



**Roadmap towards ending the disassociation from APP
DRAFT 6**

**Conditionally Approved on
9 February, 2017**

In October 2007, the Forest Stewardship Council (FSC) disassociated from Asia Pulp & Paper (APP) due to substantiated information that APP was involved in unacceptable forestry practices in Indonesia which were in conflict with the FSC mission.

This document – the “Roadmap” – formalizes the commitments that APP must fulfill prior to FSC considering an ending of its disassociation as well as after the disassociation has ended. It serves as the high-level framework from which detailed action plans are developed and implemented. The scope of the commitments concentrates on fiber sources in Indonesia and mills in both Indonesia and China that source fiber from Indonesia.

The Roadmap is organized into five tracks:

- Tracks 1 and 2 outline on-the-ground actions related to past (legacy) environmental and social damages in Indonesia.
- Track 3 provides forward-looking actions to ensure ongoing compliance with the FSC Policy for Association (FSC-POL-01-004) for fiber coming from Indonesia, including compliance with the FSC Controlled Wood Standard for Forest Management Enterprises (FSC-STD-30-010) for concessions based in Indonesia, and compliance with the Requirements for Sourcing FSC Controlled Wood (FSC-STD-40-005) for mills in Indonesia and China sourcing from these concessions.
- Track 4 relates to APP demonstrating adherence to their own policy commitments in order to rebuild trust with FSC and its stakeholders.
- Track 5 describes the process that FSC will follow to implement and independently verify fulfillment of the Roadmap by APP.

Stakeholder Note

24 April 2017

- At its 74th meeting in Yogyakarta, Indonesia, on February 9th, 2017, the FSC Board of Directors has approved this Roadmap, recognizing that it needs further specification and completion through relevant track verification plans¹.
- The Board subsequently (March 22nd, 2017) decided that further amendments to the Roadmap document are necessary, prior to the development of verification plans, in order to address outstanding stakeholder concerns.
- The amended Roadmap and Track Verification Plans will be submitted to the FSC Board of Directors for final approval.
- The process for finalizing the document package is described in a Stakeholder Engagement Plan that is replacing the former Annex 1 of this Roadmap.

¹ The term track verification plan has now replaced the term “action plan” where it applies to FSC in order to clearly differentiate between action plans to be made by APP and plans that will be made by FSC to verify APP performance in relation to this Roadmap. As yet this has not been replaced within the current draft Roadmap document but will be done with full agreement of stakeholders during the first stakeholder working group.



Track 1: Demonstration of adequate compensation for converted or cleared natural forest² areas and significantly damaged High Conservation Values, caused by APP in Indonesia, through restoration and supporting conservation measures.

‘Significant forest conversion’ and ‘significant damage to high conservation values in forests’ comprise two of the six ‘unacceptable activities’ listed in the FSC Policy for Association. Therefore, to adequately compensate for these past activities:

1.1 For the purpose of a compensation metric for this roadmap, APP shall take responsibility for supporting the conservation and restoration of one million hectares of natural forests and High Conservation Values (including peat forests) in Indonesia. The level of compensation is in line with APP’s 2014 commitment supporting the protection and restoration of forests in Indonesia, and is considered proportionate to the area converted to plantations or other land uses, and to the high conservation values significantly damaged by APP.

1.1.1 The amount of area restored, conserved (through protection), and conserved (through providing local community support to enable them to carry out conservation measures) is additional to forest and natural areas and values required to be protected/conserved by law.

1.1.2 The selection of areas designated and prioritized for restoration, and the restoration goals:

- a) include areas both inside and outside APP owned and supplier concessions (plus elsewhere in Indonesia),
- b) shall be proportionate to high conservation values significantly damaged and the degradation of peat (as it overlaps with the PfA) within the ten landscapes identified by APP’s 2014 commitment.
- c) shall be as close to the area of impact as possible.

1.1.3 Information used for the selection of areas will be further specified in the action plan and may include:

- a) credible and verifiable data on forest conversion or clearing;
- b) credible information on and assessments of high conservation values present or damaged;
- c) High carbon stock areas identified based on the High Carbon Stock Approach methodology or Toolkit
- d) credible information on peat extent, its hydrology and degradation;
- e) best available technology such as remote sensing (especially images just prior to conversion events);
- f) Environmental Impact Assessments (AMDAL).
- g) Identification of adjacent land managers/users and rights holders

NOTE: Restoration and conservation measures shall be representative of past forest conversion and of relevant High Conservation Values in forests that have been damaged, and inclusive of all ten impacted major landscapes and of the principal different conservation and restoration governance models that will be used (i.e. those within and those located external to APP supplier concessions.

² For a definition of ‘natural forest’ please refer to FSC Principles & Criteria, Version 5.0



- 1.2 APP shall add areas of natural forest³ converted into plantations or other land uses since the APP Forest Conservation Policy (FCP) came into effect in February 2013 and where the conversion would be considered unacceptable under the Indonesian FSC National Standard (forthcoming), to the amount of compensation defined in 1.1 above (see also 3.2). Areas will be defined according to FSC's definition for 'natural forests'.
- 1.3 Restoration and conservation areas and measures, including legally required ones, shall be detailed in an action plan, including verifiable performance measures (on all of the above). The plan shall be defined jointly between APP and FSC and with the consultation and support of stakeholders.
- 1.4 APP shall successfully implement restoration and conservation measures, with
 - a) a minimum of 20 % of the one million hectares implemented prior to ending the disassociation.
 - b) the remaining 80% shall have areas identified and steps taken towards securing restoration or conservation on these areas.

NOTE: Given the long-term nature of restoration and conservation, it is not expected that areas will be fully restored or conserved prior to ending the disassociation or during the period of this roadmap. Rather, the term "implementation" is meant to refer to the commencement of defined restoration and conservation measures which have been developed and agreed with stakeholders, including: sufficient funding allocated, transferred or otherwise secured; and implementation partner(s) secured or MoU(s) signed. It is further expected that initial on-the-ground project activities shall be underway with evidence of securing permanence such as legal recognition. Performance indicators and benchmarks, including legal compliance will be further defined and agreed with stakeholders in the action plan.

- 1.5 APP shall regularly demonstrate progress through independent verification, in implementing restoration and conservation measures as defined in the action plan within and beyond the point of ending the disassociation. This shall include information on the extent and condition of areas restored and conserved. APP's existing reporting platforms may be used.
- 1.6 APP shall be transparent in disclosing information and shall make the following information publicly available:
 - Data and spatial information used for the development of the action plan (in a useable format), such as but not limited to: data on conversion and damage to HCVs; areas for conservation and restoration; information on the location, size and characteristics (e.g., peat) of their own and supplier concessions. The methodology used for data collection will also be provided.
 - Stakeholder comments and how they were considered in the development of the first draft of the action plan.
 - A consultation draft of the action plan (i.e., the first draft that is released for broader public consultation), and the results of the stakeholder consultation.
 - The final action plan and an analysis of how stakeholder comments were considered.
 - Progress reports, including performance measures, at least every six months
 - Results of independent verification.

³ The areas will be re-assessed once the forthcoming Indonesian Forest Stewardship Standard has been approved.



- 1.7 The rights of indigenous peoples and local communities shall be respected by implementing FSC Guidance for Free, Prior and Informed Consent (FPIC) for any restoration and conservation activity, including the development and implementation of complaint and dispute resolution mechanisms for restoration activities.

Track 2: Demonstration of agreed remedy to indigenous peoples and local communities for past violations of their traditional and human rights caused by APP.

‘Violation of traditional or human rights in forestry operations’ comprises one of the six ‘unacceptable activities’ listed in the FSC Policy for Association. Therefore, to adequately compensate for these past activities:

- 2.1 APP shall have adequate policies, procedures and processes in place to respect traditional and human rights, to identify and address its impacts on these rights, and to remedy any adverse impacts to these rights the company caused or to which they contributed. This includes:
- a) policy commitments to meet APP’s responsibility to respect human rights;
 - b) transparent and accountable grievance mechanisms;
 - c) procedures to identify and address impacts on traditional and human rights, including remediation procedures.
 - d) procedures to train staff, consultants, and others responsible for implementing the above.
- 2.2 APP shall have a resolution process⁴ in place for remedy of past violations of communities’ traditional and human rights. These shall be developed and implemented in consultation with stakeholders, and assessed for adequacy by FSC, covering all communities affected by APP. It shall include methodology(ies), definitions, procedures and measures for:
- a) identification, assessment and mapping of affected indigenous and local communities, with review and approval by FSC and input from agreed stakeholders;
 - b) participatory mapping of land conflicts and past violations of communities’ traditional and human rights;
 - c) agreement with each affected community on the subjects and objects of conflict;
 - d) development of action plans, performance indicators, timelines, and progress benchmarks towards implementation;
 - e) monitoring, evaluation and reporting on progress for remedial actions in resolving conflicts;
 - f) a Social Impact Assessment;
 - g) identification of the roles of stakeholders in the conflict resolution process;
 - h) community access to external advice relevant to the conflict resolution process;.

⁴ The four foundational elements comprising APP’s conflict resolution are: 1) the resolution process, which defines overall procedures and methodologies; 2) the conflict resolution plans, which are community-specific and follow the requirements defined in the resolution process; and 3) negotiated agreements, which are the signed settlements between APP and the communities that correspond with the conflict resolution plan; and 4) the implementation of the signed agreement



2.3 Using the agreed resolution process, APP shall develop and implement conflict resolution plans specific for the remedy of past violation of traditional and human rights and resolution of conflicts for each affected community, and shall be selectively reviewed by FSC. The plans shall lead to agreement with each community on:

- a) process for resolving the conflict, including performance indicators, milestones and timelines;
- b) monitoring and verification measures;
- c) access to expert advice and advisors

2.3.1 The conflict resolution plans shall be developed and mutually agreed between APP and representatives of each affected indigenous people and local community.

2.3.2 The development and implementation of the conflict resolution plans shall be consistent with the FSC FPIC guidelines.

2.3.3 Prior to ending the disassociation, a minimum of 20 per cent of the community (as opposed to individual) land conflicts identified shall have a completed negotiated agreement (signed by both parties), including compensatory measures, and shall have been independently verified. This 20 percent shall be selected based on criteria mutually defined by APP, FSC and stakeholders. The remainder shall follow an implementation schedule and requirements as defined in the conflict resolution plans as a condition for re-association and maintaining association.

2.4 APP shall regularly (at a minimum semi-annually) demonstrate progress to FSC in implementing the conflict resolution plans following the performance indicators, benchmarks and schedule specified in the conflict resolution plans. The results of these actions shall be assessed for adequacy by FSC and in consultation with stakeholders.

2.5 APP shall be transparent in disclosing information and shall make the following information publicly available:

- a) maps of all APP and supplier concessions with location of villages inside and proximate to concessions;
- b) demonstration of its respect for FPIC for each affected community;
- c) information required for the development and implementation of the resolution process.

NOTE: APP will share information in the conflict resolution plans and conflict mapping with stakeholders who are committed to working with APP to find solutions for the social conflict(s) provided there is agreement with the affected community.



Track 3: Prevention of the re-occurrence of FSC Policy for Association violations.

- 3.1 APP shall bring its own and its supplier concessions in Indonesia into compliance with the FSC Controlled Wood (CW) Standard for Forest Management Enterprises (FSC-STD-30-010). The activities and schedule for achieving compliance with the CW standard will be detailed in an action plan.
- a) All APP-owned concessions will achieve compliance prior to ending its disassociation with FSC.
 - b) Six supplier concessions (at least one from each of the provinces where APP has supplier concessions) shall undergo a CW evaluation prior to ending the disassociation; compliance for these concessions may be achieved after re-association.
- 3.1.1 APP shall be considered in compliance with the Controlled Wood standard when no Major Corrective Action Requests (CARs) are identified during the verification audit.
- 3.1.2 Compliance shall be independently verified by an FSC accredited certification body/ies following FSC requirements for auditing and stakeholder consultation. Audits shall be conducted at the individual Management Unit (not group) level. APP shall inform FSC about the certification body/ies it intends to engage.
- 3.1.3 Accreditation Services International (ASI) shall witness the verification audit.
- NOTE:
- a) Through compliance with the FSC CW standard, partial compliance with the FSC Policy for Association can be demonstrated. For this, verification of requirements related to “traditional or civil rights” as required in the CW standard will need to be complemented by requirements related to “traditional or human rights” as defined in the FSC Policy for Association.
 - b) A certificate will not be issued as a result of verified compliance with the FSC CW standard until FSC ends its disassociation with APP. A certificate will only be issued once the disassociation has ended and through a new certification evaluation as defined in the FSC accreditation standard (FSC-STD-20-001 V4-0 clause 1.4.1).
- 3.2 Further plantation development by, or for the benefit of, APP shall consider the High Carbon Stock Approach and shall be aligned with the national FSC definition for ‘natural forests’ and relevant restrictions for their conversion as specified by the Indonesian FSC National Standard (forthcoming) (See also 1.2).
- 3.3 APP shall have both APP Indonesia-owned mills and APP China-managed mills utilizing fiber from Indonesia audited using the Requirements for Sourcing FSC Controlled Wood (FSC-STD-40-005).
- 3.4 APP shall be transparent in disclosing information and shall make the following information publicly available:
- a) CW action plans for all concessions.
 - b) CW audit reports (public summaries, commensurate with FSC guidelines) for all concessions in compliance with the CW standard. APP shall further make public summaries of the CW audit reports available to FSC when compliance is not achieved, and FSC shall provide a high-level summary of these reports to stakeholders.
 - c) ASI assessment reports
 - d) Other information, as determined during the action planning process to be important for stakeholder transparency.



Track 4: Demonstration of effective implementation of APP corporate commitments.

- 4.1 APP shall have processes and verification measures that are effectively implemented to meet the requirements of all its own policies, procedures and corporate commitments, including but not limited to:
- The 2013 Forest Conservation Policy across all concessions, including supplier concessions
 - The 2012 Responsible Fiber Procurement and Processing Policy
 - The Integrated Sustainable Forest Management Plan, including best management practices on peatlands
 - The APP Association Procedure
- 4.2 APP shall regularly demonstrate progress (at least every six months), including through independent verification, in implementing their corporate commitments as defined in an action plan.

Track 5: Implementation and verification of Roadmap requirements.

- 5.1 FSC will lead the development of action plans (as described in Tracks 1-4) with performance indicators designed to achieve:
- a) Appropriate level of compensation for past social and environmental damages, and effective conflict resolution procedures and mechanisms for the prevention of traditional and human rights violations (Tracks 1 and 2).
 - b) Compliance with the FSC Controlled Wood standards and FSC Policy for Association (Track 3).
 - c) Effective implementation of APP corporate policies, procedures and other commitments (Track 4).

NOTE 1: In developing the action plans, existing APP plans, best available and credible information, NGO documents and other available resources will be reviewed and considered.

NOTE 2: Given the increased demand for plantation fiber because of the new APP pulp mill, it should be specified that there is heightened due diligence in order to mitigate any risks of fiber entering its mills that do not comply with the FSC PfA, FSC CW and APP policies and procedures.

- 5.2 A core team of independent experts, selected in consultation with APP and stakeholders, shall be engaged in the development of the action plans and the monitoring and verification of performance. Additional technical experts, advisors and other resources are utilized as necessary, and also selected in consultation with APP and stakeholders. In doing so, FSC will give consideration to supporting and strengthening Indonesian civil society monitoring capacity and technical skills to participate. FSC will inform APP of these additional resources as they arise.



5.3 FSC and APP shall meaningfully engage stakeholders in developing the action plans and in monitoring and verification of performance. Progress on the roadmap shall be made publicly available.

NOTE 1: FSC will develop a Stakeholder Engagement Plan, in consultation with stakeholders, prior to development of the action plans that will detail the categories of stakeholders and their roles in the development and implementation of the action plans.

NOTE 2: FSC's role is to ensure proper stakeholder engagement and consultations as a mediator in the development of APP action plans and performance verification measures and indicators.

5.4 Fulfilment by APP of all roadmap commitments and performance indicators shall be verified by an independent body selected by FSC prior to any decision by the FSC Board of Directors on ending the disassociation from APP.

5.5 FSC will monitor APP's progress in implementing the action plans through regular independent verification, up to and beyond the ending of disassociation and until successful completion of the action plans.

NOTES:

- i) Potential amendments are foreseen in case of relevant changes in policies, structures, external factors.
- ii) If there are any concerns about the content or implementation of this Roadmap, such concerns shall be raised with FSC who will apply, if necessary, its complaints procedures to address them.



Annex 1: DRAFT Terms of Reference for the Development and Implementation of the Action Plans

Stakeholder Note

24 April 2017

- This Annex is replaced by the **APP Roadmap Stakeholder Engagement Plan**.
- A consultation draft of this plan can be obtained for download here:
[APP Roadmap Stakeholder Engagement Plan \(English\)](#)
[APP Roadmap Rencana Keterlibatan Pemangkukepentingan \(Bahasa\)](#)