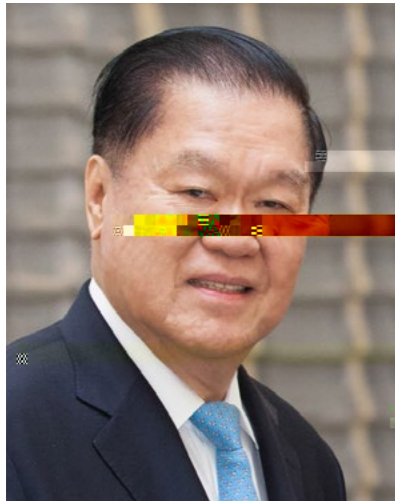




Message from Chairman



in the papermaking industry have to learn to navigate. With full confidence and initiative, APP

We firmly believe that the rational use

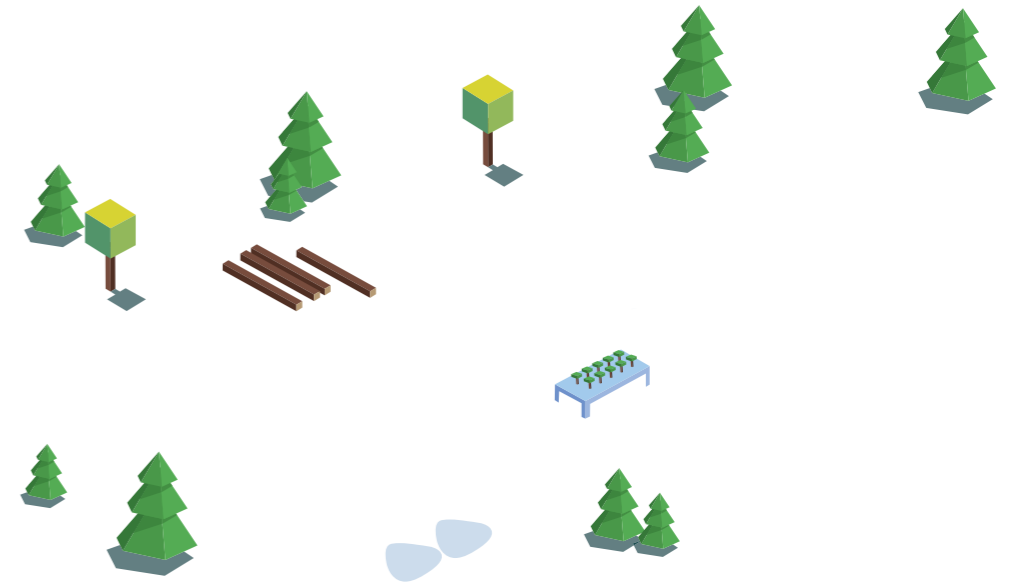
first-mover advantage in the new round

while improving the efficiency of large-scale

certified forests and strongly advocate
CFCC/PEFC forest certification labeling

bases, fully integrating artificial intelligence,

refine our product categories. Taking



About APP China

Company Profile

Mas Group was officially founded by the

year before while confirming the goal

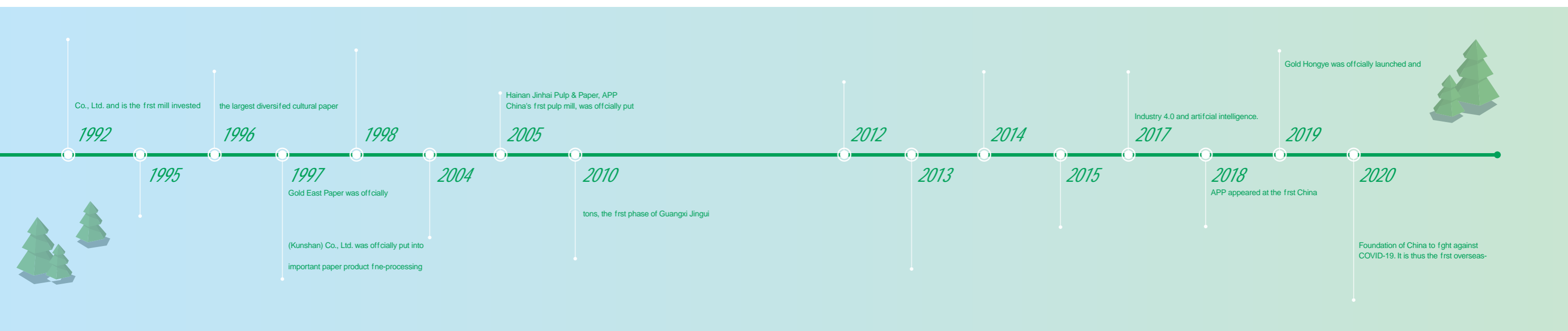
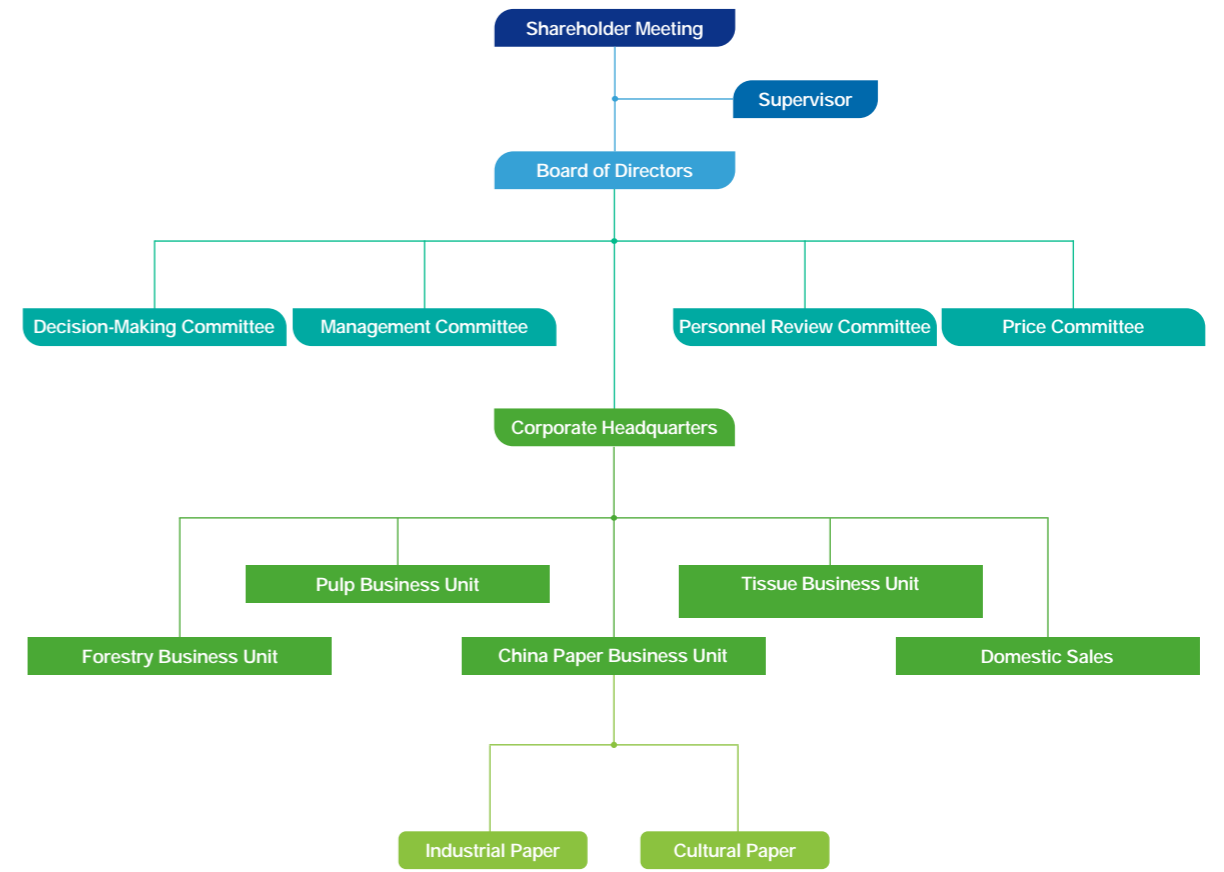
development. In January 2019, the

Technology Park was officially signed. It further finalized details of cooperation

(Jiangsu) Pilot Free Trade Zone. With a focus on biomedicine, artificial end equipment, and other fields, next three to five years completing the



Organizational Chart





Achievements and Honors

Honors and Awards Issuers

Honors and Awards Issuers



Star Employees at APP

Living Positively with a Fighting Spirit

started as an Industrial Safety Officer and took on new roles as well, including Officer




“

”

Wang Wei

Living the Craftsmanship Spirit

Every department has benefited from his



“

”

Yan Guilin


Nothing Is Too Small

Organizing Department of Hainan Jinhai

work efficiency would be undermined.

parts to take on the repair himself and fixed

attached reflective strips to the columns



“

to fulfill my duties conscientiously and to be a fighter who shines.”


Li Zhisheng

Hainan Jinhai Pulp & Paper

Excellence Lies in Diligence and Thinking

first meeting. He does not appear to be

Zhaozhi would tear it open to find out how




“

”

Xu Zhaozhi

Taking the Lead in Promoting "Production-Marketing Integration"

sense of belonging and confidence in



“

am confident that success will be

”

Yang Huizhan



Sustainability Strategy

Sustainability Roadmap: Vision 2020

targets to be achieved by 2020 in ten key impact areas. They include fiber sourcing,



Sustainability Roadmap: Vision 2030



APP sets specific goals			

Strategic Areas and Action Directions for APP China Sustainability

	<ul style="list-style-type: none"> • • • •
	<ul style="list-style-type: none"> • • •
	<p>efficiency and reduce consumption; promoting</p> <ul style="list-style-type: none"> • • • • <p>certification; committed to clean production and</p>
	<ul style="list-style-type: none"> • • •
	<ul style="list-style-type: none"> • •

Bravely Fighting the Battle against the Epidemic

In January 2020, the sudden outbreak of a novel coronavirus disease (COVID-19) caught everyone's attention. Sinar Mas Group is a powerful force in the fight against the epidemic. During this special period, Sinar Mas Group lost no time in becoming part of the fight; the company has put in place various measures to ensure everyone's health and safety. Everyone has worked together to overcome difficulties and resume work and production,

Mobilizing All Staff to Combat the Epidemic

its development. On January 26, Sinar Mas Group mobilized all the staff to be part of the national fight against the epidemic. It is thus the first overseas-Chinese-aided epidemic relief effort. Hainan Jinhai Pulp & Paper donated 6 tons

From January 24 to March 31, 2020, Shanghai Huashan Hospital sent a total

from Guangxi Jingui Pulp & Paper all took



Warm Companionship During Epidemic

health first. As a responsible

checking, office disinfection, meeting

well as flexible work hours. Moreover, we publish daily epidemic briefings and

this difficult time.

Overcoming Difficulties to Guarantee Production

Raw Materials Crossing the "Epidemic Defense Line"



Staying United in an Unwavering Commitment

sacrificed their personal time to work on

Urgently Resuming Work and Production to Meet Paper Needs

Volunteer Delivery Squad

Supporting Pharmaceutical Packaging Companies

Jinli white cardboard produced by Ningbo Asia and Jin Die Lan white cardboard produced by Guangxi Jingui Pulp &

Jin Cai antibacterial white cardboard, Jin Bei whiteboard, and Chieftain white

available for logistics. To fulfill the paper





Introduction: On the Great Cause of Papermaking Development in China

its numerous affiliations such as Gold East Paper, Ningbo Asia, Suzhou Gold Hongye, Hainan Jinhai Pulp & Paper, and APP China Forestry. APP China has demonstrated



Pioneer of "Integration of Plantation-Pulp-Paper"

APP China's first pulp and paper plant, the Hainan Jinhai Pulp & Paper, was officially

official formation of an integrated industry

between social and environmental benefits.

Doer Who Innovates and Pushes Boundaries

with high efficiency and low consumption.

innovations and breakthroughs in this field.

bases in Jiangsu, Hainan, Guangxi,

Rudong, Jiangsu Province. Combining





Leader of Industry Development

Following its first appearance, APP China

economy and a low-carbon and energy-efficient approach. As an important provider of basic

Pursuing Circular Economy

to maximize resource efficiency and recycling. It is a fundamental shift away from the

efficiency.

APP China manages to reduce the use of raw materials and become resource-efficient,

Saving the Use of Long Fibers



Long fibers from conifers lend the main toughness to paper. They are consumed in large quantities in the production of tissues, and reducing their use would lead to significant benefits while promoting resource recycling

Effective Waste Management

defining the scientific classification and orderly disposal



benefits while promoting resource recycling



Maximizing Utilization of Waste



two circulating fluidized bed (CFB) boilers with a

215,027
8,004

1,699,458.4

1,189.6
946,300

Recovery and Recycling of Flue Gas



boiler flue gas. It has such advantages as high desulfurization rate, and high desulfurization efficiency. It guarantees higher desulfurization efficiency

guarantees higher desulfurization efficiency

dioxide from the power plant's flue gas in 2019, using which it produced 66,600

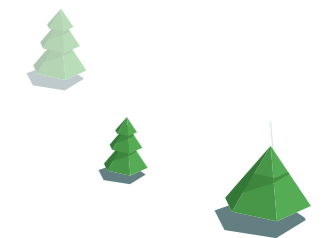


Building Green Logistics

models that are more efficient and lower-

the vehicles' loading efficiency, and

loading efficiency; and we reinforced



Commitment to Green Production

China's mills have amplified efforts to





Improving Environmental Management

protection. Guangxi Jingui Pulp & Paper motivating terms, Guangxi Jingui Pulp & Paper passed all five with high scores. Hainan Jinhai Pulp & Paper has formed

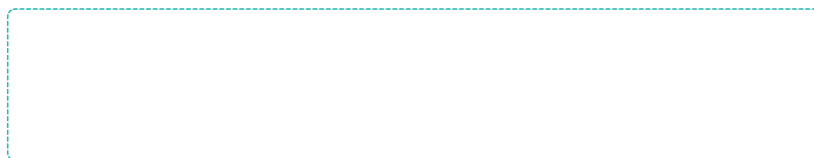
safety, and health, it also refined the financial reward and punishment system

grade companies on five metrics such as could be discovered and fixed in a timely

Water Resources Management

stakeholders and fully fulfill their obligation

in production. In 2019, Guangxi Jingui Pulp & Paper, Hainan Jinhai Pulp & Paper,



Hainan Jinhai Pulp & Paper has built

its efficiency. The company also

Hainan Jinhai Pulp & Paper Waste Water Treatment Plant ▲



The filtering would produce an upper layer of clear liquid that could be recycled for





Intelligence-Driven Industrial Upgrade

of new infrastructures", notably artificial intelligence, industrial Internet, and the Internet of

Embracing the Intelligence Revolution

and scientific management, we manage

efficiency and guaranteed product quality



enhanced the efficiency of warehousing

raw materials to finished products and to



Case Real-Time Database System Construction



independent of each other, making it difficult for the

Jingui Pulp & Paper started developing the PI (Plant



Case

Digital Information End-to-End Tracking



The Radio Frequency Identification (RFID) technology stores product data in electronic tags and is a type of remote automatic identification technology. APP China applies

full traceability of the digital information and more automated and efficient operations.

Creating an Intelligent Industry Eco-Chain

APP China's first new intelligent

technologies such as artificial intelligence,

Base, was initiated in July 2019. With "Industry 4.0 + Artificial Intelligence"



Case

Logistics Automation at New Base



Robust Products

"Paper for Plastic" Starting a New Trend

Disposable plastic products are difficult

and other fields.

more innovations in the field of medical

into force in a number of regions and fields first by the end of 2020. "Paper for Plastic"

Case

"Zero Plastic" Product Promotion Taken a Step Forward



debuted at the first CIIE. The product can well replace traditional disposable

Celsius and be recycled and reused five to seven times.





Made of virgin wood pulp, recyclable and degradable; QS certified, food-grade;



Forest Certification Labeling for Products

actively conducted forest certification and

continue to facilitate forest certification

246,735 hectares of plantations are CFCC/PEFC-FM-certified

92.27% of plantations are CFCC/PEFC-FM-certified

16 affiliated entities have obtained CFCC/PEFC-CoC certification

Normalization of Product Labeling

Forest certification has been widely

China Forest Certification Council (CFCC)

of Forest Certification (PEFC), a leading international forest certification system,

of certified paper products in terms of

forest certification labeling. The CFCC/PEFC joint certification and labeling will be

EMPORIA and VIRJOY in 2020.

the labeling of certified forest products in recent years and is the first in the



EMPORIA tissue products carrying the forest certification label ▲



By normalizing the labeling of certified

What does a CFCC/PEFC Forest Certification Label Mean?

certification bodies for the source of their wood materials, which have to be 100% from scientifically planted, legally compliant, and environmentally protected

qualifications of "raw material reliability" and "product traceability".

Increasing Awareness of Sustainable Consumption

represented by forest certification to

University on forest certification. We mainly

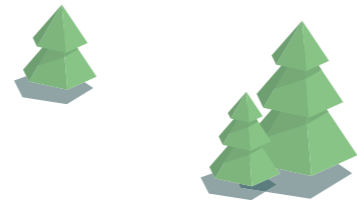


Lecture on forest certification at Nanjing Forestry University ▲



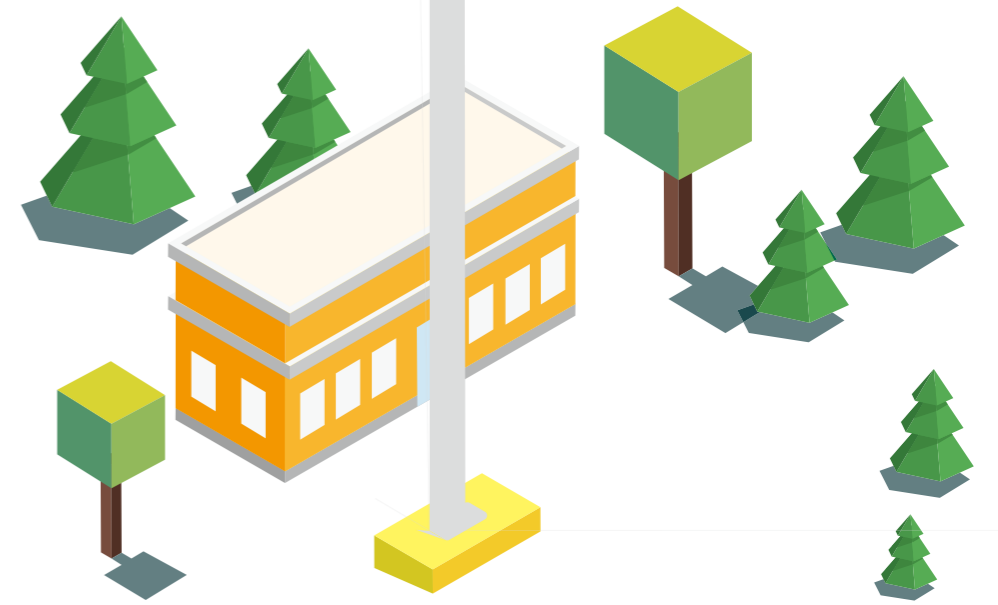
Injecting Innovation in Products

diversified paper needs by constantly



Meeting New Demands For Health

classification has created a higher demand for the



Pursuing Excellence in Fine Cultural Paper

which satisfies customers' different needs in paper color and offers new possibilities for coated



Thermal Paper Leading to Eco-Friendly Weight Reduction

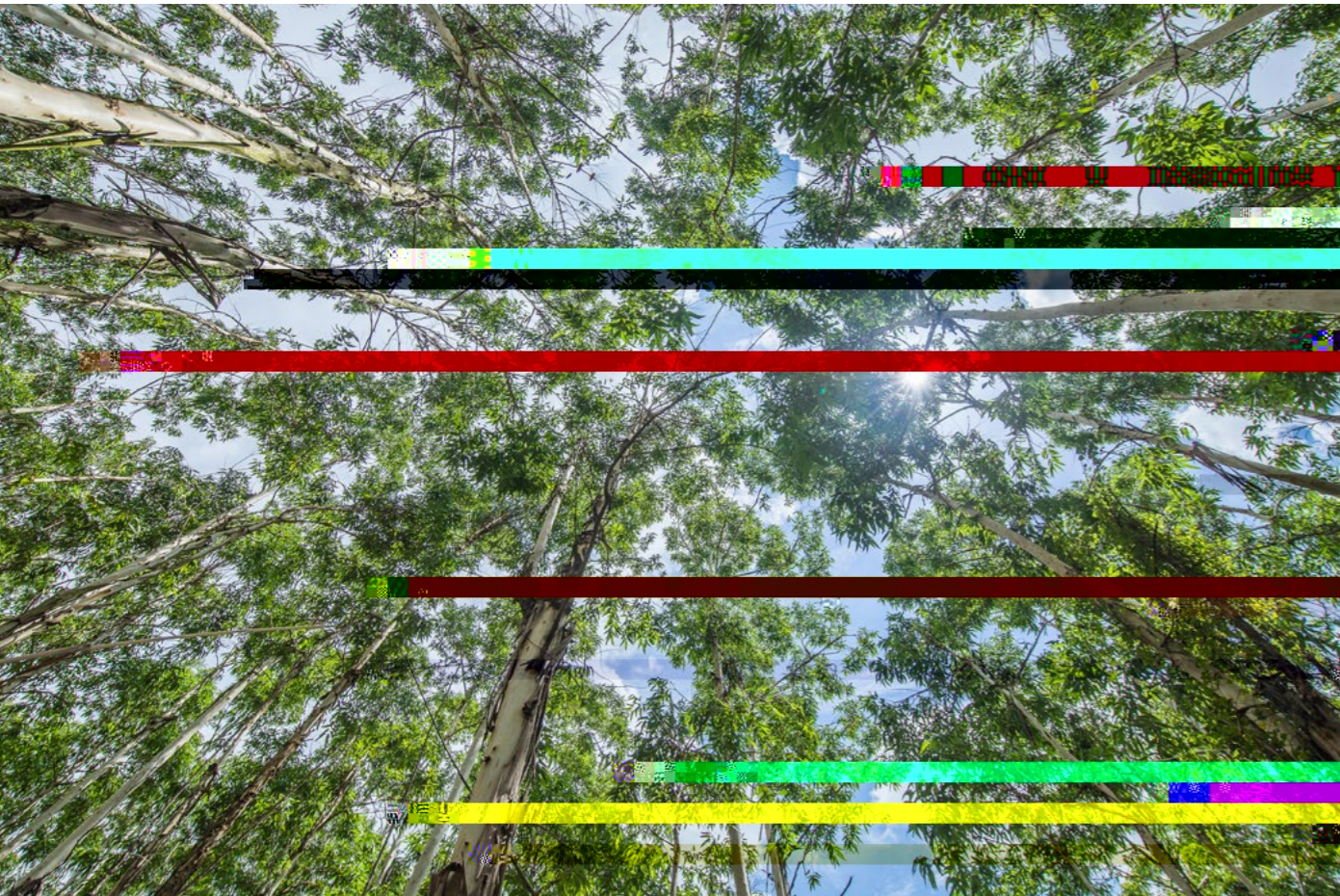
reduces the base weight of finished paper by more than 20% while maintaining its thickness. This



Sustainable Forest Management

"Scientific, ecological, and legal forestry" is the fundamental forest management approach

safety risks like fires and illegal logging. APP China Forestry also conducts regular internal and external audits in line with forest certification requirements and organizes sustainability



Continuous Promotion of R&D and Innovation



DH33-27 and the fine leaf eucalyptus T12, RD-5 has such fine properties as wind



In 2019, Hainan Jinhua Forestry was included in the first batch of China

Plantation-Pulp-Paper", the first such

Forest Management Certification

PEFC-FM certification every year and

audit team to complete rectification within

In 2019, a third-party forest certification



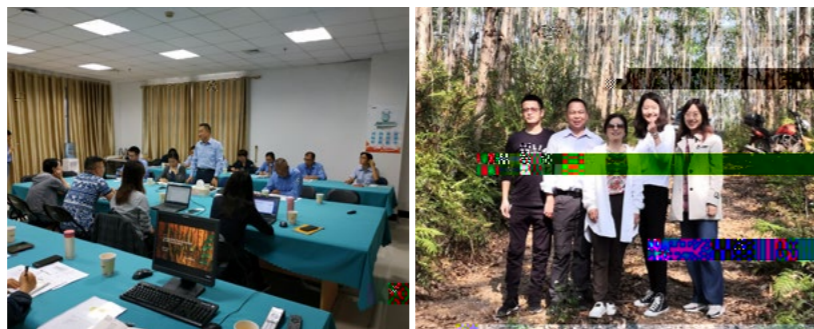
Forest Certification in China – Forest

issues based on scientific sampling such

CFCC/PEFC-FM certification audit ▲

Forestland Carbon Inventory

and fixate it in vegetation or soil, thereby



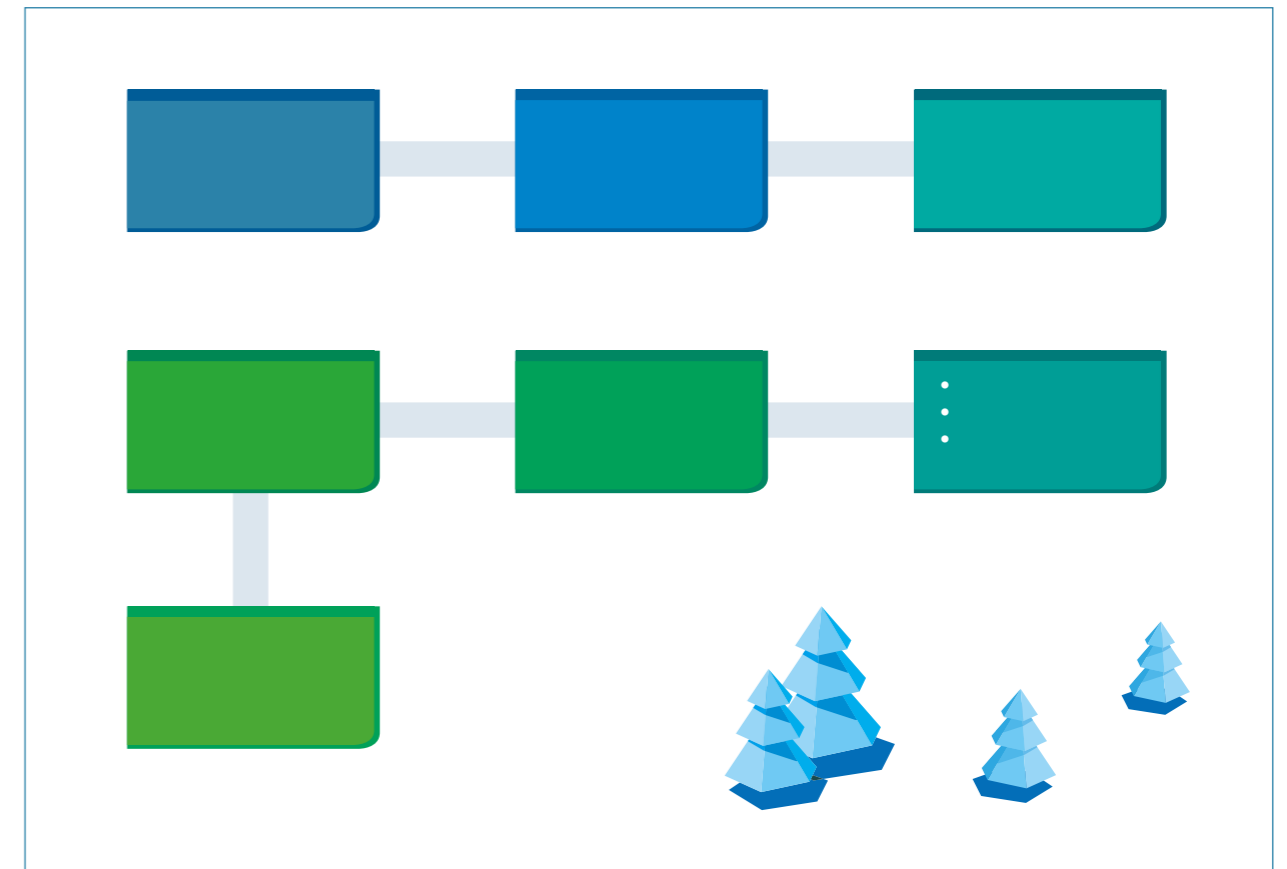
APP China Forestry sustainability seminar and carbon sink training and field inspection ▲

High Conservation Value Management

evaluation and confirmation in accordance

cultural significance. Responsible forest

field surveys, stakeholder engagement,



Ecological Impact Monitoring



out scientific research such as ecological

their ecological benefits are still greater

significant social benefits.

Forest Safety Risk Management

Forest fires not only severely damage

Preventing forest fires is a top priority

The company has established a forest fire prevention command, delineated forest fire risk zones, and formed a fire prevention squad. It has also built an artificial patrol

local forest fire prevention command and

forest fire monitoring and forecasting in key fire prevention areas using satellite

During high-risk fire seasons, the company

changes in forest fire risks and take prompt

the employees' awareness of fire safety and equip them with better fire-fighting

fire drills and competitions every year to

the event of a fire. It has also hired a large

and educate local people on fire prevention

and effectively prevent and control fires.



forest protection and fire prevention

Safety Training

safety drills in total. Guangxi Jingui Pulp &

knowledge, firefighting knowledge, and first-aid knowledge and skills; we invite

Conducting Safety Training to Improve Overall Safety Awareness



organized five successive training sessions

Intensifying Contractor Safety Training



Guangxi Jingui Pulp & Paper requires newly

safety regulations, traffic safety, safe operations,

Practicing Sustainable Procurement

suppliers' performance in fulfilling their responsibilities.

In January 2019, we officially launched our Supplier Management Platform. It has brought online processes like supplier registration, certification, and due diligence and risk

control system that is efficient, transparent, compliant, and consistent.

qualifications and assess their financial risks while also requiring related information in

and practices in fulfilling their responsibilities.

increased the proportion of internationally certified wood pulp procured to 19.8%.

Hainan Gold Hongye has developed criteria for the acceptance and refining of raw materials.



Delivering Quality Service

established diversified channels for customer communication and carried out a variety

production, finance, administration, logistics, and other departments all adopt customer-



Jiangsu, Guangdong, and Hunan, where



Moving Forward with Employees

Cultivating Professionals

scientific staff training system and designed

Meanwhile, we continue to deepen offline

APP's first global learning resource

Management System (LMS) – was officially

of experts from the field of organization



Case Cultivating Excellent Managers



diversified training for different departments. The

team management, efficient negotiation, time



Case Combining Theory with Practice to Improve Effectiveness of Training



machine process flow, work-related injury case



for five consecutive years, covering various

of position-specific technical competencies. In

technical competency certification for production



2019 Technical Competency Certification for Production Management Positions

Employee Communication and Care

Listening to Employees



What is C-time?

Lightening the Hearts



In April 2019, the first C-time communication meeting was held in Ningbo Asia. The APP China Economic Commission led the heated and all-encompassing, covering everything from the many details, operating procedures, and systems concerning finance,

Using Collective Employee Wisdom to Inform Company Development



2,984 improvement proposals from employees, with 11 outstanding proposals finally selected to enter the proposal competition. benefits, and presentation and offered rewards to departments for active contribution of proposals, which gave a strong boost to the

Caring for Employees



Taking Multiple Initiatives to Care for Employees' Life

In 2019, Guangxi Jingui Pulp & Paper carried

the environment firsthand and learn about



Visiting the Mills with Family Members



In 2019, Hainan Jinhai Pulp & Paper, Hainan

tour at the Hainan Jinhai Pulp & Paper Cultural







Yicong Capacity Building Summer Camp for High School Students

and share their experiences and findings.

tried programming for the first time and experienced firsthand the creation of

and confident when expressing my

Zirui Ling

to leave their hometowns for the first time



Guangxi Jingui Pulp & Paper, Gold East

Hainan Jinhai Pulp & Paper, Ningbo Asia,



Guangxi Jingui Pulp & Paper donating computers to



Case "Forever Love with Papers"











the theme of "Using Paper Scientifically".



Stakeholder Engagement

we have identified ten key stakeholder

Stakeholders	Top Concerns	Engagement Channels
Employees 		- WeChat Official Account
Customers and consumers 		- WeChat Official Account
Suppliers/contractors 		
Banks 		
Government agencies 		

Stakeholders	Top Concerns	Engagement Channels
Community representatives 		
Industry associations 		
Academic institutions 		
NGOs 		- Communication on specific topics - WeChat Official Account
Media 		- WeChat Official Account

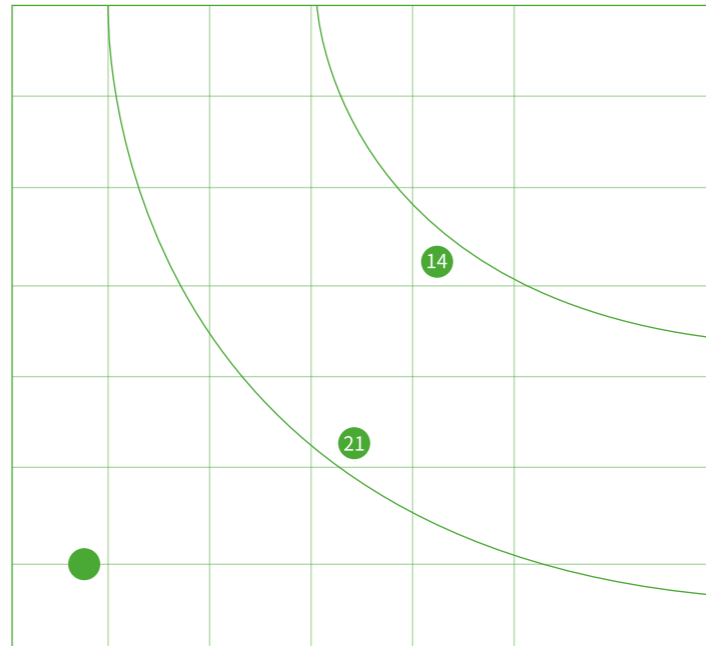
Materiality Analysis

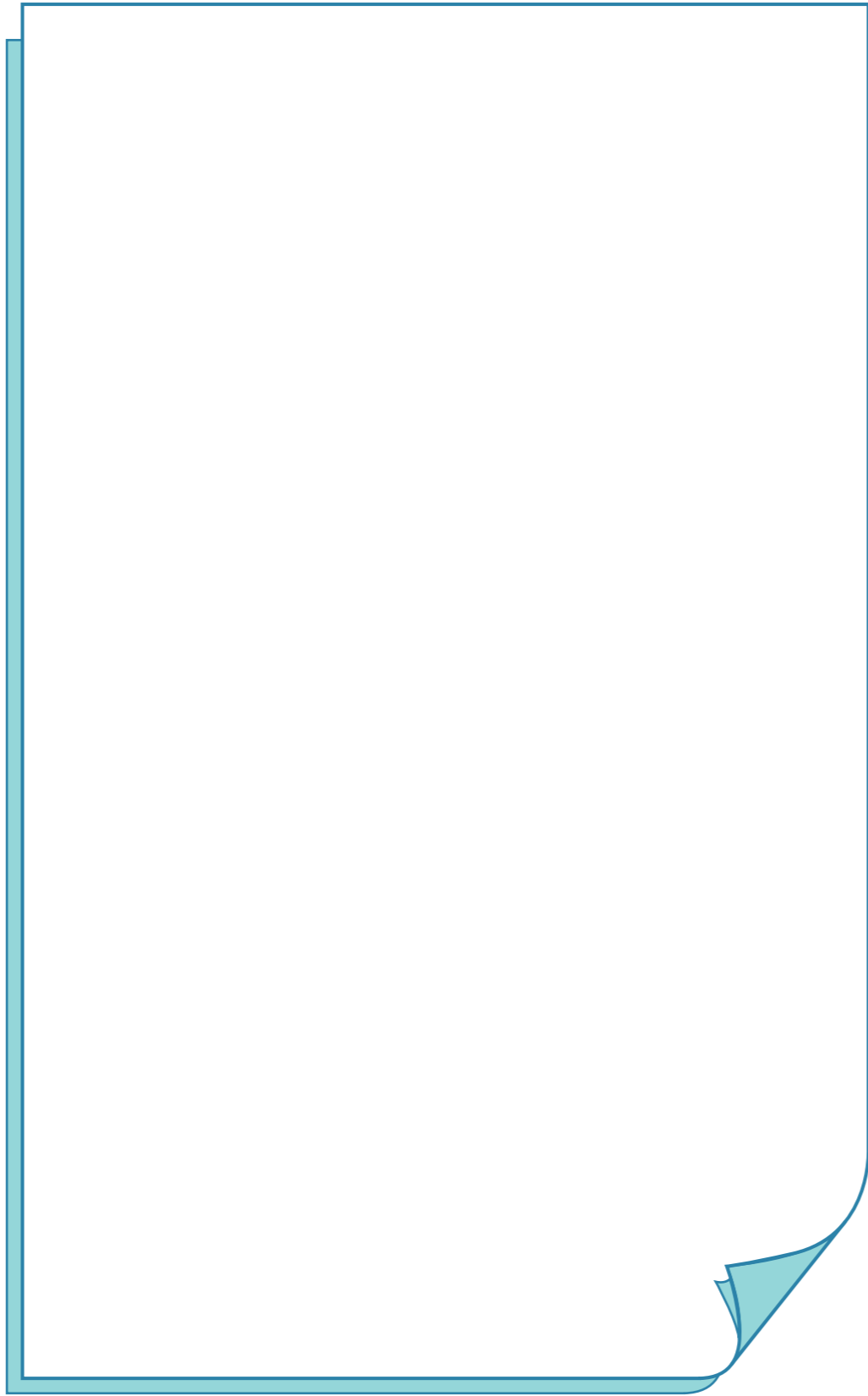
industry sustainability issues, we identified

issues and refining the description, such as

No significant changes have taken place in

online and offline surveys regarding the significance of the issues to stakeholders.







Indicator	Unit	2019	2018	2017

Amount of reused water (tons)	2019	2018	2017
-------------------------------	------	------	------

Hainan Jinhai Pulp & Paper

Guangxi Jingui Pulp & Paper

Indicator	Unit	2019	2018	2017	Exhaust gas emissions (tons)	SO ₂	NO _x	Soot
-----------	------	------	------	------	------------------------------	-----------------	-----------------	------

Hainan Jinhai Pulp &

Indicator	Unit	2019	2018
-----------	------	------	------

Guangxi Jingui Pulp & Paper

**The data of Hainan Jinhai Pulp & Paper include those of Hainan Gold

Indicator	Unit	2019	2018	2017

Indicator	Unit	2019	2018	2017
-----------	------	------	------	------

Indicator	Unit	2019	2018	2017
-----------	------	------	------	------

Environmental fines

Indicator	Unit	2019	2018	2017
-----------	------	------	------	------

Indicator	Unit	2019	2018	2017
-----------	------	------	------	------

Indicator	Unit	2019	2018	2017
-----------	------	------	------	------

About this Report

The time span of this report is from January 1, 2019 to December 31, 2019.

last Sustainability Report was published in November 2019. Data in "Company Profile", "Economic

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conducted policy analysis, industry issues analysis, stakeholder surveys, and field visits to our headquarters and pulp & paper mills to collect the management approaches, specific practices and

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