

**The purchase of paper and packaging products from Asia Pulp and Paper (APP)**

July 2010

Dear sir/madam,

We are writing to provide information about an environmentally and socially irresponsible pulp and paper producer, APP, and to alert your company to risks to your brand that could result from doing business with this company.

It is our intention to inform as many buyers in Europe as possible of the reality behind APP's claims of sustainability. This reality has led major international paper purchasers, including Staples, to conclude that the company 'is a great peril to our brand'.<sup>1</sup>

APP is the largest pulp and paper producer in Indonesia; it is part of one of Indonesia's largest conglomerates, the Sinar Mas group. The group's main pulp and paper operations are in Indonesia and China. APP is currently working hard to promote its products in many countries. You may have already noticed marketing and PR materials from the company declaring: 'APP Cares'?

As you may well be aware, Indonesia's rainforests are some of the most biologically diverse forests on the planet. Unfortunately the country, and in particular the island of Sumatra, has one of the fastest rates of deforestation in the world.<sup>2</sup> APP and its fibre suppliers are estimated to be the single largest source of rainforest destruction in Sumatra and are pushing three highly endangered species – the Sumatran tiger, elephant and orang-utan – closer to extinction.<sup>3</sup> Several reports show how the company has also impacted the livelihoods and violated the rights of indigenous and traditional communities.<sup>4</sup> Moreover, the rapid destruction of Sumatra's natural rainforest – much of which grows on carbon-rich peatlands – to supply APP's pulp mills, releases huge quantities of greenhouse gases. This contributes significantly to the position of Indonesia as the world's third largest global greenhouse gas emitter, behind the U.S. and China.<sup>5</sup>

APP has become adept at spreading misinformation about its business practice in Indonesia and China. As it tries to win business from you, the company will tell you:

1. that the carbon footprint for its paper is lower than that of its global competitors. What it will not tell you is that in calculating these figures, the consultants excluded the huge greenhouse gas emissions resulting from rainforest clearance and peatland drainage to develop pulpwood plantations.
2. that it can offer you PEFC certified paper products. What it will not tell you is that the certified pulp has to be imported into Indonesia, because there are no certified PEFC forests or plantations there. The company also will not tell you that these PEFC products may still contain uncertified, raw materials from Indonesia. Finally, please note that most major environmental

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organisations do not consider PEFC to be a robust or credible certification system.

3. that it does more for forest conservation than any other pulp and paper company. What it will not tell you is that its suppliers are currently destroying forest areas, including dry lowland forests around Bukit Tigapuluh national park, home to one of the world's most successful orang-utan re- introduction programmes. Its suppliers are also destroying deep peat areas around the Kampar peninsula and Kerumutan, which should be protected according to Indonesian law.
4. that it does not actually log any forests. What it will not tell you is that its own suppliers or partner companies undertake this logging, exclusively on behalf of APP.

Since it began operations in the 1980s, APP is estimated to have pulped more than 1 million hectares of natural forests in Sumatra.<sup>6</sup> The company now has forestry operations in Kalimantan to fill wood supply gaps<sup>7</sup> and is trying to enter Papua, Indonesia's last forest frontier.<sup>8</sup>

Doing business with APP at this time supports the further expansion of its operations into Indonesia's last tropical forests and peatlands.

The company is, in our view, the least responsible pulp and paper producer globally. Increasing numbers of corporate buyers have concluded that APP's environmentally destructive practices are incompatible with their own corporate values and have ceased purchasing APP products. These include: Staples (USA); Idisa Papel (Spain); Metro Group (Germany); Woolworths (Australia); Robert Horne Group (UK); Ricoh and Fuji Xerox (Japan); Unisource (USA); and Gucci and Versace (Italy). Carrefour (France) and Tesco (UK) have also recently confirmed that they will stop buying from APP for their own-brand products. In addition, a number of multinationals are implementing procurement policies which will exclude products from APP, unless the company makes substantial sustainability improvements. These include: Nestlé (Switzerland); Kraft (USA); and Unilever (Netherlands/UK).<sup>9</sup>

We respectfully ask your company at this time to take the following actions:

- not purchase any APP products, whether from Indonesia or China,
- not provide other technical, consultancy or financial services related to pulp and paper production or use of forest resources (for instance, pulp processing machinery, processing chemicals, public relations management, credit facilities) to APP associated companies.
- publicly voice your concerns about APP's practices and their negative impacts.

We request that you maintain this position until APP and its suppliers commit to stop all further expansion into natural forest and peatland areas for any plantation development, and respect the customary land rights of indigenous and local communities in existing and planned plantation areas that provide pulpwood to APP, and until the implementation of these commitments has been verified by third parties, including local non-governmental organisations.

We hope that we can count on your company's leadership on these issues. Please do not hesitate to contact one of our organisations in your country for more information on this matter.

Sincerely,

*11.11.11, Amigos de la Tierra, Animals Asia, ARA, Bond Beter Leefmilieu, Both Ends, Bund, Care for the Wild International, CNCD-11.11.11, Ecolife, Ecologistas en Acción, Euronatura, Fédération Inter-Environnement Wallonie, FERN, Friends of the Earth Cyprus, Friends of the Earth Europe, Friends of the Earth Finland, Global 2000, Global Witness, Greenpeace, Humane Society International, Les Amis de la Terre, Luonto Litto, Milieudéfense, Orangutan Appeal UK, Orangutan Foundation, Orangutan Land Trust, PanEco, Pro Natura, Pro Reganwald, Rainforest Foundation Norway, Restore UK, Robinwood, Salvaleforeste, Save the Rhino, SEO/Birdlife, Sumatran Orangutan Society, Terra!, Worldforests, Watch Indonesia, WWF*

## Supporting documents

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<sup>1</sup> Wriht T. (2008) Staples Cuts Off Paper Supplier, Wall Street Journal, February 8, 2008 (<http://online.wsj.com/article/SB120240874246651263.html>).

<sup>2</sup> FAO (2006) Global Forest Resources Assessment 2005, FAO Forestry Paper 147, Food and Agriculture Organization of the United Nations, Rome 2006.

<sup>3</sup> WWF Indonesia (March 2009) APP's forest clearing linked to 12 years of human and tiger deaths in Sumatra ([http://wwf.panda.org/wwf\\_news/news/?uNewsID=159162](http://wwf.panda.org/wwf_news/news/?uNewsID=159162)). WWF Indonesia (February 2008) Summary Report: How Pulp & Paper and Palm Oil from Sumatra Increase Global Climate Change and Drive Tigers and Elephants to Local Extinction. Excerpts from: Deforestation, Forest Degradation, Biodiversity Loss and CO<sub>2</sub> Emissions in Riau, Sumatra, Indonesia. One Indonesian Province's Forest and Peat Soil Carbon Loss over a Quarter Century and its Plans for the Future (<http://www.worldwildlife.org/who/media/press/2008/WWFBinaryitem7627.pdf>). Many other related reports are published on: <http://www.eyesontheforest.or.id>, <http://www.savesumatra.org/index.php/link>, [http://www.orangutan.org.au/stop\\_asia\\_pulp\\_paper\\_letters.html](http://www.orangutan.org.au/stop_asia_pulp_paper_letters.html).

<sup>4</sup> For example see: Pulp Mill Watch, *Indonesia* (<http://www.pulpmillwatch.org/countries/indonesia/>); Noor, R. & Syumanda, R. (2006) Social conflict and environmental disaster: A report on Asia Pulp and Paper's operations in Sumatra, Indonesia. CAPP, World Rainforest Movement and Walhi (<http://www.wrm.org.uy/countries/Indonesia/Book8.pdf>); Human Rights Watch (2003) Without Remedy: Human Rights Abuse and Indonesia's Pulp and Paper Industry (<http://www.hrw.org/reports/2003/indon0103/Indon0103.pdf>); CNN news in August 2008, "Sumatra's people of the jungle" on Orang Rimba in Jambi, threatened by natural forest clearance by APP affiliated companies (<http://edition.cnn.com/video/#/video/world/2008/07/25/damon.indo.jungle.people.cnn?iref=videosearch>);

Amnesty International (23 December 2008) PR: Indonesia: Investigate Forcible Destruction of Homes by the Police in Riau (<http://www.amnesty.org/en/for-media/press-releases/indonesia-investigate-forcible-destruction-homes-police-riau-20081223>).

<sup>5</sup> According to recent estimates published by various governments, Indonesia's emissions (2005) are higher than Brazil's (2005), Russia's (2005) and India's (2005), but lower than USA's (2005) and China's (2004): Brazilian Ministry of Science and Technology (MCT) (2009) 'Inventário Brasileiro das emissões e remoções antrópicas de gases de efeito estufa, Informações gerais e valores preliminares (30 novembro de 2009)', Ministry of Science and Technology 30 November 2009 ([www.mct.gov.br/upd\\_blob/0207/207624.pdf](http://www.mct.gov.br/upd_blob/0207/207624.pdf)); UNFCCC (2009) 'Summary of GHG Emissions for Russian Federation', GHG emissions, with Land Use Land Use Change and Forestry, LULUCF, ([http://unfccc.int/files/ghg\\_emissions\\_data/application/pdf/rus\\_ghg\\_profile.pdf](http://unfccc.int/files/ghg_emissions_data/application/pdf/rus_ghg_profile.pdf)); Indian Ministry of Environment and Forests (2009) 'Results of Five Climate Modelling Studies, GHG Emissions Profile', Ministry of Environment and Forests, September 2009 (<http://moef.nic.in/downloads/home/GHG-report.pdf>); US Environmental Protection Agency (EPA) (2010) Inventory of US Greenhouse Emissions and Sinks 1990-2008, U.S. EPA # 430-R-10-006, April 2010, [http://epa.gov/climatechange/emissions/downloads10/US-GHG-Inventory-2010\\_ExecutiveSummary.pdf](http://epa.gov/climatechange/emissions/downloads10/US-GHG-Inventory-2010_ExecutiveSummary.pdf); Government of China (2007), Press conference on climate change program, Government of China's official web portal ([http://english.gov.cn/2007-06/04/content\\_636052.htm](http://english.gov.cn/2007-06/04/content_636052.htm)).

Indonesia's deforestation-related emissions – including peatland – were 1.88 Gt CO<sub>2</sub> in 2005: National Climate Change Council (NCCC) (2009) 'Indonesia GHG abatement cost curve', Media interaction, National Climate Change Council (DNPI), 27 August 2009. An additional 0.36 Gt CO<sub>2</sub> are peat emissions that were classified as 'non-commercial' and should be included in Indonesia's total, as they result from ongoing peatland emissions ('Restoration of 5 million ha of non-commercially used peatland could result in a further reduction of 360 MtCO<sub>2</sub>'); NCCC (2009) 'Indonesia Greenhouse Gas Emission Cost Curve', Fact Sheet, National Climate Change Council (DNPI), 27 August 2009.

<sup>6</sup> WWF Indonesia (March 2009), APP's forest clearing linked to 12 years of human and tiger deaths in Sumatra ([http://wwf.panda.org/wwf\\_news/news/?uNewsID=159162](http://wwf.panda.org/wwf_news/news/?uNewsID=159162)).

<sup>7</sup> Pirard, R. & Cossalter, C. (2006), The Revival of Industrial Forest Plantations in Indonesia's Kalimantan Provinces. Will they help eliminate fiber shortfalls at Sumatran pulp mills or feed the China market? CIFOR Working Paper No. 37 ([http://www.cifor.cgiar.org/publications/pdf\\_files/research/governance/foresttrade/Attachment47-The\\_Revival\\_of\\_Industrial\\_Forest\\_Lowres.pdf](http://www.cifor.cgiar.org/publications/pdf_files/research/governance/foresttrade/Attachment47-The_Revival_of_Industrial_Forest_Lowres.pdf)).

<sup>8</sup> "How Sinar Mas is Pulping the Planet" (<http://www.greenpeace.org/international/en/publications/reports/SinarMas-APP/>) and The Wall Street Journal (25 July 2008) Last-Frontier Forest is at Risk From Boom (<http://online.wsj.com/article/SB121695067248683475.html>). Full article also at <http://www.climateark.org/shared/reader/welcome.aspx?linkid=103721>).

<sup>9</sup> "How Sinar Mas is Pulping the Planet" (<http://www.greenpeace.org/international/en/publications/reports/SinarMas-APP/>) and Greenpeace Press Release (6 July 2010): Global brands driving rainforest destruction (<http://www.greenpeace.org/international/en/press/releases/APP-report/>).