

20th August 2018

Dear APP/APRIL Customer or Investor

**Greenpeace position on APP and APRIL: call for existing or potential customers and investors to cancel contracts unless both groups redouble efforts to fulfill no deforestation commitments**

On 16<sup>th</sup> May 2018, after five years of advising and inputting into Asia Pulp & Paper (APP) implementation of its Forest Conservation Policy (FCP),<sup>1</sup> Greenpeace ended engagement with APP/Sinar Mas Group.<sup>2</sup> Similarly, in December 2016 Greenpeace ended engagement with APRIL after spending less than one year on its Stakeholder Advisory Committee.<sup>3</sup>

For APP/Sinar Mas Group, we came to this decision after new evidence from an Associated Press investigation<sup>4</sup> and from our mapping and company profiles analysis showed concessions linked through ownership to APP/Sinar Mas Group<sup>5</sup> had ongoing deforestation of almost 8,000 ha since 2013.<sup>6,7</sup> Despite our years of engagement, this tells us that APP/Sinar Mas Group are not serious enough about honestly addressing deforestation in Indonesia. This same analysis and subsequent NGO coalition research has also shown that APP/Sinar Mas Group is not being transparent about its degree of ownership and control of its supposed 'independent' pulpwood suppliers and other forest concessions.<sup>8</sup> These revelations came at a time when Greenpeace had additional concerns around APP/Sinar Mas Group's slow progress and lack of transparency in implementing its FCP, including forest and peatland restoration, community conflict resolution and the protection of identified High Carbon Stock forest and High Conservation Value areas.

We put these allegations to APP/Sinar Mas Group over a period of months with several face-to-face meetings and letters identifying specific key issues. However it failed to provide a credible response or to take meaningful action, and thus we made our decision to disengage.

However by disengaging we do not want APP/Sinar Mas Group to falter in its partial progress towards achieving no deforestation, no peatland development and no exploitation (NDPE). To the contrary we see this moment as an opportunity for APP/Sinar Mas Group to recommit and strengthen its NDPE implementation, increase transparency and rebuild trust with stakeholders.

It is important to remember that in March 2013, APP bowed to pressure from its customers and NGOs, vowing to reverse its legacy of forest destruction and adopt a Forest Conservation Policy (FCP). APP committed to end forest clearance within its own and suppliers' concessions, protect remaining forests in these areas, improve management of peatland and work with communities to resolve social conflicts. APP now finds itself in a similar

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1 <https://www.asiapulppaper.com/news-media/press-releases/asia-pulp-paper-group-app-commits-immediate-halt-all-natural-forest>  
<http://www.greenpeace.org/archive-international/en/publications/Campaign-reports/Forests-Reports/APP-Forest-Conservation-Policy/>

2 <https://www.greenpeace.org/international/press-release/16535/greenpeace-slams-app-sinar-mas-over-links-to-deforestation-ends-all-engagement-with-company/>

3 <http://www.greenpeace.org/seasia/Press-Centre/Press-Releases/Withdrawing-from-APRILs-Stakeholder-Advisory-Committee>

4 <https://www.apnews.com/fd4280b11595441f81515daef0a951c3>

5 APP and Sinar Mas Group of companies share common ultimate beneficiaries. Sinar Mas Group's list of companies can be found at [sinarmas.com](http://sinarmas.com) and [wikipedia.org/wiki/Sinar\\_Mas\\_Group](http://wikipedia.org/wiki/Sinar_Mas_Group)

6 [MSL clearing maps/evidence](#)

7 [GEAR/HRB clearing maps/evidence](#)

8 <http://www.eco-business.com/news/have-app-and-april-both-broken-their-no-deforestation-promises/>

situation to 2011 and 2012 in the lead up to their FCP; it is again in denial about the power of the marketplace and the ramifications that global attention to its shortcomings can bring.

Regarding APRIL/Royal Golden Eagle (RGE) Group, in December 2016, after engaging for less than one year on its Stakeholder Advisory Committee to provide input on the implementation of its Sustainable Forest Management Policy (SFMP) 2.0, Greenpeace walked away after the company misled its stakeholders on illegal canal construction in peatland on Pulau Padang, Sumatra.<sup>9</sup> Additionally, there had been major ongoing concerns around its lack of supply chain transparency, as well as its weak implementation of its environmental commitments.

Therefore we are now asking again for existing or potential customers and investors of APP/Sinar Mas Group and APRIL/RGE Group to demand, at a minimum:

- full transparency by coming clean about all companies for which each have ownership, control and/or any association;
- an immediate end to all deforestation or peatland development by any companies connected to APP/Sinar Mas Group or the APRIL/RGE Group; and
- a redoubling of all environmental and social commitments and efforts toward implementation, in particular HCS forest and HCV area conservation and restoration, peatland protection and restoration, and conflict resolution. This would include monitoring, third party verification, and public reporting.

If APP/Sinar Mas Group or APRIL/RGE Group do not immediately comply with these necessary steps, then all existing or potential customers and investors are urged to re-evaluate their business relationships and cancel contracts.

Yours sincerely,

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<sup>9</sup> <http://www.eco-business.com/news/greenpeace-and-wwf-suspend-engagement-with-april/>