

APP Sinarmas: Forest Promises Pulped

A 10 year progress report card on how
Asia Pulp and Paper Sinarmas has broken its promises
to end deforestation and peatland destruction
in Indonesia



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Summary

Over 10 years ago in February 2013, after many years of campaigning by Greenpeace International and other NGOs, Asia Pulp and Paper Sinarmas (APP Sinarmas) released a Forest Conservation Policy (FCP) that promised to halt deforestation and peatland conversion by its suppliers. It was a game-changer for the tropical pulp and paper sector, particularly as APP Sinarmas is one of the world's largest pulp and paper companies and is part of the notorious forest-destroying Indonesian corporate Sinarmas Group controlled by members of the Widjaja family.

Some progress was made with the implementation of the FCP, including the commitment to conservation of over 500,000 hectares of forest, a commitment to the retirement and rehabilitation of 7,000 hectares of plantation on peatland, and some progress with addressing social conflict in its plantations. However, beginning in 2017, just 4 years after the FCP was launched, the grand promise began to unravel, triggering an end to cooperation between Greenpeace International and the company in 2018.

Reports, investigations and analysis have found multiple breaches of APP Sinarmas's promises in its FCP, including:

- ◆ Between 46,000 and 75,000 hectares of deforestation between 2013 and 2022 in APP Sinarmas supplier concessions or companies connected to APP Sinarmas.
- ◆ 127,000 hectares of degraded land needing restoration within APP Sinarmas claimed 600,000 hectare protected area.
- ◆ In 2022 APP Sinarmas quietly changed its FCP deforestation cutoff date, allowing it to source from suppliers that have deforested up until December 2020, far after the original cutoff of February 2013. This is a huge watering-down of APP Sinarmas's no deforestation commitment.
- ◆ APP Sinarmas contracted peatland experts to identify and monitor critical peatland landscapes but has since largely ignored the advice of these experts to prioritise the protection of deep peat and associated forest. This means we do not see APP Sinarmas taking meaningful action on protection of the more than 1.2 million hectares of peatlands in its concessions.
- ◆ Between August 2018 and June 2020 Greenpeace Southeast Asia analysis found approximately 3,500 hectares of peatlands had been cleared in APP Sinarmas's own concessions or those of its major suppliers. Additionally 53 km of new drainage canals cutting through peatland were detected and 50 hectares of peatland was burnt.

■ Cover: A Greenpeace activist shows the GPS coordinates in the thick haze while standing in burned peatland in a concession belonging to PT Wira Karya Sakti (WKS) in East Tanjung Jabung, Jambi. WKS is a logging concession part of the Sinar Mas Forestry group. 1°19'4.87"S, 103°45'31.7"E. 21 September 2019. © Muhammad Adimaja / Greenpeace.

- ◆ After eight years since the announcement of the 7,000 hectare peatland plantation retirement and rehabilitation, and working with experts to determine the best approach to restoration, little progress has been made. The area identified has been greatly reduced, and much of it appears to still be unrehabilitated and in production. APP Sinarmas claims to have retired 26,883 hectares of plantations on peatland, but without publishing where it is located. This is only a tiny portion of the 1.2 million hectares of peatland in APP Sinarmas concessions, and it is likely that much of it was simply retired as part of APP Sinarmas's legal obligations under peat protection regulations.
- ◆ In 2015, 174,000 hectares of peatland areas burnt inside APP Sinarmas concessions, and overall 314,000 hectares burnt from 2015 to 2019, making a significant contribution to regional peat & forest fire smoke haze which has resulted in health impacts and loss of life in the region. So far during 2023, 12,749 hectares have burnt in APP Sinarmas concessions.
- ◆ APP Sinarmas claims 63.3% of conflicts with local communities have been resolved but does not list or even provide a count of the total number of conflicts (NGOs estimate over 500), nor does it have a public dashboard to track them, report what the issues are, and their resolution.
- ◆ NGO and media reports document ongoing intimidation and aggressive action against local communities by APP Sinarmas including reportedly spraying a farmer's crops with a drone, and prosecution and a one year jail sentence for a farmer who planted crops on his land inside an APP Sinarmas concession. This brings into question APP Sinarmas's promise on Free Prior and Informed Consent.

This 10 year progress report card documents and compiles evidence of multiple breaches of its FCP by APP Sinarmas. For the FCP to be anything more than a piece of paper, APP Sinarmas must provide verifiable evidence that it is meeting the promises made in its 2013 Forest Conservation Policy and related commitments, including:

- immediately enforce no deforestation with suppliers and restore any areas cleared after Feb 1st 2013,
- reverse any changes that affect the FCP such as the recent Supplier Evaluation and Risk Assessment no deforestation cut-off date change (change back to Feb 1st 2013), and
- demonstrate clear progress with substantial canal damming, rewetting, rehabilitation and restoration of all deep peat areas, and restoring any peat areas cleared, drained or burnt since Feb 1st 2013.

APP Sinarmas also needs to be transparent with:

- downloadable digital maps in geo-data format showing where its conservation areas and peatland areas are located, and where the remaining HCS forest and HCV areas are within its concessions,
- the status of the estimated hundreds of conflicts with local communities,
- which companies it has ownership of, control of or any association with, and
- the full location and total area of burned areas within its associated concessions and any law enforcement or civil cases that are brought against the companies responsible for the areas.

Introduction

Asia Pulp and Paper Sinarmas (APP Sinarmas), combined with its sister palm oil company Golden Agri Resources (GAR), is part of the notorious forest and peatland destroying Indonesian Sinar Mas corporate group, owned and controlled by members of the Widjaja family.^{1, 2} APP Sinarmas has reportedly been responsible for the conversion of over a million hectares of natural forest to pulpwood plantations.³

After many years of campaigning by Greenpeace International and other NGOs⁴ such as Eyes on the Forest, WALHI and World Wide Fund for Nature to expose deforestation, peatland destruction and human rights abuses by Asia Pulp and Paper Sinarmas, in February 2013, APP Sinarmas released its Forest Conservation Policy (FCP).⁵ This brought a halt to APP Sinarmas's use of wood from deforestation, or association with suppliers who continue with deforestation or peatland conversion, and gained notable international media coverage.^{6, 7} The FCP also included commitments to forest and peatland protection, and to respecting human rights and resolving social conflict.

1 'How Sinar Mas is pulping the planet'

2 E.g. 'Papering over corporate control - Paper Excellence's relationship with Asia Pulp & Paper and the Sinar Mas Group'

3 And up to 2 million hectares of forest. See: Eyes on the Forest. 'The Truth behind APP's Greenwash', December 2011. https://web.archive.org/web/20230215073911/https://wwfeu.awsassets.panda.org/downloads/eof_14dec11_the_truth_behind_apps_greenwash_final.pdf.

4 E.g. 'Does chopping down rainforests for pulp and paper help alleviate poverty in Indonesia?'

5 https://asiapulppaper.com/documents/20123/0/app_forest_conservation_policy_final_english.pdf/e65cff06-53ef-e6e0-cdde-153d8b29214f?t=1688713766790

6 Leading paper firm pledges to halt Indonesian deforestation

7 Paper Producer to Stop Clearing of Indonesian Forests - The New York Times



■ Asia Pulp & Paper (APP) Chairman Teguh Ganda Wijaya gives his speech during the press conference. Asia Pulp and Paper Group launched their new 'Forest Conservation Policy' in Jakarta on 5th February. The new commitment included an immediately halt to any further clearance of natural forest throughout its whole supply chain. 05 February 2013.

APP Sinarmas's promise of ending deforestation was a game-changer for the tropical pulp and paper sector as APP Sinarmas is one of the world's largest pulp and paper manufacturers. With operations in Indonesia and China, the company was supplying products to most major global brands such as Unilever, Nestlé, Askul and Mattel.⁸

To support the robust implementation of the FCP, Greenpeace International cooperated with APP Sinarmas, including monitoring pulpwood supplies to APP Sinarmas mills, and especially through the formation and roll-out of the High Carbon Stock Approach (HCSA)⁹ - the methodology that is used to

implement no deforestation on the ground. A number of complimentary commitments and procedures were added by APP Sinarmas following its FCP launch, including: the Moratorium of Natural Forest Clearance,¹⁰ a commitment to “*restore and support the conservation of one million hectares of rainforest across Indonesia*”¹¹ in 2014; a procedure for association¹² with future suppliers (now withdrawn);¹³ and its Fibre Procurement and Processing Policy (FPPP)¹⁴ and associated Supplier Evaluation and Risk Assessment (SERA).

8 'How Sinar Mas is pulping the planet'

9 <https://highcarbonstock.org/>

10 https://sustainability-dashboard.com/documents/115225/128640/Protocol+Moratorium_English.pdf/0f4467d7-76e4-b0b6-f714-2fba16ea57a0?t=1588585937586

11 <https://asiapulppaper.com/-/app-to-support-the-protection-and-restoration-of-one-million-hectares-of-forest-in-indonesia>

12 <https://environmentalpaper.org/wp-content/uploads/2020/06/APP-Association-Procedure-ENG.pdf>

13 <https://asiapulppaper.com/fr/news-media/press-releases/app-require-future-suppliers-and-acquisitions-match-its-zero-deforestation-commitments>

14 https://asiapulppaper.com/documents/20123/0/app_responsible_fibre_procurement_processing_policy_-_srv_2020.pdf/e673cd3f-49d5-bb45-7bc8-5d9cebe1dc64?t=1575879683942



Greenpeace Indonesia Forest Fire Prevention team (FFP) carrying a banner during the Asian Games 2018 event in Palembang City, South Sumatra. Greenpeace calls for Forest and Peat protection for clean air from smoke. 19 August 2018.

© Jurnasyanto Sukarno / Greenpeace

Collectively this was the biggest and most comprehensive corporate promise to end deforestation and peatland destruction by any company at the time. Significant progress was made including the commitment to the conservation of over 500,000 hectares of natural forest,¹⁵ a commitment to the retirement and rehabilitation of 7,000 hectares of active plantation on peatland,¹⁶ and progress with identifying and addressing social conflict in its concessions.

However, starting in 2017, four years after the FCP commitment, the grand promise appeared to unravel¹⁷ along with management changes.¹⁸ In 2018 APP Sinarماس was found to be associated with deforestation through a number of its suppliers in Borneo¹⁹ triggering Greenpeace International to end

its cooperation with APP Sinarماس. Furthermore in 2020 Greenpeace South East Asia found continued drainage (53 km of new canals) and clearance of nearly 3,500 hectares of peatland in Sumatra.²⁰

More recently in mid 2022 APP Sinarماس has moved its cut-off date by which its suppliers must have ended deforestation from February 2013 to 2020.²¹ This is a major change and a massive broken promise, even though APP Sinarماس denies that it is a change.²²

Ten years after the launch of the Forest Conservation Policy we provide a summary assessment of APP Sinarماس progress against its voluntary commitments (as distinct from legal obligations) and whether or not it is meeting its promises.

15 APP 2016. Presentation to the Oslo REDD Forum. Slide 6

16 March 2018 Progress Report <https://sustainability-dashboard.com/documents/115225/128824/6th+180323+FCP+PROGRESS+REPORT.pdf/ec81e407-7596-e20c-ba86-ec62d1a7ca0f?t=1588586675511>

17 AP Exclusive: Pulp giant tied to companies accused of fires

18 <https://www.eco-business.com/news/asia-pulp-and-paper-sustainability-chief-aida-greenbury-exits/>

19 <https://apnews.com/cb89a14d6dd547108f33b0f04d16a3d8/Greenpeace:-Paper-giant-cut-forests-during-conservation-pact>

20 Paper giant APP linked to Indonesia peat clearing despite sustainability vow

<https://docs.google.com/document/d/1sYh67bXF6E9r9j4eA9UEiBhsmf82VC5chhhe7zrrv9A/edit>

21 https://sustainability-dashboard.com/documents/115225/0/Sustainability-Report-APP-SINAR-MAS-2022-Final.pdf/edcac8aa-01fb-6144-0ba7-659063083d45?t=1687763264004_p121

22 <https://asiapulppaper.com/-/asia-pulp-paper-app-sinar-mas-asserts-there-is-no-change-to-its-forest-conservation-policy-fcp->



© Ardiles Rante / Greenpeace

- Children enjoy playing without wearing any protection at the playground while the air is engulfed with thick haze from the forest fires at Sei Ahas village, Kapuas district in Central Kalimantan province on Borneo island, Indonesia. 24 October 2015.

Deforestation

APP Sinarmas first promise:

“Policy commitment 1: APP and its suppliers will only develop areas that are not forested, as identified through independent HCV (High Conservation Value) and HCS (High Carbon Stock forest) assessments:

- *From 1st February 2013 all natural forest clearance has been suspended whilst HCV and HCS assessments are completed. No further clearance of areas identified as forest will take place.”²³*

Additional complimentary commitments and procedures are:

- the Moratorium of Natural Forest Clearance²⁴ that was designed to prevent wood/fibre from natural forest conversion entering APPSM’s supply chain until HCV and HCS assessments are complete,
- a commitment to “restore and support the conservation of one million hectares of rainforest across Indonesia.”²⁵ made in 2014 that aims to start the process of addressing APP Sinarmas’s deforestation legacy,
- a procedure for association²⁶ with future suppliers that was intended to screen any suppliers, and
- APP Sinarmas Fibre Procurement and Processing Policy (FPPP)²⁷ and associated Supplier Evaluation and Risk Assessment (SERA).

APP Sinarmas contracted various consultancies to help implement, monitor and audit its commitments including Tropical Forest Trust (now Earthworm), Rainforests Alliance, and Ernst & Young.

²³ https://asiapulppaper.com/documents/20123/0/app_forest_conservation_policy_final_english.pdf/e65cff06-53ef-e6e0-cdde-153d8b29214f?t=1688713766790

²⁴ https://sustainability-dashboard.com/documents/115225/128640/Protocol+Moratorium_English.pdf/0f4467d7-76e4-b0b6-f714-2fba16ea57a0?t=1588585937586

²⁵ <https://asiapulppaper.com/-/app-to-support-the-protection-and-restoration-of-one-million-hectares-of-forest-in-indonesia>

²⁶ <https://environmentalpaper.org/wp-content/uploads/2020/06/APP-Association-Procedure-ENG.pdf>

²⁷ https://asiapulppaper.com/documents/20123/0/220727+APP%27s+Fibre+Procurement+and+Processing+Policy+2022_wloc-date.pdf/03a7a103-99c0-4b4e-4ab8-aa4a783b086a?t=1681203700613

Reports and Analysis on Policy Commitment 1:

- ◆ APP Sinarmas claims to have a total protected area of 600,000 hectares,²⁸ comprised of over 506,000 hectares²⁹ of protected forest including the legally required 10% within an industrial plantation concession (HTI), identified High Carbon Stock forest areas that may have been converted without the FCP, and High Conservation Value areas such as riparian zones or peatland, and an additional approximately 100,000 hectares of community livelihood areas.³⁰ However over the 10 years since the FCP commitment, significant areas remain degraded or are continuing to be degraded (such as if they are burnt) so that in 2023 APP Sinarmas claims only 84% of this is in 'good condition',³¹ and that 127,000 hectares are degraded and need restoration.³² Actual forest loss (deforestation) within the 600,000 hectares of protected areas, based on APP Sinarmas's own monitoring, is more than 1% or 6,000 hectares of the area between 2015 and 2022.³³ APP Sinarmas claimed in its 2022 sustainability report that it had restored just 11,700 hectares of High Carbon Stock and High Conservation value forest.³⁴ APP Sinarmas claims on protected forest areas are not supported by evidence of the size or condition of various areas spread through its concessions or verifiable maps.

in 2023 APP Sinarmas claims only 84% of this is in 'good condition', and that 127,000 hectares are degraded and need restoration

- ◆ Analysis by Greenpeace International in 2018 of satellite imagery and company deeds indicates that two companies connected with APP Sinarmas have cleared almost 8000 hectares of forest and peatland.³⁵ One pulpwood company, PT Muara Sungai Landak (PT MSL) in West Kalimantan, was reportedly owned by two employees of APPSM's sister company Sinarmas Forestry.³⁶ Nearly 3,000 ha of forest and peatland has been cleared in PT MSL since 2013. Meanwhile, a Sinarmas branded mining company, Golden Energy and Resource (GEAR) has openly admitted to owning a 265,095 ha pulpwood concession, PT Hutan Rindang Banua (PT HRB), located in South Kalimantan. Satellite analysis of PT HRB indicates nearly 5,000 hectares of forest have been cleared since 2013.³⁷

28 <https://sustainability-dashboard.com/forest>

29 This is variously reported by APP Sinarmas as 'over half-a-million hectares' (<https://sustainability-dashboard.com/forest>) or 'almost 600,000 ha of forest under some form of protection' (<https://sustainability-dashboard.com/documents/115225/0/12th+SAF+Minutes.pdf/0328e81c-1c35-931e-d4be-739f84ec5977?t=1692583637783>), or 'more than 480,000 hectares is cover by natural forest' (<https://tjwikimia.co.id/documents/20123/0/CDP+2021+forest+report.pdf/202fc16d-f15b-699d-adee-20e8fad91dfa?t=1655796320857>), raising the question of exactly how much forest is protected and if APP Sinarmas even knows.

30 APP 2016. Presentation to the Oslo REDD Forum. Slide 6

31 <https://sustainability-dashboard.com/forest> , <https://sustainability-dashboard.com/documents/115225/0/12th+SAF+Minutes.pdf/0328e81c-1c35-931e-d4be-739f84ec5977?t=1692583637783>

32 <https://sustainability-dashboard.com/documents/115225/0/Sustainability-Report-APP-SINAR-MAS-2022-Final.pdf/edcac8aa-01fb-6144-0ba7-659063083d45?t=1687763264004> p118

33 E.g. <https://sustainability-dashboard.com/documents/115225/0/11th+Progress+Update.pdf/c1df29e3-04d1-e2c8-1d28-62c72ae3a4cf?t=1657074919506>

34 <https://sustainability-dashboard.com/documents/115225/0/Sustainability-Report-APP-SINAR-MAS-2022-Final.pdf/edcac8aa-01fb-6144-0ba7-659063083d45?t=1687763264004> p125

35 Greenpeace slams APP/Sinar Mas over links to deforestation, ends all engagement with company

36 Revealed: Paper giant's ex-staff say it used their names for secret company in Borneo

37 Greenpeace slams APP/Sinar Mas over links to deforestation, ends all engagement with company

between 2013 and 2022, there was a total of 74,873 hectares of deforestation in APP Sinarmas supplier concessions

- ◆ Investigations and analysis by Indonesian NGOs including Auriga found 32,000 hectares of deforestation by APP Sinarmas linked suppliers in East Kalimantan - PT. Fajar Surya Swadaya (FSS) and PT. Silva Rimba Lestari of Djarum Group.³⁸ Subsequently APP Sinarmas admitted to receiving a shipment of pulpwood logs before it had checked if they were associated with deforestation, then dropped PT FSS as a supplier.³⁹
- ◆ Based on Nusantara Atlas analysis using University of Maryland forest loss data, between 2013 and 2022, there was a total of 74,873 hectares of deforestation in APP Sinarmas supplier concessions.⁴⁰
- ◆ In 2022 an Indonesian NGO, Eyes on the Forest, found evidence of clearance by APP Sinarmas of several hundred hectares of forest and HCV areas within an UNESCO Biosphere reserve.⁴¹

- ◆ In the past APP Sinarmas's Association Procedure⁴² would have prevented APP Sinarmas from associating or buying from suppliers linked to deforestation. However this procedure quietly disappeared from the APP Sinarmas website in 2018,⁴³ is no longer referenced by APP Sinarmas, and it claims it is integrated into its SERA procedure.⁴⁴ The Association Procedure was reportedly weakened to limit it to only supplier pulpwood concessions.⁴⁵
- ◆ Furthermore, in 2022 APP Sinarmas changed its cutoff date, allowing it to source from suppliers that have converted natural forest after 2013. In its 2022 Sustainability Report APP Sinarmas reported:

"In 2022, we updated our SERA process to better align our commitments and policies with the global movement to end deforestation... which includes bringing forward the cut-off date to end deforestation to 2020."⁴⁶

in 2022 APP Sinarmas changed its cutoff date, allowing it to source from suppliers that have converted natural forest after 2013

38 <https://auriga.or.id/flipbooks/report/en/32>

39 <https://sustainability-dashboard.com/documents/115225/126817/181009+Verification+Report+on+logs+from+FSS.pdf/262d9ecd-dcef-bbd3-ce5e-2fab86d8fb72?t=1588582953862>

40 Nusantara Atlas data retrieved from atlas September 2023. Link to data file

41 APP expands pulpwood plantation by clearing HCV areas in a UNESCO Biosphere Reserve, Sumatra

42 <https://environmentalpaper.org/wp-content/uploads/2020/06/APP-Association-Procedure-ENG.pdf>

43 <https://asiapulppaper.com/fr/news-media/press-releases/app-require-future-suppliers-and-acquisitions-match-its-zero-deforestation-commitments>

44 Paper giant APP failing its own sustainability goals: Report

45 Asia Pulp & Paper (APP) – Progress Report – Earthworm – May 2019

46 https://sustainability-dashboard.com/documents/115225/0/Sustainability-Report-APP-SINAR-MAS-2022-Final.pdf/edcac8aa-01fb-6144-0ba7-659063083d45?t=1687763264004_p121

47 <https://sustainability-dashboard.com/forest>

This is a huge change of policy and massive breach of its promise to not buy from suppliers who are deforesting after 1st February 2013. APP Sinarmas's sustainability reporting dashboard claims: "Zero natural forest conversion by APP Sinarmas pulpwood suppliers since 2013"⁴⁷ and in a recent statement claimed that it had not changed its 2013 cutoff.⁴⁸ However, the SERA (Supplier Evaluation and Risk Assessment) Flow Chart is very clear that suppliers (other than APP Sinarmas's own or affiliated concessions) linked to deforestation up

till 30th Dec 2020 are able to be accepted by APP Sinarmas.⁴⁹ This may have already contaminated APP Sinarmas supplies or risks contaminating them in the near future. APP Sinarmas claims it wants to align its policies with the Tropical Forest Alliance 2020 date⁵⁰ and the Forest Stewardship Council that changed its cutoff date to December 2020.⁵¹ In response to this issue, APP Sinarmas admitted in a letter to Greenpeace International "The change does allow APP, at some point in the future, to accept new suppliers who have converted post-2013 and before 2020."⁵²



© Greenpeace

- The Acacia plantation in the APP Sinarmas owned concession PT Rimba Hutani Mas has just been harvested and has been re-planted with acacia tree seedlings that are only about 1 month old. October 2023. Copyright: Greenpeace.

48 <https://asiapulppaper.com/fr/-/asia-pulp-paper-app-sinar-mas-asserts-there-is-no-change-to-its-forest-conservation-policy-fcp>

49 Flow Chart Supplier Assessment <https://sustainability-dashboard.com/forest>

50 https://sustainability-dashboard.com/documents/115225/0/Sustainability-Report-APP-SINAR-MAS-2022-Final.pdf/edcac8aa-01fb-6144-0ba7-659063083d45?t=1687763264004_p121

51 APPSM 2023. Minutes of Stakeholder Advisory Forum, July 2023 <https://sustainability-dashboard.com/documents/115225/0/12th+SAF+Minutes.pdf/0328e81c-1c35-931e-d4be-739f84ec5977?t=1692583637783>

52 APP Sinarmas 2023. APP Response: Opportunity to Comment on Greenpeace International Publication. 17th October 2023.

Peatland Destruction

APP Sinarmas second promise:

Policy Commitment 2:

- *“Ensuring that forested peatland is protected as part of its commitment to maintain HCVF and HCS forests.*
- *Best practice management to reduce and avoid GHG emissions within the peatland landscape. As part of achieving this, no further canal or other infrastructure activities will take place within undeveloped suppliers’ concessions on non-forested peatland until independent HCVF assessments including input from peat experts has been completed.”*

Complimentary commitment on fires:

“Since the implementation of the Forest Conservation Policy (FCP) in 2013, APP has adopted a zero-burning throughout its supply chain,”⁵³

53 <https://asiapulppaper.com/fr/-/app-achieves-new-milestone-in-fight-against-fire-and-haze>

Reports and Analysis on Policy Commitment 2:

- ◆ APP Sinarmas contracted peatland experts Deltares⁵⁴ from the Netherlands to map the peatland landscapes associated with its supply areas, resulting in some high quality peatland maps and techniques for monitoring peatlands. A key conclusion of this research⁵⁵ was “*prioritizing the protection of deep peat areas and associated forest could result in the best conservation outcomes both in terms of reduced carbon emissions and the safeguarding of forest and biodiversity.*” However, contrary to this advice from its contracted peat experts, after viewing the peatland maps and Digital Terrain Models (DTMs), which are publicly available online, we do not see APP Sinarmas taking meaningful action on this conclusion over the more than 1.2 million hectares of peatlands in its concessions. This perpetuates massive GHG emissions and is a threat to the climate.⁵⁶
- ◆ Between August 2018 and June 2020 Greenpeace Southeast Asia analysis found approximately 3,500 hectares of peatlands had been cleared in APP Sinarmas's own concessions or those of its major suppliers,⁵⁷ in major contradiction to its FCP commitment. Additionally 53 km of new drainage canals through the peatland were detected and 50 hectares of peatland was burnt.⁵⁸
- ◆ APP Sinarmas has made much of its claim to have “*retired 7,000 hectares of productive plantations on critical peat for conservation purpose*” and “*more than 5,000 perimeter canal blocks to maintain near-natural water level in the protected areas bordering to our suppliers’ concession areas*”.⁵⁹ In 2015 APP Sinarmas laid out a plan for rehabilitating this area with the steps of rewetting (canal blocking), retirement of the plantations, restoration of the peatland forest, and establishing buffer zones with water tolerant species that maintains the water level in the natural forest areas.⁶⁰ However, after eight years since the announcement of this 7,000 hectares and working with experts to determine the best approach to restoration, including identifying suitable native peatland tree species to plant, there has been little progress⁶¹ and APP Sinarmas has considerably reduced the area of its commitment.⁶² APP Sinarmas has yet to restore the area and field verification by Greenpeace has found much of the area remains unrehabilitated and still in production.⁶³ The 7,000 hectares is also a tiny portion of the peatland rehabilitation required,⁶⁴ creating a huge ongoing climate, fire and toxic haze risk.

approximately 3,500 hectares of peatlands had been cleared in APP Sinarmas's own concessions or those of its major suppliers

54 <https://asiapulppaper.com/-/asia-pulp-paper-commits-to-the-first-ever-retirement-of-commercial-plantations-on-tropical-peatland-to-cut-carbon-emissions>

55 Vernimmen, R., Hooijer, A., Akmalia, R. *et al.* Mapping deep peat carbon stock from a LiDAR based DTM and field measurements, with application to eastern Sumatra. *Carbon Balance Manage* **15**, 4 (2020). <https://doi.org/10.1186/s13021-020-00139-2>

56 <https://data.mendeley.com/datasets/c83z4df8ky/1> <https://data.mendeley.com/datasets/72r3bvdd3r/1>

57 Paper giant APP linked to Indonesia peat clearing despite sustainability vow; and ‘APP’s active clearance - Concession cases’

58 *Ibid.*

59 <https://sustainability-dashboard.com/forest>

60 APP Sinarmas 2015. Presentation to COP15 in Paris on Responsible Peatland Management and Fire Prevention Moving Forward. 29 ppt slides.

61 <https://sustainability-dashboard.com/forest> Peatland Management section.

62 Annex: Greenpeace analysis of APP Sinarmas 7,000 hectares retirement and rehabilitation.

63 Greenpeace field verification October 2023, see Annex.

64 ‘Restoration Up in Smoke: Losing the Battle to Protect Peatlands’ Greenpeace Indonesia, 2021.

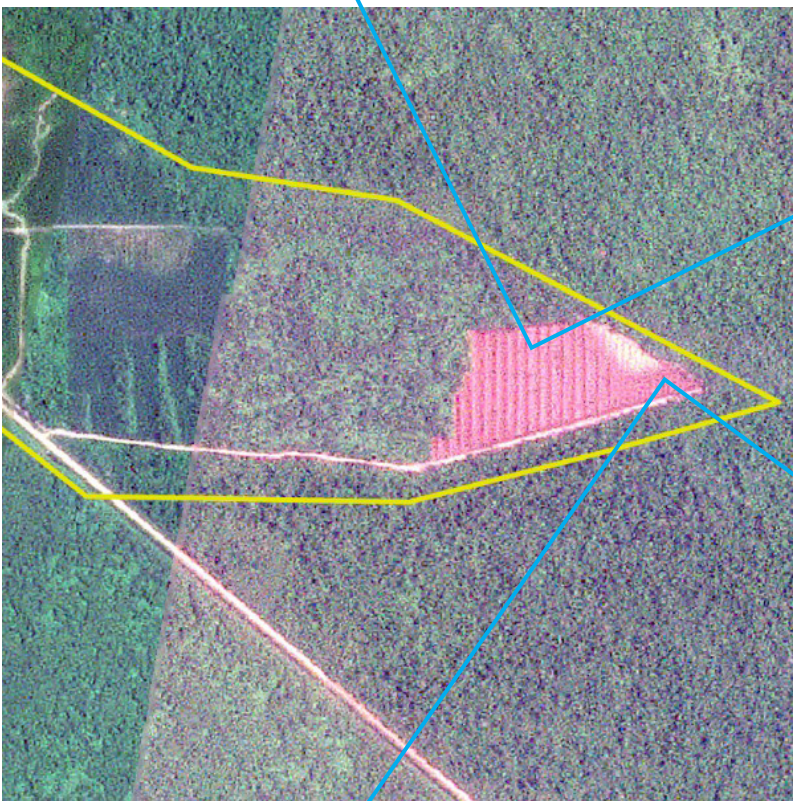


Figure 1: Peatland development and canal building in preparation for plantations in APP Sinarmas PT Tri Pupajaya concession in South Sumatra, October 2023. Yellow boundary marks the area of the 7,000 hectares identified for retirement and rehabilitation. (See Annex for further details.) Planet Imagery, 27 Sep 2023. Copyright: Greenpeace.



© Greenpeace

■ Peatland draining and development by APP Sinarmas in PT Tri Pupajaya inside its 7000 hectares retired for conservation. October 2023. Copyright: Greenpeace.

- ◆ APP Sinarmas claims “93% of critical peat dome have been restored”⁶⁵ but it appears this is only the peat dome ‘peaks’ or tops,⁶⁶ rather than the entire critical deep peat domes that cover at least 2.6 million hectares in eastern Sumatra alone, including six major peat domes.⁶⁷ In its ‘opportunity to comment’ response to a draft of this report APP Sinarmas claimed to have retired just 26,883 hectares.⁶⁸ This is a major failure given APP Sinarmas has at least 1.2 million hectares of plantations over peat hydrological units.⁶⁹
- ◆ Additionally it is likely that for much of the peatland area APP Sinarmas claims to have restored, the company was doing no more than carrying out its legal obligations rather than

any additional area voluntarily restored due to its FCP. This is because under peatland protection and management regulations introduced following Indonesia’s severe 2015 forest and peatland fires,⁷⁰ companies are responsible for carrying out recovery and restoration of fire-damaged peatland areas within their plantation concessions. The statutory Peat Restoration Agency (Badan Restorasi Gambut) established to coordinate restoration efforts is also empowered to require company cooperation in peat restoration efforts, and has done so with regard to a number of APP Sinarmas plantations.^{71, 72}

65 <https://sustainability-dashboard.com/forest>

66 <https://sustainability-dashboard.com/documents/115225/0/11th+Progress+Update.pdf/c1df29e3-04d1-e2c8-1d28-62c72ae3a4cf?t=1657074919506> Slide 4

67 Vernimmen, R., Hooijer, A., Akmalia, R. et al. Mapping deep peat carbon stock from a LiDAR based DTM and field measurements, with application to eastern Sumatra. *Carbon Balance Manage* 15, 4 (2020). <https://doi.org/10.1186/s13021-020-00139-2>

68 APP Sinarmas 2023. APP Response: Opportunity to Comment on Greenpeace International Publication. 17th October 2023.

69 Greenpeace analysis of APP concessions over Ministry of Environment and Forestry Peat Hydrological Units

70 See Articles 30, 31A and 31B of Government Regulation 57/2016, amending regulation 71/2014 concerning protection and management of peat ecosystems.

71 Luas Gambut yang Direstorasi di Sumatera Selatan Kemungkinan Berkurang. Mengapa? - Mongabay.co.id

72 See a report of tension between APP Sinarmas and the BRG (Peat Restoration Agency): Akhirnya Asia Pulp and Paper Serahkan Peta Konsesi ke BRG - Mongabay.co.id

- ◆ According to a group of local NGOs, in 2015 the total burned area inside of APP Sinarmas concessions in South Sumatra was 293,065 hectares⁷³ of which about 174,080 hectares was on peat.⁷⁴
- ◆ From 2015 to 2019 314,200 hectares burnt inside APP Sinarmas pulpwood concessions in Indonesia⁷⁵ with total repeat burned areas (areas burnt previously) of 77,300 hectares, contributing to making Indonesia being the world's fourth-largest emitter of greenhouse gases⁷⁶ as well as contributing to haze that affected millions of people across Southeast Asia.⁷⁷ Researchers at Harvard and Columbia Universities estimate that the smoke from 2015 Indonesian fires alone may have caused 100,000 premature deaths.⁷⁸ The World Bank calculated the cost of the disaster at US\$16 billion.⁷⁹
- ◆ According to Greenpeace, in 2023 through to October 8th (the most recent data available at time of publication), fires in APP Sinarmas concessions have covered 12,749 hectares.⁸⁰

*from 2015 to 2019,
314,200 hectares burnt
inside APP Sinarmas
pulpwood concessions
in Indonesia*

73 <https://hutainstitute.or.id/pers-release-2015-fires-burned-26-of-apps-plantations-in-south-sumatra/>

74 https://d3n8a8pro7vhm.cloudfront.net/rainforestationnetwork/pages/15173/attachments/original/1450207513/S.Sumatra_fires_report_English.pdf?1450207513

75 <https://www.greenpeace.org/static/planet4-southeastasia-stateless/2020/10/b3692f64-five-year-of-fires-261020.pdf>

76 <https://www.wri.org/blog/2017/04/interactive-chart-explains-worlds-top-10-emitters-and-how-theyve-changed>

77 Greenpeace Indonesia 2020. 'Burning Up: Health Impact of Indonesia's Forest Fires'

78 Smoke from 2015 Indonesian fires may have caused 100,000 premature deaths

79 <http://documents.worldbank.org/curated/en/776101467990969768/The-cost-of-fire-an-economic-analysis-of-Indonesia-s-2015-fire-crisis>

80 Greenpeace rapid analysis based on FHS Optimized by 1 km square from 25th July to 8th October, in the concessions of PT Bumi Mekar Hijau, PT Bumi Persada Permai, PT Sentosa Bahagia Bersama, and PT Wira Karya Sakti.



© Muhammad Adimaja / Greenpeace

- A canal in burned peatland, covered by thick haze from forest fires, in a concession belonging to PT Wira Karya Sakti (WKS) in East Tanjung Jabung, Jambi. WKS is a logging concession part of Sinar Mas Forestry group. 1°19'3.98"S, 103°45'30.5"E. 21 September 2019.

Human Rights and Social Conflict

APP Sinarmas 3rd promise:

Policy commitment 3:

- *Free, Prior and Informed Consent of indigenous people and local communities*
- *Responsible handling and resolution of complaints*

Where new plantations are proposed, APP will respect the rights of indigenous peoples and local communities, including recognition of customary land rights.⁸¹

⁸¹ https://asiapulppaper.com/documents/20123/0/app_forest_conservation_policy_final_english_0.pdf/675ddbc0-a651-1481-818a-4baefc8d323e?t=1575879660276

Report and Analysis on Policy Commitment 3:

- ◆ APP Sinarmas claims 63.3% of conflicts have been resolved (2022 sustainability report) and provides regular updates on the percentage of conflicts resolved at its annual stakeholder forum. However, it does not list how many conflicts it has (NGOs estimate over 500),⁸² nor does it have a public dashboard to track them, report what the issues are, and their resolution. APP Sinarmas lists only 30 grievances on its dashboard.⁸³
- ◆ Aggressive actions against local communities have continued to be documented by NGOs⁸⁴ and media despite the shock that followed a 2015 incident when local farmer and land rights activist Indra Pelani was beaten and murdered⁸⁵ by members of APP Sinarmas's contracted security company in one of its Jambi concessions.⁸⁶ Conflict at the same concession where Indra Pelani was killed had flared up again shortly before an APP Sinarmas herbicide drone destroyed a local community's crops^{87, 88} in a disputed land claim during 2020, where the company had also reportedly intimidated the villagers by bringing army officers to fire shots over their heads.⁸⁹
- ◆ Harsh tactics were used in the province of Riau where reportedly APP Sinarmas persecution of the community led to a one year prison conviction and a fine as high as 10 years minimum wage⁹⁰ to a member of the Sakai Indigenous People for chopping down 20 of the company's pulpwood trees to plant sweet potatoes on his own customary land.⁹¹ These reports raise serious concerns about whether the company is respecting the customary land rights and FPIC of local communities.

82 Conflict Plantations - Revealing Asia Pulp & Paper's trail of disputes across Indonesia - Environmental Paper Network 2019.

83 <https://sustainability-dashboard.com/grievance/grievance-list>

84 E.g. <https://environmentalpaper.org/wp-content/uploads/2017/03/20170317-letter-to-APP-on-PT-BRS.pdf> and Indonesia: Study reveals Asia Pulp & Paper/Sinar Mas involvement in hundreds of community conflicts - Business & Human Rights Resource Centre

85 The High Court of Jambi Province found that three security guards for APP Sinarmas subsidiary PT Wirakarya Sakti were guilty of the abduction, 'sadistic' beating and murder of local farmer and activist Indra Pelani, sentencing each to 14 years' imprisonment. Indra was active in the local community's land dispute with APP Sinarmas, but the question of corporate criminal responsibility for his murder was not brought by prosecutors nor considered by the court. See Putusan PT JAMBI Nomor 31/PID/2015/PT JMB <https://putusan3.mahkamahagung.go.id/direktori/putusan/zaec723cdf83e9d4a57c303034333531.html>

86 Death of an Indonesian farmer: are companies doing enough to protect local communities? | Guardian sustainable business

87 Conflict between Indonesian villagers, pulpwood firm flares up over crop-killing drone

88 APP Sinarmas response to this was: "*This was a single herbicide drone mistakenly off course. The affected crops were 15 one month old oil palm trees, and restitution was made to the affected community.*" 17th October 2023 (full text)

89 90 NGO Indonesia dan Internasional Menyurati Investor dan Pembeli APP Terkait Tindakan Peracunan Kebun Masyarakat Desa Lubuk Mandrasah, Jambi

90 Currently IDR4,901,798/month, or over 10 years would be USD37,554. <https://wageindicator.org/salary/minimum-wage/indonesia>

91 Indonesian court jails indigenous farmer in conflict with paper giant APP

Recommendations to APP Sinarmas Customers

(buyers of APP Sinarmas products and finance providers) that they make all purchasing and financing conditional on:

- APP Sinarmas providing field evidence that it is meeting the promises made in its 2013 Forest Conservation Policy and related commitments, including:
 - immediately enforcing no deforestation with suppliers and restoring any areas cleared after Feb 1st 2013,
 - reversing any changes that affect the FCP such as the recent SERA supplier no deforestation cut-off date change (change back to Feb 1st 2013), and
 - demonstrating clear progress with substantial damming, rewetting, rehabilitation and restoration of all deep peat areas, including restoring any peat areas cleared, drained or burnt since Feb 1st 2013.
- APP Sinarmas being transparent publicly with:
 - published shareable digital maps in geo-data format on where its conservation areas and peatland areas are located, and where the remaining HCS forest and HCV areas are within its concessions,
 - what is the status of the hundreds of conflicts with local communities,
 - which companies it has ownership of, control of or any association with, and
 - the full location and total area of burned areas within its associated concessions and any law enforcement or civil cases that are brought against the companies responsible for the areas.



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Greenpeace activists display a banner reading "You can stop this" from the top of a loading crane in the port of a major pulp mill facility in the heart of Indonesia's rainforests. The facility is operated by APP, the paper arm of Sinar Mas. Sinar Mas is a driver of global climate change due to its role in widespread forest destruction. 25 November 2009.

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