Baseline Methodology and Approach

The Impact Area

The impact area determined by APRIL using the best available information as at effective date of the FSC Remedy Framework. As of 1st July 2023, all forest concession licenses that are part of APRIL Group and third party suppliers as listed in the Corporate Group Disclosure are used to define the impact areas as the areas affected by unacceptable activities.

The total area per concession determines the area of interest for the baseline analysis, considering all land use classes of commercial plantation, conservation, infrastructure and others.

The objective of the baseline assessment is to determine the baseline condition, the harm, and the current condition and encompasses the forest concessions within the impact areas in Sumatra and Kalimantan, spanning from 1994 to 2020.

The approach towards the baseline assessment combines best available information and expert knowledge to determine aspects associated with the unacceptable activities and any harm caused to these aspects.

An Independent Assessor (IA) appointed and contracted by FSC International undertakes the baseline assessment and consults interested stakeholders and affected stakeholders accordingly.

Methodology

The methodologies for the baseline assessments are developed by APRIL to guide the Independent Assessor in conducting the assessments. The implementation of the methodology by the Independent Assessors is based on their expertise and expert judgment.

> Environmental

i. Document and Data Review

As a starting point, the scope of the assessment is determined using documents and data, whether it be spatial, formal reports, or other supporting and monitoring documentation (shape-files, Landsat imagery, AMDAL reports).

ii. Data Analysis

Using the starting point as the year prior to December 1994 and or the first year of development the analysis of land cover is undertaken to get an understanding of the baseline environmental conditions such as forest types, forest condition status and high conservation value areas prior to the commencement of operational activities.

- The infrastructure area as mapped and classified should not be part of the analysis when determining environmental harm.
- The condition is to be determined separately for forest conversion and HCV category for each concession.

Generally the following steps are taken to identify forest conversion within the impact areas:

• Conduct land cover analysis using Landsat-5 satellite imagery a year before the planting year (R1-1) for management units planted after 1994 or in 1994 for the management units planted before 1994.

• Conduct land cover analysis using Landsat-8 satellite imagery in Year 2020. Land cover classification employs Object-Based Image Analysis (OBIA) as the primary methodology as an object-based system was preferred over a pixel-based system. The classification process used imagery downloaded annually, and subsequent processed based on the respective years. To eliminate the influence of clouds and cloud shadows on the image, cloud masking process should be leveraged the QA_PIXEL band of Landsat 5 and 8 imagery to have cleaner and more accurate data.

During this stage, the IA will seek to address the following:

- Heavy cloud cover
- Instances where concessions are lying on the boundary of two Landsat images
- Quality assessment of classifications
- Record all image requirements, date, source, image bands used and sensor including limitations

An image classification process (accuracy test) may be needed to crosscheck the result and depending on the quality, a second classification could be undertaken using a different dataset.

- Overlay the forest cover with relevant third-party data/layer to identify the primary and degraded forest areas. With the IA's expertise and expert judgement, forest and non-forest cover identification can be analyzed using visual interpretation of Landsat-5 satellite imagery.
- Conduct an overlay analysis between Year R1-1 land cover and Year 2020 land cover to identify the land cover change between R1-1 and Year 2020. The spatial overlay analysis is achieved by overlaying two land cover datasets in R1-1 and Year 2020 for each management unit to identify the land cover changes between these time periods.
- Calculate a ratio based on the total areas for each forest class that was changed into a nonforest class divided by its land use (protection area, livelihood plantation, infrastructure, and plantation area). The classification applied the following approach:
 - a) The land cover change from primary and secondary forests to other land cover such as plantation, agriculture, scrub was classified as forest loss.
 - b) The land cover change from primary forest to secondary forest was classified as forest degradation. Assuming a change from the dense forest (primary forest) to sparse forest (secondary forest).
 - c) The land cover change from non-natural forest to forest land cover was classified as forest gain. However, it is also important to highlight that the forest gain does not necessarily reflect a gain in natural forest cover as per the definition of the FSC RF. The forest gain shows a change in forest cover within the management unit.
 - d) The remaining primary and secondary forest within the estate and management unit was classified as remaining natural forest.

Following the process to identify forest conversion, the independent assessor will estimate the presence and potential loss of HCV areas.

To conduct this analysis, the IA will utilize HCV proxies based on guidelines from HCVRN as reference indicators of the likelihood or probability of presence of HCVs, with input from experts. The IA will triangulate using secondary data from remote sensing datasets, GIS desktop analysis, and prior and already existing HCV assessments from the organization and or in close geographical or ecological proximity.

The analysis uses HCV proxies to retrospectively estimate the probability of HCV presence in the impact area from 1999 to 2020 for HCVs 1 to 4 and from 2003 to 2020 for HCVs 5 and 6.

After the environmental harm has been determined, the IA will assess the current condition of the impact area in year 2023 on the following:

- remaining natural ecosystem (e.g., status, biodiversity, ecosystem attributes, environmental values, successional phase, level of degradation, and degradation drivers) through a rapid satellite based structural assessment
- landscape context (habitat fragmentation) e.g. Method of Forest-Patch- Analysis HCSA guidance
- HCV areas including rare, threatened, and endangered species

Furthermore, throughout this process, the IA will identify environmental remedy already undertaken that meets the requirements of additionality.

In summary, the EBA methodology consists of the following:

Document & Data Review	Data Analysis	Conversion Forest – Plantation/Non forest	HCV Area	Assess Current condition	EBA Report
 Understand the requirements in the FSC Remedy Framework Data Request: Shapefiles -maps for concessions Landsat imagery - time series(1994-2023) HCV reports Other spatial or non spatial data AMDAL Prior assessments already undertaken. 	 Determine Area of Interest Define baseline years Image & Land Cover Classification Determine condition prior to development Classify degraded areas Calculate land cover Identify land cover change - natural forest to plantations /other 	 Spatial analysis to detect the change of land cover. Land cover classification Publicly available data sources Categorize the land cover. Undertake quality assessment Detect forest conversion Quantification of harm. 	 Estimation of the presence of HCV 1 -4 (1999) & HCV 5 -6 (2003) area's Utilize Organization's HCV assessments Utilize assessments in close geographical or ecological proximity & suggest could be similar values Estimate the potential presence -HCV proxy approach HCV area comparison (proxies, HCV assessments & current conditions) 	 Prioritization of sites to visit Compare the land cover classification with the land cover & land use. Identify environmental remedies already undertaken. Assess the remaining natural ecosystem, using a rapid satellite based structural assessment Assess HCV areas including RTE species. 	 Description of environmental conditions - prior & current state Remedy already undertaken Details & quantified environmental harm Maps of all areas where harm occurred

Social

i. Document and Data Review

The document review process involves collecting relevant documentation from internal APRIL Group reports, external third-party reports, and articles published by NGOs and in print media to inform of the potential harms. The document review should aim to identify allegations and the details thereof such as who, what, where and when.

The document review focuses on information sources that helped to:

- Profile settlements and villages;
- Identify the harms occurred caused by unacceptable activities;
- Identify respective sites where harms caused by unacceptable activities;
- Identify impacted and affected right holders; and
- Describe remedies that have already been conducted by APRIL Group

i. Initial analysis

The first stage of analysis identifies and quantifies allegations of potential unacceptable activities and social harms and maps these allegations across the APRIL Group activity areas. The data analysis includes mapping of impacted areas and stakeholder spatial mapping to identify all relevant areas, affected stakeholders and impacted rights holders.

Data sources that can inform the probable occurrence of initial settlements through a spatial analysis from prior to any development include village profiles obtainable through government offices and other organizational documents.

The stakeholder identification process includes four general categories of stakeholders. Considering the level of impacts that may be experienced by each stakeholder category, the IA conducts a stakeholder identification analysis to identify only affected stakeholders, including impacted rights holders and affected rights holders.

ii. Triangulation

The mapping of the initial findings is to be based on having identified an unacceptable activity, the aspects being assessed and complete details on who, what, when, where with a direct link to the unacceptable activity being made clear.

The standard of certainty is to be applied and for allegations to be valid there should at least be clear and convincing evidence. A key question to continuously be asked, is whether there is clear and convincing evidence to substantiate that the harm stems from the unacceptable activity of APRIL.

A reliability assessment is to be undertaken on the sources of information and there should at least be one highly reliable source coupled with another medium reliable source mentioning a specific case/allegation to be considered credible.

Further analysis is undertaken of the allegations to ensure relevance to the four social aspects being assessed. There needs to be clear legal and/or customary rights held, which have been violated in the course of forestry operations.

iii. Site Visit

The mapping and triangulation of the initial findings are followed through, with a site visit to collect missing details and information associated with unacceptable activities and harms. This is undertaken by collecting evidence directly from impacted and affected rights holders through participatory methods. The Independent Assessor can deploy data collection methods as they deem appropriate based on their expertise and expert judgment. To determine the actual harm cases during the site visit, collecting of evidence should demonstrate the values existed prior to the unacceptable activity taking place. There needs to be clear and convincing evidence that an unacceptable activity actually occurred in that area and that there was harm as a result. When determining actual harms, all evidence is to be compiled. Then, a reliability assessment is undertaken on the aggregated evidence where highly reliable sources will be analyzed for attribution of the harm towards APRIL only or as a contributor.

Importantly, for land disputes to qualify as violation of unacceptable activity and/or resulting in actual harm, specific steps should be followed. Official records of legal and customary rights can be sourced through checking for such records at the relevant Government departments or Ministries. Customary rights can also be determined through participatory methods such as the good practice recommended by Forest People's Program and by consulting cultural bodies for such records.

For those cases where there are legitimate rights holders with identified legal and/or customary rights, then it is important to identify which traditional or human rights may have been violated to identify the harms that have been experienced. In the case of workers, it needs to be clear which of ILO core conventions is violated for a case to be considered as harm.

In the process of data compilation and initial analysis, data is validated through triangulation. The data triangulation ensures the validity and reliability of data by cross-verifying information from multiple sources. All the allegations identified are grouped by levels of reliability of source of information.

In summary, the SBA methodology consists of the following:

