

JAKARTA STAKEHOLDER FORUM MINUTES OF MEETING

Location : Ballroom 3, Mulia Hotel Senayan Jakarta

Date, Time : Wednesday, 02 August 2023

Participants	
1. Abdul Halim (FKKM)	39. Hu Fu Yang (PT. Cinjoe Jaya Perkasa Muda)
2. Aditya Bayunanda (WWF)	40. Jacobus (BOSF)
3. Ahmad Fahrudin (BIDARA)	41. Jamartin Sihite (BOSF)
4. Ananta PN (BCA)	42. Jane Siregar (Tropical Forest Alliance)
5. Andhika Vega (FKKM)	43. Jeremy Sutrisno (BNP Paribas)
6. Andre (HSBC)	44. Johan Kieft (UNEP)
7. Dr. Ani Nawir (CIFOR)	45. Kusnaedi (BIDARA)
8. Annisa Devi (MUFG)	46. Langlang Tata Buana (Proforest)
9. Ariyo Sambodo (RHOI)	47. Liana Bratasida (APKI)
10. Armand Hasim (DSLA Law Firm)	48. Mangarah Silalahi (REKI)
11. Bambang Arifatmi (UNEP)	49. Maurice Silalahi (DSLA Law Firm)
12. Berdy Stevens (Earthworm Foundation)	50. Mompo (BRI)
13. Bernard E Napitupulu (APKI)	51. Muayat (FKKM)
14. Bima H (DSLA Law Firm)	52. Naresworo Nugroho (IPB)
15. Bisma (PT Orix Indonesia)	53. Nurina (IBCSD)
16. Bungaran Saragih (BOSF)	54. Petrus Gunarso (APHI)
17. Cahyo Nugroho (Fauna & Flora	55. Popi Komalasari (APHI)
International)	
18. Chintya (KADIN)	56. Purwadi S (APHI)
19. Darkono (Eco Nusantara)	57. Putra Agung (Rainforest Alliance)
20. Dedi Lim (PT. Toba Permai Kencana)	58. Ratih Loekito (YKAN)
21. Dejan Lewis (Earthworm Foundation)	59. Rian Isidoro (Anama)
22. Delson Soekamto (PT. Mitra Eka Persada)	60. Ricko (PT. Cinjoe Jaya Perkasa Muda)
23. Dino Prayoga (YKAN)	61. Rieke A Wiwiksana (HSBC)
24. F. Rizky (BRI)	62. Rizal Algamar (Tropical Forest Alliance)
25. Fahmuddin Agus (BRIN/IPEWG)	63. Rulita (KAHUTINDO)
26. Fajar Deniswara (Bureau Veritas Indonesia)	64. Samedi (KEHATI)
27. Fatwa Susanti (CIFOR-ICRAF)	65. Sania Widuri (IFCC)
28. Felix (PT. Sinar Kasih Hudmaim)	66. Shandy (MUFG)
29. Fernandez (PT. Sinar Kasih Hudmaim)	67. Syarifudin (Gaia Eko Daya Buana)
30. Fransisca (PANIN)	68. Sylvia Liongosari (PT. Datascrip)
31. Gabriella Lisa (RECOFTC)	69. Tom Walsh (Yayasan Konservasi Ekosistem
	Hutan Indonesia)
32. Gamma Galudra (RECOFTC)	70. Uka Wikarya (LPEM FEUI)
33. Grace Tobing (Maybank)	71. Widyono S (LPEM FEUI)
34. Hanum (PT Orix Indonesia)	72. William Marthy (WCS-IP)
35. Hasbi Berliani (Kemitraan)	73. Willy Daeli (Earthworm Foundation)
36. Haqi Wibowo (IFCC)	74. Wong Siang Fong (PT Orix Indonesia)
37. Hartono Prabowo (FSC Indonesia)	75. Yasmine Sagita (Konservasi Indonesia)
38. Herry Purnomo (CIFOR)	76. Yesaya H (Kemitraan)



SAC	SAC and KPMG PRI		
1.	Putera Parthama (SAC Co-chair)	4.	Rodney Taylor (SAC)
2.	Erna Witoelar (SAC)	5.	Shawn Ellsworth (KPMG PRI)
3.	Neil Byron (SAC)		
APRIL Representatives			
1.	Craig R. Tribolet	4.	Nyoman Iswarayoga
2.	Dian Novarina	5.	Sihol Aritonang
3.	Lucita Jasmin		

Opening Remarks – Rod Taylor (SAC Member)

- Welcomed the attendees to SAC Stakeholder Forum 2023 and encouraged active discussion from the participants.
- Introduced SAC members present at the forum.
- Invited KPMG to present on SFMP 2.0 2023 Assurance Process result.

2023 SFMP Assurance Process Session – Shawn Ellsworth (KPMG PRI)

- Explained background of SFMP 2.0 assurance process and overview of APRIL's operations.
- Noted SFMP 2.0 indicators review and revision process initiated by SAC in 2022 which resulted in 19 indicators, therefore this year is the first year that APRIL is reporting under the updated set of indicators. The intent of the indicator review is to ensure the relevance and effectiveness of indicators used in assessing APRIL's performance against the Sustainable Forest Management Policy
- Described the assurance process which involved site visits from 9 February to 2 March 2023, to the Kerinci Mill site and eight field forestry operations two PT. RAPP Sectors, four Supply Partner concessions, one Community Forest Supplier and one Open Market Supplier. The site visit distribution is 50:50 between peat and mineral soil. An independent observer joined the site visits as well.
- Presented the summary of findings: no new non-conformance, two new good practices, and seven new opportunities for improvement (OFI). KPMG also mentioned that seven out of nine existing OFIs have been closed.
- Highlighted key observations including consistent no harvesting of mixed tropical hardwood. Land recovery continues to be restricted to areas that are not forested and were not forested at the time APRIL's mixed hardwood moratorium was announced in 2015.
- Acknowledged good practices from APRIL on its long term commitment in community development program and achievement of low levels of loss to fire.
- New OFI's raised on 1) the strengthening of APRIL's safety culture especially on the plantations;
 2) improvement of its Contractor Safety Management System (CSMS) database to provide clear documentation on audit of contractors as well as improvement of SFMP 2.0 compliance due diligence SOP to address complexities and risks associated with overseas chip suppliers.
- Seven of the nine open action plans from previous years have now been closed. The two action plans that remain in progress relate to findings initially issued in 2020 and 2022: 1) visibility over management of supply partner's grievances and; 2) land recovery SOP update to guide retention of residual forest values during land recovery of ex-dispute areas.
- Showed a summary of APRIL audit performance from 2015 2023.

Questions and Answers – Session I	
Questions	Answers
Prof. Herry Purnomo (CIFOR)	Shawn Ellsworth (KPMG)
• Asked clarification on the statement given	• KPMG followed up on the grievance
that there has been improvement on APRIL	resolution process, talked to complainants



grievance mechanism but no improvement	on their awareness and acceptance of the
on supply partners side.	current grievance mechanism and found no
• Sought confirmation from KPMG on APRIL's	negative feedback. The issue raised is more
capacity to face the upcoming El Nino seeing	on the perceived disconnection between
the good practice on APRIL fire management.	APRIL and its Supply Partners where APRIL
• Asked further information on stakeholders	does not have visibility on the details of the
met during the assurance site visit.	grievances lodged with supply partners.
	• KPMG looked at how APRIL executed its
	procedure on fire management and found
	that RAPP and Supply Partners followed the
	procedure. Looking at APRIL's fire
	management procedure and fire response
	equipment, KPMG can say that APRIL is prepared to respond to fire should it occur.
	 During site visits, KPMG sat down with different groups of communities to better
	represent the community for example
	representation from community farmers.
Petrus Gunarso	Shawn Ellsworth (KPMG)
• Enquired KPMG whether APRIL imports its	 Explained that there are mechanisms in the
chip from sustainable source overseas.	SOPs to bring in new suppliers to APRIL to
 Asked APRIL's position on upcoming election. 	ensure no deforestation is involved. The
The coming year there will be El Nino, but the	wood chip sourcing from overseas is still a
second El Nino in Indonesia is the election. As	trial and KPMG has included OFI on applying
fire is always associated with social issues,	APRIL supply due diligence on wood chip
how will APRIL position itself?	sourcing to address circumstances outside
• Suggested that RER should be proposed to be	Indonesia context.
a model for a company to reduce emission	
from operations.	Craig Tribolet (APRIL Management)
	Mentioned that the wood chip import is from
	FSC certified supplier in Vietnam and
	Thailand but APRIL continues to work to get
	to the forest management unit source. The
	wood chip import is a pilot project for APRIL
	and APRIL will continue to improve its
	supplier due diligence.
	• Emphasized that APRIL continues to do
	preparation with communities to anticipate
	for fire during the upcoming dry season.
	Lucita Jasmin (APRIL Management)
	 Stated that the Riau Ecosystem Restoration
	(RER) is a demonstration of the production-
	protection model which has proven to be
	effective in leveraging operational, technical
	and funding resources from production in
	managing the conservation and restoration
	areas, particularly in protecting the sites from
	risks of illegal encroachment.
	risks of illegal encroachment.



Cobyo Nugrobo (Coupo & Flore International)	APRIL is open to sharing the lessons and best practices from its experience in managing RER with other ecosystem restoration operators through partnerships and informal knowledge exchange.
 Cahyo Nugroho (Fauna & Flora International) Asked for further clarification on area most likely to be iimpacted related to wood chip supply from Vietnam. Enquired on APRIL management response regarding why APRIL is still not able to close the two findings from previous years. 	 Shawn Ellsworth (KPMG) Emphasized that the due diligence needs to be designed according to the region from where the wood chip is sourced to make sure there is no controversial source entering APRIL's supply chain. KPMG acknowledged that some action plans might take longer time and made sure that there was progress being made and that it will be completed. Craig Tribolet (APRIL Management) Pointed out that APRIL always reports back to
	 SAC on any outstanding findings, actions to be taken to close out the findings and the progress. Regarding the outstanding item on the land recovery SOP, APRIL is aligning the SOP with global developments such as the FSC conversion policy and the EU Deforestation Regulation in order to guide operational activities.
 Jeremy (BNP Paribas) Enquired whether APRIL uses 100% renewable energy from its solar panel. 	 Shawn Ellsworth (KPMG) Clarified that solar panel use was not included as SFMP 2.0 indicator to be assured therefore KPMG does not have the capacity to address the question.
	 Lucita Jasmin (APRIL Management) Stated that APRIL is currently at 87% of renewable and cleaner energy use and have plans to double solar panel installation from the original target of 20 MW to 50 MW by 2030 which will help to increase the share of renewable energy in APRIL's energy balance.
Johan Kieft (UNEP)	Craig Tribolet (APRIL Management)
 Congratulated APRIL for its collaboration with local government and local stakeholders and its continuous effort. Responded to the publication from IPEWG on 	 Appreciated UNEP leadership in landscape space as the fire cluster program is facilitated by UNEP Mentioned that in September there will be a
GHG effects of land use change on peatlands saying that at the global level it is an important research as this is one of the 1 st	symposium to communicate the findings of the paper to wider audience.



	Γ
research by a company to measure its direct	
impact. Questioned if there will be a follow	
up and key lessons to be learned for other	
companies operating on peat.	
Ani Nawir (CIFOR)	Shawn Ellsworth (KPMG)
 Expressed her concern on social indicators: there seems to be disconnection in gender issues as it didn't show in the KPMG assurance. Suggested to have a specialist on gender in KPMG team. Enquired on total of community suppliers APRIL has and whether one sample is enough to give balance representation. Requested further information on the indicator under good governance and transparency. 	 Mentioned that all of KPMG team are FSC trained on forest management which includes community development aspect Briefly explained that sampling is determined based on number of factors, such as risk and size of supply. Community suppliers made up 1% of total APRIL suppliers therefore KPMG put its focus on the larger portion of supply. Rod Taylor (SAC) Emphasized that there is no specific gender indicator in SFMP 2.0 but it is included as part of APRIL2030 targets which has a number of targets on gender in community development and employment. The progress of each target can be found in APRIL 2022 Sustainability Report
	Sustainability Report.
Ahmad Fachrudin (BIDARA)	Shawn Ellsworth (KPMG)
 Asked KPMG perspectives on connection between long term sustainability and support to local communities. Enquired on how KPMG assessed community resilience and adaptation in the face of climate change. Asked KPMG to clarify whether there is any change identified on involvement of communities surrounding APRIL concession involved. 	 Mentioned there is symbiotic relationship between APRIL's sustainability and the prosperity of the local communities. Local communities are part of APRIL's supply chain and workforce. There is definitely a mutual benefit but there is no specific indicator in the SFMP assurance looking at the correlation. KPMG noted improvements in APRIL community development program such as in the investments made in education and to improve the local economy.
Aditya Bayunanda (WWF)	Shawn Ellsworth (KPMG)
• Sought further information on other SFMP indicators and whether biodiversity is part of the indicators being assessed.	• Mentioned there are 10 core areas in SFMP 2.0 and the 19 indictors assured are agreed with SAC and stakeholders in late 2022.
 Asked KPMG to further clarify the use of "Opportunity for improvement" term. How do stakeholders and SAC enforce that the findings are addressed by APRIL? What is the pathway for accountability? 	 Emphasized that indicators to be assured change based on focus area of APRIL and SAC recommendations. The set of indicators are then consulted with stakeholders through a public online consultation prior to being finalized. Noted that every year KPMG makes sure that the action plan committed by APRIL is completed to meet the intended outcome.



		 Explained that OFI is indeed optional or voluntary in nature, while Non Conformities are necessary to be addressed. OFI means that the assured indicators are already in conformance but there are areas that can be further improved. 	
Ma	acroeconomic Impact Study – Widyono Soetjipto		
•	• The analysis covered 24 legal entities in APRIL Group Riau Complex, national and regional levels during the period of 2016 – 2022.		
•	• The variables used to measure APRIL's impact to the economy include contribution to GDP, contribution to job opportunity creation, and impact of APRIL CSR on household income creation		
•	• The macroeconomic impact analysis uses the economic multiplier model derived from the 2016 Inter-Regional Input-Output Table (IRIO) and the 2016 Pelalawan Input-Output Table.		
•	The study showed that APRIL has consistently contributed to the increase of GDP at the national level and Riau Province. It also showed that every additional 1 million Rupiah sales of APRIL's pulp and paper product creates an economic output impact of IDP 2.48 million patienally and 2.27		

- and paper product creates an economic output impact of IDR 3.48 million nationally and 2.27 million in Riau Province.
- On job creation, the multiplier effect of APRIL Group's operations creates job opportunities for • more than 250,000 people nationally and 140,000 people in Riau Province in 2022.
- On the impact of APRIL Group's CSR on household income creation, APRIL Group's CSR expenditure over the 2016-2022 period contributed to an increase in household income of IDR 210 billion around its operational areas in Pelalawan, Siak, Kuantan Singingi, Kampar, and Kepulauan Meranti regencies.
- In conclusion, the presence of APRIL Group in Riau has contributed to increased investment, higher exports, and economic growth amid low oil and gas production in Riau. The company's operations encouraged economic activity in the downstream sector of the forestry products value chain, created jobs opportunities and additional income for people in Riau and nationally, and increased central and local government revenues.

APRIL 2030 Progress Update – Lucita Jasmin (APRIL Management)

- Thanked the audience for attending the stakeholder forum and for showing continued interest and support for APRIL and its sustainability commitments.
- Presented key updates covering climate action, human rights impact assessment, wood supply sustainability and APRIL2030 progress.
- On climate action update, highlighted adoption of Taskforce for Climate-related Financial Disclosure (TCFD) Framework, successful completion of year 1 audit of the sustainability linked loan with one of the KPIs linked to Scope 1 emissions reduction, and publication in the Nature journal on tier 3 emissions factor for plantation on tropical peatland.
- APRIL has conducted a climate scenario analysis following IPCC 1.5-degree and 4- degree scenarios using 2030 and 2050 time horizons. Next steps are to contextualize and prioritize the identified risks into APRIL operations, integrate the climate risks along with other ESG (environmental, social and governance) risks into APRIL's Enterprise Risk Management system, strengthen the existing climate mitigation plan and also develop an adaptation plan.
- APRIL has adopted a Human Rights Due Diligence Framework and have completed a Human Rights Impact Assessment. Action plans to mitigate risks currently focus on child welfare and living and working conditions of contract labor in the plantations.
- Stunting rate for children under five years in Riau Province dropped from 22% in 2021 to 17% in • 2022. APRIL contributed to this positive development through working with local government agencies and communities on the provision of health center services.



- APRIL announced the establishment of a paper board production facility with a 1.2-million tonne capacity as part of strategy to grow the business through downstream diversification.
- APRIL is improving its fibre productivity and implementing sustainable intensification from current plantation footprint through four main strategies: (1) genetic improvement and integrated pest and disease management; (2) site specific management regimes; (3) contractor development and mechanization; (4) improving log quality and reducing fiber losses from plantation to mill.
- Annual tree growth increased by 17% over the last six years, and wood delivery from APRIL's own and Supply Partners concessions increased by 40% from the same plantation footprint also in the last six years.
- Fifteen percent of the total fibre supply to APRIL comes from open market suppliers (OMS). APRIL ensures OMS compliance with SFMP 2.0 through due diligence assessment, periodic land cover change monitoring, internal audit and third party audit. Suspension or disengagement is considered if suppliers are not willing to improve or engage.

APRIL2030 progress update:

- <u>Climate Positive</u> APRIL has doubled its commitment to install 50MW of solar power in 2030 with 25 MW on track to be achieved by end of 2023. APRIL also has reduced its product carbon intensity by 14% achieving 50% of its target to reduce product carbon intensity by 25% by 2030
- <u>Thriving Landscape</u> since the launch of APRIL2030 in November 2020, APRIL has allocated more than USD 47 million for conservation, following its commitment to invest \$1 for every ton of fibre delivered to the mill. APRIL also posted 13% increase in plantation productivity since 2019.
- <u>Inclusive Progress</u> the company continues to work on mitigating its human rights impact, along with developing a gender action plan. Currently almost 20% of APRIL's workforce and 63% of participants in community development programme are women.
- <u>Sustainable Growth</u> there's been a significant progress in waste reduction to landfill and continued investment in the development of recycled textile as viscose feedstock.
- Building on the Fire Free Village Program (FFVP), APRIL initiated the Community Conservation Partnership to encourage local communities to protect and manage the remaining natural forests in their villages. Based on areas identified jointly with the communities, the participants sign an agreement with APRIL where they commit to protect and keep these natural forest as conservation areas and are given social infrastructure rewards at the end of each year. The program aims to explore options for making conservation a sustainable livelihood source for communities. To date APRIL has signed MOU with 5 villages, covering a total area of more than 30,000 ha.

Questions and Answers – Session II	
Questions	Answers
Cahyo Nugroho (Fauna & Flora International)	Prof. Widyono (LPEM FEUI)
 Due to a number of interventions for communities from the government, how does LPEM FEUI identify household income generation coming from APRIL's CSR intervention? Asked which APRIL intervention has the most influence on household income generation. 	• Explained that the study used applied an input-output analysis which is a macro economy approach to uncover the impact (multiplier effects) of every amount of IDR spent in general. The study does indicates correlations with APRIL activities but to look at income generation from specific government intervention and APRIL intervention, a further survey is needed to evaluate impact.



 Hartono Prabowo (FSC Indonesia) Asked further information on new job generation, including proportion of employees from migrant workers. Enquired whether APRIL has any discussion with government or other companies to restore forest biodiversity in landscape approach. 	 Prof. Widyono (LPEM FEUI) Pointed out that verifying the origin of the workers was not part of the study. Lucita Jasmin (APRIL Management) Mentioned that APRIL is always interested in landscape level biodiversity programme. At the moment APRIL is talking to potential partners in Riau.
Samedi (KEHATI)	Lucita Jasmin (APRIL Management)
 Asked about APRIL's plans on biodiversity conservation like HCV area protection, endangered species habitat protection, and how APRIL deals with increasing cases of human-wildlife conflict. 	 Conveyed that APRIL has been working with Fauna & Flora (International) on biodiversity surveys in RER which have identified more than 800 species to date. APRIL has also conducted HCV assessments within its concession. APRIL is also working with WCS on protection of wildlife from threats of illegal trade. On human – wildlife conflict: APRIL continues to improve how it mitigates risks of conflicts between humans and wildlife which is an ongoing challenge. One example is the elephant flying squad in Ukhui which aims to discourage elephants from going to community farms and also APRIL plantations.
 Silalahi Mangarai (REKI) Congratulated APRIL on the sustainability progress. Enquired on the partner entity that conducted the Human Rights Impact Assessment. Asked further clarification from LPEM FEUI on statement that every additional one million Rupiah sales of APRIL Group's pulp and paper products creates an economic 	 Prof. Widyono (LPEM FEUI) Explained that the study used a multiplier effect and it was noted that IDR 1 million came from actual sales and IDR 2.4 million came from other upstream and downstream activities. Lucita Jasmin (APRIL Management) Mentioned that APRIL worked with the Business for Social Responsibility and PwC in
output impact of IDR 3.48 million nationally.	the development of the HRDD and the conduct of the HRIA.
Sania Widuri (IFFC)	Prof. Widyono (LPEM FEUI)
 Congratulated APRIL on improvement made and progress on sustainability effort. Sought clarification from LPEM FEUI on the decrease in number of employees in the last 3 years (2020 – 2022). 	• Explained that the pattern between 2020 - 2022was due to new mill construction therefore employee absorption was high during the period and went back to normal in the last couple years.
Prof. Herry Purnomo (CIFOR)	Prof. Widyono (LPEM FEUI)
	• Understood the concern but the study did not use green GDP as it has not been



 Suggested APRIL to have a triangulation study on secondary data to complement the previous study to further see direct impact. Asked clarification from LPEM FEUI on GDP used in the study (i.e. green GDP) Enquired on APRIL's position achieving its net zero target by 2030. 	 published officially by Badan Pusat Statistik (BPS) at the time of the study period. Lucita Jasmin (APRIL Management) Noted that this target is in progress and the most important enabler is that APRIL has stopped any natural forest deforestation and conversion into plantations since 2015. The company has also been investing in Nature Based Solutions where it generated avoided emissions. In the case of its Riau Ecosystem Restoration (RER) programme, APRIL can choose to use the carbon credits generated by RER as insets to address any hard-to-abate emissions from land use once there's clarity on the Indonesian carbon regulations. 	
Closing Remarks – Erna Witoelar (SAC)		
• Applauded the participants for the active discussion and their constructive feedback for SAC and APRIL. Observed that the diversity of the stakeholders has improved and commended the audience on the quality of feedback and questions.		

- Emphasized that APRIL is one of the few companies with continuous improvement in transparency and gathering input from their stakeholders which can be seen in the Stakeholder Forum.
- Asked APRIL to document the feedback properly and take action where needed based on the input given by stakeholders.