



Stakeholder Advisory Committee (SAC)

SAC Meeting

13 – 14 December 2023

The Stakeholder Advisory Committee (SAC) consists of independent forestry and social experts with the mandate to provide:

- Oversight and recommendations on 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 progress towards meeting its Policy commitments.
- Strategic advice on the implementation of APRIL2030 commitments and targets.

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

Please refer to the [SAC Terms of Reference](#) for a full description of the SAC's role and responsibilities.

SAC MEMBERS PRESENT	<ol style="list-style-type: none">1. Dr. IB Putera Parthama (Co-chair)2. Prof Jeff Sayer (Co-chair)3. Ibu Erna Witoelar4. Dr. Neil Byron5. Mr. Rod Taylor
APRIL Teams	President of APRIL Group Sustainability & External Affairs RER Fiber Operations Stakeholder Engagement
External	RECOFTC

The SAC meeting agenda included:

1. SAC Co-chairmanship
2. Sustainability Operations update
3. APRIL 2030 update
4. IPEWG and peatland management strategy update
5. Climate Positive deep dive
6. Indonesia carbon policy update
7. RECOFTC Partnership building value-added community plantation forest partnerships
8. FSC update

Locations: Jakarta

DISCUSSION SUMMARY

1. SAC Co-chairmanship

- Rod Taylor will take on the role of Co-chair alongside Pak Putera Parthama, replacing Jeff Sayer who will step down from his current position as at January 2024. Mr. Sayer will remain as an SAC member. APRIL expressed gratitude and appreciation for Jeff's leadership as Co-chair for the last 3 years.



2. Sustainability Operations Update

SAC Recommendation(s):

2.1 APRIL to revisit SFMP 2.0 relevance and update it to align with the [RGE Sustainability Policy](#)

Update on fire season – Brief update on 2023 fire season was given by APRIL team. The update captured year to date rainfall in Riau province showing extremely dry season in October. It was also mentioned that during 2023 there was zero fire in RAPP and Supplier concessions and 0.03% of Fire Free Village area was impacted by unmanaged fire.

SFMP 2.0 Next Audit Cycle - APRIL presented the timeline for SFMP 2.0 assurance process in 2024 which will take place in February 2024. An update was also provided on Opportunities For Improvements (OFIs) from previous year audits, including three in progress:

1. APRIL to continue to work on strengthening its safety culture to support the investments it has already made in improved safety process.
2. The CSMS database does not currently track the date that audits of contractors were completed. This is particularly important in cases of “pass with note” as these categorizations are changed to “pass” and it makes it difficult to determine when contractors become fully certified;
3. There is an opportunity for APRIL to ensure that its tree cover loss monitoring processes are aligned with improving data sources and technology and to identify collaboration options with global data platforms to support continuing improvement in the analysis and interpretation of the data.

Additionally, an outstanding action remains to update the land recovery SOP to guide retention of residual forest values during land recovery of ex-dispute areas in order to mitigate risk to residual forest values. The main challenge faced by APRIL to close these outstanding actions, will be on implementation across APRIL’s Supply Partners.

The SAC also touched on an outstanding indicator to confirm for the next audit cycle: *Track and report reductions in carbon emissions and increases in carbon sequestration through conservation and ecosystem restoration and continuous improvements in sustainable plantation management practices.* This discussion will be revisited to identify specific areas for assurance.

RGE Sustainability Policy and implications for SFMP 2.0 - APRIL also used this session to update SAC on [RGE Sustainability Policy](#) published in July 2023. The policy provides an overarching framework for all its Business Groups (BGs), including APRIL, on their sustainability policies and commitments covering Climate, Nature & Biodiversity; Human Rights and Sustainable Growth.

Responding to the update, SAC noted that SFMP 2.0 has served its purpose historically but the policy may have reached its ‘shelf life’. With APRIL2030 commitments and targets, RGE Sustainability Policy in place, and evolving global narrative on sustainability, it is necessary to revisit the relevance of SFMP. It would be an opportunity for APRIL to align with RGE Sustainability Policy and reflect its progress towards more progressive commitments and actions. APRIL noted that any changes to SFMP will have implications on the assurance process.

3. APRIL2030 Update

SAC Recommendation(s):

3.1 APRIL to continue engaging local partners and develop their capacity to support the achievement of APRIL2030 targets and enable a whole-of-sector transformation.

An overview of APRIL2030 monitoring and reporting timeline was presented by APRIL management, noting that a standalone progress report will be published in 2025. A review of the targets and baseline information is planned in Q1 2024, to be assured by a 3rd party in order to reflect any changes in metrics, methodologies and boundaries based on lessons learned after three years of implementation. Meanwhile, APRIL2030 progress will continue to be reported in the annual Sustainability Report. By 2028 APRIL intends to discuss commitments and targets beyond 2030.

On overview and highlights of 2023 implementation to date:

Climate Positive – Solar panel projects will be commissioned in 2024 and rolled out across four years in priority fiber estates to contribute to the target achievement on sourcing fiber operations energy needs from renewable sources. The solar energy will replace diesel-run gensets that power offices and housing at the estates. Two pilot projects were carried out in Estate Teso and Pelalawan North in 2023. Solar capacity will also be increased at the mill towards 50 MW in 2030. The SAC noted that APRIL should be aware of the exposure to risks from nickel as it relates to irresponsible mining and deforestation.

Thriving Landscape – APRIL has started to pilot AI smart cameras for wildlife monitoring which will conclude in March 2024. The results from the pilot will be used to establish the biodiversity baseline for conservation areas in the production concessions. Meanwhile to better improve data analysis, APRIL will continue to collaborate with RESOLVE in Q1 2024.

Inclusive Progress – APRIL also highlighted a number of strategic initiatives to be executed in 2024 such as: adding 32 more villages in the interventions under the target to eliminate extreme poverty in communities up to 50km from APRIL’s boundaries; and adopting “report for school numeracy literacy” or *rapor pendidikan* and “learning effectiveness” as new indicators under the target to promote quality education. The focus for the targets to advance equal opportunity is to continue to roll out the gender action plan and identify more positions in operations for women.

Sustainable Growth – as APRIL continues its downstream diversification, it will need to continuously assess its Sustainable Growth targets on waste, chemicals and water. Short term achievements may be compromised but APRIL will continue to drive solutions to achieve its long term targets. One target is still in development: 20% recycled textile used in viscose fiber. APRIL has trialed the technology to convert recycled textile into fiber but the challenge is the availability, collection infrastructure and high cost of feedstock to meet the required volume.

SAC was impressed by the progress, long term planning and investment APRIL has made to implement the 2030 commitments. The SAC reminded APRIL to be more intentional in ‘bringing others along’ in its 2030 journey by engaging with more local partners and helping to grow the ‘local ecosystem’ through capacity building initiatives. APRIL can approach the partnerships in stages where the first stage will be about enabling or building the capacity of local partners before they are fully involved in the implementation stage. APRIL acknowledged the challenge of finding local implementing partners and growing their capabilities is not the company’s core skill. APRIL continues to prioritize local partners where possible and commits to grow local SMEs through Inclusive Progress targets. APRIL also shared it has multiple touchpoints across the organization with the surrounding villages (through Community Development, Fire Free Village, Conservation Programs and RER community engagement) and is rethinking how to gauge the impact of these interventions at those locations.

4. IPEWG and peatland management strategy

SAC Recommendation(s):

4.1 APRIL to share IPEWG inputs on the climate strategy when it has been consulted.

APRIL shared an overview of the Independent Peat Expert Working Group (IPEWG) work streams in 2022-2023 which included supporting APRIL in 1) Improving research and scientific understanding; 2) Adopting best practices in responsible peatland management; 3) Communication and outreach on peatland science. Moving forward, IPEWG will also be engaged to provide feedback on the development of APRIL's climate strategy.

APRIL also highlighted its collaboration with IPEWG to hold a national multi-stakeholder hybrid seminar hosted by the Indonesian Peat Society (HGI) with the theme "Responsible Peatland Management: Presentation of the Latest Research Results". The objective of the seminar was to disseminate the results of latest scientific research regarding peatland management with a focus on GHG emissions, subsidence, and peat fires. It included a presentation on the paper "**Net greenhouse gas balance of fibre wood plantation on peat in Indonesia**" published in the scientific journal, [Nature](#) which establishes Tier 3 emissions factors on plantation management.

The SAC noted that it would like to see IPEWG's inputs to the climate strategy and encouraged APRIL to continue identifying available opportunities (e.g. seminars, conferences) to share about its peatland research and science.

5. Climate Positive deep dive

SAC Recommendation(s):

5.1 Consider climate impacts on the broader landscape and work with local communities to improve climate resilience

APRIL presented its efforts to understand and integrate climate risks considerations into the business risk management framework and develop an integrated climate mitigation and adaptation strategy. These include: 1) engagement with climate-related standards, initiatives and frameworks (i.e. SBTi, TCFD, TNFD); 2) GHG inventory disclosure aligned with latest guidance from GHG Protocol Land Sector and Removals Guidance and; 3) developing climate adaptation roadmap. These efforts contribute to the APRIL2030 - Climate Positive pillar.

Based on a recent climate scenario analysis, APRIL is now developing a climate adaptation roadmap, focused on addressing physical risks in fiber, mill and supply chain logistics operations. Broader climate risks are also being integrated into the APRIL Enterprise Risk Management (ERM) system which eventually will be translated into risk mitigation action plans.

The SAC commends the efforts to understand climate risks and futureproof the business. SAC recommends that APRIL consider climate impacts beyond the direct operations to include those on the broader landscape. The company is encouraged to include community climate resilience and mitigate risks of a climate action gap between APRIL and the local communities. The SAC expressed its interest to follow the development of the climate adaptation roadmap and broader climate strategy of APRIL Group.

6. Indonesia carbon policy update

APRIL provided an update on Indonesia's carbon policy in relation to the status of the RER carbon project. APRIL requested the SAC to share any examples or models of community benefit sharing from carbon projects.

7. RECOFTC Partnership building value-added community plantation forest partnerships

SAC Recommendation(s):

7.1 (SAC to capture successful benefit sharing and partnership models for recommendation to APRIL)

Representatives from RECOFTC presented on its work to pilot the implementation of a social forestry model at two locations, Dayun village (HKm Mandiri Sejahtera) and Rambahan village (HKm Rambahan) over three years (June 2023 – June 2026). The agroforestry model can include a mix of eucalyptus, fruit crops, and agricultural crops. Through this project APRIL aims to contribute to FOLU Net Sink 2030 restoration agenda and also comply with national social forestry regulations. Specific project objectives include:

- Develop and promote agroforestry-based community forestry enterprise (CFE) models in Riau that can be competitive with other land use systems and provide income and livelihood diversification for communities.
- Build the alignment of agroforestry-based CFE models with APRIL’s fiber production supply chain.
- Facilitate training and capacity building for the facilitators and local communities in existing and potential CFs associated with APRIL’s fiber supply chain

Year 1 will be mainly about preparation process covering stakeholder mapping, conduct of FPIC and participatory design process with the communities, and institutional setting for the farmer groups. Year 2 will progress to communities’ capacity building, institutional strengthening and market access. Final year will focus on development of guidelines for agroforestry programs in company-community partnerships.

The SAC took a keen interest in this initiative and noted that the partnership with the local communities should contribute to reducing market risks (e.g. from price fluctuation), securing offtake of the harvest through long term agreements, and strengthening the institutional arrangements of the farmer groups. APRIL could consider engaging financial institutions and providing non-monetary benefits as part of the model. RECOFTC noted that there are successful benefit sharing models in Thailand between farmer groups and large corporations. The SAC agreed to identify potential benefit sharing mechanism and partnership models to recommend to APRIL.

8. FSC Update

APRIL updated SAC of its FSC remedy process which has formally started in mid-November 2023. Broadly, the process will cover: 1) social and environmental baseline assessments to identify past harms; 2) remedy planning and prioritization of harms; 3) verification of the concept note; 4) development and verification of the remedy plan; 5) verification of association threshold or implementations threshold and; 6) completion of full remedy implementation. The Corporate Group review has been undertaken by FSC to establish the scope for the remedy process. Updates related to APRIL’s remedy process is publicly available on the [FSC website](#).

The SAC noted the progress of APRIL’s remedy process which it believes will continue to drive improvements both in APRIL and in other RGE business groups. The SAC welcomes the opportunity to provide input to the development of the remedy plan.

9. Next Meeting Date and Format

The SAC proposed changes to the meeting structure and frequency:

1. Maintain one in-person meeting in line with the annual Stakeholder Forum.
2. Organize two virtual meetings / year (Q1, Q4).
3. Convene ad-hoc consultations, topical deep dives, or work session on specific areas and with other experts as necessary, e.g. for climate, peatland, and community partnership models.

10. Closing

The SAC acknowledged APRIL's continuous progress. Although updates on progress are appreciated, the SAC recommends for APRIL to consolidate key areas for feedback and provide a summary/ tracking of all SAC recommendations and status to date prior to the meetings. The SAC reflected that APRIL can further maximize and accelerate the potential of social forestry as a model for new fiber source (i.e. community forestry). APRIL can influence a sector-wide transformation by increasingly engaging local communities and partners in its business model. The SAC also commends APRIL's structured planning process for its initiatives including the way milestones and progress are being planned, tracked and reported in mid to long-term time horizons. The SAC also encouraged coordinated meetings with the IPEWGW on topics of common interest such as the evolving climate and conservation strategy. Finally, the SAC noted that recruiting new members to the SAC need to remain a priority.

The President of APRIL Group participated in the meetings and highlighted how APRIL appreciates the second opinion and constructive feedback from the SAC. The President hopes that the SAC can also share APRIL's initiatives and good practice to stakeholders underlining that the company's commitments are translated into real actions and solutions on the ground.

Documentation



APRIL management update to SAC



SAC closing meeting with President of APRIL Group



SAC and APRIL management in front of APRIL 2030 gallery