

Terms of Reference Stakeholder Advisory Committee (SAC)

Updated October 2023

Background and Purpose

1. In 2013, *Asia Pacific Resources International Holdings Ltd* (APRIL) developed its “Sustainability Roadmap” with inputs from key external stakeholders and which served as the blueprint for APRIL’s Sustainable Forest Management Policy (SFMP). This Policy has been subsequently strengthened in June 2015 with the release of the SFMP 2.0.
2. As part of APRIL’s broader engagement strategy and to ensure the transparency of the implementation of the SFMP, an independent external **Stakeholder Advisory Committee (SAC)** was established in January 2014.
3. The SAC provides a mechanism for stakeholders to give feedback on and engage in the implementation of APRIL’s SFMP, contribute to continuous improvement efforts, and verify conformance with the commitments set forth in the Policy. As an independent Committee, the SAC commits to publicly communicate on the progress of SFMP implementation in a transparent and timely manner.
4. Building on SFMP 2.0 and the progress made in its implementation since 2015, APRIL2030 was launched in 2020. APRIL2030 is APRIL’s sustainability agenda for contributing to the global climate, nature and development ambitions of the next decade. It comprises four commitments with 18 ambitious targets – Climate Positive, Thriving Landscape, Inclusive Progress and Sustainable Growth. The SAC provides an advisory role towards these commitments and targets.

Mandate

The mandate of the SAC is to operate as an independent advisory body to APRIL that provides:

- Oversight and recommendations over the implementation of SFMP 2.0;
- Strategic advice on the implementation of APRIL2030 commitments and targets.

In addition to critical review and oversight, the SAC can also offer APRIL outside perspectives on relevant global and national concerns, insights on risks and opportunities, and strategic guidance on APRIL2030. Members may also facilitate dialogues, collaborations, partnerships with external stakeholders from their respective networks or with those that the SAC deem to be beneficial in advancing APRIL2030 implementation.

As thought leaders in their respective networks and subject areas, SAC members may also help advocate for initiatives that support the production-protection approach to sustainable forest management, including landscape-level conservation, science-based climate solutions, circularity, and the achievement of the UN Sustainable Development Goals, among other initiatives that can help advance Indonesia’s sustainable development.

Through its engagement with APRIL’s leadership and the RGE Director, the SAC also has the opportunity to share their insights and advice, and raise any issues related to the sustainability commitments of other

Business Groups in the fiber sector of RGE. The objective is to encourage the uptake and replication of good practices in APRIL by the broader Group while also raising any issues raised by other stakeholders.

Role of the SAC

5. The following table summarizes the scope of SAC’s key roles:

	Oversight on SFMP 2.0	Strategic advice on APRIL2030
A	Provide independent oversight on the implementation of the commitments and fulfilment of targets set forth in the SFMP, including steering the independent verification process;	Provide guidance and recommendations on the implementation of initiatives to achieve APRIL2030 commitments and targets;
B	Periodic review of SFMP 2.0 indicators and recommendations on key areas of focus for independent verification;	Offer suggestions and guidance on matters pertaining to respective areas of expertise as it relates to APRIL2030 for APRIL consider as part of its commitment to continuous improvement.
C	Publicly report on APRIL’s implementation of its SFMP 2.0 based on independently verified information.	

- 6. The SAC can host and facilitate stakeholder dialogues/meetings/fora/consultations on matters related to SFMP and APRIL2030, and enable stakeholders to share their concerns and feedback on APRIL’s operations so APRIL can address these;
- 7. Suggest and, if appropriate, facilitate collaborations/partnerships between APRIL and external stakeholders towards solutions that enable the fulfilment of SFMP and APRIL2030 commitments and targets;
- 8. Where appropriate, speak at relevant external fora/conferences or similar other opportunities on topics relevant to SFMP 2.0 and APRIL2030 preferably in the context of Indonesia and producing regions in developing economies.
- 9. Discuss the future and evolution of the SAC in responding to APRIL sustainability maturity journey and evolving stakeholder expectations.
- 10. The SAC does not exercise any form of executive authority.
- 11. The SAC will submit meeting reports to the APRIL Executive Management Committee.

Role of APRIL

- 12. APRIL will consider and adopt SAC’s reasonable inputs and recommendations and will do so in a thorough and transparent manner. In instances when APRIL is unable to adopt a specific SAC recommendation, it will provide the necessary explanation to the SAC.

Membership

13. SAC members are not APRIL employees.
14. The SAC co-chairs are nominated and endorsed by the SAC members themselves.
15. SAC membership is in an individual capacity. Organizational membership, with fixed individual representation, can be considered by the SAC co-chairs and APRIL Executive Management Committee on case-by-case basis.
16. The SAC will consist of a Chair and up to six (6) members. New members are invited by the SAC co-chairs, with the endorsement of the SAC members and APRIL.
17. SAC members are selected based on skills, knowledge, experience and network that are related, but not limited to:
 - a. forestry and forest management
 - b. climate mitigation and adaptation;
 - c. biodiversity, ecology, ecosystem conservation;
 - d. stakeholder engagement, particularly with local communities, and multi-stakeholder collaborations;
 - e. human rights and social issues, including labor and indigenous peoples and local communities (IPLC) rights, diversity and inclusivity, and sustainable livelihoods;
 - f. business ethics, governance and transparency;
 - g. ESG, disclosure, sustainability standards and global frameworks.
18. The SAC may engage additional resources to address specific issues or skill gaps on an as-needed basis.
19. The SAC may invite observers to attend meetings with criteria agreed by the SAC and in consultation with APRIL (*reference: Guidelines and Rules for Observing Meetings of APRIL's Stakeholder Advisory Committee*). If observers participate, the SAC will organize the meeting Agenda in a manner that protects any commercially sensitive information.

Tenure

20. An SAC membership is for two calendar years.
21. An SAC member may serve up to three (3) consecutive two-year terms. The term may be extended per agreement with APRIL.
22. SAC membership appointment may be terminated by either party with three months' prior notice.
23. In consultation with the SAC and APRIL, the Chair reserves the right to terminate the appointment of any member if the member:
 - a. fails to actively contribute or participate in the SAC; or
 - b. is not able to attend two consecutive regular meetings of the SAC without valid reasons

Responsibilities of Individual Members

24. Contribute to the development of SAC meeting reports;
25. Be fully prepared for meetings and agree to actively participate and collaborate during meetings;

26. Bring expertise, knowledge, skills, and industry experience to the platform;
27. Consider, raise and be prepared to discuss issues, ideas and proposals;
28. Provide informed, independent, sound guidance and recommendations;
29. Advise the Chair if membership responsibilities can no longer be fulfilled or if there are potential cases of conflict of interest;
30. Comply with the Terms Of Reference of the SAC.

Responsibilities of the Co-chairs

In addition to member responsibilities, the Co-chairs will:

31. Articulate the mandate and purpose of the SAC;
32. Set and communicate roles and expectations for individual members;
33. Ensure meeting materials are prepared and sent out by the Secretariat in advance of meetings;
34. Effectively run meetings, driving robust, strategic discussions and real outcomes;
35. Report to the APRIL Executive Management Committee on the progress and outcomes of each SAC Meeting;
36. Take corrective actions if necessary, including with non-performing SAC members;
37. Liaise and consult with APRIL outside formal SAC meetings on relevant matters;
38. Direct the annual independent verification of APRIL's SFMP;
39. Where appropriate and requested, respond to inquiries from APRIL stakeholders, including but not limited to NGOs, customers and bankers;
40. Provide guidance to the SAC Secretariat to ensure a succinct, accurate and timely publication of the SAC Meeting Reports.

Responsibilities of APRIL

41. Clearly communicate the role, purpose and responsibilities of the SAC as required;
42. Coordinate meetings, including facilitation of agenda, preparation of supporting documentation and minutes;
43. Provide a conducive context for open dialogue and robust discussions between SAC and APRIL;
44. Support SAC discussion by providing and sharing any necessary critical information in a timely and accessible manner;
45. Resource additional support, including stakeholder engagement activities, as advised by the SAC;

46. Engage with the SAC on the progress and outcomes of their advice;
47. Ensure that adequate resources are available to allow for the proper functioning of the SAC;
48. Support the co-Chairs in the annual independent performance verification of APRIL's SFMP.
49. Collaborate with the SAC to effectively communicate the achievements of the SFMP to the wider stakeholders.

Rules of Participation

50. The SAC functions as an independent advisory group whose goal is to assist APRIL in implementing SFMP 2.0 and APRIL2030.
51. Members will review the SFMP 2.0, APRIL2030 and associated operational documents and where appropriate, make recommendations for continuous improvement.
52. Members will also endeavor to provide expertise, knowledge, and information to assist and to guide APRIL in the fulfillment of the deliverables laid out in the SFMP 2.0 and APRIL2030.
53. The SAC will conduct open and frank discussions on APRIL's conformance, progress and challenges, keeping in mind that the SAC represents the interests of multiple stakeholders.
54. Proceedings of all SAC meetings are captured in meeting minutes which are reviewed in draft form by members before being finalized.
55. The SAC co-chairs, in consultation with SAC members, formulates committee recommendations.
56. The SAC co-chairs will review recommendations with APRIL management and engage with them in the evaluation of SAC recommendations. The results of this evaluation will be communicated to the SAC in a timely manner.
57. SAC members are not constrained by their membership in carrying out the mission of their respective organizations.

Meeting Schedule and Reporting

58. The SAC will plan to meet up to three times a year with specific schedules decided at the start of the year.
59. The SAC co-chairs reserve the right to conduct meetings by phone or videoconference as appropriate.
60. The quorum for meetings of the SAC shall be 4 members. The SAC will seek to operate on a consensus basis. In the absence of a consensus, SAC decisions will be made by simple majority by members present at the meeting.
61. A draft agenda will be prepared two weeks prior to each meeting. The final agenda and necessary materials will be provided by the Secretariat to SAC members at least three days prior to each meeting.

62. The draft contents of the SAC Meeting Minutes will be presented to APRIL Management. The final Meeting Minutes, agreed recommendations and relevant supporting data will be publicly available on APRIL's website.
63. Operational decisions rest with APRIL. Should APRIL be unable to implement a recommendation, the SAC have the option to note such cases in their meeting report/s with an opportunity for APRIL to provide an explanation.

Confidential Information

64. The SAC process is intended to be open and transparent. Some information shared with the SAC will be business confidential and if so, the SAC co-Chairs will alert members and require that this specific information not be shared publicly. SAC members shall not disclose such information without prior written approval from APRIL.

Communication

65. The SAC functions as an independent Committee, it is important that the SAC avoid any perception that it is unduly influenced or constrained in developing independent assessments and recommendations.
66. APRIL will make the activities of the SAC publicly available through regular posting on the company's website but will not attribute specific endorsements or suggestions to the SAC without prior agreement of the SAC. APRIL will not use the names of SAC members in public statements or publications without prior clearance from the member concerned. The SAC co-chairs will be notified in advance of any planned public announcements relating to the SAC and its work with APRIL and will ensure that SAC members are aware and in agreement.
67. As an independent Committee, SAC members are empowered to communicate the activities of the SAC with their respective organizations.
68. The membership of the SAC will be published on the APRIL website.

Conflict of interest

69. SAC Members shall not conduct business on behalf of APRIL nor use the SAC as a vehicle for businesses other than in accordance with these terms of reference.
70. Members must immediately notify the SAC co-chairs if they feel they have conflicts of interest. In the event of a conflict of interest arising for any member of the SAC, the matter must be immediately tabled and the SAC member must abstain from any dialogue relating to that matter.

Annual Independent Assessment

71. The SAC can appoint an independent 3rd party assessment body to audit and verify the implementation of the SFMP on an annual basis.

Transparency

72. The summary of the SAC's meeting and the annual audit report will be made available to the public in a timely manner.

Liability

73. No member of the SAC will incur any expenses in relation to his or her activities as a member of the SAC without prior approval of APRIL's nominated officer.
74. APRIL will indemnify the members of the SAC against any claim or cost that arises from their activities as a member of the SAC, providing such activities are in accordance with these Terms of Reference and/or have been approved in writing by APRIL or APRIL's nominated officer.

Others

75. This Terms of Reference will be interpreted in accordance with Singapore laws.