



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

**WWF-Indonesia
20 February 2018**

WWF and many other NGOs have long criticized the Royal Golden Eagle Group's (RGE) and APRIL for the devastating impact their operations have on Indonesia's rainforests, peatlands, species and local communities in constant violation of their own commitments^{1,2}.

In January 2014, APRIL published "Sustainable Forest Management Policy (SFMP)". A year after, in June 2015³, APRIL published SFMP 2.0 and RGE also published "Forest, Fibre, Pulp & Paper Sustainability Framework" and committed to a moratorium on any further natural forest clearance pending the outcome of High Carbon Stock (HCS) and High Conservation Value (HCV) assessments, to no new development on forested peatland and assured that these will apply to all own and third-party Indonesian wood suppliers to RGE Companies including Toba Pulp Lestari (TPL). APRIL established a Stakeholder Advisory Committee (SAC) that included WWF-Indonesia to advice and oversee on their implementation of SFMP 1.0 and 2.0 and the RGE's framework. However, due to unresolved clearance of peatland at that time WWF-Indonesia suspended its SAC membership in November 2016⁴.

Though we acknowledge APRIL's efforts to secure the dome areas of the Kampar Peninsula as restoration concessions, until now WWF Indonesia has not seen significant progress on implementation of APRIL and RGE commitments on the ground to deal with the key issues including: continuing reliance on plantations on drained peatland despite new government regulations requiring designated portions of them to be restored^{5,6}; the resultant peat emissions and peat fires; unresolved social conflicts and lack of full recognition of harms done to local communities.

In between 2015-2017, the Indonesian government has issued a number of policies and regulations to protect peatland⁷. Which has many stipulation for plantation forest holder to better manage their peatland areas to prevent fire and decrease subsidence and also to retire production areas that are on the dome of the peatlands. Ironically despite their public commitment to protect peatland and restoration, APRIL has been resisting to implement these policies and regulations, and had openly challenged these government policies by taking the government to court for issuance of regulation (SK.5322/2017 as the annulment of Decision Letter (SK) of RKU period 2010-2019) to the Court^{8,9} and through Workers Union (SPSI-Riau) the company also took legal action against another relevant regulation (Ministry of Environment and Forestry Regulation No P17/MENLHK/SETJEN/KUM.1/2/2017 related Plantation Development)¹⁰. In these court cases APRIL eventually lost but these court cases show how reluctant actually is to implement protection and conservation of their peatland areas. Casting doubt on the entire spirit of their own SFMP 2.0 and "Forest, Fibre, Pulp & Paper Sustainability Framework".



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WWF believes that Forest Stewardship Council (FSC) certification is the best way to get independent and objective verification of a company's performance on environmentally responsible, socially beneficial and economically viable management of forests, unfortunately it cannot be used to verify the performance of RGE/APRIL companies, affiliates and their wood suppliers, as APRIL being disassociated since 2013 because of *"large-scale deforestation activities in Indonesia and bringing negative social and environment impacts to areas with high conservation values"*¹¹ APRIL is among a very small number of the most controversial companies in the world that are disassociated by FSC.

In the absence of a tool to independently measure and prove APRIL's performance that is supported by civil societies, WWF Indonesia and other NGOs who have been monitoring APRIL, in consultation with the world's key private sector actors, have recently developed and published a set of Criteria and Indicators for assessing and verifying performance of RGE/APRIL in addressing critical issues on the ground¹². This will provide a tool for global buyers/investors to set specific measurable performance requirements for and independently verify on-the-ground.

WWF recommends that companies and finance institutions do not enter into a new sourcing agreement or investment with APRIL until a regular, independent 3rd party verification demonstrates significant progress by APRIL companies, its affiliates and global wood supply partners against the NGOs' published Criteria and Indicators, including full compliance with government regulations on peat protection and restoration. WWF Indonesia also strongly insist that APRIL immediately starts FSC re-association process.

WWF, together with local NGOs in the Eyes on the Forest coalitions in Sumatra and Kalimantan will continue monitoring RGE suppliers' operation and inform the public at <http://www.eyesontheforest.or.id>.

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For more information, kindly contact to:

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¹ Eyes on the Forest <http://www.eyesontheforest.or.id>

² International Consortium of Investigative Journalists (8 November 2017) Leaked Records Offshores Role in Forest Destruction <https://www.icij.org/investigations/paradise-papers/leaked-records-reveal-offshores-role-in-forest-destruction/>

³ APRIL Asia (3 June 2015) APRIL Group's Sustainable Forest Management Policy 2.0 <http://www.aprilasia.com/en/sustainability/sustainability-policy>

⁴ WWF (12 December 2016) Advisory to Buyers and Investors of RGE/ APRIL http://wwf.panda.org/about_our_earth/deforestation/deforestation_causes/forest_conversion/?287611/Advisory-to-Buyers-and-Investors-of-RGEAPRIL

⁵ Foresthints (14 June 2017) Ground inspection reveals APRIL fulfilling peat violation sanctions <http://www.foresthints.news/ground-inspection-reveals-april-fulfilling-peat-violation-sanctions>



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⁶ Jikalahari (1 December 2016) Tempias-PT. Rimba Lazuardi replanting burned areas <http://jikalahari.or.id/majalah-jikalahari/tempias-edisi-laporan-investigasi-15-korporasi-sp3-polda-riau/>

⁷ <http://www.peraturan.go.id/pp/nomor-71-tahun-2014-11e4a07c7288d63ab190313531353038.html>

⁸ Eco-Business (6 December 2017) Pulp and paper giant challenges Indonesian government over peat protection obligation <http://www.eco-business.com/news/pulp-and-paper-giant-challenges-indonesian-government-over-peat-protection-obligation/>

⁹ MoEF (11 December 2017) MoEF: RAPP avoiding responsibilities http://ppid.menlhk.go.id/berita_foto/browse/924

¹⁰ Detik (23 October 2017) Supreme Court ask Minister of Environment and Forestry to revoke minister regulation on peat <https://news.detik.com/berita/d-3695604/ma-perintahkan-menteri-lhk-cabut-permen-gambut>

¹¹ FSC (8 August 2013) FSC ends association with the APRIL Group <https://ic.fsc.org/en/news/id/454>

¹² WWF (1 November 2017) Corporate Governance Performance of Sinar Mas Group (SMG) and Royal Golden Eagle (RGE) Companies-Criteria and Indicator for Assessing and Verifying Performance <https://www.wwf.or.id/en/?61822/Evaluating-the-Environmental-Social-and-Corporate-Governance-Performance-of-Sinar-Mas-Group-SMG-and-Royal-Golden-Eagle-RGE-Companies-Criteria-and-Indicators-for-Assessing-and-Verifying-Performance>