



cutting through complexity

APRIL

Proposed SFMP 2.0 and Sustainability Report Assurance Approach 2020

For stakeholder consultation

February 2020



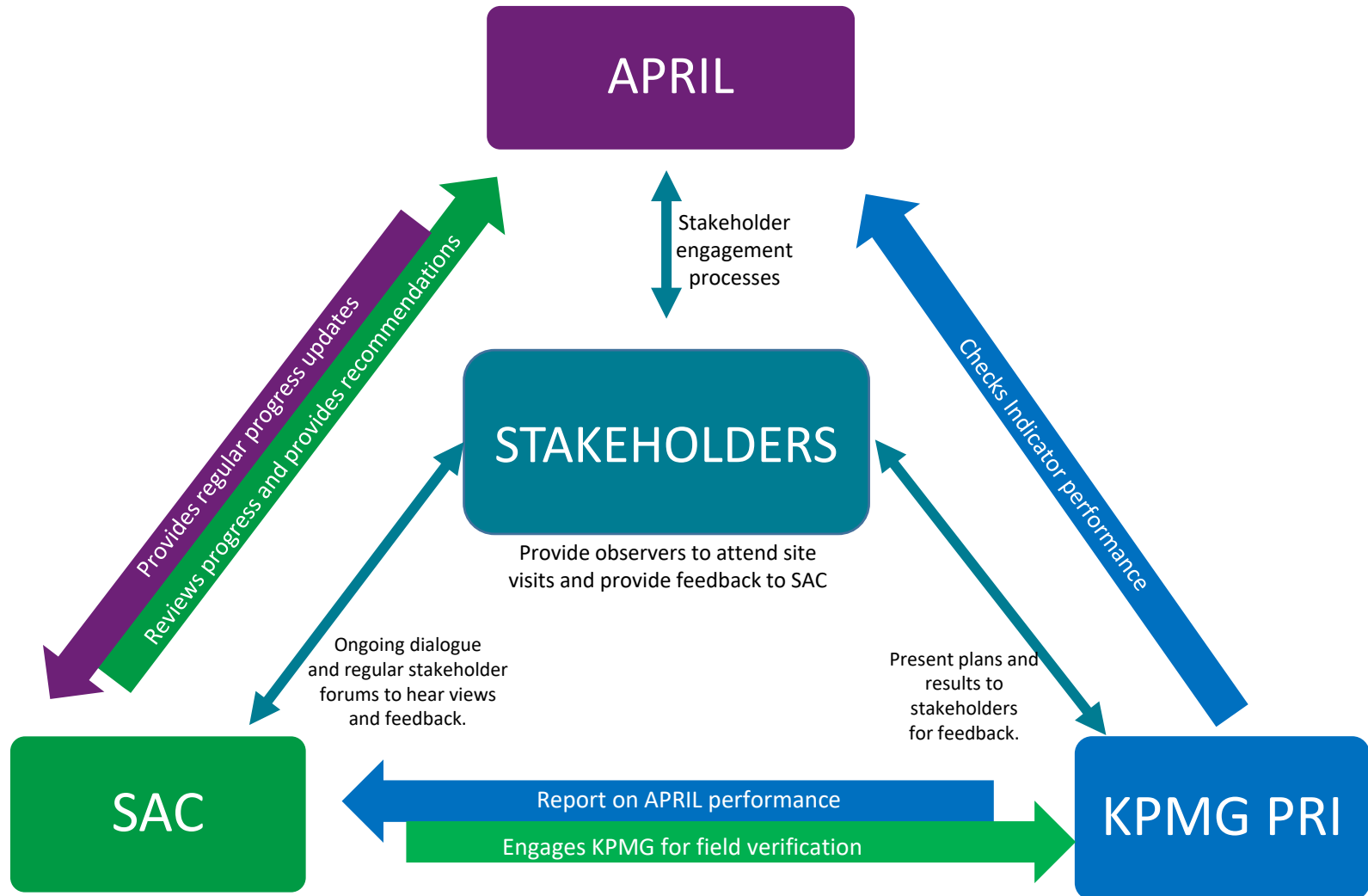
Background on the Stakeholder Advisory Committee Assurance Program

APRIL's independent Stakeholder Advisory Committee (SAC) provides oversight and recommendations to APRIL on the implementation of its Sustainable Forest Management Policy (SFMP 2.0)

The SAC engages KPMG PRI to provide an independent report on progress against key SFMP 2.0 commitments

Findings on the implementation and effectiveness of SFMP 2.0 are reported to the SAC annually and support the SAC's understanding of progress and areas for improvement and help them frame recommendations for further improvement and respond to stakeholder questions and concerns.

Overview of Roles in the SAC Assurance Program



Background on the Stakeholder Advisory Committee Assurance Program

Key performance indicators were developed in 2015-16 to support progress reporting and these have been modified and improved through stakeholder consultation in 2017 and 2018.

There are currently 40 performance indicators. For 2020, all SFMP 2.0 indicators have been selected for review in consultation with the SAC.

The indicators focus on critical SFMP 2.0 commitments.

Performance in relation to the indicators will be reported in July 2020.

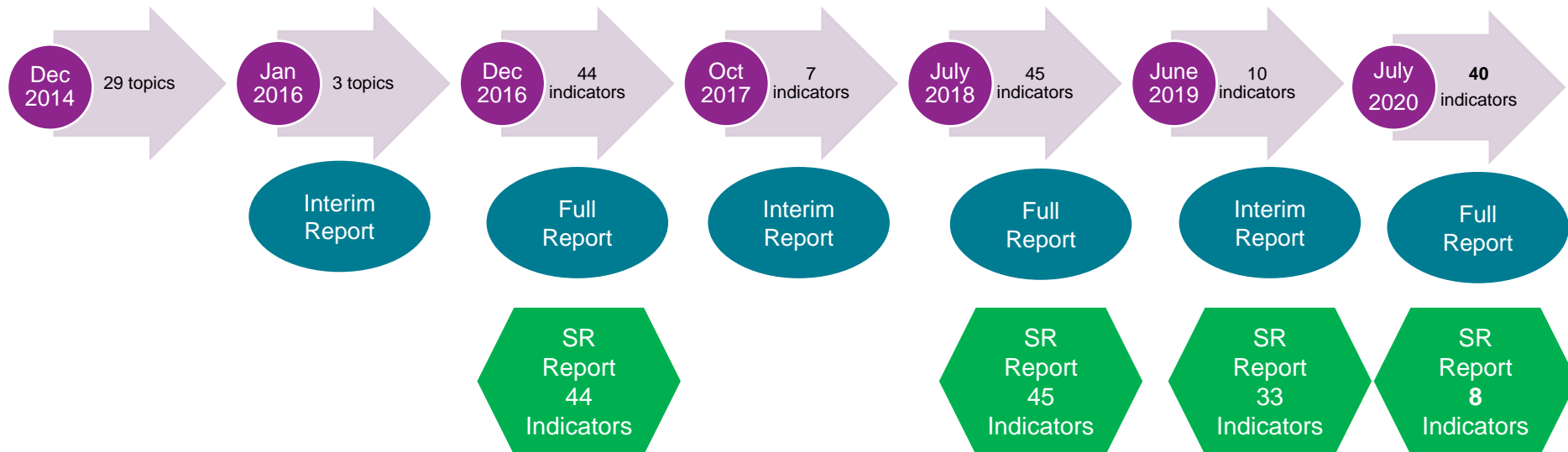
History of The Assurance Program

SFMP 1.0

SFMP 2.0

Procedures and findings
Reports

Limited Assurance Reports



Overview of overall plan for 2020



List of all SFMP 2.0 indicators for 2020

Reference		Indicator
I	a.	Tonnes and % of fiber supply by Region (PT. RAPP, Suppliers (Concessions, community forests))
I	b.	Ha developed by category (Forested, Non-Forested and HCV/HCS and non-HCV/HCS) Show peatland and mineral soil separately. Ha of new drainage-based plantations on peatlands % and Ha of first time planting areas that have been subject to HCS assessment.
I	c.	Ha of PT. RAPP and supplier non-compliant new development detected and the % of non-compliances resulting in corrective action (e.g., rehabilitation, implementation of agreed corrective actions, removal of supplier).
I	d.	# of tonnes mixed hardwood (MHW) deliveries utilized by the Kerinci mill
I	e.	% Change in mill fiber consumption capacity
I	f.	Land or licenses acquired by APRIL after 3 June 2015 and # of hectares of associated development (HCV/HCS and non-HCV/HCS) Map of license area
I	g.	Third party mill deliveries (# of tonnes) from post June 3, 2015 clearing of HCV, HCS forests or forested peatlands.
I	h.	Ha of plantation in outgrower programs (Livelihood plantation, Tanaman Kehidupan)
II	a.	Ha and % of conservation and restoration area impacted by fire or development or encroachment Map of conservation and restoration area.
II	b.	Ratio of conservation area to total plantation area

List of all SFMP 2.0 indicators for 2020 (continued)

Reference		Indicator
II	c.	Ha of APRIL and supplier concessions under Ecosystem Restoration Planning Processes
		Ha of APRIL and supplier concessions that have implemented Conservation Forest Management Planning
II	d.	% of ecosystem restoration area with formal plans for protection and/or restoration objectives
		# of RTE species identified on ecosystem restoration areas.
III	a.	Ha of plantation, conservation, and ecosystem restoration on peatland.
		Ha of FBEG and FLEG on peatland
III	b.	# and % of Independent Peatland Expert Working Group (IPEWG) recommendations implemented on schedule.
IV	a.	% of mill energy consumption by energy source Energy contribution by fuel type (renewable/non-renewable)
IV	b.	Overall Carbon Footprint 2019:
		Scope 1 Mill GHG emissions (tonnes CO2e)
		Mill Biogenic emissions (tonnes CO2e)
		Text commentary on progress in calculating Scope 1 land use GHG emissions and land use biogenic emissions

List of all SFMP 2.0 indicators for 2020 (continued)

Reference		Indicator
V	a.	\$ spent on social infrastructure projects KMs of road built # of social infrastructure projects completed # of social infrastructure projects for which materials were provided
V	b.	Local GDP Progress in development of a monitoring and reporting system
V	c.	# of education scholarships provided
V	d.	# of SMEs contracted by APRIL and suppliers
V	e.	Actions arising from multi-stakeholder forums Metrics: # of multi-stakeholder forums by location # of stakeholder attendees # of agreed actions arising from fora
V	f.	# of villages engaged in fire prevention program # of villages achieving their bonuses and avg. # of fire events compared to villages not in the program
V	g.	# of farmers trained to cultivate farmland
V	h.	# of farmer groups supported with agricultural material

List of all SFMP 2.0 indicators for 2020 (continued)

Reference		Indicator	
VI	a.	# and % of new operations (concessions and blocks) with formal agreements in place with indigenous peoples and rural communities (note: based on FPIC as defined in HCSA process)	
VI	b.	Ha of APRIL and supplier concessions currently inactive due to unresolved land disputes Ha and % of areas subject to land dispute that are part of an active land dispute resolution process (i.e., have identified land claimants)	
VI	c.	Existence of publicly available grievance system	
VI	d.	% of grievances resolved in accordance with the grievance SOP	
VII	a.	# of fatalities (Mill, PT.RAPP fiber, suppliers).	
VII	b.	Grievance resolution mechanism in place for labor concerns raised by APRIL or supplier employees and contractors	
VII	c.	% of PT. RAPP, supplier and contractor operations covered by OHS certification	
VII	d.	# of males and females in permanent and part-time positions	
VIII	a.	# of Instances of fire on concessions by cause (April or supplier initiated or third party initiated)	
VIII	b.	% of fiber covered by legality certification	
VIII	c.	# of legal sanctions received and resulting actions	
IX	a.	Total Ha and HCV/HCS Ha by concession	
IX	b.	% of RAPP and supplier concessions identified and maps publicly available.	
IX	c.	Status of SAC Recommendations	
IX	d.	% of new suppliers for which the supplier due diligence process was completed prior to the first wood delivery.	
X	a.	% of concessions not using WHO Class 1a or 1b pesticides.	

Proposed site visits

PT. RAPP - 2 Estates

Meranti

Pulau Padang

Supply Partners - 4 concessions

PT. Rimba Peranap Indah

PT. Wananugraha Bima Lestari

PT. Sumatera Sylva Lestari - Padang Lawas

PT. Sumatera Riang Lestari VI – Bayas

Open Market Suppliers - 2 concessions

PT. Mayangkara Tanaman Industri

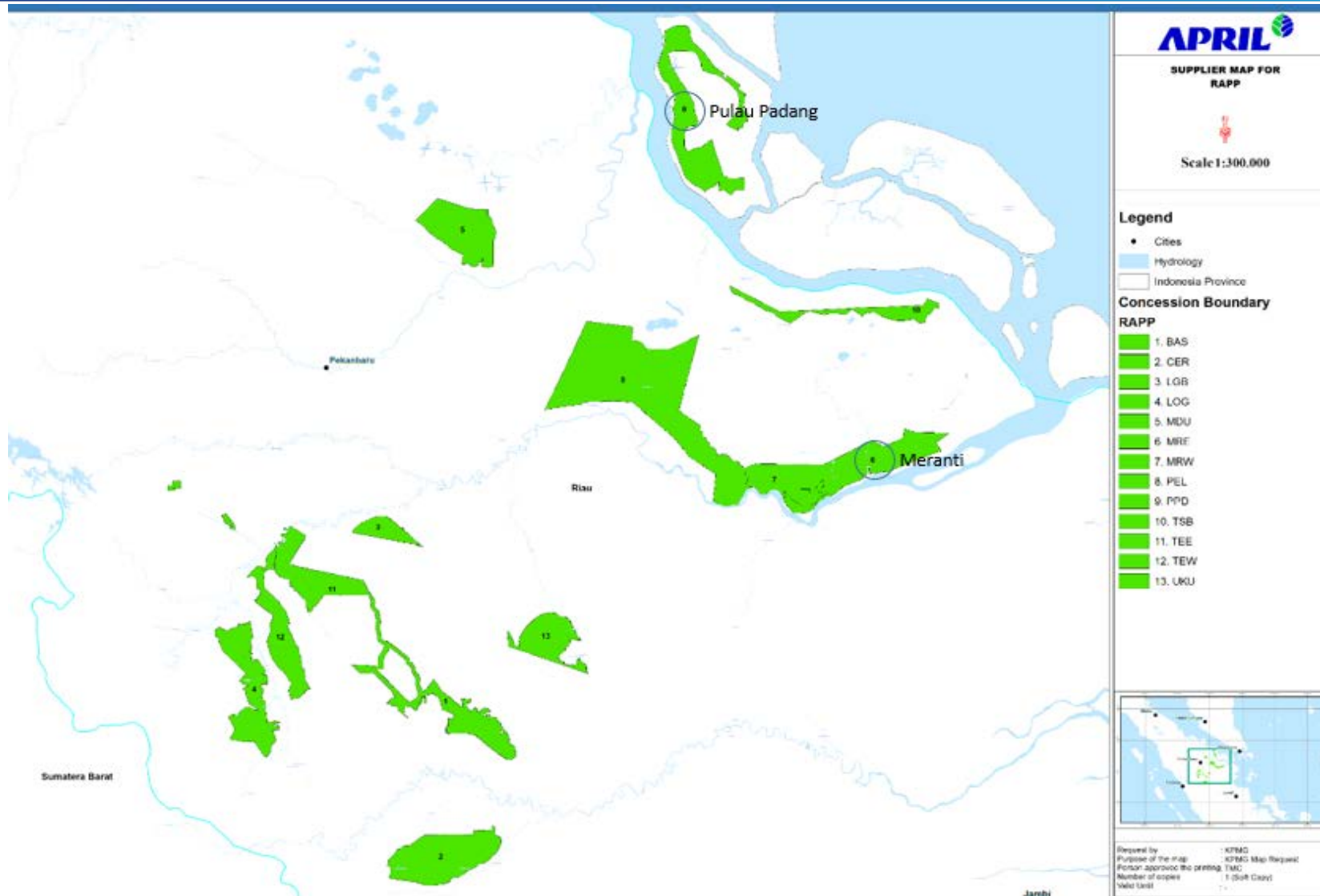
PT. KTS Logs Marketing SDN. BHD

Selection of field inspection sites

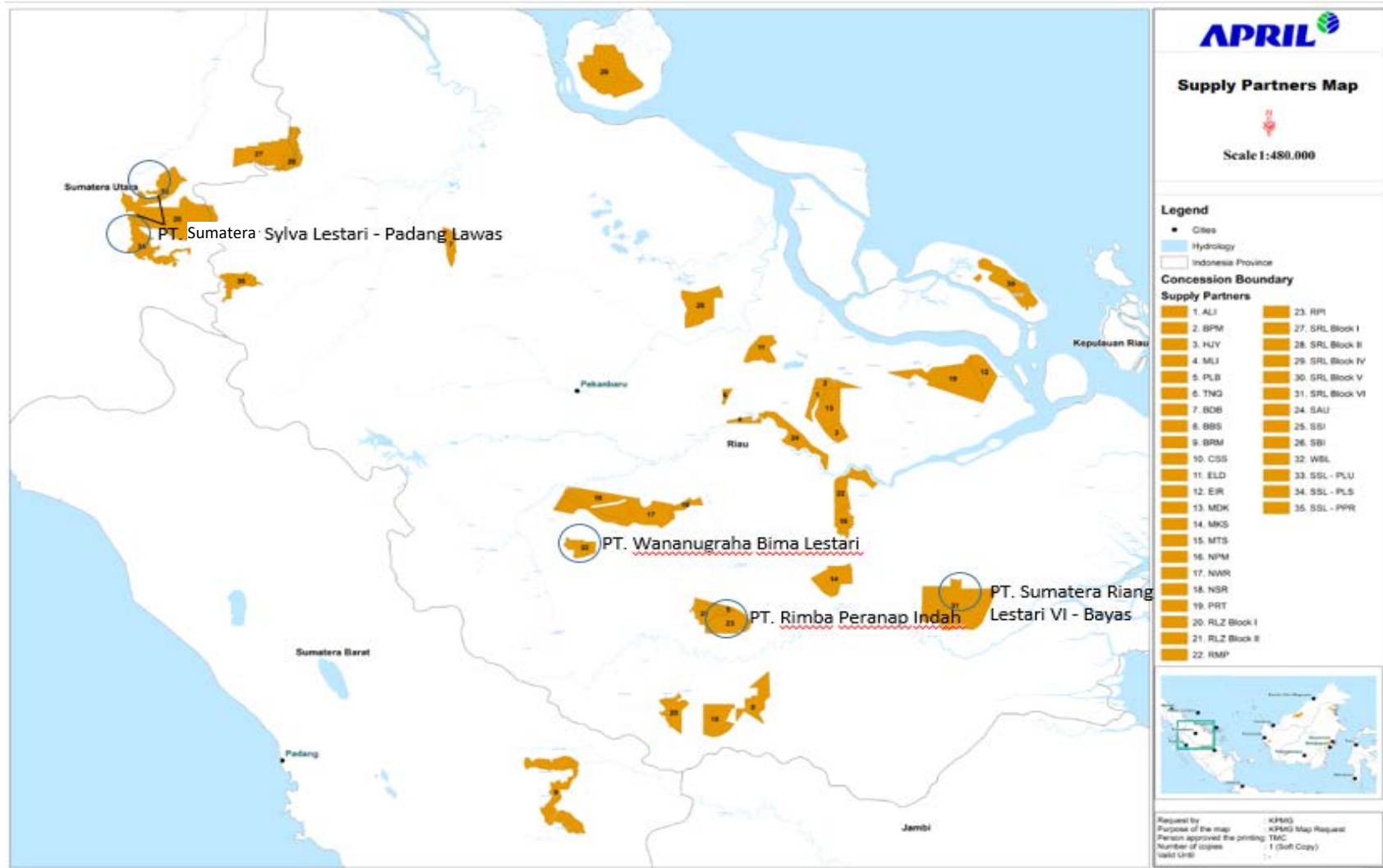
The draft list of concessions and estates was selected based on the following criteria:

- Supplier status (ongoing supply of fiber).
- Volume supplied (preference for suppliers > 150,000 tonnes).
- If and how recently visited by KPMG.
- Land cover change identified from independent satellite data (particularly larger areas).
- Significant increase in land claims.
- Significant decrease in land claims.
- Encroachment and loss of conservation area.
- Public sanctions by government.
- Media coverage.
- Soil type (peat or mineral).

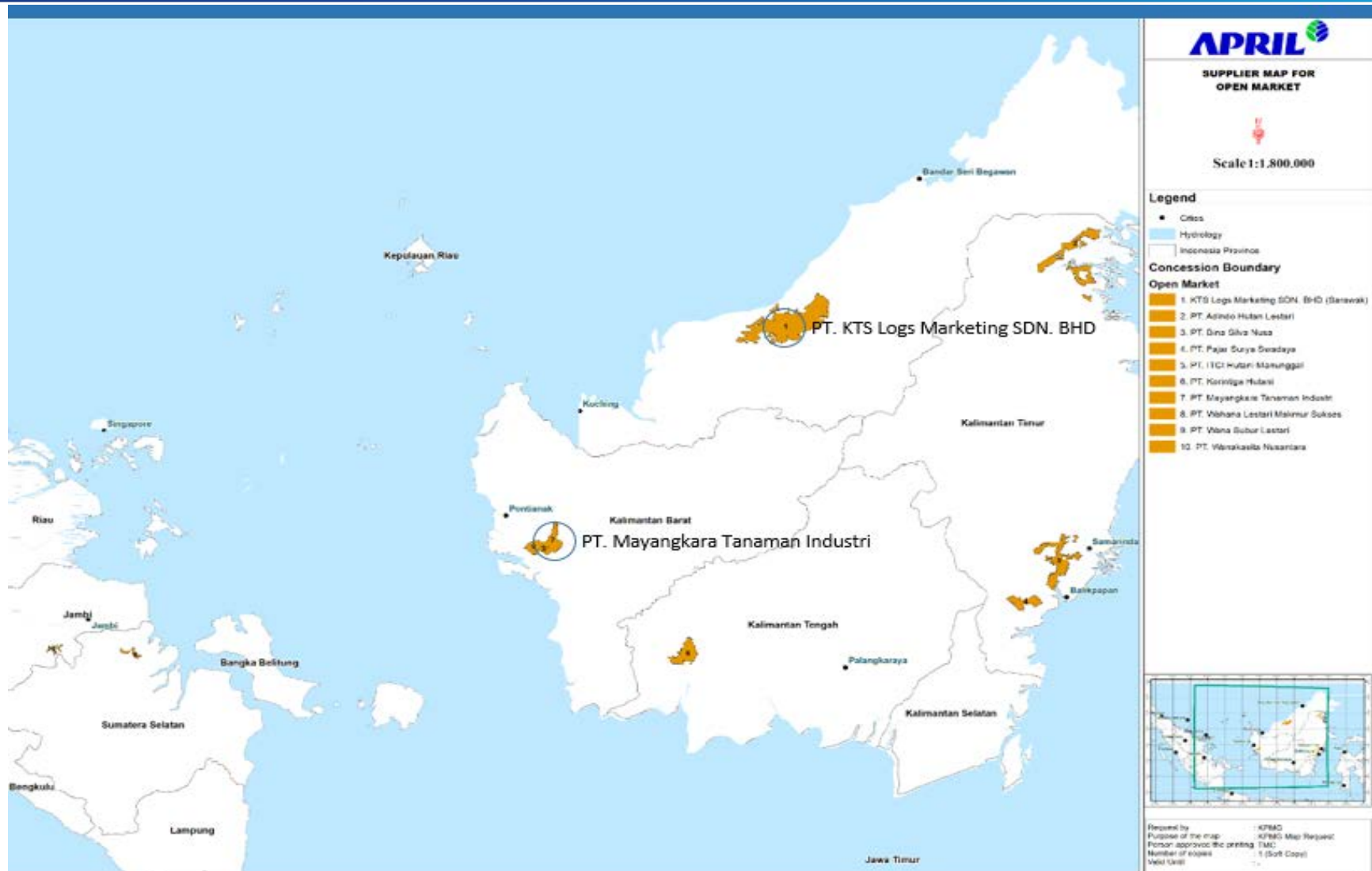
Location of RAPP Estates and Proposed Field Sample



Location of Riau Supply Partners and Proposed Field Sample



Location of Open Market Suppliers and Proposed Field Sample



Focus of Field inspections



Compliance with SFMP 2.0 commitments related to new development



Completeness of fire data

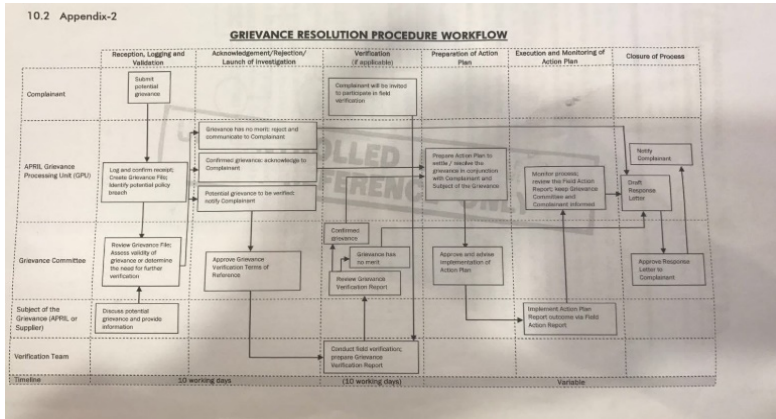


Completeness of encroachment data



Employee / contractor awareness of grievance processes

Focus of Field inspections



Implementation of Grievance Mechanism to record accurately and resolve new disputes



Fiber limited to plantation sources



Progress on Land Disputes



Implementation of Due Diligence System for New Suppliers

Opportunity to comment

Comments on our proposed 2020 approach to field inspections are welcomed and will be considered in the development of the final plan for Stakeholder Advisory Committee approval.

Comments may relate to:

- Specific concessions and estates selected for field inspection.
- Specific topical issues of concern.
- Other topics related to SFMP 2.0 and APRIL's performance.

All comments should be directed to the Stakeholder Advisory Committee at Sac_secretariat@aprilasia.com



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