



STAKEHOLDER
ADVISORY
COMMITTEE

MEETING SUMMARY

SAC - APRIL Supply Partners Meeting

Agenda	SAC - APRIL Supply Partners Meeting – Socialization of preliminary findings of the 2018 SFMP 2.0 assurance process	
Location	Mulia Room 10, Hotel Premiere 3 rd Floor, Pekanbaru, Riau	
Date	16 July 2018	
Time	10.00 – 12.00 West Indonesia Time	
	APRIL Supply Partners	
	<ol style="list-style-type: none"> 1. PT Bukit Raya Mudisa 2. PT Rimba Peranap Indah 3. PT Sumatera Riang Lestari 4. CV Bhakti Praja Mulia 5. PT Madukoro Lestari 6. PT Wananugraha Bima Lestari 7. PT Nusantara Sentosa Raya 8. PT Nusa Wana Raya 9. CV Mutiara Lestari 10. CV Alam Lestari 	<ol style="list-style-type: none"> 11. PT Citra Sumber Sejahtera 12. PT Sumatera Sylva Lestari 13. PT Selaras Abadi Utama 14. PT Rimba Lazuardi 15. PT Essa Indah Timber 16. CV Tuah Negeri 17. PT Bukit Betabuh Sei Indah
	SAC and KPMG PRI	
	<ol style="list-style-type: none"> 1. Joe Lawson (Chairman, SAC) 2. Al-Azhar (SAC) 3. Erna Witoelar (SAC) 4. Jeff Sayer (SAC) 	<ol style="list-style-type: none"> 5. Neil Byron (SAC) 6. Christopher Ridley-Thomas (KPMG PRI) 7. Yudi Iskandarsyah (Assurance Process Team Member)
	APRIL	
	<ol style="list-style-type: none"> 1. Addriyanus Tantra 2. Anggoro Hadi Putranto 3. Marina Garcia Valls 	<ol style="list-style-type: none"> 4. Natasha Gabriella 5. Susilo Sudarman
OPENING AND TOPICS OF DISCUSSION		
1. Susilo Sudarman (Facilitator)		
<ul style="list-style-type: none"> • Opened the session by thanking the SAC members, KPMG PRI, and the suppliers for their attendance. • Explained the purpose of the forum, that is, to receive advice and comments from suppliers regarding the preliminary findings of the 2018 SFMP 2.0 assurance process. 		
2. Joe Lawson, Chairman of the Stakeholder Advisory Committee (SAC)		
<ul style="list-style-type: none"> • Thanked the suppliers for their attendance and requested them to give suggestions and feedback on the preliminary findings. • Introduced members of the SAC. • Explained the background of the SAC, which was established in 2014 to provide independent oversight of and recommendations on APRIL’s sustainability performance. • Explained that the SAC has appointed KPMG PRI to provide independent assurance over the fulfilment of SFMP 2.0 commitments by APRIL. 		



3. Yudi Iskandarsyah (Assurance Process Team Member)

- Stated that KPMG PRI has been appointed by the SAC to conduct verification of APRIL's performance against their SFMP 2.0 commitments.
- Conveyed that KPMG PRI reports directly to the SAC as an independent committee.
- Explained that the verification process is an important stage for assessing performance, thus support from the suppliers during site visits contributes to the success of the assurance process.
- Briefly explained the phases of the assurance process, which starts with document review, site visits, followed by determination of findings (non-conformances and opportunities for improvement), and followed by the development of action plans by APRIL.
- Presented the strategy for site visits during the 2018 assurance process, conducted in 2 PT RAPP, 4 supply partners' and 2 open market suppliers' concession areas.
- Outlined the key observations, 2 non-conformances, and 12 opportunities for improvement.
- Stated that support from suppliers is of utmost importance to develop the action plans addressing the assurance findings.

QUESTION & ANSWER SESSION

Understanding of SFMP 2.0

- Supply partners stated that they are aware of and understand SFMP 2.0 well, thanks to initial socialization to their management and staff as well as regular monitoring of field staff.
- Supply partners confirmed that they have embedded the SFMP 2.0 commitments in their operational activities.
- Supply partners explained that many of them have been certified against IFCC PEFC as well as PHPL standards, which are found to be helpful for their understanding of the SFMP 2.0 assurance process

Grievance Mechanism

- Supply partners stated that they already have grievance mechanisms in place. Supply partners explained that communities are mostly aware of their existence, and that they can raise their grievances through the Social Governance Relations officers, who then inform field staff before involving Management for resolution.
- Supply partners explained that grievance handling is a continuous process and not always publicly recorded since communities do not feel comfortable raising their grievances using a written form.

Working Conditions

- Supply partners suggested that the practice by some community groups employed as forestry contractors of bringing along their children to the field must be taken into account when developing indicators for the assurance process.
- KPMG PRI commented that the assurance process is focused on assessing the educational opportunities available to those children who accompany their parents to the field.
- KPMG PRI stated that there have been no instances of underage workers found during the assurance process.



Land Encroachment

- Supply partners explained that past and present land encroachment is usually not caused by local communities but by newcomers. It is difficult for suppliers to design effective resolutions to this issue.
- The SAC members noted that they are aware of this issue. The SAC also stated that several of the recommendations that SAC has been giving to APRIL concern the issue of land encroachment.
- KPMG PRI stated that significant improvements can be seen since two years ago with regard to monitoring of land cover change. This monitoring is important for identification and verification of encroachment.
- The SAC encouraged supply partners to map out types of conflicts as well as actors involved in the conflicts in a database, so that the SAC can provide recommendations on how to address the issues. The SAC stated that it does not have the capacity of resolving these matters, but only to facilitate processes and provide approaches to solutions.
- The SAC explained that all recommendations issued by the committee are followed up with action plans and timelines developed by APRIL. The SAC monitors progress on implementation of the recommendations at every SAC meeting.
- Suppliers asked about the possibility of SFMP 2.0 indicators being revised, particularly those for which findings are always identified and remain unresolved because no easy, short-term solutions exist.
- The SAC is aware of changes in trends and has adapted indicators accordingly. However, it is critical for the SAC to ensure that APRIL and its suppliers continue to fulfill SFMP 2.0 commitments.

Partnerships with communities

- Supply partners explained that they encounter issues in the development of partnership schemes, such as Livelihood Plantations. Many suppliers are currently in the process of identifying land tenure of different areas to create a database for developing partnerships with communities.
- The SAC encouraged suppliers to work together and involve the government in this matter.
- The SAC will continue to provide recommendations on social forestry issues.

Land Claims

- Suppliers highlighted the issue of land claims as highly critical but difficult to resolve, as it has the potential of creating friction with communities.
- Referring to the SFMP 2.0 commitment on community rights, supply partners employ alternative resolution methods in resolving land claim issues, but no significant progress has been made to date.
- The SAC stated that legal recourse can be an option to solve land claim issues where there is a commercial transaction affecting indigenous peoples lands, since this contravenes customary law.

Long-Term Business Work Plan

- Some supply partners explained that current regulations around peat pose a risk to the sustainability of their businesses.
- The SAC encouraged supply partners to work together with APRIL in the effort to find a solution to this problem, and to communicate with the government.



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CONCLUSION AND CLOSING REMARKS

- Joe Lawson thanked supply partners for their attendance and active participation during the forum.
- The SAC awaits feedback from supply partners regarding the value of having regular meetings with the SAC.