



## MEETING SUMMARY

### SAC Stakeholder Forum

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| Agenda   | SAC Stakeholder Forum - Presentation of KPMG's assurance plan on SFMP 2.0 Policy   |  |
| Place  | Premiere Hotel, Mulia Room 3   |  |
| Date   | 21 March 2018  |  |
| Time   | 10.00 am – 12.30 pm  |  |
| Participants   | <b>NGO attendees</b>   |  |
|  | 1. Priyo Anggoro (FKKM/SIKLUS)<br>2. Miswadi (ISEC)<br>3. Widya Astuti (Yayasan Hutan Riau)<br>4. Melki Rumania (Yayasan Hutan Riau)<br>5. Dede Kunaifi (Rumah Pohon)<br>6. Desrianda (PASA)<br>7. Muammar H (Scale Up)<br>8. Teddy Hardiansyah (Kabut Riau) | 9. Linda Veronika (TAPAK)<br>10. Khaerul Abdi (Bahtera Alam)<br>11. Rendra Yusti (LPAD)<br>12. Fatra Budiyanto (Telapak Riau)<br>13. Maizaldi (Kelompok Advokasi Riau)<br>14. Istiqomah Marfuah (Kujano)<br>15. Rudi Hidayat (Perkumpulan Elang) |
|  | <b>Academicians</b>  |  |
|  | 1. Azzahrudin M. Amin (UIR)  | 2. Zarkasih (UIN Suska Riau)   |
|  | <b>Government representatives</b>  |  |
|  | 1. Yosef S. G (DLHK Prov. Riau)<br>2. Ika Budiarti (BBKSDA Prov. Riau)<br>3. Gunawan (BBKSDA)<br>4. Christianto Ginting (BPKH XIX)   | 5. M. Imran Sinaga (P3ES)M<br>6. Putrappier (KPHK Kerumutan)<br>7. Iman S (KPH Kampar Kiri)  |
|  | <b>Private Sector</b>  |  |
|  | 1. Arpi Marzuki (APINDO)   | 2. Sujarwo (APHI)  |
|  | <b>SAC &amp; KPMG</b>  |  |
|  | 1. Joe Lawson (Chair, SAC)<br>2. Al-Azhar (SAC)<br>3. Erna Witoelar (SAC)  | 4. Roopa Dave (KPMG Canada)<br>5. Nawa Irianto (Audit team member)   |
|  | <b>APRIL</b>   |  |
|  | 1. Lucita Jasmin (APRIL)<br>2. Rudi Fajar (APRIL)<br>3. Khaerul Basyar (APRIL)   | 4. Marina Garcia Valls (APRIL)<br>5. Addriyanus Tantra (APRIL)<br>6. Susilo Sudarman (APRIL)   |
|  | <b>DISCUSSION TOPICS</b>   |  |
| <b>1. Priyo Anggoro (Facilitator)</b>  |  |  |
| <ul style="list-style-type: none"> <li>Opened the SAC stakeholder forum by expressing gratitude for the presence of the SAC members, KPMG representatives and local stakeholders.</li> <li>Outlined the purpose of the forum, which included obtaining suggestions and feedback from stakeholders on SFMP 2.0 audit plans for 2018 and site samples for field checks.</li> </ul>   |  |  |
| <b>2. Joe Lawson (SAC Chairman)</b>  |  |  |
| <ul style="list-style-type: none"> <li>Appreciated the attendance of all participants and invited them to provide feedback to ensure the 2018 SFMP 2.0 assurance process helps enhance APRIL's performance.</li> <li>Introduced the SAC members present at the forum, including Ibu Erna Witoelar who was joining for the first time.</li> <li>Explained the SAC's decision to invite two observers to witness the 2018 SFMP 2.0 verification</li> </ul> |  |  |

process, and clarified observers would be appointed by the stakeholder representatives present at the forum from among themselves.

### 3. Nawa Irianto (Audit team member)

- Presented the objectives of the 2018 SFMP 2.0 assurance process, from identification of inspection priorities to sampling of operations to be visited, on-site verification activities, and report generation. Findings from this assurance process are to be presented at a future SAC stakeholder forum.
- The 2018 indicators were developed by the SAC with inputs from APRIL management, KPMG, the 2017 October public consultation, and the review of frameworks developed by SPOTT, WWF/RAN and other local NGOs.
- Announced a draft list of concessions / estates chosen for field visits, based on several criteria: volume of wood supplied, if and how recently visited by KPMG, land cover change detected from independent satellite data, changes in land claim status, media coverage, soil type, etc. The pre-selected concessions were: PT RAPP Estate Teso West and Baserah, PT Mitra Kembang Seleras, PT Nusa Wana Raya, PT Ekawana Lestaridharma, PT SRL IV Rupert, PT Adidno Hutani Lestari and PT Fajar Surya Swadaya.
- Explained that the focus of verification activities in these concessions is to confirm APRIL's data accuracy and completeness with regard to all social and environmental indicators.

### Q&A SESSION

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| M. Putraper (KPHK Kerumutan)    | Suggested the need for: <ul style="list-style-type: none"> <li>- an indicator for fauna data collection within concession areas.</li> <li>- data collected on a) potential areas of wildlife disturbance and b) presence of human-wildlife conflict.</li> </ul>                                      |
| Ika Budianti (BKSDA Riau)       | Suggested that the audit team should collect data on flora and fauna populations, especially for protected species.  |
| KPMG                            | Acknowledged the indicator list undergoes continuous improvement from stakeholder input and recognized the value of these suggested additions. Requested that any concrete information related to wildlife or protected species be shared by stakeholders with them.                                 |
| SAC                             | Explained that the SAC would accommodate suggestions and inputs from this forum.   |
| Iman Sukandar (KPH Kampar Kiri) | Suggested: <ul style="list-style-type: none"> <li>- that auditors should track the implementation of livelihood plantations by APRIL.</li> <li>- that the company increase efforts to resolve/end conflicts with communities.</li> </ul>   |
| Miswadi (ISEC)                  | Enquired: <ul style="list-style-type: none"> <li>- whether the sampled locations include areas under partnership schemes (social forestry program) inside or outside concessions.</li> <li>- how to build a fair partnership between the company and the communities holding the license.</li> </ul> |
| M. Imran Sinaga (P3ES)          | Suggested that indicators are developed for ecosystem services within concessions, to assess protection and enhancement of carrying capacity and overall capacity of the environment.  |
| KPMG                            | Will: <ul style="list-style-type: none"> <li>- look at conflict resolution by APRIL, and examine compliance with</li> </ul>  |



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|                                   | <p>existing procedures.</p> <ul style="list-style-type: none"> <li>- conduct verification and incorporate findings in the assessment report on any new areas under the social forestry program between companies and communities.</li> <li>- consider developing indicators related to ecosystems services in the future.</li> </ul>   |
| SAC                               | Reiterated that grievances can be lodged through APRIL's public grievance mechanism. The SAC continues to monitor APRIL's commitments in dealing with received complaints.   |
| Khairul Abdi (Bahtera Alam)       | Asked whether the grievance mechanism has been thoroughly socialized among communities.  |
| KPMG                              | Explained that during the previous assurance process KPMG found opportunities for improvement with regard to socialization of the grievance mechanism. During this audit, KPMG will again assess progress of awareness of the mechanism.   |
| Maizaldi (Kelompok Advokasi Riau) | Enquired about the number of villages that participate in APRIL's community development program, and suggested that these programs should be tailored to each village and consider the potential benefits / impacts to the community.  |
| KPMG                              | Explained that KPMG focuses on assuring quantitative indicators related to APRIL's community development program. It is challenging to develop indicators that assess the effectiveness or benefits of these programs but is expected that APRIL will be able to better demonstrate the performance of their community development program in future years. A map of community development spend will be included in the assurance report this year.   |
| Azharuddin M. Amin                | <p>Enquired:</p> <ul style="list-style-type: none"> <li>- whether newly included indicators are modifications or additional from pre-existing ones.</li> <li>- commitment towards livelihood plantation is linked to regulations and agreements with communities. How can livelihood plantations improve the economy of local communities?</li> </ul> <p>Suggested:</p> <ul style="list-style-type: none"> <li>- using landsat imagery to identify open areas under no active management to be used for establishment of social forestry programs in cooperation with local communities.</li> <li>- that the company should use a tailored needs-based approach in designing community development programmes to ensure its outcomes are beneficial for communities.</li> <li>- APRIL could design a model of village program to be used as reference for other villages.</li> </ul> |
| KPMG                              | Clarified that Indicators for the 2018 SFMP 2.0 assurance audit are additional to the already existing indicators.   |
| APRIL                             | <p>Stated:</p> <ul style="list-style-type: none"> <li>- APRIL is in a path of continuous improvement with regard to its sustainability commitments.</li> <li>- in relation to management of human-wildlife conflict, APRIL monitors</li> </ul>   |



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|   | <p>incidences occurred in concession areas.</p> <ul style="list-style-type: none"> <li>- APRIL puts effort in monitoring and preventing land encroachment and fire.</li> <li>- the grievance mechanism is an important point in APRIL's SFMP 2.0. The mechanism is also a tool for APRIL to directly obtain information from communities and stakeholders on issues of their concern. APRIL has socialized the grievance resolution SOP with all the estate teams and will continue to disseminate the procedure for handling complaints among local communities.</li> <li>- in Teluk Meranti, APRIL has supported the development of a rubber plantation as part of the livelihood commitments, with the expectation that it produces benefits for the community.</li> <li>- there are around 160 villages currently benefitting from APRIL's community program.</li> <li>- APRIL appreciates the suggestion from one of the attendees to develop a model of village to replicate for community development programs.</li> <li>- APRIL designs its community development programmes by conducting needs-assessment surveys via meetings with the communities.</li> <li>- APRIL is working in developing its community forestry program, where acacia trees and agriculture crops are grown in partnership between company and community.</li> </ul> |
| SAC   | Invited attendees to discuss and appoint two representatives to attend the field verification activities in April.   |
| <b>CONCLUSION AND CLOSING</b>   |  |
| <ul style="list-style-type: none"> <li>• Mr. Azzahrudin M. Amin from UIR and Mrs. Linda Veronika from TAPAK will represent local stakeholders as observers in the SFMP 2.0 assurance process to be conducted in April 2018.</li> <li>• Joe Lawson appreciated the guests for their attendance and feedback given during the forum.</li> </ul> |  |