



wbcspd

Advisory note concerning APRIL Group's membership of WBCSD and the Forest Solutions Group

January 17th, 2014

Context

This advisory note outlines the results of WBCSD's performance review of [APRIL Group](#) (APRIL) against the [membership principles](#) of WBCSD's [Forest Solutions Group](#) (FSG) completed in December 2013. Requests from a significant number of peer companies of the FSG – and some NGO groups – prompted this review. Primary concerns, raised on a consistent basis since 2010, are the:

- Scale and duration of forest conversion by APRIL under legal concession agreements with the Government of Indonesia, and,
- Level of use of mixed hard wood (MHW) fiber from conversion operations as a key feedstock for pulp and paper production in Riau province, Sumatra, Indonesia.

Process & timeline

To manage anti-trust and competitor issues, the FSG requested the WBCSD secretariat carry out the performance review on its behalf.

In October 2012, APRIL and the WBCSD agreed on a phased approach – an initial self-assessment by APRIL against the FSG principles completed in January 2013, followed by a 2nd party review by WBCSD including a site visit in February 2013.

Based on the completion of phases 1 and 2, in March 2013 WBCSD advised APRIL that it needed to adjust its forest management and fiber procurement practices to align with the spirit and intent of the FSG principles, as well as the FSG's leadership mission and objectives. Further WBCSD requested APRIL provide sufficient evidence and a defined timetable to accommodate these recommended adjustments before the end of the 2013 calendar year.

APRIL acknowledged these recommendations and since May 2013 has worked with WBCSD to develop its Sustainability Roadmap, tabling a draft in November 2013.

WBCSD decision

WBCSD notified APRIL (December 18th, 2013) that its membership of WBCSD continues but on a probationary basis for the next 12 months, with effect from January 1st, 2014. During this period:

1. APRIL's membership of the FSG is suspended because of current non-alignment with its membership principles.
2. APRIL's re-admission to the FSG will require full and effective implementation of the Roadmap, specifically:
 - a. Substantive sharing and discussion of the draft Roadmap and milestones with key stakeholders,
 - b. Establishment of an independently chaired Stakeholder Advisory Group with a clear terms of reference including finalization of the Roadmap, confirmation of operational targets and supervision of 3rd party performance assurance,

- c. Successful implementation of the Roadmap and 3rd party verified achievement of key milestones once finalized by the advisory group.

In addition, WBCSD has requested APRIL consider transferring membership to its parent company - the [RGE Group](#) - covering all its various operating units, including prospects of aligning RGE's other forest industry operations with the FSG membership principles.

Finally, should APRIL – or RGE Group – not gain readmission to the FSG, its membership of the WBCSD will be referred to the WBCSD Executive Committee for review.

Basis for the decision

WBCSD is encouraged by key aspects of the draft Roadmap, including proposed steps to:

- End forest conversion under existing or new concessions, including joint ventures,
- Reduce and end the use of MHW as a fiber source,
- Restated commitment of natural forest conservation within concession areas, and
- Match the public commitments on these same issues made by its major Indonesian competitor.

However, WBCSD remains concerned that APRIL has neither shared nor debated details of its Roadmap thoroughly with key external stakeholders, as encouraged by WBCSD. Further, APRIL has not made sufficient progress setting-up the external Stakeholder Advisory Group with a clear terms-of-reference – a key and critical element in confirming and implementing the Roadmap.

During 2014 the WBCSD secretariat will continue to work with APRIL on its transformation agenda. WBCSD strongly encourages other key stakeholders to support APRIL finalize and implement its Roadmap, including involvement with the Stakeholder Advisory Group which APRIL is now establishing.

For more information

For more information or any questions on WBCSD's process or decision please contact James Griffiths at WBCSD on griffiths@wbcspd.org; M: +41 79 291 6240; DL: +41 22 839 3114.

To get in touch with APRIL or to find out more about APRIL's Sustainability Roadmap, please contact Praveen Singhavi directly on praveen_singhavi@aprilasia.com.

As and when needed, WBCSD will distribute further advisory updates.



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