

Asia Pulp & Paper (APP) Sinar Mas responds to Eyes on Forest's 'APP expands pulpwood plantation by clearing HCV areas in a UNESCO Biosphere Reserve, Sumatra'

We thank Eyes on the Forest (EoF) for their continued work toward the protection of Indonesia's natural forests and appreciate the opportunity to respond and clarify the facts around the two issues raised regarding operations at PT Arara Abadi and PT Sekato Pratama Makmur.

The report also repeats allegations made in the past that have been addressed through [previous public statements](#), including:

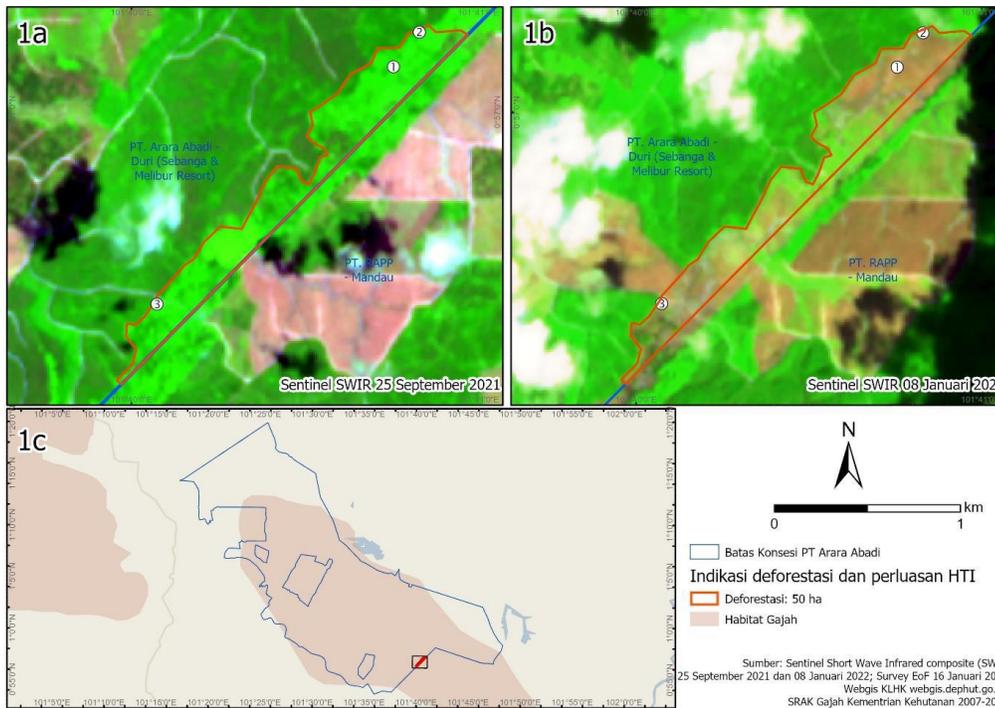
- [Asia Pulp & Paper's sustainability progress undeterred by misinformed allegations](#)
- [Assessment on its Link with Industrial Forest Plantation in Indonesia Executive Summary from Big 4](#)
- [APP response to Auriga's allegations of deforestation in East Kalimantan](#)

APP confidently asserts that deforestation does not take place on any of our supplier concessions. Since 2017, APP has worked with MDA, a global communications and information company, to provide near real-time monitoring of forest cover across all protected conservation forests managed by our suppliers. MDA's highly accurate satellite monitoring tracks even small changes, down to 5.0m resolution, in forest cover, providing APP with detailed and actionable intelligence on encroachment into protected areas. The [monitoring dashboard](#) is made publicly available on our sustainability website. Since 2021, APP has engaged Ernst & Young to audit the authenticity of the alerts data. The audit summary is available at [monitoring dashboard](#).

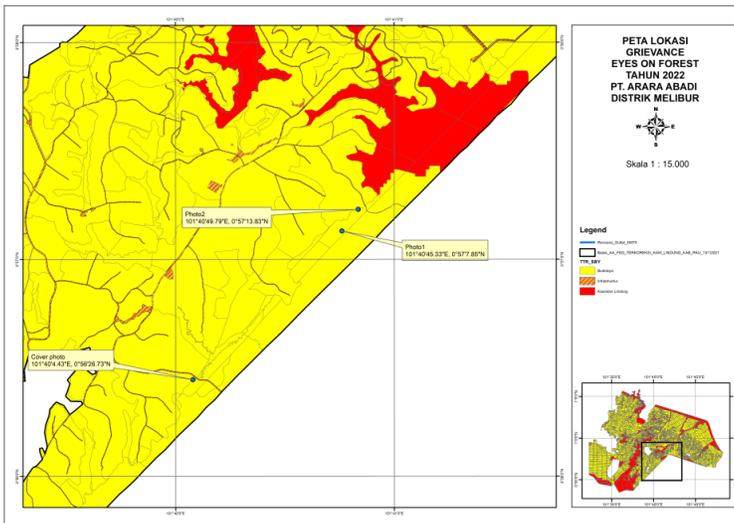
APP operates according to our Integrated Sustainable Forest Management Plan (ISFMP), which was developed through a long, collaborative process that involved compiling and consolidating data as well as recommendations gathered through various studies and assessments (including HCV, HCS, social conflict identification, social impact, peatland management and growth & yield), the relevant legal requirements, as well as input from all relevant stakeholders, including local communities, government, academia, and civil societies (ISFMP Working Group/POKJA ISFMP).

PT Arara Abadi

In investigating these incidents, we used GPS coordinates provided by EoF and overlaid these against our detailed Work Plan (RKU-RKT). These Plans are approved on an annual basis by Indonesian regulators and include concession boundaries, locations of Protected Areas (HCS, HCV or other protected areas) and proposed activities within the permitted areas.



Map as presented by EoF in the report



Map in APP records

Based on the GPS data, we have confirmed that the area in question is **situated within an area zoned for forest cultivation operations**, and all operations conform to our ISFMP. The area **does not encroach on protected conservation areas**, indicated in red. EoF investigations **confirm that the area in question was not found to contain natural forest**. Clearance of overgrowth on cultivation areas is not deforestation.

EoF correctly identifies the area being designated as HCV 1, specifically HCV 1.2 and HCV 1.3. This was part of the HCV assessments commissioned by PT Arara Abadi in 2014, and it was so classified because Sumatran elephants range in and around the area. A copy of the original HCV assessment can be found on our [Sustainability Dashboard](#).

However, EoF neglects to mention that **silviculture is permitted in such areas if the value and function of the HCV is not impaired**. This requires special High Conservation Value Management Area (HCVMA) practices, including monitoring the distribution and the protection of elephants, ensuring workers are trained in avoiding conflict with wildlife, and installing warning signs for at elephant crossings.

The measures for maintaining the value and function of this HCV area, which covers most of PT Arara Abadi's active plantations in this concession, have shown overwhelmingly positive results.

Monitoring of the elephant population in the area has shown **a steady number of elephants**, in 2021, we have recorded almost 300 elephants passing through PT Arara Abadi's plantations and conservation area. The monitoring of elephant populations as part of our HCVMA practices are also reported in our annual Sustainability Report, and at our recent Stakeholder Advisory Forum 2022.

This indicates that the value and function of this HCV area was maintained and improved, not despite plantation activity, but because the activity has made the landscape more favourable for elephants and other fauna.

While there remain isolated incidents of human-wildlife conflict, APP works closely with suppliers and other partners such as BKSDA, Earthworm Foundation, Forum Konservasi Gajah Indonesia to conduct anti-poaching operations and outreach programmes to workers and local communities on the importance of protecting elephants.

Finally, EoF notes that the clearance and development continue towards the PT RAPP concession, beyond the PT Arara Abadi concession boundary. In actual fact, we've been aware of the conflicting maps since 2017 and part of the area was claimed by the communities (this has been included into the land dispute mapping conducted in 2013). We had series of meetings with PT RAPP and it was finally recognised that the land is part of PT Arara Abadi based on the legal boundary set by the government this area was also designated as cultivation area. The HCV assessment done in 2014 did not identify this as a protected area.

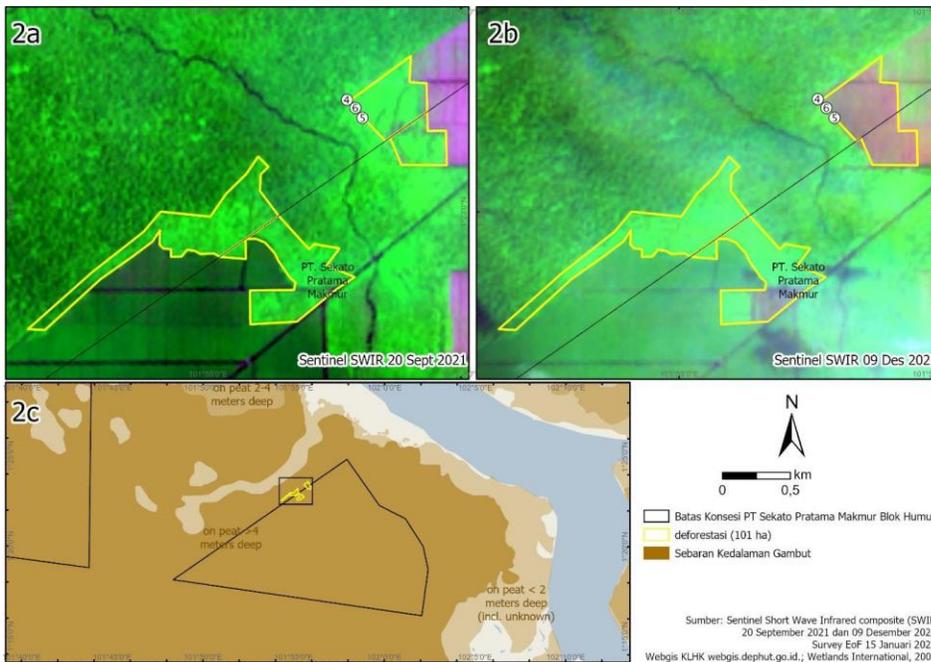
These conflicting boundaries were only resolved recently with a partnership agreement between PT Arara Abadi & the communities, which allowed plantation development at the end of September 2021.

Contrary to EoF's findings, **no protected natural forests were converted**, cultivation in the area is permitted under HCV standards and efforts to improve the favourability of the elephant ranging area have been effective, in line with best practices for HCVMA.

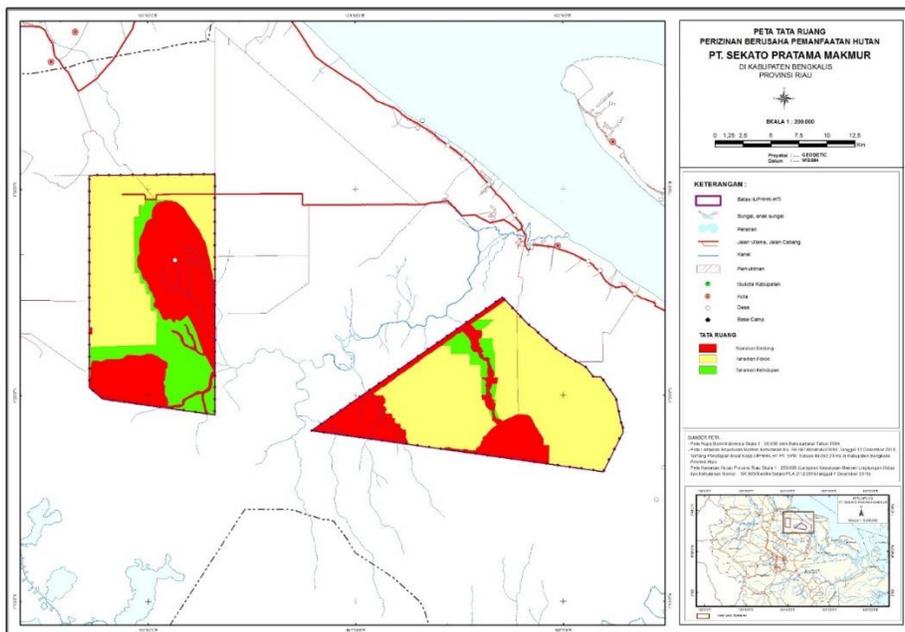
PT Sekato Pratama Makmur

We have also investigated the allegation in the report on natural forest clearing in peatland with over 4-m peat depth by PT Sekato Pratama Makmur.

APP's finding by overlaying the detailed Work Plan map on the coordinates provided by EoF, we determined the area in question is part a **production area, which borders, but does not encroach, protected forests**.



Map as presented by EoF in the report



Map in APP records

The affected areas are more clearly seen in this orthophoto from 2021, which clearly shows that the area is covered with shrub stands with scattered plots of open areas.

APP, together with peat expert Deltares, have conducted comprehensive LiDAR mapping of all supplier concessions, including both plantation and conservation areas.

The latest mapping was conducted in 2018, which produced highly accurate peat map. These have been shared with the Ministry of Environment and Forestry (KLHK). Based on these, we are able to more accurately identify critical peat domes – and plantation areas that must be retired in order to protect these peat domes. The publicly available peatland maps are not current which resulted in large tracts of land being misidentified, resulting in the confusion we see today.

Based on the latest LIDAR maps, affected areas at PT Sekato Pratama Makmur **do not contain critical peat domes**. However, it is still peatland and must be managed according to best practices. These include detailed water system zoning, developing canal blocks and close monitoring of water levels to prevent these areas from drying out and presenting a fire risk.

The area is situated on land classified by the Indonesian Ministry of Environment and Forestry as Fungsi Budidaya Ekosistem Gambut (FBEG) in its most recent approved RKU, which identifies land that may legally be used for cultivation. We ensure that the Fungsi Lindung Budidaya Ekosistem Gambut (FLEG) Puncak Kubah Gambut continues to be protected and not harmed in this process.

Again, no protected natural forests were cleared or converted, and cultivation in the area is permitted. Due to the nature of peat the landscape, strict peatland management best practices have been applied to all operational areas, including the areas identified by EoF.

APP Forest Conservation Policy commitment remains unchanged

Since APP's Forest Conservation Policy was implemented in 2013, all supplier activity is monitored through our Supplier Evaluation and Risk Assessment (SERA) process to ensure that no natural forest wood enters our supply chain. In addition, the Policy explicitly forbids the conversion of natural forest.

While we acknowledge that human errors have occurred since, these incidents have been exceedingly few and the instances when such incidents have occurred, we have proactively disclosed through our Stakeholder Advisory Forums, and quickly remediated.

Almost a decade later, we remain fully resolved to our 2013 pledge of zero natural forest conversion, and welcome any constructive criticism to hold us to our commitments for continuous improvements.

While we greatly appreciate the diligence shown in EoF's endeavour to protect Indonesia's remaining natural forests, we respectfully disagree with your findings, which reflects the use of dated, inaccurate or incomplete information as outlined in our response. By both legal and HCV definitions, no natural forests have been converted in either instance. Instead, our suppliers have taken all necessary precautions, to enhance the HCV values of their concessions and to protect vulnerable peatlands from the threat of wildfires.

Today, APP protects almost 600,000ha of conservation land and has retired more than 30,000ha on critical peatlands. We have done so because we believe in our Forest Conservation Policy and our responsibilities to the planet and the Indonesian people.

We see no reason to undo a decade of hard work, building trust and good will, by going back on our commitments.