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Free, Prior and Informed Consent a Key Pillar in Asia Pulp & Paper's Social Commitments

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Rainforest Action Network (RAN) published a report titled “The Need for Free, Prior and Informed Consent” on 8th December 2020 that evaluated the adequacy of policies and procedures among Indonesian Industrial Forest Companies for ensuring local community rights are respected.

Asia Pulp & Paper (APP) understands the need for Free, Prior and Informed Consent (FPIC) as part of a holistic sustainability policy that considers both environmental and social impacts. APP appreciates being recognized as the only Indonesian pulp and paper company evaluated to have made FPIC commitments, covering all four tenets, publicly on our website.

As RAN highlights in its evaluation, FPIC and other human rights commitments are an integral part of APP’s Forest Conservation Policy. APP’s Forest Conservation Policy, along with its stated commitment to FPIC which is operationalized by the FPIC Standard Operating Procedure, governs all APP companies and suppliers, with no exceptions. As such, APP’s FPIC commitments extend to all APP companies, including PT Arara Abadi, PT

Wirakarya Sakti and others mentioned in the report as not having their own standalone FPIC declarations.

Conversely, APP operates independently from any other business in the Sinar Mas Group, with separate management and shareholding structures. APP's commitments, in FPIC or any other area, are its own, and has no control or influence over other businesses, which are similarly independent.

Another concern raised is the inadequacy of the FPIC Process Flow as a Standard Operating Procedure. In the implementation of FPIC processes, APP companies and suppliers must employ detailed operational procedures. However, these procedures are necessarily integrated into the FPIC Process Flow, which is published on our [sustainability dashboard](#), to enable laypersons to better understand how these processes are implemented. It is not standard practice to publicly disclose detailed operating procedures, which are often technical in nature and may contain commercially sensitive information.

APP acknowledges the RAN evaluation's comment that there is room for improvement, and that more work needs to be done. One key area APP has identified for improvement is the resolution of existing disputes with communities.

While APP is in full compliance with the laws, regulations and FPIC processes in Indonesia, challenges remain. Historical disputes with local communities

affect nearly all land-based industries in Indonesia, and APP is no exception. These are complex issues that are best addressed through a multi-stakeholder process. Through the ongoing process, APP remains steadfast on the end goal, which is to reach agreements with the communities. By the end of 2019, 51% of these cases have been resolved. In some of these resolved cases, APP and local communities have now come together to co-manage farms, agricultural lands and plantations, providing communities with improved incomes and more sustainable livelihoods.

Of the unresolved land disputes, the largest percentage of cases derive from settlements within the concession - meaning these areas were occupied by the community prior to the license being given to the companies by the Government. To reach an amicable solution, APP has been working with the Government to find the best mechanism to define and agree on the boundaries, and to work with the affected communities throughout the mapping process. Achieving settlement, however, requires consensus among all involved parties. It cannot be achieved unilaterally.

APP remains firmly committed to the implementation of FPIC processes in all new developments. This means that concessionland will not be developed without the involvement and consent of affected communities. APP is also equally committed to the equitable resolution to all outstanding disputes.

Should any interested stakeholders wish to learn more about our social commitments or our FPIC implementation, we would be pleased to provide more detail in a scheduled discussion.

For further clarifications or enquiries, please contact

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