

## **Update for Customers of RGE Group / APRIL:**

**Destruction of Indonesia's rainforest continues.  
Suspend all links to this group of companies.**

**10 July 2014**

Greenpeace and other NGOs have long criticised companies in the Royal Golden Eagle (RGE) Group for their role in rainforest destruction and peatland degradation in Indonesia. Issues include continued conflict with local communities and the destruction of the habitat of endangered species.

The RGE Group is controlled by Sukanto Tanoto, and includes a number of related pulp companies: Asia Pacific Resources International Ltd (APRIL), Asia Symbol (formally APRIL China), Sateri, Bahia Specialty Cellulose and Toba Pulp Lestari.<sup>1</sup> Greenpeace estimates that this group of companies is the largest single driver of deforestation in Indonesia.<sup>2</sup>

In response to the increasing pressure from its stakeholders, APRIL announced a new 'Sustainable Forest Management Policy' in January of this year. This new policy was roundly condemned as inadequate by Indonesian and international NGOs, including Greenpeace. Further, recent evidence obtained by Greenpeace confirms that APRIL's suppliers are still clearing rainforest and draining peatland. Greenpeace has also obtained evidence that RGE/APRIL is deceiving its customers by making false claims about its environmental record.

Greenpeace strongly advises customers to suspend immediately all pulp or paper purchases from APRIL and other companies in the RGE Group.

### **Key developments in Indonesia's pulp sector**

There is only one other major pulp and paper producer in Indonesia that has relied on rainforest timber, Asia Pulp & Paper (APP).

In February 2013, APP introduced its Forest Conservation Policy. This applied to all company operations globally and included an immediate moratorium on forest clearance in Indonesia.<sup>3</sup> You can find Greenpeace's perspective on the first phase of APP's implementation of that policy

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<sup>1</sup> According to RGE, Toba Pulp Lestari, based in North Sumatra, is not part of the same group. However, in common with the other pulp companies in the RGE Group, it is ultimately controlled by Sukanto Tanoto and is therefore included here. <http://www.tobapulp.com/>

<sup>2</sup> Greenpeace mapping analysis based on Ministry of Forestry Landcover maps 2009 & 2011 (latest data available); see also Greenpeace (2013) Licence to Kill <http://www.greenpeace.org/international/en/publications/Campaign-reports/Forests-Reports/Licence-to-kill/>

<sup>3</sup> <https://www.asiapulppaper.com/sustainability/vision-2020/forest-conservation-policy>

here: <http://www.greenpeace.org/international/en/publications/Campaign-reports/Forests-Reports/APP-Forest-Conservation-Policy/>.

More recently, APP has announced additional commitments to protect and restore 1 million hectares of rainforest in Indonesia and a new policy of association.<sup>4</sup>

Together with the growing pressure for reform from APRIL stakeholders, APP's progress in implementing its No Deforestation Policy is likely to have been a contributing factor behind APRIL's January 2014 announcement of a Sustainable Forest Management Policy.<sup>5</sup>

### **Shortcomings of APRIL's policy:**

APRIL's current policy falls far short of what is necessary to break the link between its pulp and paper production and the destruction of Indonesia's rainforests. It is also far weaker than that of its competitor APP.

- **The policy does not cover all pulp sector companies related to RGE.**

The policy only applies to APRIL and its mill, PT RAPP, in Kerinci, Sumatra. This conveniently allows its sister companies to continue business as usual. Toba Pulp Lestari, which manufactures dissolving wood pulp that is used by chemical and textile industries, is also located in Sumatra. Asia Symbol – formerly known as APRIL China – is known to import fibre from a range of high-risk countries, including Indonesia.<sup>6</sup>

Greenpeace has repeatedly requested that the RGE Group provide details of sustainability policies and country-level sourcing information for each company within the group, including details of any rainforest fibre use. As of July 2014, no clear information has been provided.<sup>7</sup>

- **APRIL has given itself six more years to continue using fibre from Indonesia's rainforests.**

APRIL's commitment is that its 'long-term supply partners' will have completed plantation establishment by the end of 2014. From this point, they ought to be supplying only plantation-grown acacia. However, under APRIL's new policy, its other suppliers (short-term supply partners, third parties etc) can continue to feed natural rainforest fibre into APRIL's supply chain until 2020. In May 2014, Greenpeace investigations in Sumatra confirmed that extensive clearing of rainforest is taking place on areas of deep peat on Padang island within a concession owned and operated by one of APRIL's long-term supply partners.

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<sup>4</sup> <http://www.asiapulppaper.com/news-media/press-releases/app-support-protection-and-restoration-one-million-hectares-forest> and see <http://news.mongabay.com/2014/0709-app-policy-of-association.html>

<sup>5</sup> <http://www.aprilasia.com/news/APRIL%20SFM%20POLICY.pdf>

<sup>6</sup> CTI (2013) China customs data for 2013

<sup>7</sup> Most recently Greenpeace has written to the Chairman of RGE, Sukanto Tanoto, with this request. The letter is available on request. No reply has been received.

APRIL has provided no public information regarding other suppliers, making it extremely difficult to assess their impact on Indonesia's rainforests and peatlands.

- **APRIL is making false claims of 'strong support' from key stakeholders.**

A presentation by APRIL to its customers dated April 2014 claims 'strong support' from WWF for its sustainability policy. WWF has confirmed that this is inaccurate. WWF's most recent update for APRIL/RGE customers states that '*the policy needs to be strengthened and more clearly defined*', and it calls on APRIL to '*extend its commitment to the rest of the RGE group of companies*' and include '*a moratorium on all forest and land clearance and peat development activities*'.<sup>8</sup>

Similar false claims have been made regarding endorsement by the Norwegian Government. In a letter to customers from May 2014, APRIL claimed that '*the policy has been endorsed by... the Government of Norway*'. The Norwegian embassy in Jakarta has confirmed that this claim is inaccurate, and that the policy has never been endorsed by Norway.<sup>9</sup>

Other concerns about the policy have been raised by a coalition of NGOs in a recent letter to APRIL.<sup>10</sup> Among the issues raised were a lack of transparency regarding efforts to mediate existing social conflicts and implement 'Free Prior and Informed Consent', a lack of detail in the conservation/restoration commitments, and the lack of any grievance mechanism. Regarding APRIL's stakeholder Advisory Committee, the letter raised concerns that this group '*is being used as a tool to conduct public relations by the company*'.

- **APRIL's commitment does not protect all natural forests.**

APRIL claims it is not engaged in deforestation, a claim that the photos attached with this briefing prove is untrue. APRIL also argues that it has identified and will protect any forests that are identified as having High Conservation Value (HCV). However, it still intends to clear other natural forests in its concessions.

APRIL's policy states '*APRIL sources fibre from non High Conservation Value Forest areas that have been identified through independent HCV assessments, based on Indonesian HCV toolkit and peer reviewed by HCV resource network*' (HCVRN). Even this claim is untrue. HCVRN has confirmed to Greenpeace that it has reviewed conservation assessments for just two concessions, out of an estimated 50 that supply APRIL. It described APRIL's policy statement on this issue as 'misleading'.

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<sup>8</sup> <http://www.wwf.or.id/en/?31162/Advisory-to-Buyers-and-Investors-of-Royal-Golden-Eagle-Asia-Pacific-Resources-International-Limited>

<sup>9</sup> Email correspondence with Greenpeace, July 2<sup>nd</sup> 2014, available on request.

<sup>10</sup> <http://mongabay-images.s3.amazonaws.com/14/APRIL-letter-re-Policy-and-SAC.pdf>

Further evidence of problems with APRIL's HCV approach has been highlighted by WWF. In May, WWF and NGO partners documented a supplier to APRIL in Kalimantan clearing forest areas that the company previously claimed would be protected through its HCV commitments.<sup>11</sup> In response, APRIL claimed that the map of HCV areas had been changed.<sup>12</sup>

- **APRIL's commitment on High Carbon Stock forests is no more than a research study.**

There is growing consensus amongst producers and consumer companies about the value of using the High Carbon Stock (HCS) approach to distinguish between natural forest for conservation and land that is appropriate for development. If APRIL were serious about stopping all deforestation, then it and other companies in the RGE Group would follow the lead of its competitor, APP, by halting all further forest clearance across its supply chain whilst HCS assessments are conducted to identify all forest areas. Instead, its existing sustainability policy simply states that '*APRIL will adopt best practice... if and when relevant standards are established*' and announces plans for an HCS pilot project.<sup>13</sup>

- **APRIL's commitment to protect peatlands is vague and inconsistent.**

Recent photographic evidence clearly shows that APRIL and its fibre suppliers are not protecting forested peatland, months after its sustainability policy was announced.<sup>14</sup> Additionally, APRIL has not made public the details or credentials of the peat experts it claims to be working with to implement its policy commitments.

### **Advice to all companies sourcing pulp / paper**

In the absence of a credible sustainability policy covering all RGE Group companies, it is the view of Greenpeace and other NGOs that APRIL has oversold a 'Sustainable Forest Management Policy' that in reality allows APRIL and others in the RGE Group to continue to rely on rainforest destruction.

Greenpeace urges companies not to be fooled by these attempts to greenwash the RGE Group's environmental record. We advise customers not to be misled by attempts by the RGE Group to claim that pulp companies in the group are separate entities, unconnected to APRIL's specific issues.

In an effort to settle any confusion in the marketplace, Greenpeace firmly recommends that all companies suspend immediately pulp/paper purchases from any RGE-related companies,

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<sup>11</sup> <http://www.wwf.or.id/en/?33442/Tidak-Seperti-Komitmen-Lestarinya-APRIL-Masih-Tebangi-Hutan-Gambut-Kalimantan-Utara>

<sup>12</sup> <http://news.mongabay.com/2014/0523-april-north-kalimantan.html>

<sup>13</sup> <http://aprilasia.com/news/APRIL%20SFM%20POLICY.pdf>

<sup>14</sup> Greenpeace flyover May 2014 showing peatland canals being dug and continued rainforest clearance.

including APRIL. This suspension should not be lifted unless and until the RGE Group makes and implements commitments that stop its involvement in deforestation and addresses its broader social and environmental impacts.

It should be noted that other NGOs, including WWF and Rainforest Action Network, also maintain that companies should not source from, nor invest in, APRIL or the RGE Group at this time.<sup>15</sup>

### **Annex 1. Photographs from Pulau Padang**



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<sup>15</sup> [http://awsassets.panda.org/downloads/140131\\_wwf\\_april\\_buyers\\_and\\_investors\\_advisory\\_final\\_2.pdf](http://awsassets.panda.org/downloads/140131_wwf_april_buyers_and_investors_advisory_final_2.pdf) and <http://understory.ran.org/2014/01/31/april-misses-the-mark-with-new-forest-management-policy/>

