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WWF-Indonesia

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31 May 2013

Ms. Linda Widjaja
CEO of Asia Pulp and Paper
Menara BII
Jl. MH Thamrin Kav. 22
Jakarta 10350

Dear Ms. Widjaja,

On 16 May 2013, Eyes on the Forest (EoF), a project jointly-run by Jikalahari, Walhi Riau and WWF, reported on clearing of deep peat forest in one of APP suppliers' concessions in Riau, Sumatra. The clearing happened after APP's 5 February 2013 announcement of a policy (FCP) that put "an end to the clearing of natural forest across its entire supply chain in Indonesia, with immediate effect." APP also communicated to Indonesian civil society organizations (CSOs) that this particular supplier is among your suppliers implementing "forest clearance moratorium" since 1 February 2013.

Since the publication of the EoF report, EoF and other CSOs learned from SMG/APP that the continued clearance of natural forest reported by EoF is happening in other APP suppliers' concessions as well. We discovered APP is excluding certain areas from the moratorium, which contradicts your FCP.

On 16 May, APP representatives explained to CSOs that the company has a map which defines "moratorium exclusion areas" in the suppliers' concessions, where natural forest can continue to be cleared and MTH cut after 1 February can still be supplied to your pulp mills. This map has not been shared publicly until today.

It appears APP has misled its investors, buyers, government and the many stakeholders from civil society when it advertised its policy on 5 February 2013 saying that "from February 1st, all of APP's suppliers have suspended natural forest clearance whilst independent assessments take place to identify areas of high conservation value (HCV) that will be protected through a long-term management programme." No HCV assessments have been completed until today while the forest clearance continues, again, in violation of your FCP.

It also appears that APP has been less than forthcoming with all the facts throughout the "Focus Group Discussions" with the CSOs since February 2013, because the exception to the moratorium policy has never been communicated until this was reported by EoF on 16 May 2013.



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With these facts, we question the Quarterly Update of APP FCP implementation on 7 May 2013, saying “The monitoring undertaken to date confirms that the moratorium continues to be upheld by all parties”.

On several occasions, WWF has warned that APP’s FCP contains loopholes - most importantly that it allows continued shipments of natural tropical forest fiber to your mills. Now, we are shocked to realize that even the very core of your policy – an end to the clearing of natural forest across its entire supply chain in Indonesia – is not true.

While APP toured the world touting the new policy to CSOs, customers and investors, your suppliers kept clearing the same forest you were advertising as protected by your company. This clearing of tropical forest also puts into question APP’s assurance to investors, government and other concerned stakeholders that the company has fully secured the wood supply for all its mills, including the planned, still to be built pulp mill in South Sumatra.

Ms. Widjaja, as a conservation organization, we want APP to succeed and become a company no longer relying on fiber supplies generated by the conversion of tropical forests and carbon rich peat soils. However, the policy you developed and its implementation clearly do not assure that.

We ask that APP and its suppliers immediately stop clearing natural forest in all concessions associated with APP in any which way to truly implement APP’s own FCP and stop accepting natural forest fiber without exception. By taking these measures, it would eliminate any doubt of your true intentions. We also suggest that you focus on implementing your policy and dealing seriously with the policy gaps uncovered by the CSOs, including remediating the damages done to local people and many sensitive ecosystems in and around your suppliers’ concessions.

You will gain credibility by these actions.

Sincerely,

Nazir Foad
Conservation Director

CC: CSOs