

# Our Remedy & Association Process

Plenary session of the Remedy Forum  
20 June 2024



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Due Diligence

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Due Diligence

3<sup>rd</sup> Party  
Verification

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Mitigation of  
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Payment of  
Fees, Fines, and  
Penalties

Protection  
workers,  
communities &  
environment

3<sup>rd</sup> Party  
Verification

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Part 5

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demonstration

# Foundational Systems – Policy requirements

## Human Rights Policy

APRIL Group is committed to sustainable development and upholds our business philosophy of doing what is "Good for the Country, Good for the Community, Good for the Climate, Good for the Customer, and Good for the Company".

We embrace our corporate responsibility to respect human rights, including the rights of Indigenous peoples and communities, and commit to:

- Act in accordance with the following internationally recognized human rights conventions and standards:
  - International Bill of Human Rights<sup>1</sup>
  - UN Guiding Principles on Business and Human Rights
  - International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work
  - UN Declaration on the Rights of Indigenous Peoples
- Comply with the local and national laws, including all relevant international treaties ratified by the Government of the Republic of Indonesia. Should there be any conflict between the national and international laws and Company policy, we will adhere to the national laws while striving to respect and protect human rights.
- Respect the ten principles of the United Nations Global Compact.
- Refer to international standards and voluntary initiatives that can help address any unique set of human right challenges.

This Policy applies to all employees, business units and legal entities within APRIL Group. We will also engage with our suppliers and others within our value chain in order to support them in meeting national and international human rights standards.

Regarding our employees, we commit to:

- Prevent and eliminate all forms of forced labor, ensuring they are free to leave work or terminate their employment upon notice in line with mandatory and contractual regulations.
- Ensure that all employees have employment contracts or terms and conditions as required by law.
- Provide fair wages, working hours and benefits that meet legal or industry standards while engaging with the relevant experts and local stakeholders, such as labor unions.
- Zero tolerance for child labor.
- Zero tolerance for any inhumane treatment of employees, any form of forced labor, modern slavery, human trafficking, physical punishment or other abuse.
- Promote equal opportunity and diversity in the workplace, including equal opportunity and participation for women, and seek to eliminate all forms of discrimination and harassment.
- Protect the health and safety of our employees, and promote their wellbeing.
- Provide a secure working environment.
- Respect the right of all employees to form and join trade unions of their choice and to bargain collectively without fear of retaliation or discrimination.

<sup>1</sup>Universal Declaration of Human Rights, International Covenant on Economic, Social and Cultural Rights, and International Covenant on Civil and Political Rights

## Wood and Fibre Sourcing Policy

APRIL Group is committed to sustainable development and upholds our business philosophy that doing what is "Good for the Country, Good for the Community, Good for the Climate, Good for the Customer, and Good for the Company".

Acknowledging the critical importance of forests and natural ecosystems in combating climate change, protecting and enriching biodiversity and natural resources, and sustaining community livelihoods, APRIL is firmly committed to eliminate deforestation<sup>1</sup> and conversion<sup>2</sup> in our operations and supply chain.

Building on our Sustainable Forest Management Policy 2.0 (2015), we reiterate our commitment to producing and sourcing all wood, virgin fibre, pulp, biomass (together "fibre") only from responsibly managed forests. We will follow all applicable national laws to only source legal fibre from supply chains with known origin and continue to commit to no illegal logging.

This policy aligns with the principles and guidelines laid out in the United Nations (UN) Global Compact, the UN Guiding Principles for Business and Human Rights, the International Bill on Human Rights, and the International Labour Organization (ILO) fundamental conventions.

This policy applies to APRIL's own operations, including those of our subsidiaries, mills, and plantation forests we own and/or manage, and all third-party fibre suppliers. It is implemented through a fibre sourcing due diligence system, including risk assessments, to evaluate and mitigate risks, and avoid material from unacceptable sources.

We commit to obtaining raw materials from low-risk sources which exclude these unacceptable categories:

- wood that is illegally harvested or illegally traded;
- wood harvested in violation of customary, traditional and human rights;
- wood harvested from forests in which there are known activities in violation of workers' rights and principles as defined in the ILO Declaration on Fundamental Principles and Rights at Work;
- wood harvested in which high conservation values in forests or high conservation value areas are being destroyed or at risk of being destroyed due to management activities;
- wood harvested in areas in which there is conversion of natural forest to plantations or non-forest use;
- wood from areas where the use of genetically modified organisms in forestry operations exist or in areas where research takes place.

We commit to produce and source fibre that meet credible forest certification standards where feasible. This includes commitment to:

- increase the proportion of certified fibre overtime;
- meet the standard for Controlled Wood or Controlled Sources as a minimum for all non-certified fibre procured
- implement and maintain Chain-of-Custody certification systems at all our pulp and paper mills.

## Integrity and Ethics Policy

APRIL Group is committed to sustainable development and upholds our business philosophy of doing what is "Good for the Country, Good for the Community, Good for the Climate, Good for the Customer, and Good for the Company".

APRIL recognizes its corporate responsibility to uphold integrity in its business conduct. We comply with RGE's Code of Conduct and Code of Procurement Ethics which prescribes a zero tolerance approach to non-compliance with the policy across all Business Groups in RGE and Business Partners.

As a signatory to the UN Global Compact, APRIL is committed to its Principle 10 that states "Businesses should work against corruption in all its forms, including extortion and bribery".

This policy sets out APRIL's approach to unacceptable business practices, including bribery and corruption. It requires compliance with all applicable laws and regulations on bribery and corruption in countries where APRIL operates, including the relevant guidelines set out in the United Nations Convention Against Corruption.

All APRIL employees and any person who performs services and/or acts for and on behalf of APRIL, including contractors, suppliers, consultants, agency staff and business partners ("persons associated with APRIL") are required to adhere to this policy, irrespective of the jurisdiction they operate in and the laws applicable to such jurisdiction (where this policy represents a higher standard). Non-compliance may result in disciplinary action, including termination of employment and/or the termination of a third party contract (as the case may be). We will endeavor to make third parties aware of the significance to APRIL of this policy and will encourage them to apply the same policy or a similar standard.

This policy refers to all kinds of corrupt practices and key areas of risk that are likely to arise, including but not limited to:

- Active bribery – the giving, promising or offering of a bribe;
- Passive bribery – the requesting, agreeing to receive or accepting of a bribe;
- Facilitation or Grease Payments - a payment to government employees to speed up an administrative process whose outcome is already determined ;
- Illicit enrichment – misuse of company assets, funds or personnel for any unlawful, improper, or unethical purpose;
- Facilitation of tax evasion – deliberately and dishonestly taking action to facilitate tax evasion;
- Conflicts of interest - deriving personal benefit from actions or decisions made in an official capacity;
- Gifts and hospitality – the offering, giving, receiving of gifts and hospitality that could affect or appear to affect the ability to make objective business decisions;
- Political donations – making political donations on behalf of APRIL or could be misconstrued as being made on behalf of the company; and
- Interactions with Public and Government Officials and lobbying – making business payments with the intent to improperly influence a government official.

# Foundational Systems – Due Diligence Frameworks

## Communicate

- Communicate progress to the affected rights holders
- Report publicly to external stakeholders

## Track

- Establish system to monitor progress on human rights
- Benchmark indicators and disclosures

## APRIL Human Rights Policy

Embedding



Human Rights Awareness &  
Continuous Stakeholder  
Engagement

## Assess

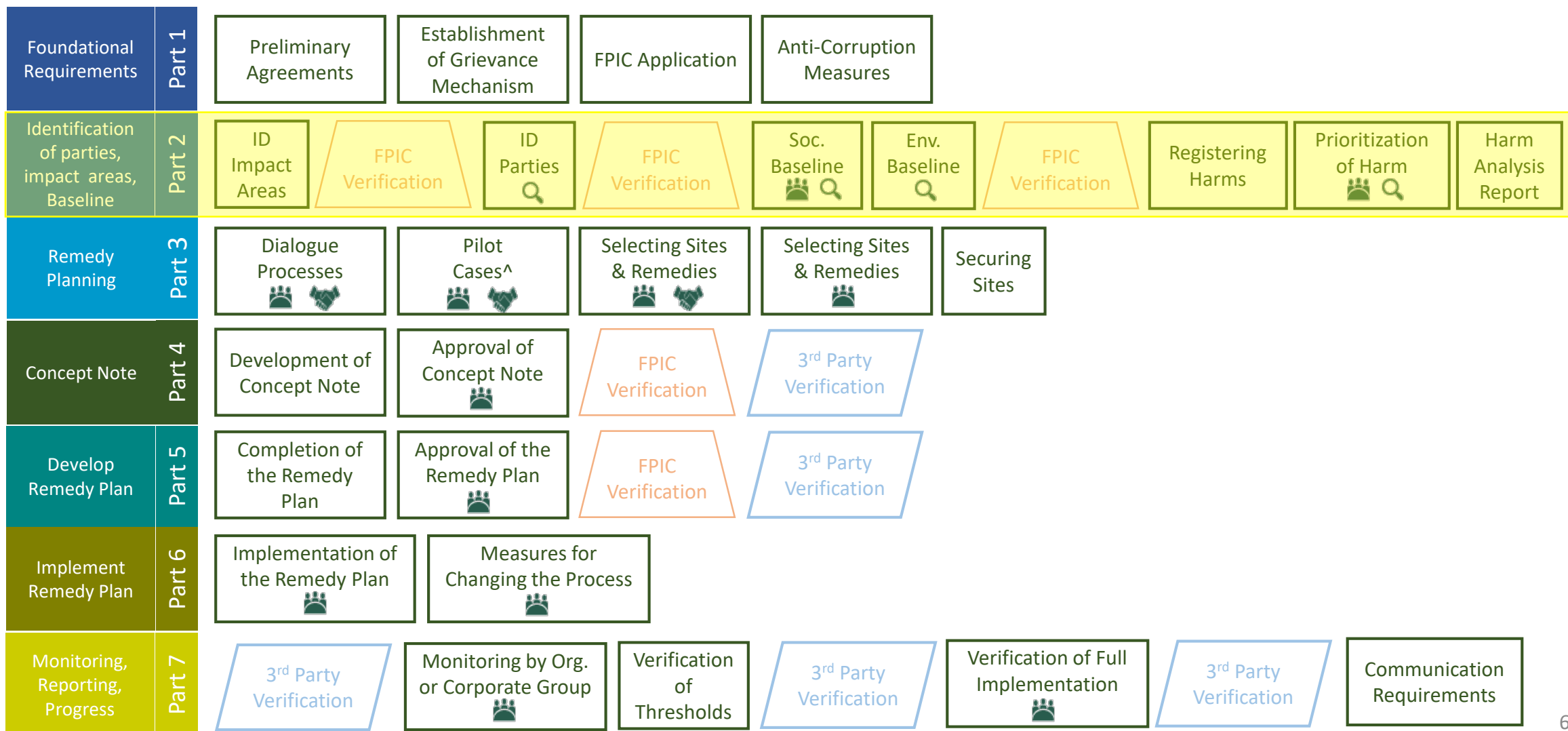
- Identify Rightsholders and Vulnerable Groups
- Identify Salient Human Rights Issues
- Conduct a Human Rights Impact Assessment
- Assess human rights risks at all APRIL Business Units, Suppliers & Contractors

## Act

- Establish governance of human rights due diligence
- Develop a Remedy & Mitigation plan for actual and potential impacts with rights holders engagement
- Standardize an effective Grievance Mechanism for employees, workers and communities
- Facilitate human rights action plan at contractors & suppliers

# FSC Remedy Framework – Chapter 3

## Chapter 3 – Requirements for Remedying Social and Environmental Harm





# Identify Impact Areas

FSC RF: 7.1. *The Organization\** or the *corporate group\** shall identify and map the sites affected and the wider areas impacted by ... *unacceptable activities\** (the *impact areas\**) using *best available information\**.

## Impact Areas

- Concession boundaries
- Original settlement – spatial mapping year before development  
→ years of development per site inside concession

Riau

North Sumatra

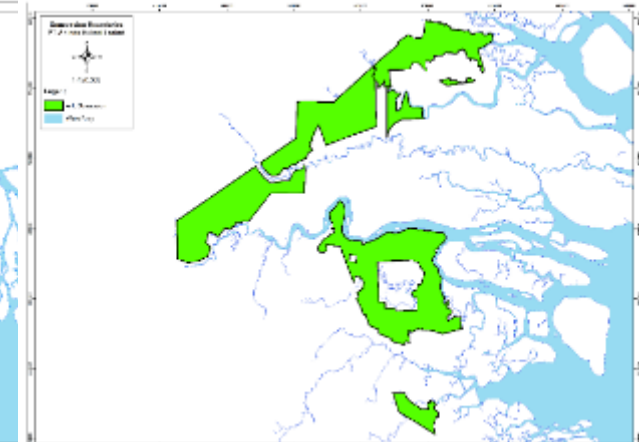
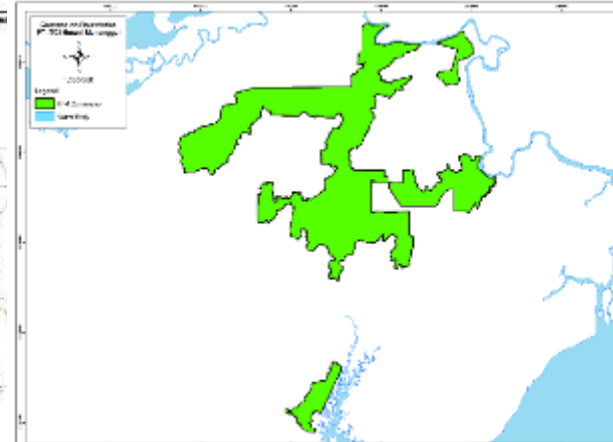
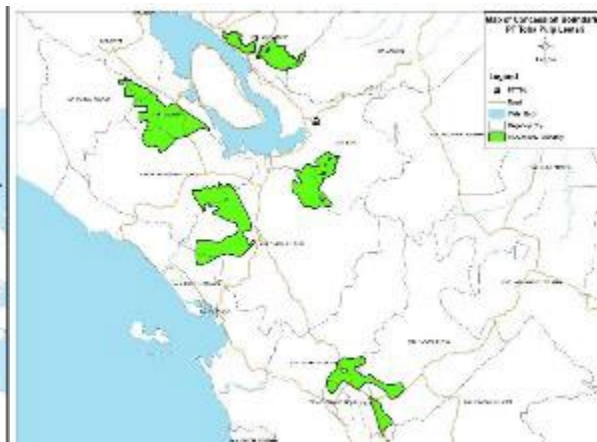
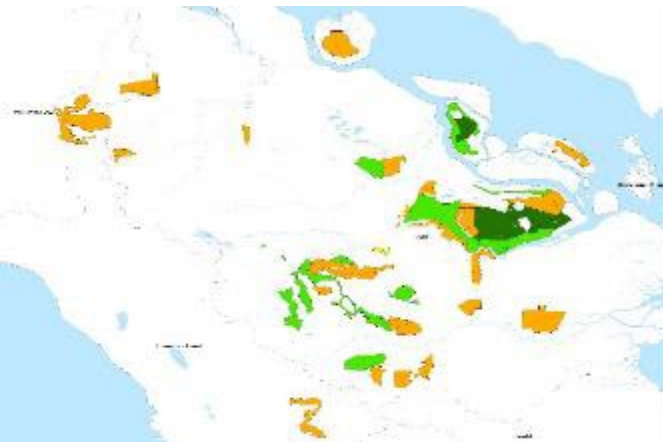
Kalimantan

51 Concessions

Toba Pulp Lestari

IHM

AHL



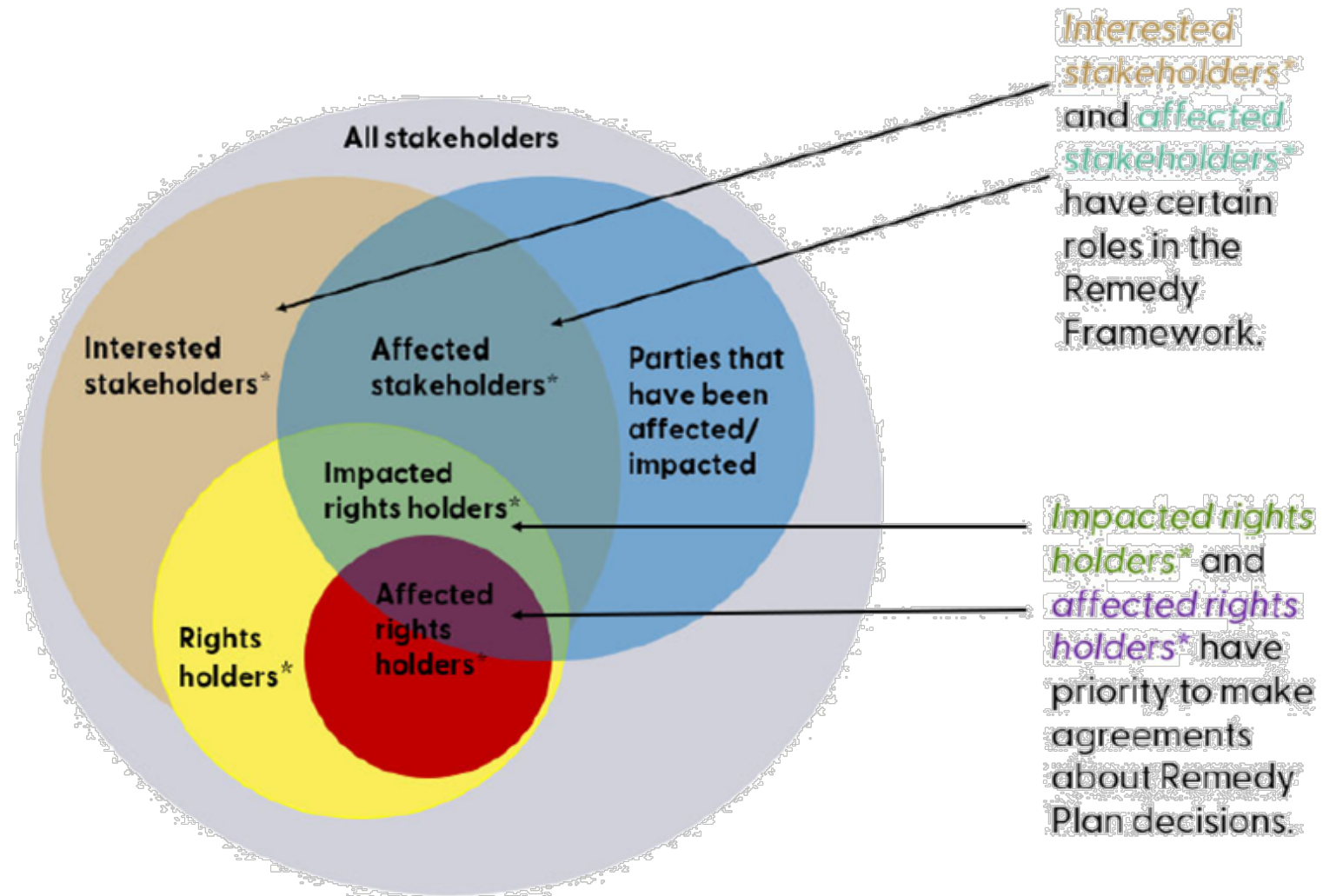
## Baseline Assessments

	North Sumatra	Riau	Kalimantan
Grievance mechanism for remedy process	✓	✓	✓
Identify impact areas	✓	✓	✓
Develop methodologies for Baseline Assessments	✓	✓	✓
Identify the affected stakeholders and impacted rights holders	✓	In progress	In progress
Baseline Assessments and analysis:	In progress	In progress	In progress
- Assess the past existence of harm	In progress	In progress	In progress
- Consultation with affected stakeholders ❖ Environmental assessment includes interested stakeholders	Ongoing	Ongoing	Ongoing
Harm Analysis	✗	✗	✗



## Consultation & Dialogue

## Remedy of Harm Dialogue systems overview



## Remedy of Harm Dialogue systems

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Established with participation **impacted Rights Holders** and **affected Stakeholders**

- The formation of Core Dialogue Group for each impact area
- Stakeholders mapping of those in relation to the situation requiring remedy
- Procedures for reaching remedy process agreements
- Consultation processes with affected Stakeholders
- Monitoring on the progress of implementation of remedy of harm processes with public summaries published annually

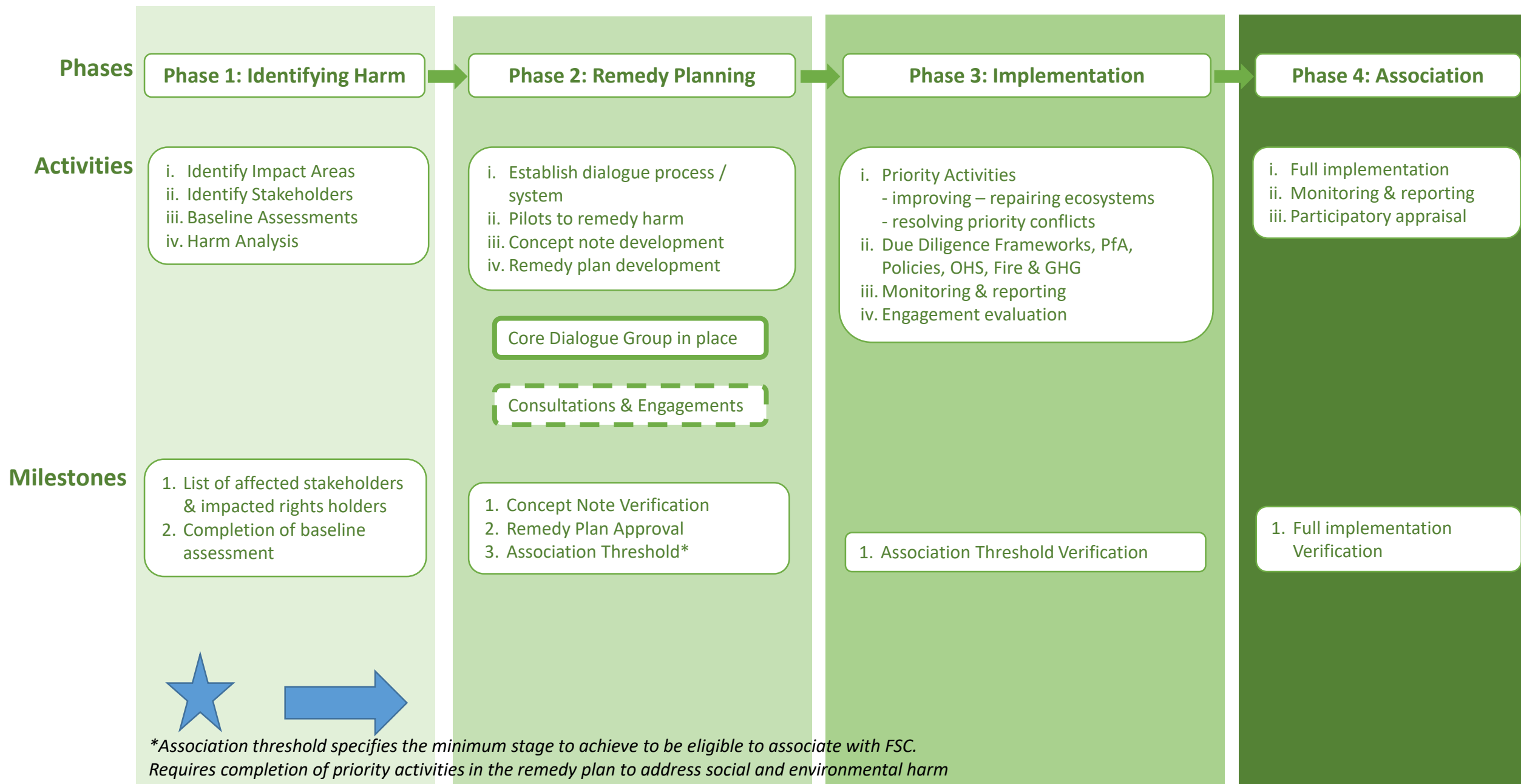
Core Dialogue Group(CDG) - A body which convenes to agree upon remedy of harm in cases of unacceptable activities.

Group is comprised of:

- Representatives of the Corporate Group (<25% of the total composition)
- Representation of the diversity of impacted Rights Holders
- Provision to include trusted advisors where they provide support and advice to impacted Rights Holders with written consent
- Provision to include interested SHs and independent experts where they represent expertise in environmental issues that is not otherwise present i, with consent from impacted Rights Holders.



# Summary of APRIL Remedy & Association Process



## Next Steps

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- 1) Completion of baseline assessments by Independent Assessors
- 2) Harm analysis
- 3) Formation of Core Dialog Groups with Rights holders representation
- 4) Continuing stakeholder engagement building from this Forum
- 5) Third Party verification requirements
- 6) Remedy plan development

## Summary

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- APRIL has completed the relevant preconditions to commence the process for ending its disassociation.
- In November 2023, APRIL and FSC signed a remedy framework agreement, which initiated the implementation of APRIL's remedy process.
- APRIL's specific remedy plan is currently under development and will be implemented in accordance with the requirements of the FSC Remedy Framework.
- Timeline is largely dependent on process's to implement a very new Framework.
- APRIL is the first case for the Remedy Framework, and the implementing procedures are being refined iteratively.



## Keep in Touch

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### **APRIL Remedy & Association Site**

- Interested in following APRIL's progress and learning more about our active efforts towards re-association – <https://remedy.aprilasia.com>
- We encourage you to register to receive notifications of new updates.

### **Contact Us**

- Do you have a question, comment or suggestion? Please get in touch here - [Remedyinfo@aprilasia.com](mailto:Remedyinfo@aprilasia.com)

### **Grievance's**

- Stakeholders can submit their concerns pertaining to the FSC Remedy Framework here - [grievance.remedy@aprilasia.com](mailto:grievance.remedy@aprilasia.com)
- WhatsApp - +62 8111 999 0166

### **FSC International**

- All updates related to the remedy process will be available on <https://connect.fsc.org/current-cases/policy-association-cases/asia-pacific-resources-international-holdings-ltd-group>
- Other relevant FSC reference documents can be found in these links:
  - <https://connect.fsc.org/system-integrity/fsc-remedy-framework>
  - <https://connect.fsc.org/asia-pacific-resources-international-holdings-ltd-group-april>
  - <https://connect.fsc.org/media/april-corporate-group-list>