

Press Release

## More than 10,000 acres of forested deep peatlands lost on APP supplier concession

- **APP must temporarily suspend its contract with the supplier**
- **APP needs to launch an independent multi-stakeholder investigation**

**Jakarta, 6 April 2015** – Spatial Monitoring by Greenomics Indonesia has revealed that more than 10,000 acres of forested deep peatlands have been lost on a concession belonging to one of the largest suppliers of APP, located in the province of West Kalimantan, Indonesian Borneo. The loss of the said forested deep peatlands has been significant over the course of just three months, from late June to mid-September 2014 (*see attachment*).

"APP needs to adhere to its association procedure policy so as to clean up its supply chain having regard to its "zero deforestation policy" and temporarily suspend its contract with the supplier as a result of this very extensive loss of forested deep peatlands on the concession of one of its suppliers in Indonesian Borneo," said Vanda Mutia Dewi, Executive Director of Greenomics Indonesia.

Vanda said that PT Bumi Mekar Hijau (BMH) – which primarily operates in South Sumatra province and is one of APP's largest and most important pulpwood suppliers – also has a concession located in the province of West Kalimantan. Based on legal documents submitted officially by BMH to the Ministry of Forestry (now the Ministry of the Environment and Forestry), it is acknowledged that BMH's concession in West Kalimantan will serve as the APP's longterm supplier.

"The massive loss of forested deep peatlands on the BMH concession in West Kalimantan demands that APP remains consistent to its association procedure policy, as **BMH South Sumatra and BMH West Kalimantan are one and the same company, which has pulpwood plantation development concessions in different provinces**," explained Vanda.

She said that Greenomics wanted to see APP form a multi-stakeholder-based independent team to investigate the direct and indirect causes of the loss of the peatlands in the BMH West Kalimantan concession as BMH South Sumatra was an important supplier to the existing APP mills, as well as its new mill that is due to commence operations next year in South Sumatra province.

"APP obviously needs to suspend its contract with BMH South Sumatra while the independent multi-stakeholder team conducts its investigation and issues recommendations for implementation by APP," said Vanda.

She reminded APP that it must not ignore the loss of the forested deep peatlands on the BMH concession in West Kalimantan by, for example, continuing to source pulpwood fiber from BMH South Sumatra.

"If that were to happen, it would mean that APP would be failing to abide by its responsible fiber procurement and processing policies under its Forest Conservation Policy," Vanda stressed. \*\*\*

**ATTACHMENT:**

**This represents the fastest and most extensive loss of intact forested peatlands on a concession that is subject to APP's Zero Deforestation Policy**

