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

WWF-Indonesia 9 December 2016

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 communitiesⁱ. In 2013, the Forest Stewardship Council (FSC) ended all association with the APRIL Groupⁱⁱ after a complaint jointly filed by WWF-Indonesia, Greenpeace and Rainforest Action Networkⁱⁱⁱ.

On 28 January 2014, the RGE's APRIL announced a Sustainable Forest Management Policy (SFMP)^{iv, v} and in June 2015, APRIL expanded the SFMP (1.0) to address several criticisms by NGOs including WWF-Indonesia^{vi, vii, viii}, by publishing RGE's new "Forestry, Fibre, Pulp & Paper Sustainability Framework" (2 June 2015)^{ix} and APRIL's SFMP 2.0 (3 June 2015)^x.

WWF particularly welcomed RGE/APRIL's commitment to a moratorium on any further natural forest clearance pending the outcome of High Carbon Stock (HCS) and High Conservation Value (HCV) assessments, commitment on no new development on forested peatland and an assurance that these will apply to all own and third-party Indonesian wood suppliers to RGE Companies^{xi}. We are encouraged by the one to one commitment made by APRIL of restoration and conservation area to its plantation and the steps to start fulfill in the Kampar Peninsula.

In January 2014, APRIL established a Stakeholder Advisory Committee (SAC) to oversee implementation of SFMP 1.0 and 2.0. WWF-Indonesia joined the SAC and had hoped that its membership in SAC would facilitate the company's implementation of its commitments and increase transparency of the process. WWF's participation in SAC in no way implied endorsement of APRIL's products or practices on the ground.

In November 2016, WWF Indonesia suspended its SAC membership due to:

- 1. Lack of progress by APRIL and RGE to implement SFMP 2.0 and the "Forestry, Fibre, Pulp & Paper Sustainability Framework".
- 2. Violations to recent government policy towards peat protection and restoration^{xii}.
- 3. Lack of transparency and misleading information from APRIL to hide "business as usual" operations.

WWF-Indonesia joined the SAC meeting of 7 to 8th December 2016 as an observer to ensure the company would be transparent and frank in providing information to other SAC members and to the public. We will evaluate our membership in the SAC pending APRIL's positive response to address our concerns.

WWF continues to recommend that companies wait and see before sourcing from and investing in RGE/APRIL and their associated business entities, until there is truly independent third party verification that the RGE/APRIL group has made significant progress in implementation of "Forestry, Fibre, Pulp & Paper Sustainability Framework", SFMP 2.0 and additional recommendations by NGOs to fill the policies' gaps to address critical issues, including deforestation, pulping of HCV and HCS areas, peat development and long-standing social issues.

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.

Any questions, feel free to contact:

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http://awsassets.wwf.or.id/downloads/wwf 31jan14 april buyers and investors advisory en final.pdf

vii WWF-Indonesia (17 July 2014) Advisory to Buyers and Investors of Royal Golden Eagle / Asia Pacific Resources International Limited (RGE/APRIL).

 $\underline{http://d2ouvy59p0dg6k.cloudfront.net/downloads/wwf} \underline{17jul14} \underline{april}\underline{buyers}\underline{and}\underline{investors}\underline{advisory}\underline{en}\underline{final}\underline{ni}\underline{bw}\underline{1.pdf}$

viii Eyes on the Forest (28 January 2015) APRIL's policy anniversary without real gain, NGOs say. http://eyesontheforest.or.id/?page=news&action=view&id=774

ix http://www.rgei.com/files/rge-sustainability-framework.pdf

i See reports collected at http://www.eyesontheforest.or.id

ii https://ic.fsc.org/en/news/id/454

iii http://ic.fsc.org/download.april-group-complaing.1163.htm

iv APRIL (28 January 2014) APRIL takes its Sustainable Forest Management Policy to a new level. http://aprilasia.com/news/Press%20release%20Sustainability%20Policy.pdf

v ARPRIL (28 January 2014) APRIL's Sustainable Forest Management Policy. http://aprilasia.com/news/APRIL%20SFM%20POLICY.pdf

vi WWF-Indonesia (31 January 2014) Advisory to Buyers and Investors of Royal Golden Eagle / Asia Pacific Resources International Limited (RGE/APRIL).

x http://www.aprilasia.com/en/sustainability/sustainability-policy

xi WWF (3 June 2015) WWF welcomes APRIL's new deforestation moratorium, careful scrutiny required on implementation. http://wwf.panda.org/how_you_can_help/live_green/fsc/save_paper/paper_toolbox/app_april/news/?247652/WWF-welcomes-APRILs-new-deforestation-moratorium-careful-scrutiny-required-on-implementation

xii For example, see a recent news on http://www.straitstimes.com/asia/se-asia/inspectors-blocked-from-riau-concession as well as Greenpeace statement today http://www.greenpeace.org/seasia/Press-Centre/Press-Releases/Withdrawing-from-APRILs-Stakeholder-Advisory-Committee/