



19 March 2020

Ms. Ginger Cassady  
Executive Director  
Rainforest Action Network

Dear Ms. Cassady,

Thank you for your letter dated 10 March and for the opportunity to provide inputs to your report. I would like to offer a response on behalf of the APRIL Group, which is an RGE Group company with forestry, pulp and paper operations in Riau, Sumatra, Indonesia. We appreciated the fairly regular conversations we had with Lafcadio Cortesi and subsequently with Brihannala Morgan in the past, and sincerely hope this response will encourage the resumption of this dialogue.

RAN would be fully aware of APRIL's [Sustainable Forest Management Policy](#) (SFMP), launched in 2015, which embeds our commitment to no deforestation, no new development on peatland and to landscape level conservation management as part of our integrated production-protection model. The policy applies to our full fiber supply.

#### **No deforestation**

There is no expansion on peatland, High Carbon Stock or HCV areas either directly or by our suppliers. The upholding of this commitment is independently assured by KPMG PRI Canada through an annual audit process and is publicly reported.

Based on 2019 independently verified data, our plantations total 448,639 hectares while our conservation and restoration areas total 365,892 hectares. As part of our SFMP, we adopted what we believe to be a unique 1 for 1 pledge where we aim to conserve a hectare for every hectare planted. Currently, we are at 82% of this pledge.

We operate on a combination of peat and mineral soils, with 54% (242,465 hectares) of our plantations and 80% (297,720 hectares) of our conservation and restoration forests on peatland. It would be useful to note that the province of Riau has approximately 3.87 million hectares of peatland.

APRIL's overall pulp production capacity remains 2.8 million tonnes per year. One of APRIL's goals is to reach self-sufficiency of plantation wood supply to the mill. To evaluate progress towards this goal, APRIL engaged Finland-based Indufor to conduct an independent [strategic review of our long term fibre supply plan](#).

On the back of a 24 % growth in plantation fiber productivity over the last three years, the review confirmed APRIL's forecast to be self sufficient in plantation fiber supply by 2024 and that wood sourcing from the open market would progressively decline.

#### **SFMP Implementation**

Since 2014, APRIL's performance against SFMP 2.0 commitments has benefited from the independent oversight of the Stakeholder Advisory Committee (SAC), a group of sustainable forestry and social development experts. The Committee reviews the company's sustainability progress and makes recommendations for improvements. The SAC works with KPMG PRI as its audit arm. The verification framework along with the indicators were the result of public consultations and include inputs from RAN, GP, WWF and other civil society organizations. The following audit reports are available for review:

- i. [2016 Full Audit](#)

- ii. [2017 Interim Audit on Key Indicators](#)
- iii. [2018 Full Audit](#)
- iv. [2019 Audit on Key Indicators](#)

(Note that the 2020 audit has been started but field visits had to be postponed on account of travel restrictions related to the Covid-19 outbreak.)

We have a comprehensive Supplier Engagement Framework that covers Due Diligence, Compliance Monitoring and Reporting, and Capacity Building. All open market suppliers are subject to a full due diligence check by the Sustainability team prior to the approval of any wood supply contract. We continuously monitor for potential non-compliant development through an internal system of satellite-based land cover change (LCC) monitoring and analysis and take immediate action where we need to. This LCC surveillance is done by a dedicated team of GIS specialists every three weeks and findings are verified on the ground to ensure causes are identified and actions are undertaken.

Open market suppliers are covered by the annual audit of performance against our SFMP by KPMG. Any non compliance is addressed through a process of engagement or support where possible. In cases where suppliers have clear lack of intention to comply, we have shown willingness to suspend or cease contract, as necessary and as a matter of last recourse.

### **Responsible Peatland Management**

In line with the Indonesian Government objectives and regulations and working with other stakeholders, we aim to achieve biodiverse and resilient peatland landscapes which support the well-being of local communities, as well as deliver fibre supply for APRIL. To attain this, we have been working to develop a long-term, science based peatland management approach for our concessions.

We recognize the impacts of drainage-based production models and we support the accelerated development and implementation of new approaches and operational practices that address these. Scientific research identifies two primary risks associated with peatland production and managing them forms the critical components of our overall plan. They are first, minimizing subsidence and identifying, monitoring and establishing management options for high flood risk areas; and second, improved water-table management to reduce GHG emissions.

Fire prevention and management will continue to be an imperative where community engagement and capacity building are essential. Equally crucial is the need to understand the impact of population growth and continuing community development needs which must be balanced with protection goals.

A critical commitment in the SFMP 2.0 is the establishment of the Independent Peat Expert Working Group (IPEWG) in 2016 to support APRIL by providing science-based recommendations on the further development of our responsible peatland management strategy. The IPEWG consists of six peatland scientists from UK, Finland and Indonesia. To guide its work with APRIL, the IPEWG developed a Peatland Roadmap that has three components:

- **Component 1: Science-based understanding and minimising impacts:** an immediate priority is building a robust scientific understanding to underpin the further development of APRIL's approach to responsible peatland management: minimising the negative impacts of production on peat, protecting remaining forest areas and preventing fire within the landscape.

Our Peatland Roadmap underlines that understanding and minimising peat oxidation and subsidence is central to responsible management. The IPEWG has been collaborating with APRIL on the analysis of our extensive subsidence data and greenhouse gas flux data (using flux towers and ground chambers) to inform field trials on alternative management approaches, as well as improve the understanding of peat carbon balance. A [peer-reviewed scientific paper on methane emissions was recently published](#), with further studies to come.

Also under this component is understanding the implications of different water table depths on crop growth and survival, peat subsidence and moisture content, fire and

nutrient availability. There is also a work stream to determine alternative species that are most adaptable for good growth in peatland conditions and to develop appropriate propagation and silviculture techniques.

- **Component 2: Responsible peatland operations:** the focus is on the implementation of the evolving APRIL approach to responsible peatland operations, designed to minimise fires, optimise yields, improve community livelihoods and minimise subsidence, oxidation and APRIL's carbon footprint for existing production on peat, while also working in partnership with other stakeholders to develop a long-term vision for peat landscape management. [A peer-reviewed scientific paper on subsidence was published in May 2019.](#)
- **Component 3: Developing a long-term peatland vision** based on a combination of responsibly-managed production, increasing use of water-tolerant species, restoration and rehabilitation, and protection of all remaining forest in collaboration with other stakeholders, to deliver a balance between production, protection and social development without further loss or degradation of peat.

### **Peatland Restoration**

Established by APRIL Group in 2013, the [Riau Ecosystem Restoration \(RER\)](#) protects and restores 150,082 hectares of peat swamp forest mainly on the Kampar Peninsula, one of the largest remaining areas of peat swamp forest in Riau province, southern Sumatra. APRIL has secured a 60-year ecosystem restoration license and has committed USD 100 million for the support of this programme and other conservation initiatives over 10 years from December 2015.

Partners include Fauna & Flora International (FFI) which has been working to support the development of its management framework, and has been conducting carbon, biodiversity and community assessments. Another NGO partner BIDARA supports local community engagement.

Published [RER reports](#) include:

- Biodiversity Report
- Mammals of the Kampar Peninsula
- Birds of the Kampar Peninsula
- [2017 Annual Report](#)
- [2018 Progress Report](#)

### **Community Engagement**

APRIL is committed to the principle of Free, Prior and Informed Consent (FPIC) in its engagement with communities. We actively work to resolve land claims and encroachment issues through mutually agreed, transparent and consultative processes. This is supported by a Grievance Resolution Procedure that was established in consultation with local and international NGOs, including RAN. Current grievance cases are tracked on APRIL Sustainability Dashboard and are also audited by KPMG as part of the SFMP 2.0 verification process.

Following the implementation of our Plantation Information Management System in 2015, APRIL conducted a comprehensive updating of our records of community land claims in our owned and Supply Partner concessions, with a focus on unresolved historical cases. The implementation of this system is backed by field visits for verification.

Given that the 2020 audit had to be suspended mid-stream, KPMG-verified data for land claims can only refer to records as at December 31, 2018. The total land area under dispute or classed as inactive in APRIL owned and Supply Partners' concessions was 105,202 hectares, involving 917 discrete claims. No operational activity is undertaken in these areas in line with our SFMP and FPIC principles.

KPMG further noted in its assurance report that: "APRIL and its supply partners continue to avoid operations on a significant portion of their land base until disputes with local communities are resolved. Over 2017 and 2018 there have been significant improvements in the quality and completeness of data related to disputes. While the hectares of land set

aside due to disputes continue to rise, this is due to the continued recording by APRIL and its Supply Partners of historical disputes that pre-date the existing tracking tool.”

In every instance of a claim, we delineate the subject area and notify government authorities and related stakeholders of its disputed status before entering into communication with claimants, and potentially mediation. Successful resolution of a dispute taking into account the position of all stakeholders, including provincial and government authorities, has primacy over the amount of time such a resolution takes to achieve.

### **Transparency**

In support of transparency, APRIL’s Sustainability Dashboard offers the following materials:

- i. List of all APRIL suppliers – including supply partners, open market suppliers – updated monthly
- ii. Maps of APRIL’s owned, supply partners’ and open market suppliers’ concessions
- iii. List of available High Conservation Value assessment reports
- iv. KPMG Audit Reports of APRIL’s SFMP 2.0 implementation
- v. All Meeting Reports of the SAC
- vi. All Meeting Reports of the Independent Peat Expert Working Group (IPEWG)
- vii. The IPEWG’s Peatland Roadmap
- viii. Minutes of all Stakeholder Forums, Meetings with NGOs and Local Communities
- ix. Grievance Resolution Mechanism & Grievance Tracking

These are in addition to our submission of our maps to the World Resources Institute’s Global Forest Watch, and participation in the annual surveys of the Zoological Society of London’s SPOTT and the Carbon Disclosure Project. APRIL is also working with the Rainforest Alliance on a pilot of the Accountability Framework Initiative.

### **Moving forward**

In 2019 we have started developing our 2030 vision that will support the achievement of the Sustainable Development Goals while keeping within science-based carbon reduction targets. APRIL will soon be adopting our next level of commitments and targets to reduce carbon emissions, protect and promote thriving landscapes, empower communities, and grow our business sustainably.

We are currently undertaking an organisational carbon footprint following the GHG protocols for Scope 1,2 and 3. We are also a member of the technical working group for the GHG Protocol update, led by WRI, for land sector emissions and removals. This working group will help strengthen the guidance and standards that are much needed for the land use sector. APRIL is also part of the consultative group for the development of methods and guidance to enable the food, agriculture, and forest sectors (FLAG) to set science-based carbon reduction targets.

We hope to have the opportunity to share more about APRIL2030 with RAN when we eventually emerge from the Covid-19 crisis and are again able to resume the much needed momentum for the SDGs, climate and nature. We thank you again for this opportunity to share these updates and trust this response addresses your request for information. Do let us know if we can help with any further clarification.

Best wishes,



Lucita Jasmin  
Director of Sustainability & External Affairs  
**APRIL Group**