



**MINUTES OF MEETING  
SAC Stakeholder Forum**

Agenda	SAC Stakeholder Forum- Update on KPMG Assurance Report on APRIL's SFMP 2.0 implementation	
Location	Premiere Hotel, Mulia room 6-7-8, 3 <sup>rd</sup> floor	
Date	06 March 2017	
Time	12noon – 4.30pm	
Participants	<b>NGO</b>	
	1. Priyo Anggoro (FKKM/SIKLUS) 2. Miswadi (FKKM) 3. Harry Oktafian (Scale Up) 4. Desriandi (PASA) 5. Dede Kunaifi (Rumah Pohon) 6. Fatra Budianto (Rumah Pohon)	7. Linda Veronika (TAPAK) 8. M.Yudi (WWF) 9. Rini RAMadanti (ISEC) 10. Asmadi (LPAD) 11. Teddy Hardiansyah (Kabut Riau) 12. Widya Astuti (Hutan Riau)
	<b>Academic Community</b>	
	1. M. Mardiansyah (UR) 2. Azzaharuddin M. Amin (UIR) 3. Eno Suwarno (Unilak)	4. Musfialdy (UIN Suska Riau) 5. Assyari Abdullah (UIN Suska Riau) 6. Tika Mutia (UIN Suska Riau)
	<b>Government</b>	
	1. Danang (Dinas LHK) 2. Nelson Sitohang (Dinas LHK)	3. Naspi Yendri (BPBD) 4. Ign. Cristianti Ginting (BPKH XIX)
	<b>P3ES, KPHP &amp; KPHK</b>	
	1. Anis Aliati (P3ES) 2. Yetti Intan (P3ES) 3. Vera Virgianti (KPHP Tasik Besar Serkap) 4. Faizal (KPHP Tasik Besar Serkap)	5. Amirullah (KPHP Kampar Kiri) 6. Aulia Sari (KPHP Kampar Kiri). 7. M. Putrapper (KPHK Kerumutan)
	<b>Other stakeholders</b>	
	1. Wijatmoko (APINDO) 2. Muller Tampubolon (APHI)	3. Kevin Tigo (Asian Agri) 4. Slamet
<b>SAC, APRIL &amp; KPMG</b>		
1. Joe Lawson (Chair, SAC) 2. Roopa Dave (KPMG Canada) 3. Santy Dermawi (KPMG Indonesia) 4. Rudi Fajar (APRIL) 5. Wan Jakh (APRIL) 6. Maringan V S (APRIL) 7. Dian Novarina (APRIL)	8. Marina Garcia Valls (APRIL) 9. Annastashya Emmanuelle (APRIL) 10. Khaerul Basyar (APRIL) 11. Disra Alldrick (APRIL) 12. Jacinda Antonia (APRIL) 13. Anggoro Hadi P (APRIL) 14. Djarot Handoko (APRIL)	
<b>DISCUSSION TOPICS</b>		
<b>1. Priyo Anggoro, FKKM/SIKLUS (Moderator)</b> <ul style="list-style-type: none"> <li>Opening speech appreciating the SAC and all stakeholders who attended the forum.</li> </ul>		



<ul style="list-style-type: none"> <li>Introduced the purpose of the Stakeholder Forum:           <ul style="list-style-type: none"> <li>To share the results of KPMG’s assurance report on APRIL’s SFMP 2.0, assessing APRIL’s implementation of its commitments;</li> <li>To share updates on APRIL’s SFMP 2.0 Action Plans.</li> </ul> </li> </ul>	
<p><b>2. Joe Lawson, Chair of the Stakeholder Advisory Committee (SAC)</b></p> <ul style="list-style-type: none"> <li>Opening remarks and brief introduction of the SAC and KPMG.</li> <li>Highlighted and encouraged stakeholders to share comments/feedback/suggestions to help improve the assurance process and APRIL’s current implementation of SFMP 2.0.</li> <li>Minutes of Meeting to be recorded and posted on APRIL’s website and Sustainability Dashboard.</li> </ul>	
<p><b>3. Santy Dermawi &amp; Roopa Dave, KPMG</b></p> <ul style="list-style-type: none"> <li>Explained the objectives of the limited assurance engagement, which covered APRIL and its supply partners during the period spanning from June 3, 2015 until June 30, 2016.</li> <li>Presented the 44 indicators that KPMG based their assessment on. These indicators were developed in consultation with various stakeholders and related to APRIL’s 9 commitments in SFMP 2.0.</li> <li>Explained briefly about assurance approach and process.</li> <li>KPMG went through the findings of the assurance engagement: 3 Non-Conformances and 28 Opportunities for Improvement. KPMG invited stakeholders to ask questions/ give feedback/ seek clarification.</li> </ul>	
<p><b>4. Rudi Fajar, Director of PT RAPP</b></p> <ul style="list-style-type: none"> <li>Showed appreciation to the SAC, KPMG and all the stakeholders attending the forum.</li> <li>Updated stakeholders on the progress of APRIL’s Action Plans and the timelines/deadlines for addressing KPMG’s first year assurance report findings:           <ul style="list-style-type: none"> <li>3 Non conformances – completed</li> <li>7 Opportunities for improvement – completed</li> <li>7 Opportunities for improvement – in progress</li> <li>14 Opportunities for improvement – in development</li> </ul> </li> </ul>	
<p><b>DISCUSSION NOTES</b></p>	
<p>Azzarudin M. Amin (Universitas Islam Riau)</p>	<ul style="list-style-type: none"> <li>Among all the 44 indicators developed, which are the most important ones? How does APRIL prioritize addressing and completing KPMG’s findings? How soon can these findings be completed? Does APRIL intend to align indicators with SDGs?</li> <li>What are KPMG’s recommendations on APRIL’s emissions from peat land and mill, in relation to sustainable forest management?</li> <li>Making use of available data, APRIL’s contribution to local economy should be better reflected, as in the case of roads constructed by RAPP that are currently managed by local government.</li> </ul>
<p>KPMG</p>	<ul style="list-style-type: none"> <li>All 44 indicators are important. Based on these indicators, there are some findings/opportunities for improvement that were identified to be more urgent than others and therefore prioritized and were agreed to be completed within 30 days. Other findings take longer time to address and therefore were given more time for Action Plan completion.</li> <li>APRIL will elaborate further on the Indicators concerning SDGs.</li> </ul>
<p>APRIL</p>	<ul style="list-style-type: none"> <li>One of the purposes of this forum is to obtain as much feedback as possible from stakeholders in relation to APRIL’s implementation of</li> </ul>

	<p>SFMP 2.0.</p> <ul style="list-style-type: none"> <li>• APRIL considers all of the indicators to be important and is very serious in addressing KPMG’s findings. As shown in the presentation, APRIL is working against set timelines to complete the Action Plans for addressing the Non-Conformances and Opportunities for Improvement.</li> <li>• In relation to the SDGs, indicators are being reviewed to align with SDGs. APRIL acknowledged that the current set of indicators may not be perfect and could still change/further improve based on feedback/comments given by stakeholders.</li> <li>• In relation to the reduction of emissions from peat land, APRIL is monitoring emissions and will keep learning and working on implementing the best practices in peatland management.</li> <li>• Noted the suggestion regarding data on APRIL’s local contribution. Infrastructure is one of such important contributions: APRIL has built 12,000 km road, of which 2,600 km can be accessed by the public.</li> </ul>
Danang (Dinas LHK)	<ul style="list-style-type: none"> <li>• How much of APRIL’s plantations are on peatland? This relates to the new peat land regulation.</li> <li>• The Department of Environment and Forestry in Riau (Dinas LHK) has not received complete information on APRIL’s socio-economic contribution.</li> <li>• There are still some issues concerning Chain of Custody for supporting industries in Riau (for example, pallet production), which need improvement. APRIL, as one of the customers of the pallet industry, should monitor the source of wood used for these pallets.</li> </ul>
APRIL	<ul style="list-style-type: none"> <li>• APRIL agreed that peatland-related matters are important. APRIL is at the moment in the process of familiarizing itself with the new regulation. Stakeholders can be assured that APRIL will support the directions from the Government.</li> <li>• APRIL contributed 6.9% of Riau’s GDP in year 2014. Stakeholders can access this information on APRIL’s website: <a href="http://www.aprilasia.com/en/community-development/economic-impact">http://www.aprilasia.com/en/community-development/economic-impact</a></li> <li>• APRIL noted the concerns related to supporting industries such as pallet production, and will pay more attention to this issue.</li> </ul>
Miswadi (FKKM Riau)	<ul style="list-style-type: none"> <li>• Regarding indicators on peat land, KPMG and APRIL mention IPEWG (Independent Peat Expert Working Group) recommendations, but do not elaborate on those further. Please give more information on these recommendations.</li> </ul>
APRIL	<ul style="list-style-type: none"> <li>• Noted. Further information will be given in upcoming forum/meetings.</li> </ul>
Anis	<ul style="list-style-type: none"> <li>• Has APRIL conducted HCV assessments on its concessions?</li> </ul>
APRIL	<ul style="list-style-type: none"> <li>• Yes, APRIL has adopted HCV assessments since 2005.</li> </ul>
M. Mardiansyah (UNRI)	<ul style="list-style-type: none"> <li>• Commended APRIL on its progress towards greater transparency, which also indicates strong commitments.</li> <li>• Need to show a broader picture: public should be informed about what has been achieved by APRIL, communication should not always be just about problems and non-conformances.</li> </ul>



	<ul style="list-style-type: none"> <li>The new Government Regulation (PP) from MoEF concerning protection and management of peat land ecosystem will become a concern to many stakeholders including private sector. They are open to different interpretations and perceptions. These concerns should be taken into account and recommendations should be given to the relevant parties including government.</li> <li>The SAC process should be more connected to current topics and ongoing issues, i.e.: interpretation/understanding of new regulations.</li> </ul>
Muller Tampubolon (APHI)	<ul style="list-style-type: none"> <li>APHI appreciated the progress made by APRIL, even though there are still a few aspects where APRIL could improve.</li> <li>How is APRIL anticipating the implementation of new regulations particularly Minister Regulation No. 17, 16, and 14?</li> <li>KPMG should be more aware of new regulations.</li> <li>The translation of "log broker" into the Indonesian language expression "makelar kayu gelondongan" gives a negative perception to readers and should be changed.</li> <li>Appreciated that APRIL's Grievance Mechanism is now online, although more socialization is needed. APHI will also help socialize this new mechanism to stakeholders.</li> </ul>
Musfliadi (SUSKA Riau)	<ul style="list-style-type: none"> <li>UIN Suska Riau appreciated APRIL's progress towards greater transparency.</li> <li>Further improvement on internal and external socialization/communication is needed so that information can be shared in a timely and effective manner.</li> <li>APRIL to also share/ socialize its programs to UIN Suska Riau.</li> </ul>
Dede (Rumah Pohon)	<ul style="list-style-type: none"> <li>There are 2 non-conformances connected to APRIL's SFMP 2.0 "Long Term Sustainability" commitment which are related to PT. Adindo Hutani Lestari and PT. Agronusa Alam Sejahtera. Why were these two supply partners treated differently (termination of contract for Agronusa but not for Adindo)?</li> </ul>
Eno (Unilak)	<ul style="list-style-type: none"> <li>In the next assurance engagement KPMG should involve more local stakeholders from Riau, such as BPHP, B2HP, local NGOs.</li> <li>APRIL to routinely pay visits to universities to keep students well-informed/updated regarding APRIL and its programs.</li> <li>APRIL to strengthen collaboration with academic institutions, for example, through intensifying internship and research programs with the faculties of forestry of universities in Riau.</li> </ul>
Harry (Scale Up)	<ul style="list-style-type: none"> <li>KPMG should also share APRIL's progress on land conflict resolution process and the existing mechanism for conflict resolution.</li> </ul>
Rini (ISEC)	<ul style="list-style-type: none"> <li>Noted that KPMG did not review gender/related indicators. This is an important issue and should be included in the assurance engagement.</li> <li>Action Plans are too general. More detailed information on the Action Plans is needed.</li> </ul>
Vera (KPHP –Serkap)	<ul style="list-style-type: none"> <li>There is an overlap between the indicators on peat land management and the new regulation, but the new Minister Regulation No. 17 has not yet been reflected.</li> </ul>



	<ul style="list-style-type: none"> <li>• CoC in industries providing secondary materials such as pallets needs to be clearer to avoid illegal logging/ deforestation.</li> </ul>
Naspi (Badan Penanggulangan Bencana)	<ul style="list-style-type: none"> <li>• There should be more information provided on what has been done by APRIL in its Fire Free Village Program (FFVP), such as which villages are participating.</li> <li>• Suggested that APRIL's suppliers follow the requirements on water reservoirs for fire prevention.</li> </ul>
KPMG	<ul style="list-style-type: none"> <li>• KPMG clarified that the findings presented were based on the assurance engagement covering the period between June 2015 and June 2016. Therefore, some aspects such as the new Government Regulation have not been taken into considerations. KPMG also conducted the assurance based on the indicators that had been agreed previously by SAC and consulted with various stakeholders.</li> <li>• KPMG noted all the feedback given by stakeholders, including more involvement of local representatives for the upcoming assurance engagement.</li> <li>• KPMG clarified that stakeholders could review the full and summary assurance report on APRIL's website: <a href="http://www.aprildialog.com/en/2016/12/30/publication-kpmg-pri-assessment-implementation-aprils-sustainable-forest-management-policy-2-0-sfmp-2-0/">http://www.aprildialog.com/en/2016/12/30/publication-kpmg-pri-assessment-implementation-aprils-sustainable-forest-management-policy-2-0-sfmp-2-0/</a></li> </ul>
APRIL	<ul style="list-style-type: none"> <li>• The impact of the new regulations to APRIL will be quite significant and APRIL is currently still studying the new regulation.</li> <li>• APRIL considers all findings by KPMG to be important and gave assurance to all stakeholders that it will work hard to ensure all findings are duly addressed. APRIL is also very serious in its implementation of SFMP 2.0 and therefore feedback from stakeholders received at every regular forum is valuable for APRIL to further improve its implementation process.</li> <li>• Regarding the translation "makelar kayu gelondongan", APRIL clarified that the referred supplier in Malaysia is KTS Logs Malaysia, which supplies acacia wood. APRIL will fix the translation.</li> <li>• Regarding the different treatment to Adindo and Agronusa, APRIL always offers its suppliers the same opportunity to implement corrective action. APRIL clarified that Adindo acknowledged its mistakes and committed to change and comply with APRIL's SFMP 2.0, whereas Agronusa did not agree to follow APRIL's recommendation and therefore APRIL decided to terminate the contract.</li> <li>• APRIL noted the feedback to do more visits and roll out more programs with universities in Riau.</li> <li>• APRIL noted that land conflict resolution and the existing mechanism should be included in the next report.</li> </ul>
<b>CONCLUSION AND CLOSING</b>	
<ul style="list-style-type: none"> <li>• Joe Lawson thanked all participants who provided very useful inputs during the forum.</li> <li>• SAC will take into account all inputs from stakeholders. SAC will reflect on how to better measure and report women's contribution to the forestry sector and ensure that new Government</li> </ul>	



STAKEHOLDER  
ADVISORY  
COMMITTEE

regulation concerning protection and management of peat land ecosystem will be reflected in the next assurance process. Discussion on these matters will be part of the agenda for the upcoming SAC meeting in May 2017.