



COMMUNICATION ON PROGRESS – WATER

2012

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Sector	Paper industry	Member Since	22 March 2011



STATEMENT OF CONTINUOUS SUPPORT

Asia Pulp & Paper (APP) has a vision to become the 21st Century's premier, world-class pulp and paper manufacturer – a company dedicated to providing superior value to customers, shareholders, employees and the community. To achieve this vision, APP has committed itself to being socially, environmentally and economically sustainable throughout its operations.

As an embodiment of its commitment, APP marked the World Water Day 2011 by pledging to the United Nations Global Compact CEO Water Mandate and becoming one of the first companies in Indonesia to do so. Furthermore, APP is honored to be elected as the Chairman of Indonesia Water Mandate Working Group, which was created to help members implement the CEO Water Mandate Principles, within and outside their operational boundaries.

During the first year of the commitment, APP has been intensifying its efforts in sustainable water management. In addition to the on-going water saving projects on site, APP is engaging an external partner to implement an organisation-wide Water Footprint Assessment with the aim of identifying further potentials for water consumption reduction and improvements in the quality of its water effluent. As a responsible producer, APP also contributes to addressing community water issues nearby its operations and beyond. In implementing its water projects, APP engages various partners to optimize the impact of the project on the community.

The six areas of commitment to the UN CEO Water Mandate are useful frameworks in implementing its commitment to sustainability and responsible business practices. APP is committed to continuing to adhere to these principles in its corporate strategy, roadmap and day-to-day operational activities.

Jakarta, December 2012


Aida Greenbury
Managing Director Sustainability & Stakeholder Engagement
Asia Pulp & Paper Group Indonesia

COMPANY AT A GLANCE

PT. Pabrik Kertas Tjiwi Kimia Tbk (Tjiwi Kimia) is part of the Asia Pulp & Paper Group (APP) Indonesia. The mill was established in 1972 and is located in Sidoarjo, East Java Province as a chemical company. The company started producing paper in 1978. Its main business activity was producing writing and printing paper, both coated and uncoated. The company now also produces a wide range of converted stationery, office and recycled products, which are sold across the world. In line with market demands, the company produces higher value added products, including carbonless paper and cast coated paper and board.

INTERNAL WATER INITIATIVES

To realize its commitment to deliver high quality products to its customers and to protect the environment surrounding its mills, especially its water source, Tjiwi Kimia strives to meet or exceed the regional and national regulations on environmental performance.

Before starting the operation, any manufacturing facility in Indonesia need to develop the Environmental Impact Analysis document (AMDAL) to assess the environmental impacts of its processes and operations. Once the AMDAL is completed, the facility has to maintain Environmental Management Plan (Rencana Kerja Lingkungan/RKL) and Environmental Monitoring Plan (Rencana Pemantauan Lingkungan/RPL). These are legal requirements to ensure that the manufacturing process is safe for its surrounding environment, including the community nearby. The regulations also aim to ensure that all the critical environmental aspects are continuously controlled and regularly monitored. The RKL and RPL have to be developed and submitted every six months to the regional and national Environmental Agency.

In Tjiwi Kimia, the RKL (Management Plan) and RPL (Monitoring Plan) include monitoring the quality of the wastewater, which is treated in the wastewater treatment facilities before discharged to water bodies. The mill also monitors water quality at both the intake and discharge points to assess the impact of its operation on the water source. The parameters used in Tjiwi Kimia mill monitoring system are biological oxygen demand (BOD), chemical oxygen demand (COD), suspended solids, temperature, AOX, dissolved oxygen (DO) and pH values. In addition to the physical parameters, the mill also monitors the biodiversity in its water source to ensure that its operations do not negatively affect the existing ecosystem. By doing so, Tjiwi Kimia mill could continually review its operations to set higher standards and strategies to reduce the impacts.

EXTERNAL WATER INITIATIVES

As a responsible manufacturer, Tjiwi Kimia realizes its critical role in contributing to water challenges faced by communities surrounding its operations. To address water issues in the villages nearby the mill, Tjiwi Kimia improves community access to clean water by renovating water and sanitation facilities. The mill also provides clean water for villages that have insufficient water supply for daily needs during the dry season. To improve their livelihood, Tjiwi Kimia also installed an irrigation system for farming activities, ensuring adequate water supply for the land throughout the year.

Outside its operational boundaries, Tjiwi Kimia, as part of the APP group, engaged with external stakeholders in further addressing various water challenges across Indonesia. Those water initiatives are described in the following points:

- **Clean Water Access Installation in Taman National Ujung Kulon**

Tjiwi Kimia, as part of the APP group, supports the Ujung Kulon National Park (UKNP) for Javan rhino conservation efforts. Javan rhino is one of the most endangered species in the world. In the wild they only exist in UKNP with an estimated number of around 40 to 50 remaining. A significant threat to the survival of Javan rhino is the community living nearby the National Park. To minimize the threat of poaching, the communities living nearby need to have a better living standard through improved livelihood and improved sanitation. Therefore, the project includes community development programs as well as provision of basic human needs such as access to clean water. Starting on August 2011, the company, in collaboration with the National Park Working Group, also supports the construction of a water piping line, using a sustainable and traditional method, aimed to provide continuous access to clean water for villagers who live nearby the Rhino's habitat. Bamboo was used as the pipe to carry the water from the water source and gravitational force is used to distribute the water so that an electric pumping system is not needed. The program is planned to run for five years, targeting 15 villages that are directly adjacent to the UKNP area. In addition to the clean water provision, campaign programs are also implemented to raise the community's awareness of the importance of clean water and sanitation.

- **Indonesia Water Mandate Working Group**

Tjiwi Kimia pledged to the UN Global Compact CEO Water Mandate Initiative during the World Water Day commemoration on March 22, 2011, along with other mills under the APP group and five other Indonesian companies. Shortly after the pledge, the Indonesia Global Compact Network established the Indonesia Water Mandate Working Group, whose initial objective is to provide capacity building for its members and to provide a platform for collaborative actions. APP was elected Chair of the Working Group. The members of the Working Group meet at least once a month to discuss their water initiatives and to develop programs together. One of the projects developed in 2011 is a multi-stakeholder 'Save Water Campaign' which aims to raise public awareness on the urgency of taking actions to save water and water sources, and the importance of collaborative actions in tackling the water issue in Indonesia and globally. The project includes seminars, discussions and report development around water policy, water disclosure, best practices and collaborative actions on the ground with relevant government agencies, UN bodies, NGOs, academicians, community and other private sectors.

TRANSPARENCY

In compliance with the transparency principle of the UN CEO Water Mandate Area of commitment, Tjiwi Kimia communicates its sustainability initiatives regularly to various media including APP Sustainability Report, blog articles in the www.rainforestrealities.com, Stakeholder Update and press releases. APP Sustainability Report is developed based on the Global Reporting Initiative (GRI) and independently audited by a third party verification body to ensure its accuracy and credibility. APP achieved the A+ disclosure level in the previous report, which is the highest level of transparency based on the GRI Standard.

Information disclosed in the report includes the mills raw water consumption, total water withdrawal, water sources affected by water withdrawal, percent and volume of water recycled and reused, water discharge and waste water quality.

FUTURE PLAN

In line with the APP Sustainability Declaration, Tjiwi Kimia had set long term and short term goals for its sustainability projects including those related to water consumption and water effluent quality improvement.

In the near future, Tjiwi Kimia is planning to undertake a Water Footprint Assessment to identify potential water consumption reduction and process efficiency that will lead to less water process water requirement. The assessment is also aimed to identify means for waste water quality improvement. The Water Footprint Assessment will be done in collaboration with Nalco, one of the world's leading innovators in clean water technology and solutions. In March 2011, APP, which includes Tjiwi Kimia, signed a collaborative agreement with Nalco for a joint program for sustainable water management. The Water Footprint Assessment is a part of the realization of the agreement. The goal of the Water Footprint Assessment is to develop a roadmap towards water reduction and sustainable water management in Tjiwi Kimia mills.

As a responsible manufacturer, Tjiwi Kimia will encourage its partners, supply chain and all its stakeholders to also use water in a sustainable way. Through its various internal, external and multi-stakeholder programs, the mill strives to implement the CEO Water Mandate Principles in all aspects of operations and is committed to continuous improvement in reducing its water consumption, increasing the quality of its water effluent, and contributing to the sustainable water management and water access for its stakeholders.

Detailed water performance and other sustainability initiatives of Tjiwi Kimia will be covered in the upcoming APP Sustainability Report 2010-2011.