

For Immediate Release

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Joint Media Release

Indonesian Paper Giant APRIL's Certification Status Suspended

Ongoing Controversy over Rainforest Destruction and Human Rights Violations Puts Indonesian Paper Industry Off Limits

Pekanbaru, Sumatra, Indonesia – Allegations of rampant environmental damage and human rights violations were confirmed today as SmartWood, an independent forest management certifier, suspended the interim certification of Asia Paper Resources International Limited (APRIL) pulp products. The paper giant failed to meet the Forest Stewardship Council (FSC)'s minimum standard for controlled wood certification. The disciplinary action came after APRIL was found to have violated FSC's controlled wood standard, including prohibitions against conversion of rainforests to create paper plantations, destruction of High Conservation Value Forests, including peatlands, and conflicts with communities.

APRIL's loss of its certified status means that both of Indonesia's leading pulp and paper companies, which together account for more than 80 percent of Indonesia's production, have failed to meet the third party certification body's lowest bar for environmental and social risk. The FSC disassociated itself altogether from APRIL's rival and Indonesia's largest paper producer, Asia Pulp and Paper (APP), in 2007.

“SmartWood is finally validating what communities have known all along,” said Syahrizal community leader of the village of Teluk Meranti and founding member of the Riau Province Community Council for Peatlands (Dewan Jaringan Masyarakat Gambut Riau). “APRIL is failing to respect communities' rights, appropriating our traditional lands and cutting down the forests we rely on for our food, shelter and livelihoods.”

Indonesia's second largest paper company, APRIL has been documented repeatedly violating industry best practices and Indonesian law as it expands its production into rainforests and community lands. Despite repeated commitments to improve, APRIL is failing to respect the right of indigenous communities to decide what developments take place on their customary lands. Additionally, the company continues to drain deep peatlands and convert natural forests to acacia plantations. These practices threaten local livelihoods and unique species, including the endangered Sumatran tiger and Sumatran elephant. They also contribute heavily to climate change.

“This means that until practices on the ground drastically improve, pulp and paper products from Indonesia must be off limits to anyone who cares about human rights, the climate or rainforests,” said Lafcadio Cortesi of Rainforest Action Network. “Business as

usual practices by APRIL, and its competitor APP, are failing to meet the most basic international standards for environmental and social responsibility. Smartwood's decision confirms the fact that, if you're a paper purchaser, it's just too controversial to buy from either APRIL or APP."

APRIL's interim FSC certification, awarded just one year ago, has been widely viewed as a test to see if the controversial industry giant could reach the minimum standard used in FSC certified products. Following today's suspension, the company will have the opportunity to try to rectify its failures before its controlled wood certificate is entirely revoked. To even be considered eligible for re-certification, APRIL must demonstrate to Smart Wood auditors that they have stopped all conversion of natural forest within ten days.

Already, paper companies have severed ties based on their own due diligence – Finnish paper giant UPM Kymmene cancelled its contract with APRIL estimated at \$US33 million in November 2009. With eroding market and investor confidence, APRIL may find itself in the position of rival APP that since 2008 lost an estimated US\$300 million in annual sales with customers such as Office Depot, Unisource, Gucci Group, Ricoh and Corporate Express due to social and environmental concerns. Leading civil society organizations in Indonesia have called for buyers and investors in the Indonesia pulp and paper sector to require fundamental reforms before conducting further business with the sector.

Some organizations, however, think that the damage caused by APRIL is already too great to warrant further consideration before the certification is removed. Hariansyah Usman, Director of WALHI Riau, expressed hope that, "The certification should be revoked permanently because it is now proved that APRIL could not stop the bad practices in its operations which cause environmental degradation and social conflict."

"Before it gets more licenses or goes forward with further logging, APRIL needs to honor the commitment it made to respect the right of communities where it operates to give or withhold their Free, Prior and Informed Consent to APRIL's planned developments," said Ahmad Zazali, Director of Scale Up. "The President of Indonesia has called for a shift to low carbon development. If the paper industry is going to get on board with that low carbon vision, they must adopt proper reforms that reduce emissions and do not cause conflict with communities."

Voluntary forestry certification and labeling of forest products emerged in the 1990s as a response to the failure of governments to confront the ongoing grabbing of community lands and loss of the world's remaining forests by corporate interests. The FSC was the first global forest certification system to emerge and is considered to be the strongest certification system on the market. The Rainforest Alliance's Smartwood program is an accredited FSC certifier.

A copy of the Rainforest Alliance suspension letter to APRIL is available on request.

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Rainforest Action Network, www.ran.org ; Community Alliance for Alternatives to Pulp and Paper Advocacy, CAPP; WALHI Riau www.walhi.or.id; Scale Up www.scale-up.or.id