

**Terms of Reference
Stakeholder Advisory Committee (SAC)**

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.
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. The SAC will also encourage APRIL to engage with other Business Groups in the fibre products sector within the Royal Golden Eagle (RGE) Group to adopt the underlying principles of APRIL’s SFMP.

Mandate

5. The mandate of the SAC is to operate as an independent advisory body that provides oversight and recommendations on APRIL’s implementation of its SFMP 2.0, and advisory on the implementation of APRIL2030 commitments and targets.
6. 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 APRIL’s sustainability commitments, particularly 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 achievement.
7. 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 solutions that can help advance Indonesia’s sustainable development.

Role of the SAC

8. Review APRIL’s SFMP and APRIL2030 objectives, commitments and targets for critical feedback and recommendations for improvements;

Internal

9. Provide independent oversight on the implementation of the commitments and fulfilment of targets set forth in the SFMP, including steering any applicable independent verification process;
10. Provide guidance and recommendations on the implementation of initiatives to achieve APRIL 2030 commitments and targets;
11. Offer suggestions and guidance on matters pertaining to their respective areas of expertise, including advice on best practices in sustainability that APRIL can consider as part of its commitment to continuous improvement;
12. Publicly report on APRIL's implementation of its SFMP based on independently verified information, if available;
13. 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;
14. 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;
15. Where appropriate, write or speak at relevant external fora/conferences or similar other opportunities on topics such as sustainable forest management, climate change, landscape conservation, circularity, UN Sustainable Development Goals preferably in the context of Indonesia or other developing economies.
16. The SAC does not exercise any form of executive authority.
17. The SAC will submit meeting reports to the APRIL Board.

Role of APRIL

18. 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 clarification to the SAC.

Membership

19. SAC members are not APRIL employees.
20. The SAC Chair is designated by the APRIL Board.
21. SAC membership is in an individual capacity. Organizational membership, with fixed individual representation, can be considered by the SAC Chair and APRIL Board on case-by-case basis.
22. The SAC will consist of a Chair and up to 6 members. Members are invited by the SAC Chair, with APRIL's endorsement.

Internal

23. SAC members are selected based on skills, knowledge, experience and network that are related, but not limited to:
 - a. industrial forest management, including international certification;
 - b. climate and biodiversity, landscape, ecosystem conservation;
 - c. sustainable development;
 - d. forestry research;
 - e. stakeholder engagement, particularly with local communities, and other forms of multi-stakeholder collaboration;
 - f. human rights and social issues, including labor and indigenous peoples and local communities (IPLC) rights, diversity and inclusivity, and sustainable livelihoods.
 - g. governance and transparency.

24. The SAC may engage additional ad-hoc resources to address specific issues or skill gaps on an as-needed basis.

25. 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

26. Membership is for two calendar years. The term may be extended per agreement with APRIL.

27. SAC membership appointment may be terminated by either party with three months' prior notice.

28. In consultation with the SAC and APRIL, the Chair reserves the right to terminate the appointment if members:
 - a. fail to actively contribute or participate in the SAC; or
 - b. are not able to attend two consecutive regular meetings of the SAC without valid reasons

Responsibilities of Members

29. Contribute to the development of SAC meeting reports;

30. Be fully prepared for meetings and agree to actively participate and collaborate during meetings;

31. Bring expertise, knowledge, skills, and industry experience to the platform;

32. Consider, raise and be prepared to discuss issues, ideas and proposals;

33. Provide informed, independent, sound guidance and recommendations;

34. Advise the Chair if membership responsibilities can no longer be fulfilled or if there are potential cases of conflict of interest;

35. Comply with the Terms Of Reference of the SAC.

Responsibilities of the Chair

In addition to member responsibilities, the Chair will:

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

Responsibilities of APRIL

46. Clearly communicate the role, purpose and responsibilities of the SAC as required;
47. Coordinate meetings, including facilitation of agenda, preparation of supporting documentation and minutes;
48. Provide a conducive context for open dialogue and robust discussions between SAC members and APRIL;
49. Support SAC discussion by providing and sharing any necessary critical information in a timely and accessible manner;
50. Co-opt and resource additional support, including stakeholder engagement activities, as advised by the SAC;
51. Engage with the SAC on the progress and outcomes of their advice;
52. Ensure that adequate resources are available to allow for the proper functioning of the SAC;
53. Support the Chair in the annual independent performance verification of APRIL's SFMP.

54. Collaborate with the SAC to effectively communicate the achievements of the SFMP to the wider stakeholders.

Rules of Participation

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

Meeting Schedule and Reporting

63. The SAC will plan to meet three times a year with specific schedules decided at the start of the year.
64. The SAC Chair reserves the right to conduct meetings by phone or videoconference as appropriate.
65. 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.
66. A draft agenda will be prepared two weeks prior to each meeting. The final agenda and necessary materials will be provided to SAC members at least three days prior to each meeting.
67. 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 posted for public viewing on APRIL Dialog (<https://www.aprildialog.com/en/>).

68. Operational decisions regarding the implementation of any recommendation relating to APRIL and its Suppliers 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

69. 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 Chair 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

70. 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.
71. 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 Chair 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.
72. As an independent Committee, SAC members are empowered to communicate the activities of the SAC with their respective organizations.
73. The membership of the SAC will be published on the APRIL website.

Conflict of interest

74. 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.
75. Members must immediately notify the SAC Chair 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

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

Transparency

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

Liability

78. 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.

79. 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

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