



## **APRIL's Sustainable Forest Management Policy**

APRIL's Sustainable Forest Management Policy ("SFMP") was developed with inputs of key stakeholders. This Policy is an evolution of APRIL's High Conservation Value ("HCV") commitment established in 2005, to take APRIL to the next level in balancing the imperatives of safeguarding the environment and looking after the interest of local people, while continuing to run a sustainable business.

The commitments made in this document apply entirely and exclusively to *Asia Pacific Resources International Holdings Ltd* ("APRIL"), which is an independently managed company with operations in Indonesia. It also covers all fibre suppliers to APRIL's mill in Kerinci as well as to any future mills acquired by APRIL. APRIL will engage with sister pulp and paper companies within Royal Golden Eagle (RGE) Group to adopt the principles underlying APRIL's SFMP.

### **I. Long-term Sustainability:**

*"Sustainable Forest Management is the guiding principle for APRIL and all of its fibre suppliers' operations. APRIL renews degraded forests to improve productivity of the land and preserves High Conservation Value areas to conserve biodiversity, environmental services, and community use."*

- a. APRIL sources fibre from non High Conservation Value Forest ("HCVF") areas that have been identified through independent HCV assessments, based on Indonesian HCV toolkit and peer-reviewed by HCV Resource Network;
- b. From 28<sup>th</sup> January 2014, APRIL declares a moratorium in concession areas throughout APRIL's fibre supply chain where HCV assessments have not been completed;
- c. APRIL and its Long-Term Supply Partners will complete their plantation establishments by the end of 2014;
- d. APRIL will only use plantation fibre by the end of 2019. APRIL commits to annual reviews of its fibre supply, with the intent of accelerating plantation fibre self-sufficiency;
- e. APRIL has a robust Chain of Custody (CoC) tracking system and mill wood sourcing monitoring system to ensure all fibre come from non-HCVF areas;
- f. APRIL will not establish a new pulp mill and/or a new pulp line until it achieves plantation fibre self-sufficiency for its long term sustainability;
- g. APRIL will update its Procurement Policy and renegotiate contracts with its fibre suppliers to ensure its fibre procurement is in full compliance with APRIL's SFMP.

### **II. Forest Protection and Conservation:**

*"APRIL commits to protect, manage, and enhance forest areas with High Conservation Value and High Carbon Stock."*

- a. APRIL reaffirms its commitment to HCV assessments since 2005;
- b. APRIL and its Long-Term Supply Partners protect and manage more than 250,000 hectares of conservation zones identified through HCV assessments;
- c. APRIL has committed to restore 20,000 hectares of degraded peatland within the core zone of Kampar Peninsula through the Restorasi Ekosistem Riau (RER) initiative in Riau province;
- d. APRIL will initiate a new ecosystem restoration project to restore additional 20,000 hectares of degraded peatland at the core zone of Pulau Padang;
- e. APRIL will support biodiversity and carbon conservation initiatives with a focus on landscape basis. APRIL will strive to support conservation areas equal in size to APRIL's plantation areas;



- f. APRIL will participate in the development of an industry-accepted methodology of High Carbon Stock ("HCS"), by initiating a pilot study within its concession area;
- g. APRIL will adopt for new concession areas the best practices in the industry pertaining to HCS if and when relevant standards are established.

### **III. Peatland Management:**

*"APRIL supports the Government of Indonesia's target to reduce greenhouse gas emissions."*

- a. APRIL and its fibre suppliers protect and manage forested peatland areas identified as HCVF and HCS;
- b. APRIL declares a moratorium on forested peatland areas, including canals and other infrastructure activities, until independent HCV assessments have been completed, and HCS assessments will be conducted if and when relevant standards are established;
- c. APRIL engages with peat experts to implement best practice management to reduce and avoid greenhouse gas (GHG) emissions within the peatland landscape.

### **IV. Legal Compliance and Certification:**

*"APRIL goes beyond legal compliance toward achieving Sustainable Forest Management."*

- a. APRIL reaffirms its commitment to comply with all prevailing laws and regulations, and requires all its fibre suppliers to do so;
- b. APRIL participates in global SFM certification schemes and encourages its fibre suppliers to do the same;
- c. APRIL has the Indonesian Timber Legality Assurance System (INDO-TLAS)/Sistem Verifikasi Legalitas Kayu (SVLK) and Origine et Legalite des Bois (OLB)/Timber Legality Origin certifications for assurance of timber legality. APRIL will undergo annual reviews to maintain certification status.

### **V. Community Engagement and Social Responsibility:**

*"APRIL establishes partnerships with local communities as part of its commitment to Corporate Social Responsibility."*

- a. APRIL commits to the Free, Prior, Informed, Consent (FPIC) principles implemented in the Indonesian context;
- b. APRIL commits to resolve any outstanding community conflicts in a fair and transparent manner with input and feedback from stakeholders.

### **VI. Good Corporate Governance and Transparency:**

*"APRIL commits to best practices in good corporate governance and transparency."*

- a. APRIL will establish a Stakeholder Advisory Committee ("SAC") to ensure transparency and implementation of this SFMP;
- b. The SAC will appoint an independent verification auditor and oversee monitoring and verification of the implementation of APRIL's SFMP;
- c. Key stakeholders, including WWF-Indonesia, will be invited to participate in the SAC;
- d. APRIL will continue to publish an independently-verified Sustainability Report based on Global Reporting Initiative (GRI) standards;
- e. APRIL will provide regular progress update on the implementation of APRIL's SFMP to key stakeholders.