

**Advisory to Buyers and Investors of
Royal Golden Eagle / Asia Pacific Resources International Limited (RGE/APRIL)**

**WWF-Indonesia
31 January 2014**

On 28 January, the Royal Golden Eagle Group's (RGE) APRIL announced a Sustainable Forest Management Policy (SFMP)^{i, ii}.

WWF cautiously welcomed APRIL's announcement.

WWF and many other NGOs have long criticized the RGE Group and APRIL for the devastating impact their operations have on Indonesia's rainforests, peatlands, species and local communitiesⁱⁱⁱ. APRIL has a long history of making commitments that it has failed to live up to. The company promised several times in the past to use plantation fibre only, each time moving the date years ahead. This most recent announcement pushes the deadline from an original 2009^{iv} to 2019.

The SFMP seems to demonstrate willingness by APRIL to now improve its practices and transparency. But it needs to be clarified to give stakeholders confidence. It also needs to go further. It will be critical how APRIL actually implements this policy in practice.

WWF is still reviewing the policy to understand its full implications. But, WWF is encouraged by APRIL's commitments to not source fibre from forests before HCV Network peer-reviewed assessments are completed, to "strive to support conservation areas equal in size to APRIL's plantation areas", not to establish a new pulp mill and/or a new pulp line until it achieves plantation fibre self-sufficiency; and to establish a Stakeholder Advisory Committee (SAC) that will appoint an independent verification auditor and oversee monitoring and verification of the policy implementation.

But the policy needs to be strengthened and clearly defined. Most notably, the company should

1. extend its commitment to the rest of the RGE Group companies to include all the group's mills in Indonesia, China and Brazil in the deal and make sure that no chips from global supplier concessions that are not compliant with the policy are received by those mills and to preclude having APRIL's shareholders open new mills in new corporate configurations that do not fall under this policy,
2. clarify that it will immediately start a moratorium on all forest and land clearance and peatland development activities in all its supplier concessions, until independent High Conservation Value (HCV) as well as High Carbon Stock (HCS) assessments are finalized as recommended by NGOs;
3. clarify that the moratorium applies to all concession areas where HCV assessments had been completed but were challenged by civil society so the HCV assessments can be updated and peer-reviewed by the HCV Resource Network,
4. become a 100% plantation fibre company in 2014 since without robust processes and independent monitoring HCV and HCS area fibre could continue to leak into the pulp mills,
5. make all the group's suppliers' concession holdings and their wood supply plans publicly available for independent review so the impact of this policy can be judged,
6. fully commit to a 1 to 1 conservation compensation,
7. immediately invite key stakeholders to meet with a view to improve the policy and discuss its implementation and monitoring, and
8. ensure that the SAC becomes a credible and independent group to continuously engage the company in strengthening and effective implementation of its policy.

WWF continues to recommend that companies wait and see before sourcing from and investing in APRIL and their associated business entities, until APRIL/RGE improves the policy, independent 3rd party confirmation that the group has stopped draining peat soils and developing and pulping HCV and HCS areas, and long-standing social issues have been resolved. WWF also urges RGE and APRIL to comply with

milestones similar to those developed by the Environmental Paper Network released last September, which can be found here: www.environmentalpaper.org/milestones.

WWF, together with local NGOs in the Eyes on the Forest and RPHK coalitions will continue monitoring the company's operation.

Any questions, feel free to contact:

Aditya Bayunanda, abayunanda@wwf.or.id

Nur Maliki Arifiandi, nmarifiandi@wwf.or.id

ⁱ APRIL (28 January 2014) APRIL takes its Sustainable Forest Management Policy to a new level.

<http://aprilasia.com/news/Press%20release%20Sustainability%20Policy.pdf>

ⁱⁱ APRIL (28 January 2014) APRIL's Sustainable Forest Management Policy.

<http://aprilasia.com/news/APRIL%20SFM%20POLICY.pdf>

ⁱⁱⁱ See reports collected at <http://www.eyesontheforest.or.id>

^{iv} APRIL (2004) Sustainability Report 2004. <http://aprilasia.com/sr/media/reports/sustainability-report-2004.pdf>