Foreword by APRIL

Royal Golden Eagle ("RGE") and its business group, APRIL International Enterprise Ltd. ("APRIL"), have long committed to regional social and economic development in the province of Riau, in Sumatra, Indonesia, guided by its founder's vision that the company's actions must first create benefits for the community, country, climate and customers, and only then will be good for the company, known internally as the 5Cs principle.

This commitment is woven into the company's operations through RGE's Sustainability Framework and APRIL's Sustainable Forest Management Policy ("SFMP"), complemented by a broad range of social, economic and environmental programs and initiatives.

Over three decades, APRIL has refined its development approach, embracing as its purpose the improvement of people's lives through the responsible and sustainable development of resources. This marked a shift from the practice of measuring and reporting on activities and outputs to a more holistic approach that aims to understand impact.

The adoption of the Sustainable Development Goals ("SDGs") by 193 governments to define a global 2030 development agenda provided us with a timely opportunity to integrate this approach consistently. It also enables us to align the company to a global development framework that recognises the dependencies among social, economic and environmental aspects in sustainability.

While all 17 goals are mutually dependent, APRIL believes their impact can be more meaningful and significant if efforts are strategically focused on where the need is greatest. Hence, the company has engaged PwC Singapore to support APRIL in identifying its priority goals as a first step in this process.

In adopting the SDGs as a framework to apply to its guiding 5Cs principle, APRIL has set out to measure its impact on the landscape and on the lives of its many and various stakeholders. This will eventually guide decision making, strategies and programs and assists in the identification of areas beyond the company's core focus where it can have a catalytic impact.

Ultimately, the goal is to align this work not just with the global development agenda but also to support the fulfilment of the SDGs in Indonesia at the national, provincial and community levels.

We are committed to the SDGs and will continue to work with PwC Singapore on this deliberate and systematic process of prioritization and impact measurement, and will consult and communicate with our stakeholders as we move along.

Bey Soo Khiang

Chairman, APRIL Group

APRIL International Enterprise Pte. Ltd.

January 2019

Sustainable Development Goals (SDG) Prioritisation Study

Summary Report

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Scope of services

PricewaterhouseCoopers Risk Services Pte Ltd ("PwC Singapore" or "we") has been engaged by APRIL International Enterprise Pte. Ltd. ("APRIL" or "you") to provide professional services in relation to the following in pursuant to the agreement between us dated 15 December 2017 ("Agreement"):

(i)   Sustainability development goals (SDGS) prioritisation

(ii)   Impact assessment

Our service for (i) SDG prioritisation has been completed and this Report was developed in accordance with the scope of services as set out in our Agreement and are subject to the terms and conditions included therein.

APRIL used the analyses provided by PwC Singapore to select its priority SDG goals. The approach used by APRIL and the selection of the SDGs are covered in Section 4 on "Selection of priority SDGs by APRIL" of the report.

The work performed did not constitute an examination or a review in accordance with generally accepted auditing standards. Accordingly, we provide no audit opinion, or other form of assurance with respect to our work or the information upon which our work was based. We did not audit or otherwise verify the information supplied to us in connection with this engagement, from whatever source, except as may be specified in this Report or in our Agreement.

Our work was limited to the specific procedures and analysis described herein and was based only on the information made available up to the date of this Report. Accordingly, changes in circumstances after this date could affect the findings outlines in this Report and we reserve the right to amend findings, conclusions or recommendations, if necessary, based on factual information that comes to our attention after that date.

This Report has been prepared solely for APRIL's internal use and benefit in accordance with the Agreement between us, and is not intended to nor may it be relied upon by any other party. To the fullest extent permitted by law, PwC Singapore does not accept or assume liability or responsibility to anyone other than APRIL for our work or this Report.

Yours faithfully,
For and on behalf of PricewaterhouseCoopers Risk Services Pte Ltd

Name: Fang Eu-Lin
Title: Partner

1. Background

Sustainability and sustainable development have been defined in many ways. One such definition is by the Brundtland Report, which defines sustainable development as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs." Sustainability has become a key global agenda and the foundation for today's leading global framework for international cooperation – the 2030 Agenda for Sustainable Development and it's SDGs.

1.1 United Nations Sustainable Development Goals (UN SDGs)

The 17 United Nations ("UN") SDGs are a set of global goals agreed on by 193 UN member states in 2015 as a common framework to tackle major world issues by 2030 as part of the 2030 Agenda for Sustainable Development.

Building on the previous Millennium Development Goals ("MDGs"), the SDG framework is holistic in nature. It includes goals addressing industry, innovation and infrastructure, responsible consumption and production, and climate action, as well as refreshed goals targeting poverty and hunger, and health and well-being.

Under each broad goal are several targets to be achieved by 2030, with 169 targets in total. These give greater detail on specific milestones and achievements required to meet the greater goal. These are important in giving greater clarity on the aims of the SDGs and granularity to the types of initiatives to ensure the goals can be met by 2030.

In order to consistently measure and compare progress towards the goals across countries, a set of metrics must be developed that reflect achievements in relation to each target. An inter-agency and expert group on SDGs agreed the latest list of 232 distinct indicators in 2017, to enable governments to measure their achievement against targets and goals. Given the breadth of coverage of targets, more than one indicator is used to capture the performance of a single target, and certain indicators are used to more than one target.
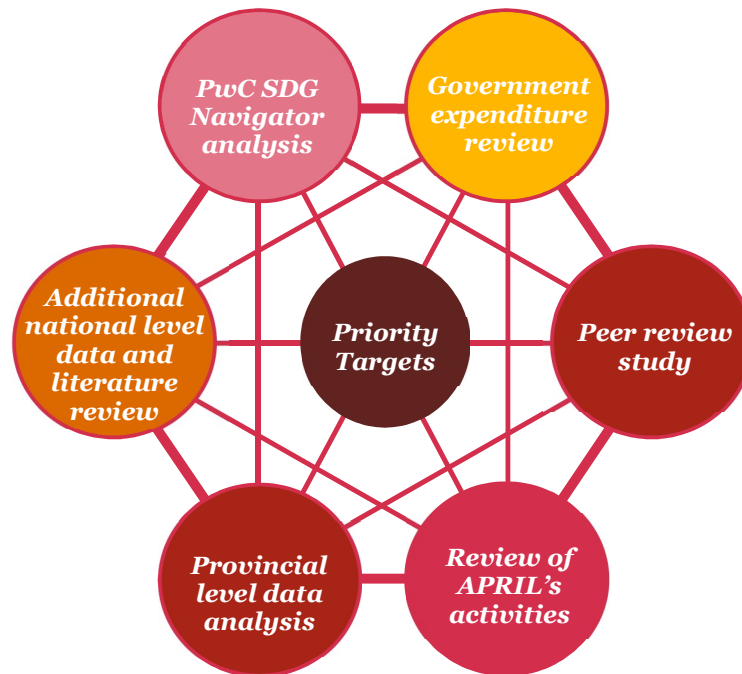
1.2 The role of the private sector in achieving the UN SDGs

The SDGs are the product of three years of intensive multi-stakeholder negotiations involving players from all sectors, and the private sector has an important role to play in achieving the SDGs by 2030. While the SDGs apply to all countries and set the priorities for governments, in an interconnected world, sustainability issues also impact business performance. Demographic and social change, shifts in global economic power, urbanisation, climate change, resource scarcity, inequality and technological breakthroughs all demand a collective, international response.

The UN SDGs are an agenda that governments are striving to achieve. Businesses can either hinder or accelerate that effort through their actions. Responsible organisations see the SDG framework as an opportunity to contribute and measure performance towards sustainable development.

2. Project approach and methodology

There are different methodologies that can be used to prioritise SDGs for businesses. This project focused on using a combination of bottom-up and top-down approaches. Driven by data, the methodology looked at SDG targets through various dimensions.

Stakeholder engagement and validation was key right throughout the course of the project. In addition to regular engagement with management, inputs were sought by external third-party stakeholders such as the Independent Peat Expert Working Group ("IPEWG"), APRIL Stakeholder Advisory Committee ("SAC") and the United Nations Development Programme ("UNDP"), Indonesia.

2.1 PwC SDG Navigator analysis

PwC's SDG Navigator ranks and scores the performance of every country on each of the targets that sit beneath the 17 SDG goals. The Navigator uses publicly available information on each country's performance on the official SDG indicators, which is disclosed on the UN Global Database. The Navigator ranking is based solely on the performance on the official SDG indicators. Each country's performance is normalised and then allocated a score from 1 - 10, with a 1 being given to the best-performing countries and a 10 to the worst performing countries.

Further stages of the PwC Navigator look at sector and supply chain performance on the SDGs and can calculate the value at risk for an individual company if the SDGs are not achieved.

There are 232 official SDG indicators, which sit underneath the 169 targets, and it should be noted that of these indicators, there is currently official information available for 90 indicators, which are included within the Navigator. This is continually being worked on by the UN and international statisticians, and as it continues to increase the Navigator will be updated to reflect that. Of these indicators, data was not available on 13 indicators for Indonesia.

For Indonesia, we identified those goals on which it was performing the worst i.e. those with the scores closest to 10. At a national level, following targets were identified as the 5 worst performing SDG targets for Indonesia.

Target	Description
17.18	By 2020, enhance capacity-building support to developing countries, including for least developed countries and small island developing States, to increase significantly the availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts
17.9	By 2030, build on existing initiatives to develop measurements of progress on sustainable development that complement gross domestic product, and support statistical capacity-building in developing countries
15.5	Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species
2.2	By 2030, end all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons
3c	Substantially increase health financing and the recruitment, development, training and retention of the health workforce in developing countries, especially in least developed countries and small island developing States

2.2 Additional national level data and literature

Where UN SDG indicator data was not available from the UN Global database, data for the same or similar metrics was taken from reliable sources such as the SDG Index (created by the Sustainable Development Solutions Network ("SDSN")), World Bank or specific UN agencies (e.g. ILO, FAO, UNICEF, UNESCO).

National level data across different countries were analysed similarly to the UN SDG indicator data to evaluate the performance of Indonesia relative to other countries on metrics relevant to each SDG target.

For targets where comparative country data was not available for relevant metrics or indicators, a review was conducted of available Indonesian government publications, academic literature, and other recent studies to determine the current performance and level of need in Indonesia or at the Riau province level where possible.

2.3 Provincial level data analysis

Provincial level data for Riau province which aligned to 25 of the UN SDG targets was incorporated into the Navigator. A new set of scores which assess provincial level performance relative to other country-level performance were obtained. Where provincial level data was not available, the results of the national level assessment was retained. It should be noted that the performance of some targets and indicators, for example those concerning national policies, have no relevant or distinct provincial level equivalent.

The largest overall change as a result of incorporating provincial data were seen in goals 6 (Clean water and sanitation) and 8 (work and economic growth). Targets 8.6 (proportion of youth not in employment, education or training) and 6.1 (universal and equitable access to safe and affordable drinking water) were seen to perform particularly worse off after adjustment.

After incorporating the data available for Riau province, the following targets were identified as the 5 worst performing SDG targets.

Target	Description
17.18	By 2020, enhance capacity-building support to developing countries, including for least developed countries and small island developing States, to increase significantly the availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts
6.1	By 2030, achieve universal and equitable access to safe and affordable drinking water for all
8.6	By 2020, substantially reduce the proportion of youth not in employment, education or training
17.9	Enhance international support for implementing effective and targeted capacity-building in developing countries to support national plans to implement all the Sustainable Development Goals, including through North-South, South-South and triangular cooperation
15.5	Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species

2.4 Review of APRILs activities

An evaluation of APRIL's current operations and initiatives was conducted to understand how they interplay with the SDG targets. This helped reflect the relevance and significance of the targets for APRIL, taking into account the scale of impact APRIL could have on a particular target. The evaluation was based on qualitative information and PwC professional judgement, rather than quantitative analysis of the scale of impact, given that no formal impact measurement has yet been conducted.

Data was gathered from various sources, including:

   i)   Primary research to provide a qualitative assessment of APRIL's management approach, including management interviews conducted on site in Kerinci and a questionnaire completed by APRIL staff
   ii) Stakeholder interviews with external parties including the Independent Peat Expert Working Group ("IPEWG") and the Stakeholder Advisory Committee ("SAC"), the independent forestry and social experts that oversee the implementation of APRILs Sustainable Forest
   iii) Review of multiple public disclosures from APRIL

Where insufficient information, detail or evidence was available from the above sources, further validation with APRIL management was sought to substantiate the findings.

2.5 Other considerations

In order to provide further context for the analysis, the priority SDGs identified by peer companies and the public spending plan of the Riau provincial government were also examined. These provided an additional lens to the findings but did not feature as part of the prioritisation.

2.5.1 Peer review

A peer review was performed in order to gauge how APRIL's global private-sector peers are engaging with the SDGs. This process helped identify goals and targets that are covered by private sector companies with comparable supply chains to APRIL and illuminates what areas are of particular relevance and important to the industry.

The companies were selected based on industry relevance (either directly or through part of their supply chain), robustness of the sustainability report, extent of engagement with SDGs and SDG disclosure, and geographic coverage. Eleven companies were selected to take forward, eight of which had operations directly related to APRIL's.

A preliminary high level review of the reporting of these eleven companies was used to determine the level of SDG engagement and disclosures, as well as any priority SDGs stated by the companies. A more detailed review of their reporting was conducted to map their activities with SDG targets[1].

The results of the mapping exercise were used to find the goals and targets with the greatest activity across the close peers. A geospatial analysis was used to identify additional less broadly addressed targets that are particularly relevant to peers operating in socioeconomic environments similar to APRIL.

It was assessed that peers had on average 9 priority goals, and address between 8 and 15 goals. Across all of the peers, a total of 16 goals had initiatives mapped to them, with 14 (Life under water) being the only goal left unaddressed.

Furthermore, 14 SDG targets were identified as peer priorities addressed globally. The target level analysis also highlighted that those companies operating in similar geographic and socioeconomic environments as APRIL tend to focus on a further 9 targets.

2.5.2 Government expenditure review

An analysis of the Riau Government Regional Action Plan was performed to identify the spending commitments towards projects addressing specific SDG targets over the next three years.

The Riau province SDG spending plan included data covering 230 projects, totalling 5.7 billion Rp (US$ 400M) over the next three years. Through the analysis, it was identified that this reported spending plan covers a broad range of areas across all 17 SDGs.

The greatest allocation of government resources in terms of both total aggregate spending and spending per project was on goals 3 (Good health and well-being) and 4 (Quality education). Whereas, goals 16 (Peace and justice) and 8 (Decent work and economic growth) had the greatest number of distinct projects focused on them.

The fewest discrete projects were to address goal 7 (Affordable and clean energy), although these are allocated a significant proportion of spending with the sixth highest spending across the goal as a whole. The least prioritised goals, with the lowest allocation of resources in terms of spending with less than 0.7% of total spending combined were goals 5, 9, 12, 13 and 15.

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[1] It should be noted that the extent of activates in terms of reach, duration, cost or success of impact were not encompassed in this evaluation. As any single initiative may address more than one SDG targets, in these cases, the initiative was mapped to the target considered most relevant given its context of their reporting.

3. Findings

The different analyses yielded a pool of 49 SDG targets which were classified into different categories in terms of level of regional need and activity by APRIL. Peer and public spending priorities were not considered as part of the categorisation, but was used as an additional lens by APRIL. The tables below show the classification of these targets.

High level of need in Indonesia and higher level of activity assessed by APRIL

Target	
1.1	Eradicate **extreme poverty** for all people everywhere, currently measured as people living on less than $1.25 a day
3.8	Achieve universal **health coverage**, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all
4.1	Ensure that all girls and boys complete free, equitable and quality **primary and secondary education** leading to relevant and effective learning outcomes
4.4	Substantially increase the number of youth and adults who have relevant skills, including **technical and vocational skills**, for employment, decent jobs and entrepreneurship
6.3	Improve **water quality by reducing pollution**, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally
9.5	Enhance **scientific research, upgrade the technological capabilities of industrial sectors** in all countries, in particular developing countries, including, encouraging innovation and substantially increasing the number of R&D workers per 1 million people and public and private research and development spending
15.1	Ensure **the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems** and their services, in particular forests, wetlands, mountains and drylands
15.2	Promote the implementation of **sustainable management of all types of forests, halt deforestation, restore degraded forests** and substantially increase afforestation and reforestation globally
15.3	Combat desertification, restore **degraded land and soil**, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world
15.7	Take urgent and significant action to reduce the **degradation of natural habitats,** halt the loss of **biodiversity** and, protect and prevent the extinction of threatened species
15.9	Integrate **ecosystem and biodiversity values into national and local planning**, development processes, poverty reduction strategies and accounts
15.a	Mobilize and significantly increase **financial resources** from all sources to **conserve and sustainably use biodiversity and ecosystems**

15.b	Mobilize significant resources from all sources and at all levels to **finance sustainable forest management** and provide adequate incentives to developing countries to advance such management, including for conservation & reforestation

High level of need in Indonesia and medium level of activity assessed by APRIL

Target	
2.2	End all forms of **malnutrition**, including achieving, the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons
2.3	Double the **agricultural productivity and incomes of small-scale food producers**, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment
3.2	**End preventable deaths of newborns and children under 5** years of age, with all countries aiming to reduce neonatal mortality to at least as low as 12 per 1,000 live births and under-5 mortality to at least as low as 25 per 1,000 live births
3.9	Substantially reduce the number of **deaths and illnesses from hazardous chemicals** and air, water and soil pollution and contamination
3.c	Substantially increase **health financing** and the recruitment, development, training and retention of the **health workforce** in developing countries, especially in least developed countries
4.3	Ensure equal access for all women and men to affordable and quality **technical, vocational and tertiary education**, including university
4.b	Substantially expand globally the number of **scholarships available to developing countries**, in particular least developed countries, small island developing States and African countries, for enrolment in higher education, including vocational training and information and communications technology, technical, engineering and scientific programmes, in developed countries and other developing countries
6.1	Achieve universal and equitable **access to safe and affordable drinking water** for all
6.2	Achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations
6.5	Implement **integrated water resources management** at all levels, including through transboundary cooperation as appropriate
9.c	Significantly increase **access to information and communications technology** and strive to provide universal and affordable access to the Internet in least developed countries

11.2	Provide access to safe, affordable, accessible and **sustainable transport systems** for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons
11.4	Strengthen efforts to protect and **safeguard the world's cultural and natural heritage**
12.5	Substantially **reduce waste generation** through prevention, reduction, recycling and reuse
12.8	Ensure that people everywhere have the relevant information and awareness for **sustainable development and lifestyles in harmony with nature**
15.5	Take urgent and significant action to reduce the **degradation of natural habitats**, halt the loss of biodiversity and protect and prevent the **extinction** of threatened species
16.5	Substantially reduce **corruption and bribery** in all their forms
17.16	Enhance the **Global Partnership for Sustainable Development**, complemented by **multi-stakeholder partnerships** that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries
17.18	Enhance **capacity-building support** to developing countries, including for least developed countries and small island developing states, to increase significantly the availab**ility of high-quality, timely and reliable data** disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other relevant characteristics

High level of need in Indonesia and low level of activity assessed by APRIL

Target	
2.1	**End hunger** and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round
3.1	Reduce the global **maternal mortality** ratio to less than 70 per 100,000 live births
3.3	End the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other **communicable diseases**
3.b	Support the **research and development of vaccines and medicines for the communicable and non-communicable diseases that primarily affect developing countries**, provide access to affordable essential medicines and vaccines, in accordance with the Doha Declaration on the TRIPS Agreement and Public Health, which affirms the right of developing countries to use to the full the provisions in the Agreement on Trade-Related Aspects of Intellectual Property Rights regarding flexibilities to protect public health, and, in particular, provide access to medicines for all

4.7	Ensure that all learners acquire the **knowledge and skills needed to promote sustainable development**, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development
5.5	Ensure **women's full and effective participation and equal opportunities for leadership** at all levels of decision-making in political, economic and public life
8.6	Substantially reduce the proportion of **youth not in employment, education or training**
10.2	Empower and promote the **social, economic and political inclusion** of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status
14.5	Conserve at least 10 % of **coastal and marine areas**, consistent with national and international law and based on the best available scientific information
16.b	Promote and enforce **non-discriminatory laws and policies** for sustainable development
17.7	**Promote the** development, transfer, dissemination and diffusion of environmentally sound technologies **to developing countries on favourable terms, including on concessional and preferential terms, as mutually agreed**

Medium level of need in Indonesia and higher level of activity assessed by APRIL

Target	
6.6	Protect and restore **water-related ecosystems**, including mountains, forests, wetlands, rivers, aquifers and lakes
7.2	Increase substantially the share of **renewable energy** in the global energy mix
8.1	Sustain **per capita economic growth** in accordance with national circumstances and, in particular, at least 7 % gross domestic product growth per annum in the least developed countries
8.3	Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and **encourage the formalization and growth of micro-, small- and medium-sized enterprises**, including through access to financial services
16.7	Ensure **responsive, inclusive, participatory and representative decision-making** at all levels
17.11	Significantly increase the **exports of developing countries**, in particular with a view to doubling the least developed countries' share of global exports

4. Selection of priority SDGs by APRIL

PwC presented its findings on the SDG targets to APRIL and APRIL plotted the targets on a "Deeds"-"Needs" matrix. Furthermore, APRIL classified these targets into three areas: **core, catalytic and contributed** based on their alignment with APRIL's 5C values, organisational capabilities and historical intervention.

- Core areas are targets that APRIL considers central to the nature of APRIL's business and operations
- Catalytic areas are targets APRIL considers of high need outside APRIL's direct operations
- Contributed areas are targets APRIL considers it has historically had a strong contribution to through its activities

APRIL "DEEDS"-"NEEDS" MATRIX

	Deeds → Low	**Deeds → Medium**	**Deeds → High**

Needs: High	2.1 3.1
	5.5 3.3
	8.6 3.b
	10.2 4.7
	14.5 17.7
	16.b
		2.2 3.2 6.2
		2.3 3.9 6.5
		9.c 3.c 17.16
		11.2 4.3 17.18
		11.4 4.b 12.5
		16.5 6.1 12.8
		         15.5
			1.1 3.8 15.1
			9.5 4.1 15.2
			       4.4 15.3
			       6.3 15.7
			              15.9
			              15.a
			              15.b

Needs: Medium			7.2 6.6 8.1 17.11 8.3 16.7
Needs: Low			

Axis: Deeds (Low, Medium, High) horizontal; Needs (High, Medium, Low) vertical.

Contributed (blue)
Catalytic (red)
Core (green)

The findings allowed APRIL to understand the most relevant SDG targets and use that in selecting its priorities going forward. The results were reviewed by APRIL management and APRIL has decided to prioritise the following SDG goals within the three categories.[2]
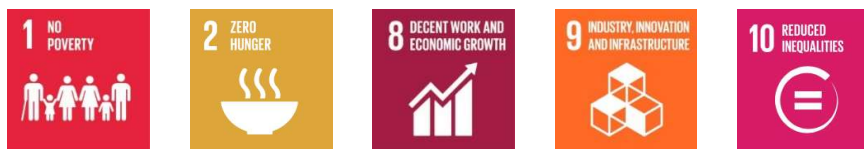
Core – areas that are central to the nature of APRIL's business and operations

Catalytic – areas of high need outside APRIL's direct operations

Contributed –areas APRIL has historically had a strong contribution to through its activities

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[2] Goal 13 was included as a priority goal by APRIL to be in line with industry and stakeholder expectations. Goals 7, 14 and 16 were not considered by APRIL as goals where they can have significant influence and were thereby excluded as priority goals.