



## Status update #5 on the disassociation of FSC from APP

6 April 2017

The Forest Stewardship Council (FSC) Board of Directors conditionally approved a roadmap towards ending its disassociation from APP at their 74<sup>th</sup> meeting in Yogyakarta (Indonesia) last February 2017.

As part of the conditions, the Board requires that remaining stakeholder concerns will have to be addressed through additional plans. These will have to be developed separately from the roadmap and in consultation with stakeholders to lay out the performance thresholds APP will have to meet and how the completion of the roadmap will be verified. The FSC Secretariat will lead the development of relevant performance indicators and verification plans, supported by a third-party expert team, to be submitted to the FSC Board of Directors for final approval.

Upon further review of the roadmap, stakeholders voiced concerns related to APP's conservation and restoration commitments and ensuring Policy for Association compliance of their supplier concessions. These concerns have subsequently been taken into account by the Board and have been added to the overall conditional approval of the process in the form of a complement to the earlier decision.

### **Summary of the Board decision on the APP Roadmap:**

*The FSC Board of Directors:*

- *Conditionally approved the “Roadmap towards Ending the Disassociation from APP”, pending its successful completion through the development of relevant action plans as specified in Annex 1 of the roadmap.*
- *Mandated the secretariat to oversee the development of relevant action plans and to address remaining stakeholder concerns as far as possible during the action plan development.*
- *Requested the secretariat to submit relevant action plans and any further changes to the roadmap to the board for final confirmation once these plans and relevant changes are completed and consulted with stakeholders and APP. In cases where support by stakeholders or APP cannot be obtained, the board will decide over any unresolved issue.*

In addition, the board instructed the secretariat to put focus on several issues in the action plan development phase, such as ensuring the involvement of Indigenous Peoples or the transparency of APP supply chains.

Additionally to the conditional approval decision, the Board also issued a complementary decision after receiving additional stakeholder input:

- *The Board considers it is necessary to resolve remaining fundamental concerns through amendments to the roadmap document prior to the development of action plans, which includes;*
  - *Clearly define the level of responsibility that APP takes with respect to the compensation for conversion and HCVs damages (Track 1 of the Roadmap);*
  - *The overall amount of restoration and conservation measures (Track 1);*
  - *Compensation for past violations caused to communities (Track 2);*
  - *Demonstrate compliance of a regionally representative sample of supplier concessions (outside APP-owned concessions) with the FSC Controlled*



*Wood standard before the end of disassociation as part of trust building measures (Track 3).*

The roadmap details the actions that APP must commit to prior to ending its disassociation as well as after the disassociation would have ended. These are:

- Compensation for converted or cleared natural forest areas and significantly damaged High Conservation Values through restoration and supporting conservation measures (as per Track 1 of the Roadmap)
- Agreed remedy to indigenous peoples and local communities for past violations of their traditional and human rights (as per Track 2 of the Roadmap)
- Prevention of re-occurring violations of the FSC Policy for Association (as per Track 3 of the Roadmap)
- Demonstrated of effective implementation of APP corporate commitments (as per Track 4 of the Roadmap)

APP may take early actions prior to further amendments to the Roadmap and the finalization of action plans as long as such actions are of a preparatory nature.

This proposed process, and other details associated with the development of the action and verification plans, will be further discussed with APP and the relevant stakeholders before any further decisions are made.

**Summary of the process leading to the conditional approval of the APP roadmap**

Date	Action/ Outcome
Apr 2016	<ul style="list-style-type: none"> <li>- Released first draft of roadmap(V1) for public consultation</li> <li>- Consultation results indicated that clarification on the scope and objectives of the roadmap is needed.</li> </ul>
July 2016	<ul style="list-style-type: none"> <li>- FSC Board of Directors agree a set of guiding principles which addresses the clarification needs also more generally serves as a guideline for developing roadmaps for ending the disassociation from organizations</li> </ul>
Sept 2016	<ul style="list-style-type: none"> <li>- A stakeholder workshop was held in Jakarta where a core group of international, national and local civil and environmental organizations discussed their key concerns of the revised draft roadmap (V2)</li> <li>- FSC clarified that the roadmap was a high-level framework, which served as the basis to develop detailed action plans with performance and verification measures, and also timelines.</li> <li>- Given the relationship between the roadmap and the action plans, it was agreed that the roadmap, when ready, would first be “conditionally approved” by the FSC Board of Directors. The final approval could only be considered when the action plans were also submitted to and approved by the FSC Board. The roadmap was then revised accordingly (V3)</li> </ul>
Oct 2016	<ul style="list-style-type: none"> <li>- Both APP and the stakeholders indicated the need for additional interpretation of the FSC Board Principles, particularly on the scope of past damage that APP should be held accountable for, and whether APP was responsible for the actions of its suppliers.</li> </ul>
Nov 2016	<ul style="list-style-type: none"> <li>- The FSC Board of Directors provided additional interpretation stating that APP should be held responsible for compensating the past damage it caused, regardless whether the damage occurred in its own concessions or its suppliers.</li> </ul>
Dec 2016 – Jan 2017	<ul style="list-style-type: none"> <li>- Public consultation was held on the 4<sup>th</sup> draft of the roadmap (V4)</li> </ul>
Feb 2017	<ul style="list-style-type: none"> <li>- FSC organized and mediated a workshop with APP and stakeholders in Yogyakarta, Indonesia on 7<sup>th</sup> February, which aimed to resolve the outstanding issues based on the 4<sup>th</sup> draft of the roadmap. The final draft was then submitted to</li> </ul>



Date	Action/ Outcome
	the FSC Board of Directors for their conditional approval with the report of the outcomes of the workshop. - The Board conditionally approved the roadmap to end the disassociation with APP in the 74 <sup>th</sup> Board meeting in Yogyakarta, Indonesia
Mar 2017	- The FSC Board of Directors took a complementary decision requiring certain amendments to and clarifications in the Roadmap document. - The Board also requested that the further process is guided by a protocol and plan for how the engagement of stakeholders will be structured and formalized in order to ensure a common understanding of stakeholder roles, their balanced representation and any rules of engagement.

**Important Notice:**

**APP remains disassociated and this update does not change the current disassociation status between FSC and APP. Additionally, there are no current dates or a timeline set to end FSC’s disassociation with APP nor to allow the company and/or its subsidiaries to obtain any FSC certificate(s).**

**To stay informed about the case:**

FSC updates on the disassociation of Asia Pulp and Paper  
<https://ic.fsc.org/en/what-is-fsc/what-we-do/dispute-resolution/current-cases/asia-pulp-and-paper-app>

**Further information:**

FSC’s Policy for Association: <https://ic.fsc.org/fsc-pol-01-004.867.htm>  
APP’s progress towards implementation of its Forest Conservation Policy:  
<https://www.asiapulppaper.com/monitoring-dashboard>