

**Advisory to Buyers and Investors of
Sinar Mas Group / Asia Pulp & Paper (SMG/APP)**

**WWF-Indonesia
5 February 2014**

5 February 2014 marks the 1st year anniversary of the latest published “forest conservation policy (FCP)” of the Sinar Mas Group’s Asia Pulp & Paper (APP).

WWF cautiously welcomes the progress made since the FCP was launched in 2013.

WWF and many other NGOs have long criticized SMG and APP for the devastating impact their operations have had on Indonesia's rainforests, peatlands, species and local communities. APP has a long history of making commitments that it has failed to live up to.

Since the launch of APP’s FCP in February 2013, WWF has participated in many meetings organized by APP, followed progress of the implementation of the FCP as much as APP information policy allowed, and monitored the company’s field operations as a part of Eyes on the Forest and Kalimantan Forest Monitoring NGO (RPHK) coalitions.

It appears APP’s general commitment so far is holding. But whether it will result in true conservation gains is not certain. We have seen many processes begun but are not yet aware of tangible results from them. WWF has not been able to review any High Conservation Value or High Carbon Stock assessments, should they have been finished, and is not aware of any real actions taken to remedy the serious impact APP’s operations have on the country’s peatlands. A moratorium was introduced on all forest clearing operations and appears to have been honored by most, but not all, suppliers. But the moratorium has come at a very great cost to the environment. APP appears to have had greatly accelerated its clearing of tropical forests in the year leading up to the moratorium generating huge volumes of tropical hard woods. Volumes, too large for the company to transport to its mills in the six months it gave itself until stopping natural forest wood deliveries to its mills. Information is becoming available on more, previously undisclosed concessions with likely HCVF and HCS areas belonging to the APP group of companies, or being sought by them.

Last September, Environmental Paper Network (EPN) developed milestones to help APP go beyond the FCP to full sustainability, transparency and acknowledgement of its devastating legacy (www.environmentalpaper.org/milestones). The company can be commended for hiring an auditor – now we hope to see that the audit scope would include the EPN milestones. APP at the anniversary event stated their intention for conservation and restoration at landscape level outside its supplier concessions. WWF calls for more clarification on how this intention will link to remedy its legacy of deforestation. APP also said they hired peat experts. WWF calls on APP to share the terms of reference to allow NGOs providing inputs.

WWF continues to recommend that companies wait and see before sourcing from and investing in APP and their associated business entities, until APP/SMG clearly integrates the EPN milestones in its policy - especially addressing its legacy through restoration and compensation and there is truly independent 3rd party verification that the group has integrated acceptable HCV, HCS and peat expert assessments in its management plans to really protect all natural forest, HCV and HCS areas, improved the management of its operations on peat to reduce the company’s emissions, and addressed long-standing social issues.

WWF, together with local NGOs in the Eyes on the Forest and RPHK coalitions will continue monitoring the company’s operations.

Any questions, feel free to contact: Aditya Bayunanda, abayunanda@wwf.or.id & Nur Maliki Arifiandi, nmarifiandi@wwf.or.id