



Stakeholder Advisory Committee (SAC)

SAC Meeting 02 September 2022

The Stakeholder Advisory Committee (SAC) are independent forestry and social experts that oversee the implementation of APRIL Group's Sustainable Forest Management Policy (SFMP) 2.0. The Committee selected KPMG PRI to provide assurance on APRIL Group's performance against its Policy commitments.

The SAC meets in person or virtually two to three times a year.

SAC MEMBERS

1. Prof. Jeffrey Sayer (Co-chair)
2. Dr. IB Putera Parthama (Co-chair)
3. Dr. Neil Byron
4. Mrs. Erna Witoelar
5. Mr. Rod Taylor

APRIL

1. Lucita Jasmin (Sustainability Director)
2. Craig Robin Tribolet (Head of Sustainability Operations)
3. Dian Novarina (Deputy Director of Sustainability & Stakeholder Engagement)
4. Nadine Syarief (Strategic Initiatives Manager)
5. Lany Harijanti (Sustainability Program Manager)
6. Ika Citra Marlia (Sustainability Assistant Manager)

The SAC virtual meeting agenda included:

1. SFMP 2.0 Indicators Review
2. Updates on APRIL Activities
3. APRIL engagement in relevant platforms (global and national)

Signed:

Ida Bagus Putera Parthama
Co-Chairman
Stakeholder Advisory Committee
(SAC)

Jeffrey Sayer
Co-Chairman
Stakeholder Advisory Committee
(SAC)

DISCUSSION SUMMARY

1. SFMP 2.0 Indicators Review

SAC Recommendation(s):

- 1.1. Consult with external stakeholders to further identify potential indicators to be incorporated. APRIL should consider both coverage and detail or specificity of the indicators as it relates to the issues most material to APRIL. It was also suggested for APRIL to scan recent NGOs reports which may indicate areas of concern relevant to the selection of indicator as inputs to the process.*

A general overview on the Sustainable Forest Management Policy (SFMP 2.0) assurance process and indicators, results, and trends overtime were presented by APRIL. The update was in response to a previous SAC recommendation to establish a task force mandated to review and update SFMP audit indicators. The review should consider stakeholder feedback, impact indicators, and better reflect the evolution of APRIL's commitments. The task force, which consists of Neil Byron (SAC), Chris Ridley Thomas (KPMG) and Craig Tribolet (APRIL), will conduct its 1st meeting in the 3rd week of September with a plan leading up to the next SFMP 2.0 Assurance Audit in Q1 2023.

SAC recommends APRIL consult with external stakeholders to further identify potential indicators. APRIL should consider both coverage and detail or specificity of the indicators as it relates to the issues most material to APRIL. It was also suggested for APRIL to scan recent NGOs reports as inputs to the process.

APRIL affirmed that a public consultation on the indicators was normally conducted online, especially if there were changes to the indicators. It was also observed that stakeholders have raised questions in the past on the extent with which Open Market Suppliers were covered in the audit.

APRIL also informed the SAC that progress reporting and verification of its APRIL2030 commitments and targets will be done through the annual Sustainability Report which is also independently assured. APRIL will keep the SAC informed of APRIL2030 progress ahead of any public reporting.

2. Updates on APRIL activities

SAC Recommendation(s):

- 2.1 APRIL should share updates on river maintenance with external stakeholders to provide clarity on the objectives and the scope of the activities.*

High Conservation Value (HCV) river management

APRIL updated the SAC on three rivers with identified HCVs that require operational intervention to manage and protect these values. A request has been made by communities to APRIL for assistance to help maintain access to traditional fishing areas. APRIL aims to ensure

the operational interventions undertaken are in line with SFMP 2.0, specifically on Long Term Sustainability point b) *“APRIL and its suppliers will actively protect HCV and HCS areas”*.

SAC appreciated the update and recommends that APRIL communicate same with external stakeholders to encourage an accurate understanding of the activities undertaken on the ground. SAC acknowledged the considerations and tradeoffs between meeting local requests and the expectations to protect biodiversity and ecosystem values.

In the context of SFMP, it is worth considering whether this area of HCV river management should be reflected as an indicator. However, the SAC further observed that the tradeoffs might mean the issue is better resolved and tracked through river management plans rather than rolling up into a single indicator.

Conservation Forest Management Framework (CFMF)

Updates on the CFMF progress were presented to SAC informing them of key developments, including the signing of the first Community Conservation Agreement with Teluk Meranti Village. Discussions with additional four villages are in progress, building on the trust and relationship established with these same villages who were engaged through the Fire Free Village Program (FFVP). This time the goal is to encourage and help build the capabilities of the communities to conserve and protect natural forests in their areas. The SAC generally observed that biodiversity is a value that needs further advocacy at local levels.

Apart from the Community Conservation Agreement, APRIL also updated on Estate Based Conservation Plans with 90% rate of completion and a technical partnership with University Indonesia to complete the uploading of the first batch of 120 Species ID Profiles on APRIL’s Biodiversity Portal.

The SAC commends APRIL’s efforts to engage communities in conservation and noted that these efforts are progressive relative to peers in the sector.

Human Rights Impact Assessment (HRIA)

APRIL presented an overview of the planned HRIA that will be conducted in September. This is part of APRIL’s Human Rights Due Diligence (HRDD) Framework, following the adoption of a standalone Human Rights Policy in January this year. The HRDD will help strengthen the management of human rights risks and impacts in the organization. The HRIA builds on the scoping study of salient human rights which was completed last year.

SAC welcomed the progress and looks forward to hearing the result of the assessment. On the topic of human rights, the SAC observed that there are often misperceptions about APRIL’s independent ability or authority to decide on matters related to land rights, noting this authority rests fully and solely with the Indonesian Government.

FSC re-association process

Pak Putera provided the group with a summary and update on the FSC motions and engagement processes that are pertinent to APRIL, based on his insights as a member of the FSC Environment Chamber. Pak Putera especially highlighted that APRIL's process to end its disassociation is part of a broader national interest for Indonesian forestry companies to gain recognition in FSC.

3. Engagements in External Platforms (global and national)

An update was given by APRIL regarding current engagement in various platforms at global and national levels which are relevant to APRIL's sustainability agenda. At the global level, APRIL is involved with a number of initiatives such as the Science Based Target-setting Initiative, World Business Council for Sustainable Development (WBCSD), World Economic Forum, GHG Protocol and Textile Exchange. While at the National level, APRIL supports Indonesia's FOLU Net Sink 2030, is a member of KADIN, the Indonesia Global Compact Network, and a signatory of Indonesia Business Coalition for Women Empowerment (IBCWE), among others.

The SAC is impressed by the breadth of initiatives that APRIL is engaged in and supports APRIL's continued participation in these initiatives in order to keep abreast of global, national and industry agenda.

SAC suggests to also look into the Voluntary Carbon Markets Integrity initiative and also to consider participating in G20-related events.

Next Meeting Date

It was agreed the next SAC in-person meeting will be conducted in the 1st week of December 2022 (December 7th to 9th) in Pangkalan Kerinci, Riau.

SAC looks forward to the agenda for this coming meeting which will focus on community engagement, including visits to local communities and villages.