Why Human Rights and Environment Should Be Considered as Part of Sustainable Business: Demand, and Opportunity

Human Rights on Sustainable Business Workshop
ICCO COOPERATION – IBCSD
16th March 2017

World : A Global Villages

Human rights is a universal value, business shall adopt it

Rationale: Global demand for fiber is increasing

- ✓ The World's population could reach 9.2 billion people by 2050 (UN)
- ✓ Fibre from planted forests will need to increase from 800 million cubic metres to 2.7 billion cubic metres by 2050 (WBCSD Vision 2050)
- ✓ Responsible plantation development now - sustainable fiber for the future
- ✓ Indonesia – a real opportunity to lead the World in this sector: tree growth rates, land availability, cost of production, ability to invest in technology and capacity, productivity and proximity to key growth markets

Riau – driver of national development

Indonesia

- 252.8 million people (52% urban)
- Per capita income of USD 3,374*
- 11.2 % living below the poverty line*

Riau

- ✓ Population: 6.5 Mio (growth 3.5 %/yr) up almost 100% in 20 years
- ✓ Riau accounted for 6.5% of Indonesia's national GDP in 2010
- ✓ Private sector – key to increase Riau's GDP by 250% in the past 5 years
- ✓ Occupation : 42.4 % work in agriculture & forestry sector
- ✓ Poverty rate: 8.05 % (562K peoples)

* World Bank, 2015

Forestry – helping the economy

- ✓ RAPP has contributed IDR 196 trillion (USD 21.7 billion) to the National Output
- ✓ 6.9% of Riau Province's economic output
- ✓ 6.1% of Riau's gross regional domestic product (GRDP)
- ✓ 5.4% of all household income in Riau
- ✓ Employment opportunities in Riau for 90,000 people in 2010
- ✓ Multiplier on Provincial output of 2.29 times, 2.36 times on household income and 5.7 times on employment

Source: *Institute for Economic and Social Research, Faculty of Economics, University of Indonesia (2010, study covering 1999 – 2010*

Forestry – helping people

Integrated Farming System (IFS)

- ✓ 3,200 households received support for agricultural materials
- ✓ 566 farmers trained and cultivated 4,845 ha of farming land

Small & Medium Enterprises (SME)

- ✓ Employed and supported 189 entrepreneurs
- ✓ Created more than 1,600 consequential jobs

Education

- ✓ Provided 17,600 scholarships to school students.
- ✓ Renovate and develop of 219 schools in rural
- ✓ Sponsored training for 600 teachers

Community healthcare

- ✓ 161,800 individuals were served by APRIL Group's health programmes

Social infrastructure

- ✓ Supported the building of 178 places of worship and religious schools
- ✓ Committed to 30 health, water and sanitation projects.
- ✓ 12,000km of roads built (2,600km accessible for public)

Livelihood plantation

- ✓ 4,200 ha livelihood rubber plantation
- ✓ Support 9,710 ha of community forestry

Proof of Good Corporate Practices and Sustainable Business, is it enough?

PEFC
PEFC/01-00-01

OLB

LEI

Indonesian LEGAL Wood
058-LVLK-003-IDN

Indonesian LEGAL Wood
059-LVLK-003-IDN

SGS ISO 14001 UKAS ENVIRONMENTAL MANAGEMENT 005

SGS ISO 9001 UKAS QUALITY MANAGEMENT 005

SGS OHSAS 18001

ISEGA – Forschungs- und Untersuchungs-Gesellschaft mbH Aschaffenburg
ISEGA

SNI

PROPER

Ramah Lingkungan

HONG KONG ECO-LABEL

KPMG

BUREAU VERITAS

Sustainability Journey: Lifetime Improvement

Independent Peat Expert Working Group (IPEWG) **2016**

SFMP 2.0 **2015**

2015 PEFC Certification for Sustainable Forest Management

Launched Sustainable Forest Management Policy (SFMP) and set up independent **Stakeholder Advisory Committee (SAC) 2014**

2013 Restorasi Ekosistem Riau (RER) launched to restore degraded peat forests on Kampar Peninsula

Published first Sustainability Report **2003**

Obtained PEFC Chain of Custody **2010**

2005 Leader in implementation of High Conservation Value (HCV) assessment

2002 Pioneered Wood Legality Chain of Custody System

SUSTAINABLE FOREST MANAGEMENT POLICY 2.0

I. Long Term Sustainability
II. Forest Protection and Conservation
III. Peatland Management
IV. Continuous Reduction of Carbon Footprint
V. Proactive Support of Local Communities
VI. Respect the Rights of Indigenous Peoples and Communities
VII. Responsible Practices in Our Work Places
VIII. Legal Compliance and Certification
IX. Good Corporate Governance, Verification and Transparency

Human Rights and Environment: its about Land Right & Livelihoods

APRIL Ring-1 Neighbor : 116 villages (6 Districts)

APRIL's managed land

Land Claim

Land Dispute

Encroach ment

Why Land Dispute Occurred?

Wicked problem:

- Human right vs. Legal
- Opportunists
- Migrants people
- Political grass root

Resolution:

- Follow the regulation
- FPIC
- Alt. Dispute Resolution (livelihoods)
- Non litigation approach
- Partnership

Case: FPIC, Respect the Local

TABLE 1 CASE STUDIES

Project Location	Company	Communities	Project Description
Savannakhet and Salavan, Lao PDR	Stora Enso	Mangkong, Ta Oy, Katang, and Phouthai ethnic groups	Eucalyptus plantations spanning 2,400 hectares over five districts in two provinces. The company is, with villagers prior consent, leasing state land from the government. Villagers do not yet have formal private or community titles but pending legislation could change that. The company introduced a community development fund and a participatory agroforestry model to address food security and development issues on village level. While many villagers lacked a full understanding of the arrangements, the project was able to proceed amid legal uncertainty and deliver development benefits.
Kranskop, KwaZulu-Natal, South Africa	Mondi	AmaHlongwa and AmaBomvu (Zulu)	Repatriation of ancestral lands to two communities through government purchase of land operated by Mondi, which was then granted back to the communities. Once the communities had title through newly constituted land trusts, Mondi negotiated a leaseback in order to continue operations. A third party assisted with capacity building and facilitated discussions around community needs and governance. Despite significant tensions between the traditional and new governance systems, the overall process of repatriating land was viewed as positive by the company and communities alike.
Pulau Padang, Indonesia	APRIL	Fourteen diverse communities on one island	The company obtained a legal permit for government-granted concession rights in some areas also claimed by communities. While the company successfully negotiated benefit sharing arrangements with most villages, some opposed company operations. Mapping and a specially appointed team facilitated discussions to help mediate disputes. Ultimately, the company's concession area was modified to exclude areas pertaining to the villages that remained opposed.
Tacuarembo, Uruguay	UPM	14 directly impacted, 83 in zone of influence; no indigenous groups	The company obtained a legal permit for government-granted concession rights in some areas also claimed by communities. While the company successfully negotiated benefit sharing arrangements with most villages, some opposed company operations. Mapping and a specially appointed team facilitated discussions to help mediate disputes. Ultimately, the company's concession area was modified to exclude areas pertaining to the villages that remained opposed.

Grievance Mechanism

Transparent with Human Right and Environment

sustainability.aprilasia.com/category/raise-a-grievance/17

APRIL

Search

- SUSTAINABLE FOREST MANAGEMENT POLICY 2.0
- STAKEHOLDER ADVISORY COMMITTEE (SAC)
- AUDIT REPORTS
- GRIEVANCE RESPONSE
- STAKEHOLDER ENGAGEMENT
- INDEPENDENT PEAT EXPERT WORKING GROUP (IPEWG)
- HIGH CONSERVATION VALUE (HCV) REPORTS
- MAPS

RAISE A GRIEVANCE

16 August 2016

Contact details and submission form

Please kindly download the grievance submission form below (English or Bahasa Indonesia version), complete and return it to grievance_response@aprilasia.com.

Alternative means to lodge a grievance:

- Via telephone at: +62 21 3193 0134
- In writing to: APRIL Group, Jalan MH. Thamrin No. 31, Jakarta 10230, Indonesia (Attention: Sustainability Department - Grievance Coordinator)

- Grievance Submission Form
- Formulir Penyampaian Keluhan

http://sustainability.aprilasia.com/category/raise-a-grievance/17

Sekolah Alam (Nature School) at Estate Pelalawan RAPP

Nature School, as an evidence of concern for the environment and education. Adiwiyata Nasional 2016 was awarded to SD Global Andalan – Estate Pelalawan that support the preservation of the environment.

Lita Safriana (22 years old)

Being forklif driver is not a common job for women in Indonesia, but that has not discouraged the high school graduate to take the job and the responsibility to be part of the production chain.

Discussion:

Integrate human rights and environment into development practices, toward sustainable business

Implementation at landscape scale

- Scaling up
- Multiple outcomes: conservation & development, livelihoods, human right & well-being
- Ecosystem process occur at scale
- Policy, planning and governance apply at scale

Requirements for Success

✓ Enabling policy framework

✓ Local communities engaged

✓ Available capacity

✓ Collaboration and Partnership