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PRESS RELEASE

WWF-Indonesia
Kantor Taman A9, unit A1
Mega Kuningan
Jakarta 12950
Indonesia

Tel: +62 21 576 1070
Fax: +62 21 576 1080
nfoead@wwf.or.id
www.wwf.or.id

Embargoed for release on 11 July 2006 at 12.00hr Jakarta

APP fails to protect High Conservation Value Forests

Jakarta, Indonesia – A new WWF monitoring report reveals that Asia Pulp & Paper (APP) continues to threaten forests in Indonesia that are important to both wildlife and people. This despite earlier commitments and pledges made by the company to its buyers.

According to the report, the company has been responsible for about 80,000 hectares of natural forest loss every year, equivalent to roughly one-half of the Indonesia province of Riau's annual forest loss since 2002. As of 2005, the company controlled nearly one-fifth, or 520,000 hectares, of the natural forests left on Riau's mainland. All these forests are under threat, as are any additional forests that APP acquires in its quest to fill its wood supply gap and expand pulp production.

"We estimate that around 450,000 hectares of natural forests have been cleared over the past five years to supply APP's pulp mill in Riau," said Nazir Foead, WWF-Indonesia's Director of Policy & Corporate Engagement. "APP's failure to commit to the protection of high conservation value forests means that many more hundreds of thousands of hectares of forests will go the same route."

High Conservation Value Forests (HCVFs) are forests of outstanding and critical importance due to their environmental, socio-economic, biodiversity or landscape values. At a meeting with WWF last month, APP refused to guarantee that such forests would be excluded from its future logging and wood sourcing operations. APP had called for the meeting in response to WWF's report. It was the first official meeting between the two since February 2004 when WWF ended its formal engagement with APP over the company's refusal to address key environmental and social concerns in its sustainability action plan.

Since 2001, WWF and some of APP's customers had been calling for the company to develop a sustainable wood supply plan that would protect HCVFs. APP had previously committed to protecting several HCVF blocks, however, recent monitoring reports show that the company failed to protect these blocks from illegal logging and fires.

"By refusing to protect HCVFs, APP is endangering the very survival of the tigers, elephants and other species that inhabit Indonesia's forests," Foead added. "It is not justifiable for one company to destroy forests which are highly valuable for the sake of corporate profits."

WWF is working with the central and local governments in Indonesia to factor the protection of conservation values into land-use planning and licensing processes. These procedures currently do not ensure protection of all HCVFs. The global conservation organization is already successfully working in partnership with palm oil producers, including APP's sister company, PT Smart, to develop practices that maintain HCVFs in and around their oil palm plantations.

WWF is also assisting global pulp and paper buyers to apply responsible purchasing policies that require avoiding products that contain fibre sourced from illegal logging operations or from unprotected HCVFs.

"There is no excuse for buyers with responsible purchasing policies to trade with a company that continues pulping high conservation value forests," said Duncan Pollard, Director of WWF's Global Forest Programme.

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Contacts

Nazir Foead, WWF Indonesia, nfoead@wwf.or.id, +62 811 977604

Rod Taylor, WWF International, rodtaylor@wallacea.wwf.or.id, +62 811 387308

Soh Koon Chng, WWF International, skchng@wwfint.org, +41 22 3649018

Notes to Editors:

1. According to *The Eleventh Hour for Riau's Forests – Two pulp and paper companies will decide their fate*, a background paper that accompanies the WWF Monitoring Report, half of Riau's forests disappeared between 1988 and 2005 at an average rate of 170,000 hectares a year, or 460 hectares a day. But the average rate tells only part of the story: annual rate of forest cover loss was 2.2% in 2002, 4.2% in 2004 and 6.8% in 2005, illustrating a rapid acceleration over the past few years. The key cause of the forest loss has been clearance to feed timber to the two pulp mills belonging to multinational companies, APP and Asia Pacific Resources International (APRIL). Since 2001, WWF Indonesia has been calling for both companies to protect HCVFs, not only in Riau, but also globally. In July 2005, APRIL publicly committed to protect and exclude all HCVFs from its global wood supply.
2. For guidance on responsible purchasing, see WWF's "*The Responsible Purchasing of Forest Products*" (first edition) at <http://assets.panda.org/downloads/220rpg.pdf>.
3. Monitoring reports indicating APP's failure to protect HCVFs can be obtained upon request from SmartWood (jhayward@smartwood.org or ljones@smartwood.org)
4. PT Smart, APP's sister company in the Sinar Mas Group, has already committed to protect HCVFs at the Roundtable on Sustainable Palm Oil (RSPO). Initiated by WWF and various partners in 2003, the RSPO is an independent, non-profit, multi-stakeholder association focused on promoting sustainable palm oil and achieving a common definition of responsible palm oil production. A key element of responsible palm oil production is HCVF protection. All companies that are members of the RSPO must identify forest areas of high conservation value (i.e. HCVFs) before establishing new plantations or expanding existing ones. (www.rspo.org)
5. The documents mentioned in this press release are available on WWF Indonesia's web site at the following url:
<http://www.wwf.or.id/index.php?fuseaction=news.detail&language=e&id=NWS1151055588>