



Stakeholder Advisory Committee (SAC) on APRIL's Sustainable Forest Management Policy (SFMP 2.0)

18TH SAC Virtual Meeting
Wednesday, 22 July 2020

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| SAC MEMBERS | <ol style="list-style-type: none">1. Mr. Joseph Lawson (<i>Chair</i>)2. Bapak Al Azhar3. Prof. Jeffrey Sayer4. Dr. Neil Byron5. Ibu Erna Witoelar6. Dr. IB Putera Parthama (<i>New</i>)7. Rod Taylor (<i>New</i>) |
| TOPICS OF DISCUSSION | |
| Opening Remarks by SAC Chair <p>Joe Lawson, Chair of the SAC, opened the meeting with a welcoming remark. He reminded the meeting attendants that the purpose of this meeting was not to replace the original SAC meeting that usually takes place in person, but to accommodate unforeseeable circumstances - namely, the COVID-19 pandemic - and to allow the SAC members to catch up and touch base on key topics, albeit without the extensive discussion allowed by the usual meeting set up.</p> <p>Joe continued by welcoming two new members to the SAC, Rod Taylor and Dr. Putera Parthama.</p> | |
| Remarks from APRIL Management <p>Praveen Singhavi welcomed the SAC members to the meeting. He announced that APRIL's Sustainability Report 2019 had recently been published. Even if the Group cannot foresee what will happen with external circumstances, the company's commitment to sustainability remains, he said. Praveen also provided a brief update on business operations in relation to the Covid-19 situation, and the preventive measures that have been applied throughout operation areas and offices to ensure the health and safety of employees. He also spoke about APRIL's next level of commitments and targets for the next 10 years which will be announced soon. He concluded his remarks by welcoming Rod Taylor and Putera Parthama to the SAC and added that having new members would continue to strengthen the workings of the committee.</p> | |
| 1. APRIL 2030 <p>APRIL presented the SAC with updates on the progress that had been made during the first half of 2020 with preparation for APRIL 2030. The process of embedding APRIL 2030 into the company's business and operational plans has been started. Baselines for each target have been set and are being assured by an independent third party, while action plans for the next three years are being developed, to be integrated into the annual business and operational planning cycle. APRIL is implementing various key initiatives in relation to the APRIL 2030 targets, from undertaking research and benchmarking and ensuring alignment</p> | |

with science-based target setting to exploring multi-stakeholder collaborations, as well as incorporating independent assurance and verification processes.

2. SFMP 2.0 Assurance

A representative from KPMG presented updates and a completion plan for the 2020 SFMP 2.0 assurance process to the SAC and APRIL. With restrictions and limitations caused by the Covid-19 pandemic, the assurance process that had begun in February 2020 had been stalled. To date, KPMG has completed 95% of the office-based procedures and has visited two of the eight APRIL suppliers' concessions planned for this year's assurance. Considering the uncertainty around Covid-19 and the low possibility of continuing the field visits, KPMG proposed two options for continuing the assurance process, both to be completed by December 2020. APRIL raised concerns about the proposed timeline, given the regular cycle of the SFMP 2.0 assurance process being carried out in the first quarter of every year, and the value of the assurance report should it only be published at year end. Therefore, APRIL asked the SAC to consider the option to complete and publish the SFMP 2.0 assurance report by October 2020.

The SAC acknowledged the feasibility of the APRIL proposal, with the condition that there would be a virtual SAC meeting for the approval of the SFMP 2.0 report before its publication in October 2020.

3. Carbon Footprint Analysis

Keeping to its commitment to reduce its carbon footprint, as stipulated in the Sustainable Forest Management Policy (SFMP) 2.0, APRIL is currently establishing its carbon emissions baselines which will be used for setting carbon emission reduction targets. While APRIL has been reporting on its mill carbon emissions in its Sustainability Report, the company is now undertaking an independent verification process for its Scope 1 and 3 emission calculations, as well as biogenic emissions and potential carbon credits. These verification processes are scheduled to be largely completed in 2020. APRIL presented the SAC with the accounting and analysis of its 2018 carbon footprint, as discussions continue on initiatives to reduce and offset this. The company also shared with the SAC updates on the benchmarking being done as part of an exercise to inform the emissions reduction target. Moreover, APRIL informed the SAC of its participation in the technical working group convened by the World Business Council for Sustainable Development and World Resources Institute for the new GHG Protocol Guidance for the Land Sector.

4. Riau Ecosystem Restoration (RER)

A representative from Restorasi Ekosistem Riau (RER) provided updates on the construction of the Eco-Research camp, located in the Meranti Estate of PT. RAPP, which is scheduled for a soft opening in November 2020. Between September 2019 and March 2020, a Sumatra-wide tiger survey was conducted, covering a total area of more than 500,000 ha across Kampar Peninsula. This first tiger occupancy survey in the Kampar Peninsula indicated a high probability of tiger occupancy compared to the previous estimate (Wibisono et.al., 2011; Sunarto et.al., 2013).

In March 2020, a tigress - now named Corina - was found in a snare in a PT. RAPP concession in the Meranti Estate and was rescued by a joint team led by BBKSDA Riau and the RER staff. The tigress was being treated in a rehabilitation center in Dharmasraya, West Sumatra and

was recovering ahead of re-introduction into the wild. As it is considered best for Corina to return to her original habitat landscape, RER is preparing a series of analyses on the suitability of the RER area in the Kampar Peninsula for the consideration of the Ministry of Environment and Forestry (MoEF).

A series of Odonata surveys have been conducted within the RER area, with the first round completed. The survey was executed by an IUCN expert in collaboration with the University of Muhammadiyah Riau. The other two surveys have been postponed due to Covid-19.

Furthermore, the RER team reported that up to July 2019, there was a total of 11 detections of the flat headed cat, one of the rarest and most poorly studied of the small cat species. The flat headed cat is listed as Endangered in the IUCN red list. As such, RER is working with Flora & Fauna International (FFI) to produce a short communication piece regarding the presence of this species on the Kampar Peninsula. RER is planning an edge effect study to understand more about the interface between plantations and natural forest, and how species respond to the forest edge. The sites are being established with a nine-month period of monitoring planned.

The SAC flagged the importance of closely monitoring activities within the Eco-research camp area, as it is located on the border between natural forest and plantation. The SAC complimented RER's efforts in rescuing and supporting the rehabilitation of Corina, and encouraged RER to prepare a comprehensive plan for the tiger's re-introduction to her original habitat. The SAC also highlighted the opportunity for potential collaboration through the RER Eco-research camp, with the International Tropical Peatlands Center established by the Indonesian Government with the governments of the Republic of Congo and the Democratic Republic of Congo and with support from the UN Environment Programme.

5. Update on PT Itci Hutani Manunggal's Concession Area

APRIL provided updates to the SAC on the changes in the concession area managed by PT Itci Hutani Manunggal (IHM), an APRIL open market supplier that manages a concession in East Kalimantan Province. APRIL provided the SAC with a comprehensive update on the area that was formerly owned by PT IHM and which has been returned to the Government of Indonesia to support development for the new capital city. Contrary to what was reported in a Mongabay article published in January 2020, PT IHM neither received nor was promised any compensation through this process. APRIL also shared a high level summary of how this move affected PT IHM's business and explained how the company will fully support the Government's decision to develop the country's new capital city.

Closing Remarks

The SAC Chair thanked the Committee members and the APRIL team for the productive discussion and for the commitment to the virtual meeting, despite time differences. The SAC plans to hold a follow-up discussion on the schedule and format of the next meeting, depending on the Covid-19 situation.