-economic inequality through education, employment opportunities and economic growth. Thus, based on this TPL's contribution on economic development is the most significant with a percentage 35.53% and education 18.78%.

TPL will continue to provide assistance to the community around its operations to be able to develop capabilities in carrying out work such as sustainable farming techniques, animal husbandry, and UMKM (Usaha, Mikro, Kecil, dan Menengah) as well as improving the quality of education for children through scholarship programs, improvement of school facilities, and others.



“ TPL is getting more closer to the community because a lot of improvement have occurred around TPL operations, where TPL lives directly side by side with the community. TPL also cooperates with the community to achieve the success of programs for the agreed assistance

ANTONI MARPAUNG
Non Government Organizations

SOCIAL RETURN ON INVESTMENT

Social Return On Investment (SROI) is a framework used to measure and calculate the impact of social value generated from a program. SROI is about impact, created for the community. Numerical or monitoring value is simply a common unit and as such is a useful and widely accepted way of conveying impact.

During 2020, we have internally assessed two Community Development programs with different approaches. Here are the result of our assessment.

GEROBAK MADU EVALUATIVE APPROACH



Every **Rp 1,-** Invested ●----- 2018 - 2021 ----- ● **Rp 4,20,-** We returned Confirm social value to the community



SUSTAINABILITY PERFORMANCE

TPL's management made the decision to maintain reporting disclosures on a three-year cycle as a reasonable period to achieve the goals and/or targets set for material matters

with 2019 as the base year. Shown here are performance data for the first three years and the status column is a comparison between 2021 and 2020

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

No.	TPL Sales by Country (%)	Year			Status
		2019	2020	2021	
1	Indonesia	37,24%	89,45%	78,66%	↓
2	China	42,19%	10,49%	21,26%	↑
3	India	12,48%	0,05%	0,05%	↔
4	Taiwan	0,05%	0,01%	0,03%	↑
5	Bangladesh	8,04%	0%	0%	↔

DEFINED BENEFIT PLAN OBLIGATIONS AND OTHER RETIREMENT PLANS

Type	2019	2020	2021	Status
Participation	100%	100%	100%	↔
Value of Liabilities (USD)	6,359,000	6,846,000	4,837,000	↓

INFRASTRUCTURE INVESTMENTS AND SERVICES SUPPORTED

CD/CSR Programs	Total Program			Status
	2019	2020	2021	
Economy/Job creation	43	50	69	↑
Community Outreach	-	2	-	↓
Infrastructure	195	41	38	↓
Social Investment		64	31	↓
Health	16	33	25	↓
Environment	11	10	3	↓
Education and Culture	71	41	31	↓

COMMUNICATION AND TRAINING ABOUT ANTI CORRUPTION POLICIES AND PROCEDURES

Type	Communication and Training			Status
	2019	2020	2021	
Governance Body	100%	100%	100%	↔
Employees	100%	100%	100%	↔
New Contractors	100%	100%	100%	↔

BIODIVERSITY

No.	Activities	Uom	Year			Status
			2019	2020	2021	
1	Providing natural seedling	Tree	52.622	177.000	198,046	↑
2	Protected area enrichment					
	Natural succession	Ha	347	191	195	↑
	Artificial succession	Ha	29	10	13,1	↑
3	Erosion mitigation	Location	51	75	100	↑
4	Quarry rehabilitation/maintenance	Location	3	3	1,2	↓
5	Planting of feed plant for animal	Tree	4.500	2.500	3.700	↑
6	Rafflesia protection	Location	-	1	1	↔

NEW SUPPLIERS THAT WERE SCREENED USING ENVIRONMENTAL CRITERIA

Criteria	Total Program			Status
	2019	2020	2021	
Environmental	100%	100%	100%	↔

PARENTAL LEAVE

Type	2019	2020	2021	Status
Employees who are entitled to maternity leave	100%	100%	100%	↔
Number of employees who are entitled to takes Parental leave	100%	100%	100%	↔
Return to Work Rate	100%	100%	100%	↔
Retention Rate of Employees who took Parental Leave	100%	99%	99%	↔

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

Training Topic	New Employee				Employee			
	2019	2020	2021	Status	2019	2020	2021	Status
Safety Induction	100%	100%	100%	↔	-	-	-	↔
Basic Fire and OHS	100%	33%	100%	↑	66%	100%	100%	↔
Basic Hazard Identification and Risk Management	-	-	100%	↑	-	100%	100%	↔
10 Safety Golden Rule	-	-	-	↔	-	100%	100%	↔

PROGRAMS FOR UPGRADING EMPLOYEE SKILLS AND TRANSITION ASSISTANCE PROGRAMS

Type	2019	2020	2021	Status
Technical training and soft skills participation	95%	98%	95%	↓
DLP Certified	95%	100%	99%	↓
Certified Trainers	8 persons	8 persons	11 persons	↑
E-Learning Created	1 person	7 persons	5 persons	↓



“Our sustainability initiative helps ensure that our practices keep pace with evolving customer needs and expectations. We have developed a strategy to incorporate social, economic and environmental into our business”



GRI CONTENT INDEX

GENERAL DISCLOSURE

GRI DISCLOSURE	REQUIREMENT	SECTION	PAGE
ORGANIZATIONAL PROFILE			
GRI 102 - 1	Name of the organization	About This Report	5
GRI 102 - 2	Activities, brands, product, and services	About This Report	5,7,8
GRI 102 - 3	Location of headquarters	TPL Business Overview	7
GRI 102 - 4	Location of operations	TPL Business Overview	7
GRI 102 - 5	Ownership and legal form	2021 Highlight	7
GRI 102 - 6	Markets served	2021 Highlight	8
GRI 102 - 7	Scale of the organization	Company Profile	7
		2021 Highlight	9
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GRI 102 - 8	Information on employees and other workers	Social	76 - 77
GRI 102 - 9	Supply chain	Environment	70
GRI 102 - 10	Significant changes to the organization and its supply chain	About this Report	6
GRI 102 - 11	Precautionary Principle or approach	Corporate and Sustainability Governance	30
GRI 102 - 12	External initiatives	Award and Certifications	20
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GENERAL DISCLOSURE

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GRI 102 - 14	Statement from senior decision-maker	Message From The Managing Director	10
ETHICS AND INTEGRITY			
GRI 102 - 16	Values, principles, standards, and norms of behavior	TPL Business Overview	17
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GRI 102 - 18	Governance structure	Corporate and Sustainability Governance	25 - 27
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GRI 102 - 40	List of stakeholder groups	Stakeholder Engagement	22 - 23
GRI 102 - 41	Collective bargaining agreements	Social	80
GRI 102 - 42	Identifying and selecting stakeholders	Stakeholder Engagement	22 - 23
GRI 102 - 43	Approach to stakeholder engagement	Stakeholder Engagement	22 - 23
GRI 102 - 44	Key topics and concerns raised	Materiality Matrix	24 - 25
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		Materiality Matrix	25
GRI 102 - 47	List of material topics	About This Report	6
		Materiality Matrix	24
GRI 102 - 48	Restatements of information	About This Report	5
GRI 102 - 49	Changes in reporting	About This Report	5
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GRI 102 - 51	Date of most recent report	About This Report	5

GENERAL DISCLOSURE

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GRI 102 - 54	Claims of reporting in accordance with the GRI Standards	About This Report	5
GRI 102 - 55	GRI content index	GRI Content Index	92
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	GRI 103 - 2	The management approach and its components	Economic Performance	42 - 43
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	GRI 201 - 3	Defined benefit plan obligations and other retirement plans	Defined Benefit Plan, Obligations and Other Retirement Plans	45 - 46
Management Approach	GRI 103 - 1	Explanation of material topic and boundary	Indirect Economic Impacts	48
	GRI 103 - 2	The management approach and its components	Indirect Economic Impacts	49
	GRI 103 - 3	Evaluation of the management approach	Indirect Economic Impacts	49
Indirect economic impacts	GRI 203 - 1	Infrastructure investments and services supported	Indirect Economic Impacts	52 - 55
	GRI 203 - 2	Significant indirect economic impacts	Indirect Economic Impacts	50 - 51

TOPIC-SPECIFIC DISCLOSURE

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	GRI 103 - 3	Evaluation of the management approach	Communication and Training About Anti-Corruption Policies and Procedures	55
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Management Approach	GRI 103 - 1	Explanation of material topic and boundary	Biodiversity	62
	GRI 103 - 2	The management approach and its components	Biodiversity	62
	GRI 103 - 3	Evaluation of the management approach	Biodiversity	69 - 70
Biodiversity	GRI 304 - 1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity	66 - 67
	GRI 304 - 2	Significant impacts of activities, products, and services on biodiversity	Biodiversity	68 - 69
	GRI 304 - 3	Habitats protected or restored	Biodiversity	67
Management Approach	GRI 103 - 1	Explanation of material topic and boundary	Supplier Environmental Assessment	70
	GRI 103 - 2	The management approach and its components	Supplier Environmental Assessment	70
	GRI 103 - 3	Evaluation of the management approach	Supplier Environmental Assessment	70
Supplier Environmental Assessment	GRI 308 - 1	New suppliers that were screened using environmental criteria	Supplier Environmental Assessment	71
Management Approach	GRI 103 - 1	Explanation of material topic and boundary	Employment	78
	GRI 103 - 2	The management approach and its components	Employment	78
	GRI 103 - 3	Evaluation of the management approach	Employment	78
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TOPIC-SPECIFIC DISCLOSURE

GRI STANDARD	GRI DISCLOSURE	REQUIREMENT	SECTION	PAGE
Management Approach	GRI 103 - 1	Explanation of material topic and boundary	Labor and Management Relations	79
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Labor Management Relations	GRI 402 - 1	Minimum notice periods regarding operational changes	Minimum Notice Periods	79 - 80
Management Approach	GRI 103 - 1	Explanation of material topic and boundary	Occupational Health and Safety	80
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	GRI 103 - 3	Evaluation of the management approach	Occupational Health and Safety	80
Occupational health & safety	GRI 403 - 4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety	80
Management Approach	GRI 103 - 1	Explanation of material topic and boundary	Training and Education	81
	GRI 103 - 2	The management approach and its components	Training and Education	81
	GRI 103 - 3	Evaluation of the management approach	Training and Education	81
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	GRI 404 - 2	Programs for upgrading employee skills and transition assistance programs	Training and Education	83

SPOTT CONTENT INDEX

SUSTAINABILITY POLICY TRANSPARENCY TOOLKIT (SPOTT)

NO	INDICATORS	SECTION	PAGE
Sustainability policy and leadership			
1	Sustainable forestry policy or commitment for all its operations	Sustainability Policy	30
2	Sustainable forestry policy or commitment applies to all suppliers	Sustainability Policy	30
3	High-level position of responsibility for sustainability	Sustainability Policy	31
4	One or more members within the board of the company have responsibility for sustainability	Sustainability Policy	31
5	Percentage or number of women in senior management team	TPL's Website	-
6	Percentage or number of women board members	Leadership	26
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	7
8	Collaboration with stakeholders to reduce negative environmental or social outcomes associated with timber and pulp production	Indirect Economic Impact	49
9	Sustainability report published within last two years	TPL's Website	-
10	Reports through standardised reporting systems	Our Reporting Approach	5
11	Climate risks assessment available	-	-
12	Natural capital assessment available	-	-
Landbank, maps and traceability			
13	Lists countries and operations	Company Profile	7
14	Lists countries sourcing from	Not Relevant	-
15	Total area of natural forest designated for wood/wood fibre production (ha)	Sustainability Across Supply Chain	6

SUSTAINABILITY POLICY TRANSPARENCY TOOLKIT (SPOTT)

NO	INDICATORS	SECTION	PAGE
16	Total area of forest plantation (ha)	2021 Highlight	8 - 9
17	Area of plantation/natural forest within outgrower schemes (ha)	2021 Highlight	8 - 9
18	Unplanted (areas designated for future development as plantation forest) (ha)	TPL's Website	-
19	Conservation set-aside area, including HCV area (ha)	2021 Highlight	9
20	Area of Intact Forest Landscape (ha)	TPL's Website	-
21	Number of Forest Management Units (FMUs)	TPL's Website	-
22	Maps of forest management units (FMUs)	TPL's Website	-
23	Forest management plans available for all FMUs	TPL's Website	-
24	Monitoring of forest management plan implementation available	PEFC Website	-
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	TPL's Website	-
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	2021 Highlight	9
32	Names and locations of company-owned pulp and paper mills	Company Profile	7
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	2021 Highlight	9
35	Number of third party supplying mills	Not Relevant	-

SUSTAINABILITY POLICY TRANSPARENCY TOOLKIT (SPOTT)

NO	INDICATORS	SECTION	PAGE
36	Names and locations of all third party supplying mills	Not Relevant	-
37	Reports total volume (or percentages) sourced from third-party supplying mills that come from the supplying mills' own operations and/or third parties	Not Relevant	-
38	Procedures to trace raw materials to country of harvest	Supplier Environmental Assessment	71
39	Percentage of supply traceable to country of harvest	Supplier Environmental Assessment	71
40	Procedures to trace raw materials to FMU level	Supplier Environmental Assessment	71
41	Percentage of supply traceable to FMU level	Supplier Environmental Assessment	71
Certification standards			
42	Time-bound plan for achieving 100% third-party legality verification of FMUs or achieved	TPL's Website	-
43	Percentage area (ha) verified as being in legal compliance by a third party	TPL's Website	-
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	TPL's Website	-
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	-	-
50	Percentage area (ha) PEFC certified (excluding FSC certified area)	IFCC Website	-
Deforestation and biodiversity			
51	Commitment to zero conversion of natural ecosystems	Biodiversity Policy	34
52	Commitment to zero conversion of natural ecosystems applies to all suppliers	Biodiversity Policy	34
53	Commitment to zero deforestation	Biodiversity Policy	34

SUSTAINABILITY POLICY TRANSPARENCY TOOLKIT (SPOTT)

NO	INDICATORS	SECTION	PAGE
54	Commitment to zero deforestation applies to all suppliers	Biodiversity Policy	34
55	Criteria and cut-off date for defining deforestation and/or ecosystem conservation	Biodiversity Policy	34
56	Evidence of monitoring deforestation and/or ecosystem conservation	TPL's Website	-
57	Evidence of monitoring deforestation and/or ecosystem conversion in supplier operations	TPL's Website	-
58	Amount of deforestation and/or ecosystem conversion recorded in own operations since cut-off date	TPL's Website	-
59	Amount of deforestation and/or ecosystem conversion recorded in supplier operations since cut-off date	TPL's Website	-
60	Commitment to restoration of deforestation/conversion	TPL's Website	-
61	Commitment to restoration of deforestation/conversion applies to all suppliers	TPL's Website	-
62	Implementing a landscape or jurisdictional level approach	Environment	60 - 70
63	Biodiversity policy	Biodiversity Policy	34
		TPL's Website	-
64	Biodiversity policy applies to all suppliers	Biodiversity Policy	34
		TPL's Website	-
65	Identified species of conservation concern, referencing international or national system of species classification	TPL's Website	-
66	Examples of species and/or habitat conservation management	Conservation Areas Monitoring	67 - 68
67	Commitment to no hunting or only sustainable hunting of species	Biodiversity Policy	34
68	Commitment to no hunting or only sustainable hunting of species applies to all suppliers	Biodiversity Policy	34
69	Commitment to protect forest areas from illegal activities	Biodiversity Policy	34
70	Commitment to protect forest areas from illegal activities applies to all suppliers	Biodiversity Policy	34
71	Evidence of protecting forest areas from illegal activities	TPL's Website	-

SUSTAINABILITY POLICY TRANSPARENCY TOOLKIT (SPOTT)

NO	INDICATORS	SECTION	PAGE
72	Commitment to no use of genetically modified organisms	Genetically Modified Organism Policy	33
73	Commitment to no use of genetically modified organisms applies to all suppliers	Genetically Modified Organism Policy	33
HCV, HCS and Impact assessments			
74	Commitment to conduct High Conservation Value (HCV) assessments	TPL's Website	-
75	Commitment to conduct High Conservation Value (HCV) assessments applies to all suppliers	TPL's Website	-
76	High Conservation Value (HCV) assessments available	HCVRN Website	-
77	High Conservation Value (HCV) management and monitoring plans available	TPL's Website	-
78	Commitment to the High Carbon Stock (HCS) Approach	TPL's Website	-
79	Commitment to the High Carbon Stock (HCS) Approach applies to all suppliers.	TPL's Website	-
80	High Carbon Stock (HCS) assessments available	TPL's Website	-
81	Peer review of all High Carbon Stock (HCS) assessments undertaken since April 2015 by the HCSA Quality Assurance Process	TPL's Website	-
82	Commitment to conduct social and environmental impact assessments (SEIAs)	TPL's Website	-
83	Commitment to conduct social and environmental impact assessments (SEIAs) applies to all suppliers	TPL's Website	-
84	Social and environmental impact assessments (SEIAs) available, and associated management and monitoring plans	TPL's Website	-
85	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			
86	Commitment to no planting on peat of any depth	TPL's Website	-
87	Commitment to no planting on peat of any depth applies to all suppliers	TPL's Website	-
88	Landbank or planted area on peat (ha)	TPL's Website	-

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

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NO	INDICATORS	SECTION	PAGE
107	Water use intensity	TPL's Website	-
108	Progress towards commitment on water use intensity	TPL's Website	-
109	Time-bound commitment to improve water quality (BOD or COD)	TPL's Website	-
110	Progress towards commitment on water quality (BOD or COD)	TPL's Circular Mill Process	14
111	Treatment of pulp and paper mill effluent	TPL Business Overview	12
112	Evidence of sawmill run-off containment and wastewater treatment	Not Relevant	-
113	Proportion of processing facilities with closed-loop water treatment system	TPL Business Overview	12
114	Commitment to protect natural waterways through buffer zones	TPL's Website	-
115	Implementation of commitment to protect natural waterways through buffer zones	TPL's Website	-
116	Commitment to minimise the use of chemicals, including pesticides and chemical fertilisers	Pesticide Usage Policy	33
117	Commitment to minimise the use of chemicals, including pesticides and chemical fertilisers, applies to all suppliers	Pesticide Usage Policy	33
118	Evidence of eliminating chlorine and chlorine compounds for bleaching	TPL's Website	-
119	Commitment to no use of World Health Organisation (WHO) Class 1A and 1B pesticides	Pesticide Usage Policy	33
120	Commitment to no use of World Health Organisation (WHO) Class 1A and 1B pesticides applies to all suppliers	Pesticide Usage Policy	33
121	Commitment to no use of chemicals listed under the Stockholm Convention and Rotterdam Convention	Pesticide Usage Policy	33
122	Commitment to no use of chemicals listed under the Stockholm Convention and Rotterdam Convention applies to all suppliers	Pesticide Usage Policy	33
123	Chemical usage per ha or list of chemicals used	TPL's Website	-

SUSTAINABILITY POLICY TRANSPARENCY TOOLKIT (SPOTT)

NO	INDICATORS	SECTION	PAGE
124	Implementation of commitment to reduce chemical usage	TPL's Website	-
125	Integrated Pest Management (IPM) approach	TPL's Website	-
126	Waste management system in place to avoid negative impacts	TPL's Website	-
Community, land and labour rights			
127	Commitment to human rights	TPL's Website	-
128	Commitment to human rights applies to all suppliers	TPL's Website	-
129	Progress on human rights commitment	TPL's Website	-
130	Commitment to respect indigenous and local communities' rights	Human Right Policy	34
131	Commitment to indigenous and local communities' rights applies to all suppliers	Human Right Policy	34
132	Commitment to respect legal and customary land tenure rights	TPL's Website	-
133	Commitment to legal and customary land rights applies to all suppliers	TPL's Website	-
134	Commitment to free, prior and informed consent (FPIC)	TPL's Website	-
135	Commitment to free, prior and informed consent (FPIC) applies to all suppliers	TPL's Website	-
136	Commitment to free, prior and informed consent (FPIC) applies to all suppliers	TPL's Website	-
137	Commitment to free, prior and informed consent (FPIC) applies to all suppliers	TPL's Website	-
138	Details of process for addressing land conflicts available	TPL's Website	-
139	Supports the inclusion of women across forestry operations, including addressing barriers faced	TPL's Website	-
140	Company has provided valid legal documents to Open Timber Portal on population rights (at the time of SPOTT assessments)	Not Relevant	-
141	Commitment to enable sustainable use of non-timber forest products (NTFPs) by local communities	Biodiversity Policy	34

SUSTAINABILITY POLICY TRANSPARENCY TOOLKIT (SPOTT)

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Community, land and labour rights			
142	Commitment to provide essential community services and facilities	Indirect Economic Impact	49
143	Progress on commitment to provide essential community services and facilities	Indirect Economic Impact	52 - 53
144	Commitment to provide business/work opportunities for local communities	TPL's Website	-
145	Company has provided valid legal documents to Open Timber Portal on labour regulations (at the time of SPOTT assessments)	Not Relevant	-
146	Commitment to Fundamental ILO Conventions or Free and Fair Labour Principles	TPL's Website	-
147	Commitment to Fundamental ILO Conventions or Free and Fair Labour Principles applies to all suppliers	TPL's Website	-
148	Progress on commitment to respect all workers' rights	TPL's Website	-
149	Commitment to eliminate gender related discrimination with regards to employment	TPL's Website	-
150	Commitment to eliminate gender related discrimination with regards to employment applies to all suppliers	TPL's Website	-
151	Progress on commitment to eliminate gender related discrimination with regards to employment	TPL's Website	-
152	Percentage or number of temporary employees	Employment	76
153	Percentage or number of women employees	Employment	76
154	Commitment to pay a living wage	TPL's Website	-
155	Commitment to pay a living wage applies to all suppliers	TPL's Website	-
156	Progress on commitment to pay a living wage	-	-
157	Reporting of salary by gender	-	-
158	Commitment to address occupational health and safety	Occupational Health and Safety (OHS) Policy	33
159	Commitment to address occupational health and safety applies to all suppliers	Occupational Health and Safety (OHS) Policy	33

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NO	INDICATORS	SECTION	PAGE
160	Provision of personal protective equipment and related training	TPL's Website	-
161	Time lost due to work-based injuries	TPL's Website	-
162	Number of fatalities as a result of work-based accidents	TPL's Website	-
Smallholders and suppliers			
163	Commitment to support smallholders	TPL's Website	-
164	Programme to support outgrower scheme and/or independent smallholders	TPL Business Overview	12
165	Number or Percentage of outgrower scheme and/or independent smallholders involved in programme	TPL's Website	-
166	Process used to prioritise, assess and/or engage suppliers on compliance with company's policy and/or legal requirements	TPL's Website	-
167	Number or percentage of suppliers assessed and/or engaged on compliance with company's policy and/or legal requirements	TPL's Website	-
168	Suspension or exclusion criteria for suppliers	TPL's Website	-
169	Timebound action plans (including Key Performance Indicators) for suppliers to be in compliance with timber and pulp sourcing commitments	-	-
170	Proportion of direct and indirect supply that comes from FMUs which are compliant with timber and pulp sourcing policies	TPL's Website	-
Governance and grievances			
171	Commitment to ethical conduct and prohibition of corruption	Anti-Corruption Policy	35
172	Commitment to ethical conduct and prohibition of corruption applies to all suppliers	Anti-Corruption Policy	35
173	Progress on commitment to ethical conduct and prohibition of corruption	TPL's Website	-
174	Company has provided valid legal documents to Open Timber Portal on legal registration (at the time of SPOTT assessments)	Not Relevant	-
175	Disclosure of the company's management approach to tax and payments to governments	-	-
176	Company has provided valid legal documents to Open Timber Portal on taxes, fees and royalties (at the time of SPOTT assessments)	Not Relevant	-
177	Whistleblowing procedure	Grievance Mechanism and Whistle Blowing	35
178	Own grievance or complaints system open to all stakeholders	Grievance Mechanism and Whistle Blowing	35
179	Details of complaints and grievances disclosed	TPL's Website	-

GLOSSARY

Biodiversity - biodiversity (from “biological diversity”) refers to the variety of life on Earth at all its levels, from genes to ecosystems, and can encompass the evolutionary, ecological, and cultural processes that sustain life.

BOD - Biological oxygen demand. A measure of the amount of oxygen that bacteria will consume while decomposing biologically available organic matter. BOD is a measure of the degree of organic pollution in water.

Chemical oxygen demand (COD) - COD does not differentiate between biologically available and inert organic matter, and therefore a measure of the total quantity of oxygen required to oxidize all organic matter into carbon dioxide and water.

Concession - General term for licenses where plantation forests are established for the production of pulp and paper products.

CFCD - Corporate Forum for Community Development

CLA - Collective Labor Agreement

Deforestation - loss of natural forest as Agriculture, Degraded Land etc

HCV - High Conservation Value

HCS - High Carbon Stock

HPL - Hari Perkiraan Lahir (Estimated Day of Birth)

FPIC - Free, Prior and Informed Consent

FEG - Peat Ecosystem Function

IFCC - Indonesian Forestry Certification Cooperation

ILO - International Labour Organization

International Union for Conservation of Nature (IUCN) - The International Union for Conservation of Nature is the world’s oldest and largest global environmental network – a democratic membership union with more than 1,000 government and NGO member organisations, and almost 11,000 volunteer scientists in more than 160 countries. The organisation helps the world find pragmatic solutions to the most pressing environment and development challenges. It supports scientific research, manages field projects all over the world and brings governments, nongovernment organisations, United Nations agencies, companies and local communities together to develop and implement policy, laws and best practice

International Organization for Standardization (ISO) - The International Organisation for Standardisation is a worldwide federation of national standards bodies, representing more than 140 countries. ISO is a non-governmental organisation established in 1947, to promote the development of standardisation and related activities globally.

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

KPH - Kesatuan Pengelolaan Hutan (Forest Management Unit)

LHP - Laporan Hasil Pemeriksaan (Inspection Result Report)

NGOs - nongovernmental organization

NTFPs - non-timber forest products

The Financial Services Authority (OJK) - is an independent institution and is free from interference from other parties with the functions, duties, and authorities of regulation,

supervision, inspection and investigation as referred to in Law Number 21. capital was officially transferred from the Ministry of Finance and Bapepam-LK to OJK on December 31, 2012.

PHPL - Pengelolaan Hutan Produksi Lestari (Sustainable Production Forest Management)

PEFC–COC - Programme for the Endorsement of Forest Certification- Chain of Custody

Pulp - Cellulose fibres used in the production of paper, tissue and board. Can be derived from hard-woods, softwoods and plant fibres.

PBPH - Perizinan Berusaha Pemanfaatan Hutan (Forest Utilization Business Licensing)

PSDH - Provisi Sumber Daya Hutan (Forest Resources Provision)

P2K3 - Panitia Pembina Keselamatan dan Kesehatan Kerja (Committee for Occupational Safety and Health)

PKR - Perkebunan Kayu Rakyat (outgrower Schemes)

TPA - Tempat Pembuangan Akhir (Landfills)

Sistem Verifikasi dan Legalitas Kayu (SVLK)/ (wood verification and legality system) - provisions that regulate the requirements to meet the legality of wood or wood products through wood traceability verification activities and fulfillment of obligations and compliance with regulations

Sistem Manajemen Keselamatan & Kesehatan Kerja (SMK3) - Sistem Manajemen Keselamatan dan Kesehatan Kerja or Health and Safety management system as set out in Indonesia’s Ministry of Manpower Regulation 50/2012

Whistleblowing - whistleblower, an individual who, without authorization, reveals private or classified information about an organization, usually related to wrongdoing or misconduct. Whistleblowers generally state that such actions are motivated by a commitment to the public

Social Return on Investment (SROI) - a framework used to measure and calculate the impact of social value resulting from a program. SROI is about value, not money

SDGs - UN’s Sustainable Development Goals

Sustainability Policy Transparency Toolkit (SPOTT) - is a free, online platform assessing commodity producers, processors and traders on their public disclosure regarding their organisation, policies, and practices related to environmental, social and governance (ESG) issues.

Succession - is a gradual and predictable change in species composition in a given area, or changes that occur in a geographic area over a period of time.

SIPUHH - Sistem Informasi Penatausahaan Hasil Hutan

Zoological Society of London (ZSL) - is an international conservation charity working to create a world where wildlife thrives.



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