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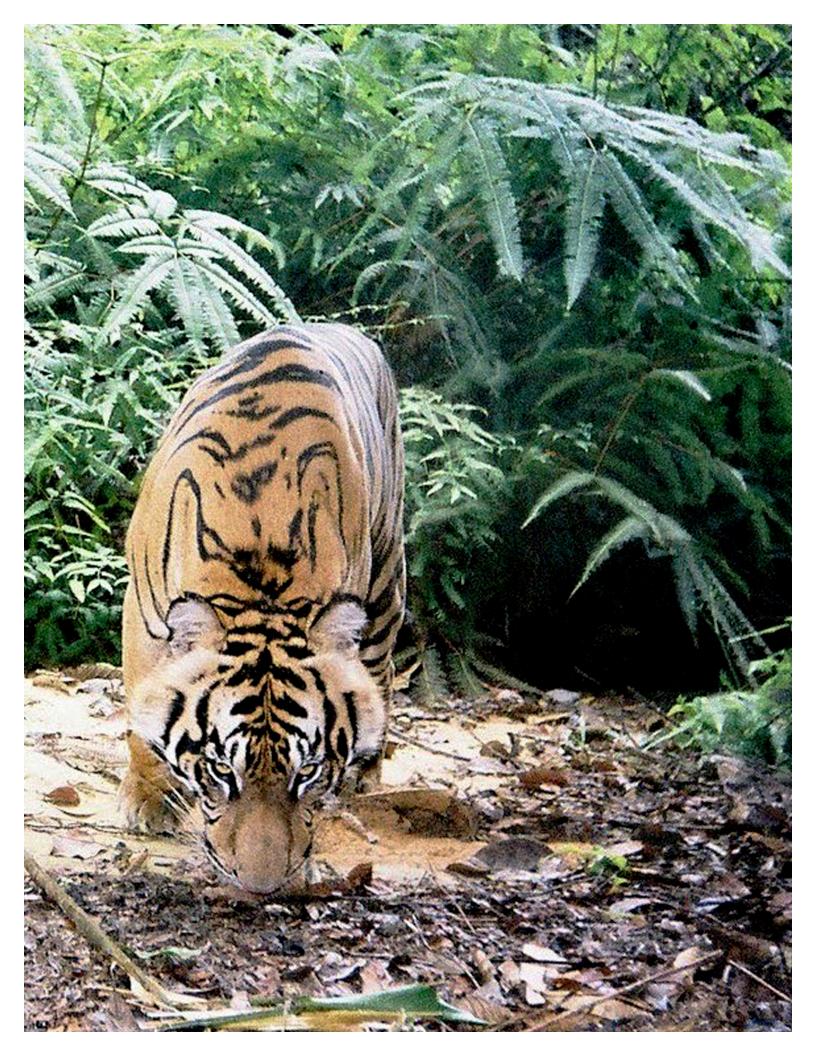
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The Indonesian island of Sumatra contains some of the world's greatest biodiversity, with plants and animals found nowhere else on Earth.







EXECUTIV

The lush rain forests on the Indonesian island of Sumatra are the only place in the world where elephants, tigers, rhinos and orangutans coexist. But these exceptional forests suffer from what may be the world's fastest deforestation rate, threatening the survival of those species and causing massive carbon emissions.

Since 1985, Sumatra has lost more than half of its forest cover, leaving less than 31 million acres. With only about 400 Sumatran tigers and fewer than 2,800

Sumatran elephants left in the wild, this last remaining habitat is critical to the survival of these species. The pulp and paper and palm oil industries account for the vast majority of deforestation in Sumatra.

Increasingly, the end products from this deforestation are winding up on U.S. supermarket shelves and in restaurants, hotels, schools and homes as tissue products. WWF set out to investigate the connection between U.S. toilet paper and tissue products and the destruction of tropical forests on the other side of the world.

We found that two brands sold in the United States — Paseo and Livi — are made with paper from Asia Pulp & Paper (APP), which is responsible for more forest destruction in Sumatra than any other single company. Paseo is a retail brand of toilet paper, paper towels, napkins and facial tissue, and it is now the fastestgrowing brand of toilet paper in the United States, according to its marketer. 1 Paseo and a sister brand, Livi, are also sold as "away-from-home" products to hotels, restaurants and other places with public facilities.

WWF then identified through Nielsen retail data 20 of the biggest U.S. grocery chains that carried Paseo products in 2011. We contacted those companies to make them aware of the link between Paseo, APP and rain forest destruction and to urge these companies to stop sourcing these brands until APP changes its practices. Our report identifies those companies that have stopped sourcing Paseo. Our report also identifies the companies that did not respond or who continue to source these products.

WWF believes that consumers should not have to choose between tigers and toilet paper. And responsible U.S. companies should not source tissue products that are driving Sumatran tigers to local extinction.

APP, part of the Asian conglomerate Sinar Mas Group, sells tissue and other paper products (copier paper, paper-based packaging, shopping bags, stationery and other products) in more than 65 countries.²



Only 400 Sumatran tigers remain in the wild and they face local extinction in the places that APP and its suppliers continue to clear and convert to pulp plantations.

¹ "Results Show Paseo® Bath Tissue Sustains Spot as the Fastest-Growing Brand in the United States." http://www.oasisbrands.com/Newsroom/2011/Results-Show-Paseo®-Bath-Tissue-Sustains-Spot-as-t.aspx on 01/31/12

² APP Overview, http://www.asiapulppaper.com/, on 01/31/12

BELOW Deforestation has led to the Sumatran elephant being listed as critically endangered in 2011 as a result of drastic habitat loss and subsequent population declines. RIGHT Wood is stacked up outside APP's mill in Riau Province, Sumatra, one of the world's largest pulp mills.

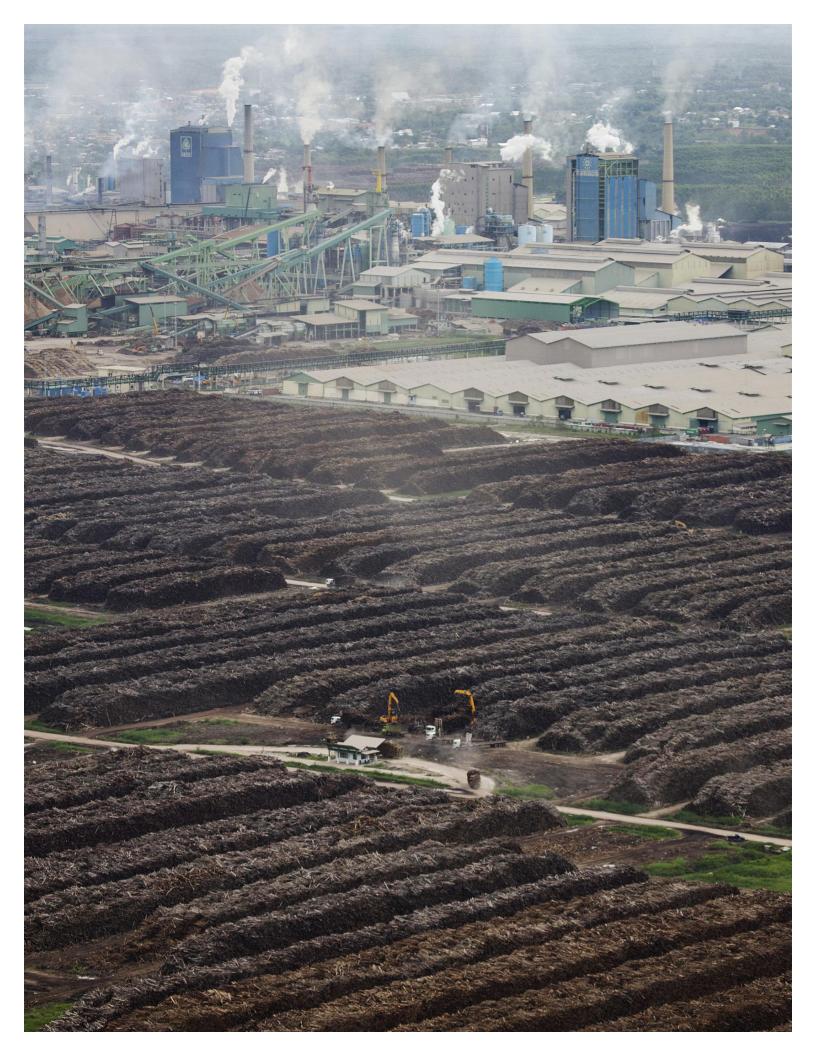
In recent years, APP has greatly expanded into the tissue market, and U.S. affiliates Solaris Paper and Mercury Paper now produce Paseo, Livi and many other private label brands. These products are marketed by Oasis Brands.³

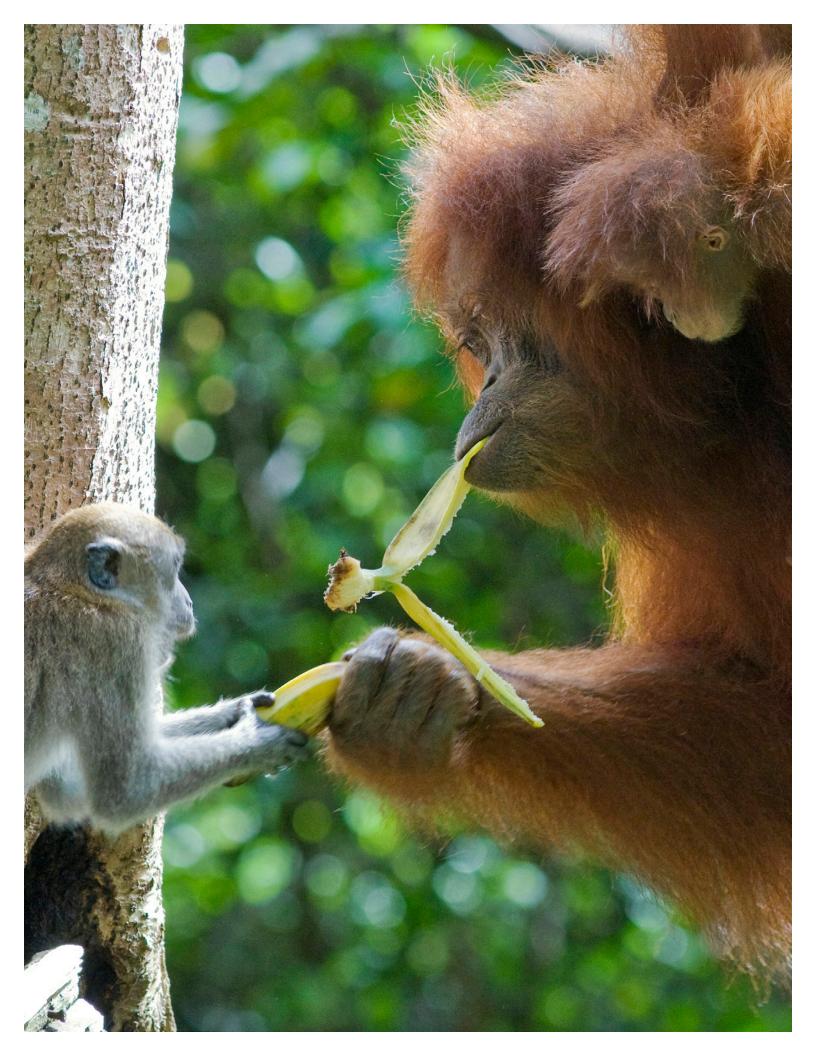
WWF's call to companies and consumers to help stop rain forest destruction is as follows:

- Avoid Paseo and Livi products until APP stops clearing natural forest in Sumatra.
- Urge APP to improve its practices and commit to not clearing any further natural forests and become a 100% plantation-based company.
- Ask questions about the source of your tissue products.
- Avoid tissue products that contribute to tropical rain forest destruction
 and urge local stores, restaurants, schools and offices to avoid buying such
 products. The easiest way to do that is to look for tissue products that are
 Forest Stewardship Council (FSC)-certified or 100% recycled.



³ Oasis Brands, Inc. Created to Lead Sales and Marketing Efforts for Rapidly Growing Manufacturing Partners Mercury Paper and Solaris Paper. http://www.oasisbrands.com/Newsroom/2010/Oasis-Brands,-Inc--Created-to-Lead-Sales-and-Marke.aspx, on 01/31/12





Don't Flush Tiger Forests



At a Supermarket Near You: Tainted Toilet Paper

Picture lush tropical forests: home to indigenous communities, orangutans, elephants, tigers, deep peatlands that store record amounts of carbon, and the world's largest flower, the Rafflesia. Now picture those tropical forests besieged by chainsaws and bulldozers—for toilet paper.

Products made with APP fiber linked to forest destruction are flooding the U.S. market and landing in grocery stores, other retail chains, restaurants, hotels, schools and municipalities in the form of toilet tissue, paper towels, copier paper, stationery, paper bags and paper-based packaging.

APP distributes and markets a variety of paper products through a number of North American-based subsidiaries and affiliates, including Solaris Paper and Mercury Paper, Papermax, Global Paper Solutions and Eagle Ridge Paper.

APP became the fifth-largest tissue producer in the world in 2008,⁴ and the United States appears to be an important expansion market for the company. In 2010, Oasis Brands, Inc. opened in the United States to market products made with APP paper⁵ such as Paseo and Livi brand toilet tissue, paper towels and facial tissues. Both brands are made by Oasis's U.S. manufacturing partners, Mercury Paper in Virginia and Solaris Inc. in California. These products are manufactured from APP tissue imported to the U.S. plants to be repackaged, according to Mercury officials and Virginia state government offices. ⁷ Since the end of 2010, Paseo has been called the fastest-growing brand of toilet paper in the United States.8

Paseo's strongest market is in California, but WWF has found that the company is expanding into stores across the country. APP fiber is also appearing more in private label store brands and in both Paseo and Livi "away-from-home" brands sold by distributors and janitorial supply companies across the country to hotels, restaurants, schools and other establishments.9

Paseo, the fastest-growing brand of toilet paper in the United States today, and another brand. Livi. are linked to rain forest destruction in Sumatra, one of just two places where orangutans are found.

⁴ Tissue World, August/September 2008, "APP to Be No. 5 Global Tissue Supplier."

⁵ http://oasisbrands.com/oasisbrands/media/OasisBrands/Documents/Responsible-Sourcing---A-Message-from-Our-CEO-10-2011_FINAL.pdf, on 01/31/12

⁶ http://www.oasisbrands.com/Newsroom/2010/Oasis-Brands,-Inc--Created-to-Lead-Salesand-Marke.aspx, on 01/31/12

 $^{^{7}\} http://www.insidebiz.com/news/port-will-profit-shenandoah-plant.$

⁸ "Results Show Paseo® Bath Tissue Sustains Spot as the Fastest-Growing Brand in the United States." http://www.oasisbrands.com/Newsroom/2011/Results-Show-Paseo®-Bath-Tissue-Sustains-Spot-as-t.aspx, on 01/31/12

⁹ http://www.oasisbrands.com/getattachment/e77f8193-0936-4a3f-bac6-3668822dd975/Oasis-Brands,-Inc--Announces-Expansion-of-Paseo--1.aspx, on 1/31/12

APP's forestry practices in Indonesia have caused numerous reputable brands around the world to drop the company as a supplier of various paper products. These brands include Staples, Office Depot, Gucci, Tesco, Tiffany & Co., IGA (Australia), H&M Group, Mattel, Disney, Hugo Boss, Volkswagen, Office Max, Hasbro, Woolworth Ltd. (Australia) and Fuji Xerox.¹⁰

With Sumatran tigers facing the destruction of their habitat and possible local extinction, consumers need to know that they have a choice between toilet paper that harms tigers and toilet paper that doesn't. More than 50 percent of consumers say they consider sustainability when they shop, 11 but Americans may not be aware that products used every day, like paper and tissue, are linked to devastating impacts on forests in faraway places.

A Priceless Forest

Sumatra is the world's sixth-largest island. It is a biodiversity hotspot, with more than 15,000 plant species and more being discovered every year. The forests of Sumatra are home to more than 200 mammal species and 580 bird species. In addition to the unique combination of tigers, elephants, rhinos and orangutans all in one place, the island contains lesser-known species like the clouded leopard, tapir and flying fox bat.

Protecting Sumatra's tropical rain forests is vital for saving these species, and also for mitigating climate change. Not only do the island's trees hold valuable stores of carbon, but many of the remaining forests also grow on carbon-rich peat soil. Peat, partially decayed organic matter that accumulates in wetlands or peatlands, is one of the world's most important stores of carbon. Sumatra's peat has been estimated to hold close to 19 gigatons of carbon. ¹³

The forests of Sumatra are also home to several indigenous communities, including the Orang Rimba forest-dwelling tribe in the Bukit Tigapuluh landscape. These communities live in the rain forest and use traditional techniques to harvest food and other nontimber products. The people depend on the rain forest for food, shelter and livelihoods; they have a long-established system of forest management that protects their resources and has allowed them to survive on forest produce for generations. But the traditional land rights of indigenous and local communities are often ignored by companies and local

 $^{^{10}\,}$ All of these companies have made public statements or been publicly reported to have dropped APP as a supplier.

¹¹ GMA/Deloitte Green Shopper Study, 2009.

WWF Indonesia (2010) Sumatra's Forests, their Wildlife and the Climate. Windows in Time: 1985. 1990, 2000 and 2009. A quantitative assessment of some of Sumatra's natural resources submitted as a technical report by invitation to the National Forestry Council (DKN) and the National Development Planning Agency (BAPPENAS) of Indonesia. Online summary: http://www.savesumatra.org/index.php/wherewework/detail/Sumatra.

Wahyunto, S. Ritung dan H. Subagjo (2003). Peta Luas Sebaran Lahan Gambut dan Kandungan Karbon di Pulau Sumatera / Maps of Area of Peatland Distribution and Carbon Content in Sumatera, 1990 – 2002. Wetlands International - Indonesia Programme & Wildlife Habitat Canada (WHC). http://www.wetlands.or.id/PDF/buku/Atlas%20Sebaran%20Gambut%20Sumatera.pdf

authorities. This has resulted in sometimes violent conflicts between incoming companies and local communities over forest clearance.¹⁴

Irreversible Impacts

In addition to world-class tropical forests, central Sumatra is home to two of the largest pulp mills in the world, run by APP and Asia Pacific Resources International Limited (APRIL), a competitor. In addition, APP runs another, smaller pulp mill nearby. In the last 25 years, more than 50 percent of Sumatra's forests have been lost, mainly to commercial forest clearance and agriculture conversion, with much of the harvested wood consumed by these two companies' mills.15

After pulping almost all of the dry lowland forest they could access, these companies and their suppliers have started clearing the peat swamp forests, with far-reaching, devastating impacts. Peat swamp forests must be drained of water in order to be logged and converted to pulpwood plantations. When the swamps are drained, the peat is exposed to oxygen, causing it to decay and release carbon into the atmosphere. 16 Peat is also highly flammable and peat fires can burn for weeks, releasing massive amounts of carbon and haze that can shut down the air travel of other countries in the region, such as Singapore and Malaysia.

The Indonesian Ministry of Forestry estimates the total carbon emissions from deforestation and associated peat decomposition and burning to be 1.2 gigatons per year. 17 These massive emissions from deforestation make Indonesia the world's third-largest greenhouse gas emitter. Around 60 percent of this carbon emission is estimated to occur in Riau Province, the epicenter of APP's pulp mill and deforestation operations.18

Who Is APP?

Asia Pulp & Paper is the largest paper company in Indonesia and one of the largest in the world. According to the company's website, it produces and sells paper, tissue, shopping bags, packaging products and other paper products in more than 65 countries through a variety of subsidiaries, affiliates and distributors that engage in natural forest clearance, plantation development, pulp and paper making, and sales. Most of APP's manufacturing is in Indonesia

 $^{^{14}\,}$ Last Chance to Save Bukit Tigapuluh. WWF-Indonesia Report, Jakarta, Indonesia, 14 December 2010. http://www.worldwildlife.org/who/media/press/2010/WWFBinaryitem19095. pdf.

http://wwf.panda.org/what_we_do/where_we_work/sumatra/ WWF Indonesia (2008) Deforestation, Forest Degradation, Biodiversity Loss and CO2 Emissions in Riau, Sumatra, Indonesia. WWF Indonesia Technical Report, Jakarta, Indonesia. Summary: http://assets. panda.org/downloads/riau_co2_report_short__wwf_id_27feb08_en_lr_.pdf.

¹⁶ Wetlands International, "Peatlands and CO2 Emmissions." http://www.wetlands.org/ Whatwedo/Wetlandsandclimatechange/Peatlandsandclimatechangemitigation/tabid/837/

¹⁷ The Ministry of Forestry, Republic of Indonesia (2007) Reducing Emissions from Deforestation and Forest Degradation in Indonesia. REDD Methodology and Strategies Summary for Policy Makers. http://www.dephut.go.id/INFORMASI/LITBANG/IFCA/Summary%204%20 policy%20makers_final.pdf

¹⁸ WWF Indonesia (2010).

and China, but the company is expanding its operations to more global locations including North America and Europe.

APP is part of the Sinar Mas Group, a huge multinational conglomerate owned by the Wijaya family. Eka Tjipta Wijaya, the powerful founder of the Sinar Mas Group, was listed by Forbes Indonesia magazine in 2011 as the third-wealthiest Indonesian, with a net worth of \$8 billion.

In the early 2000s, APP defaulted on \$13.9 billion in loans — the largest corporate default in history at that time—and was delisted from the New York and Singapore stock exchanges. One of its creditors was the U.S. taxpayer-supported Export-Import Bank, which won a federal court judgment in 2008 against APP. APP was ordered to pay back more than \$104 million in U.S. taxpayer-backed debt. ¹⁹ In 2010, it settled with the U.S. government for \$58.5 million, to be paid by an unidentified third party over three years. ²⁰

In 2010, the U.S. Department of Commerce imposed anti-dumping and countervailing duties on certain coated paper imports from both China and Indonesia, most of which are manufactured by APP and its affiliates. This was after the U.S. International Trade Commission determined that these papers were unfairly "dumped" on the U.S. market at artificially low prices, threatening U.S. jobs and U.S. industry "with material injury by reason of less-than-fair-value imports of certain coated paper from Indonesia."²¹

APP's Destructive Practices

APP oversees the largest commercial deforestation operation in Sumatra. Since APP started operating in Sumatra in 1984, the company is estimated to have pulped nearly 5 million acres of forests — an area nearly the size of Massachusetts. After 27 years in operation, APP still does not have a sustainable plantation wood supply for its existing pulp mills, due to its historically low investment in plantation development and a strong reliance on plantations located on peat soils and in areas with community conflict. It has set dates and then broken commitments three times to become 100 percent dependent on plantations—with no more natural forest clearance — to supply its pulp mills. Instead, the company depends on large-scale clearance of natural

An APP wood supplier conducts large-scale rain forest clearing inside the 30 Hills landscape of Sumatra, one of the last strongholds of the Sumatran elephant.

¹⁹ Judgment, Export-Import Bank of The United States vs. Asia Pulp & Paper Ltd., et al., U.S. District Court for the Southern District of New York, 03 Civ. 8554 (DCP) (JCF), entered 05/29/08.

²⁰ Stipulation and Order of Settlement, U.S. District Court for the Southern District of New York, 03 Civ. 8554 (DCP) (JCF), entered 12/01/10.

²¹ https://www.federalregister.gov/articles/2010/11/17/2010-29116/certain-coated-paper-suitable-for-high-quality-print-graphics-using-sheet-fed-presses-from-indonesia.

 $^{^{22}}$ Eyes on the Forest (December 2011) The Truth Behind APP's Greenwash. http://www.eyesontheforest.or.id/attach/EoF%20(14Dec11)%20The%20truth%20behind%20APPs%20 greenwash%20HR.pdf.

Riley, J. (19 April 2008) Peat, Pulp & Paper: Climate Impact of Pulp Tree Plantations on Peatland in Indonesia. Rieley & Page (2008); Barr, C. (10 April 2008) Indonesia's Pulp & Paper Industry: Overview of Risks and Opportunities.; and Obidzinski, K & Dermawan, A. (30 May 2011) CIFOR Forest blog: New round of pulp and paper expansion in Indonesia: What do we know and what do we need to know?

²⁴ Eyes on the Forest (December 2011).



forests for some of the 3 million tons of pulp it produces annually. It is feared that APP's future expansion into other parts of Sumatra and the nearby islands of Borneo and Papua will expand their clearance of natural forest. 25

APP has resisted calls from WWF and other elements of civil society to change its practices, and U.S. marketers of its products claim that Paseo and other products are "100 percent sustainable." ²⁶ Any tropical forest fibers in its products are "wood residues" that come from "degraded land" and "barren land," APP and its affiliates often say. The company makes similar claims around the world. yet Eyes on the Forest, an NGO coalition in central Sumatra that has monitored APP's operations for years, recently published a field investigation rebutting what it called APP's "greenwashing." 27 And the Dutch Advertising Code Commission ruled in October 2011 that APP's TV and paper advertising in the Netherlands, which made claims about caring for the environment and protecting tigers, was misleading to the public.28

APP clears forests without any credible assessment of conservation values or environmental impacts.²⁹ WWF and global paper buyers have repeatedly requested that APP stop clearing high conservation value (HCV) forests as defined by the Forest Stewardship Council (forests that are nationally and internationally recognized as being of high ecological, biological and cultural significance, identified by independent assessors based on the multistakeholder-endorsed Indonesia HCV Toolkit). 30 Yet APP refuses to do so. 31

In central Sumatra, the impact of APP's operations on wildlife has been devastating. The company's forest clearing in Riau Province has been driving Sumatran elephants and tigers toward local extinction: Sumatran elephant and tiger populations in Riau have shrunk by 84 percent and 70 percent, respectively, to as few as 210 and 192 individual animals in 2007. 32 In 2009, an Eyes on the Forest analysis found that most violent instances of human-tiger conflict in Riau

²⁵ Bisnis Indonesia (24 April 2011) Konglomerat Kembangkan Investasi HTI Di Kalimantan Dan Papua. http://www.bisnis.com/articles/konglomerat-kembangkan-investasi-hti-di-kalimantandan-papua. Obidzinski, K & Dermawan, A. (30 May 2011) CIFOR Forest blog: New round of pulp and paper expansion in Indonesia: What do we know and what do we need to know? http://blog. cifor.org/2905/new-round-of-pulp-and-paper-expansion-in-indonesia-what-do-we-know-andwhat-do-we-need-to-know/.

 $^{^{26}\} http://oasisbrands.com/Newsroom/2011/Paseo-and-Livi-Tissue-Products-from-Oasis-newsroom/2011/Paseo-and-Livi-Tissue-Products-from-Oasis-newsroom/2011/Paseo-and-Livi-Tissue-Products-from-Oasis-newsroom/2011/Paseo-and-Livi-Tissue-Products-from-Oasis-newsroom/2011/Paseo-and-Livi-Tissue-Products-from-Oasis-newsroom/2011/Paseo-and-Livi-Tissue-Products-from-Oasis-newsroom/2011/Paseo-and-Livi-Tissue-Products-from-Oasis-newsroom/2011/Paseo-and-Livi-Tissue-Products-from-Oasis-newsroom/2011/Paseo-and-Livi-Tissue-Products-from-Oasis-newsroom/2011/Paseo-and-Livi-Tissue-Products-from-Oasis-newsroom/2011/Paseo-and-Livi-Tissue-Products-from-Oasis-newsroom/2011/Paseo-and-Livi-Tissue-Products-from-Oasis-newsroom/2011/Paseo-and-Livi-Tissue-Products-from-Oasis-newsroom/2011/Paseo-and-Livi-Tissue-Products-from-Oasis-newsroom/2011/Paseo-and-Livi-Tissue-Products-newsroom/2011/Paseo-and-Livi-Tissue-Products-newsroom/2011/Paseo-and-Livi-Tissue-Products-newsroom/2011/Paseo-and-Livi-Tissue-Products-newsroom/2011/Paseo-and-Livi-Tissue-Products-newsroom/2011/Paseo-and-Livi-Tissue-Products-newsroom/2011/Paseo-and-Livi-Tissue-Products-newsroom/2011/Paseo-and-Livi-Tissue-Products-newsroom/2011/Paseo-and-Livi-Tissue-Products-newsroom/2011/Paseo-and-Livi-Tissue-Products-newsroom/2011/Paseo-and-Livi-Tissue-Products-newsroom/2011/Paseo-and-Livi-Tissue-Products-newsroom/2011/Paseo-and-Livi-Tissue-Products-newsroom/2011/Paseo-and-Livi-Tissue-Products-newsroom/2011/Paseo-and-Livi-Tissue-Products-newsroom/2011/Paseo-and-Livi-Tissue-Products-newsroom/2011/Paseo-and-Livi-Tissue-Products-newsroom/2011/Paseo-and-Livi-Tissue-Products-newsroom/2011/Paseo-and-Livi-Tissue-Products-newsroom/2011/Paseo-and-Livi-Tissue-Products-newsroom/2011/Paseo-and-Livi-Tissue-Products-newsroom/2011/Paseo-and-Livi-Tissue-Products-newsroom/2011/Paseo-and-Livi-Tissue-Products-newsroom/2011/Paseo-and-Livi-Tissue-Products-newsroom/2011/Paseo-and-Livi-Tissue-Products-newsroom/2011/Paseo-and-Livi-Tissue-Products-newsroom/2011/Paseo-and-Livi-Tissue-Products-newsroom/2011/P$ Brands-a.aspx.

²⁷ Eyes on the Forest (December 2011).

²⁸ Greenpeace (7 November 2011) Indonesian Rain Forest Destroyer Asia Pulp and Paper Loses More Contracts. http://www.greenpeace.nl/press/Persberichten-2011/Reclame-Code-Commissie-reclames-APP-misleidend/.

Eyes on the Forest (December 2011). In addition, there are many WWF reports on this topic, collected at http://www.savesumatra.org/index.php/link and at: http://www.eyesontheforest. or.id.

The Consortium for Revision of the HCV Toolkit for Indonesia (2010) Guidelines for the Identification of High Conservation values in Indonesia (HCV Toolkit – Indonesia). http://www.hcvnetwork.org/resources/national-hcv-interpretations/Toolkit%20HCVF%20 English%20version final-26Jan10.pdf.

³¹ Eyes on the Forest (December 2011).

³² WWF Indonesia (2008)

in the previous 12 years had occurred near forests being cleared by APP and associated companies, resulting in the deaths of both tigers and people.³³

In addition, the total emissions of APP's Indonesian pulp and paper mills and wood supply operations were estimated in 2006 to be between 67 million and 86 million tons of CO2, ranking the company ahead of the emissions of 165 countries around the world. ³⁴ And with so much of the easily accessible dry forests gone, much of APP's future forest clearance is planned in areas with deep peat, which will cause the peat's stored carbon to be further released, dramatically increasing APP's already substantial contribution to global climate change.

The central Sumatran dry lowlands of Bukit Tigapuluh, or Thirty Hills, sandwiched between APP's two pulp mills, have become the recent epicenter of impacts from APP and its suppliers. International scientists consider Thirty Hills one of the world's top 20 landscapes essential for the survival of the wild tiger, 35 and the government of Indonesia considers it a top tiger conservation priority area. 36 The forests serve as habitat for two of the largest remaining herds of critically endangered Sumatran elephants and the only successfully reintroduced population of Sumatran orangutans.

In recent years, APP has begun systematically targeting the tropical forests of this area for clearing and conversion to pulp plantations.³⁷ During a three-month period in 2011, motion-triggered cameras set up by the Ministry of Forestry and WWF in a 20,000-hectare forest block in this landscape recorded an impressive 12 individual tigers, including two mothers with at least four cubs. 38 A historical analysis of deforestation around this "12-Tiger Forest" between 2000 and 2011 reveals the rapid shrinking of available forest habitat due to clearance of natural forest by APP and other companies. 39 Huge encroachment by illegal loggers, poachers and farmers was facilitated by easy access to the once-inaccessible

³³ http://eyesontheforest.or.id/attach/EoFRiauTigerConflictPR_17Mar09.pdf

³⁴ Rainforest Action Network and Japan Tropical Forest Action Network (October 2010) Asia Pulp & Paper's Hidden Emissions: Calculating the Real Carbon Footprint of APP's Paper. http:// ran.org/sites/default/files/app_hidden_emissions.pdf.

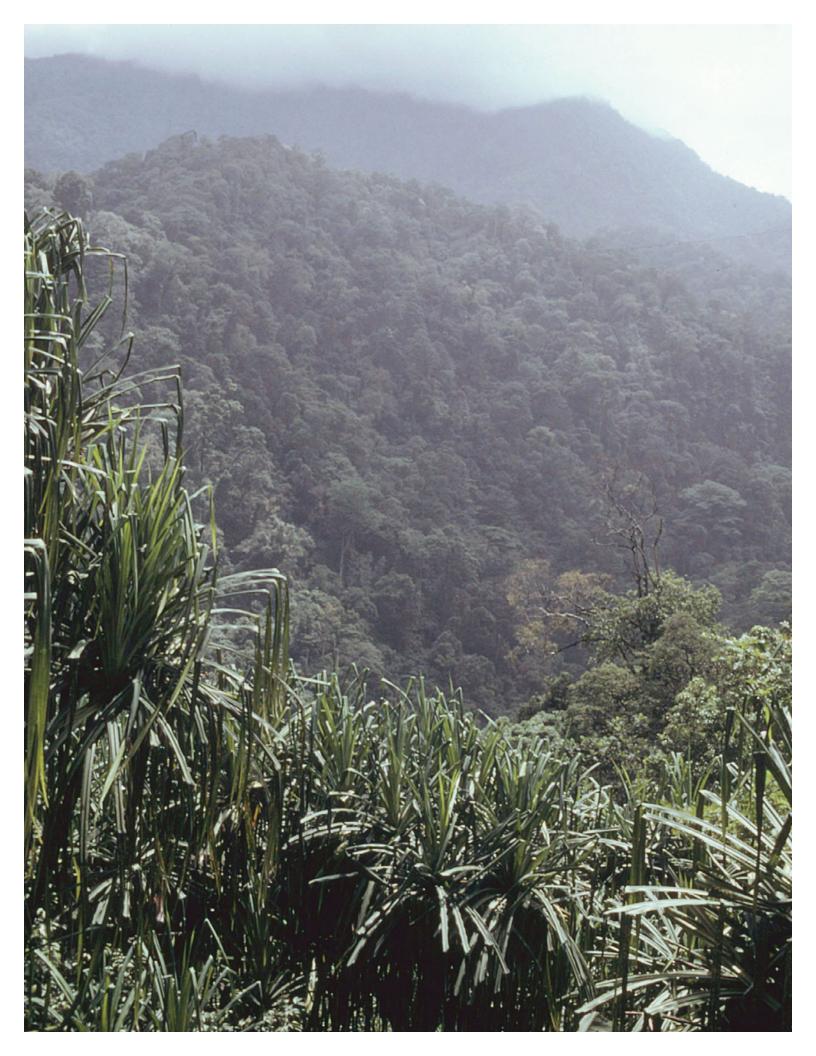
³⁵ Sanderson, E., J. Forrest, C. Loucks, J. Ginsberg, E. Dinerstein, J. Seidensticker, P. Leimgruber, M. Songer, A. Heydlauff, T. O'Brien, G. Bryja, S. Klenzendorf, and E. Wikramanayake. 2006. Setting Priorities for the Conservation and Recovery of Wild Tigers: 2005-2015. WCS, WWF, Smithsonian, and NFWF-STF.

³⁶ The Jakarta Globe (24 November 2010) Indonesia Joins World Forum Vowing to Save Tigers. http://www.thejakartaglobe.com/nvironment/indonesia-joins-world-forum-vowing-to-save-

 $^{^{\}rm 37}\,$ KKI Warsi, Frankfurt Zoological Society, Zoological Society of London, PKHS & WWF Indonesia (8 January 2008) Joint Report: Asia Pulp and Paper Threatens Bukit Tigapuluh Landscape. http://rafflesia.wwf.or.id/library/attachment/pdf/BTp_Investigation_Jan%20 2008_draft_FINAL.pdf.

³⁸ WWF Indonesia (10 May 2011) WWF captures Sumatran Tiger Triplets in forest under imminent threat of clearing. http://www.wwf.or.id/index.cfm?uNewsID=22341&uLangID=1.

³⁹ Eyes on the Forest (December 2011).



landscape, due to a massive logging highway built by APP through the landscape's standing forests.⁴⁰

Failed promises

WWF and many other conservation organizations have attempted to work collaboratively with APP to change its destructive logging practices. WWF started engaging APP in 2001, including signing a letter of intent with APP in 2003 to help the company achieve long-term sustainability without destroying high conservation value forests and harming the environment, biodiversity or local communities. However, when APP finalized its "sustainability plan" promised by the letter of intent, WWF concluded that APP was not meeting its commitments and stopped engagement.41

WWF tried to reengage with APP again in 2006, but there was no change in the company's philosophy and practices and WWF has since maintained a policy of not engaging with APP until it first stops clearing tropical forests. 42 Rainforest Alliance's SmartWood Program, which was commissioned by APP to audit the company's performance in protecting HCV forests it committed to protect in Sumatra, also dissociated itself from APP in 2007, citing the company's failure to keep its promise to protect these forests.⁴³

APP claims certification of parts of its operations by various organizations around the world, but WWF research has found that the company does not hold any credible responsible forest management certifications for its forestry operations. The most rigorous global certification system is the Forest Stewardship Council (FSC), which formally dissociated itself from APP and disallows APP from certification and use of the FSC logo.44

Sumatra's forests act as some of the world's largest carbon stores, and the release of that carbon from deforestation has made Indonesia one of the top carbon-emitting nations in the world.

 $^{^{}m 40}$ KKI Warsi et al. (14 December 2010) and WWF and Google Earth (9 May 2011) Video: Saving Bukit Tigapuluh. Bukit-Tigapuluh-Threatens-Lives-Of-Local-Communities-And-Endangered-Species KKI Warsi, Frankfurt. http://www.youtube.com/watch?v=qsg6N9poVyo.

⁴¹ WWF-Indonesia (19 August 2010) No Place to Hide for Sinar Mas/APP: its devastation of the country's natural forest is clear and present and for everybody to see. (Available at http://www. wwf.or.id/en/about_wwf/whatwedo/climate/resouces/?20242/No-Place-to-Hide-for-Sinar-Mas-APP-its-devastation-of-the-countrys-natural-forest-is--clear-and-present-and-for-everybody-to-see)

 $^{^{42}\,}$ WWF-Indonesia (October 2006) Monitoring Brief October 2006. Asia Pulp & Paper Hiding Destruction Behind False Advertisements: APP continues to ignore calls for conservation beyond "legal compliance," and even fails on the latter. (Available at http://www.wwf.or.jp/activity/ forest/lib/APP_Oct06_MonitoringRpt.pdf.) See also WWF International PR (11 July 2006) Indonesian pulp and paper company fails to protect high-valued forests. (Available at http:// www.panda.org/news_facts/newsroom/news/?75640.)

 $^{^{}m 43}$ Rainforest Alliance (October 2007) Rainforest Alliance Public Statement: Termination of Contracts with APP in China, (Available at www.rainforest-alliance.org/forestry/documents/

⁴⁴ Forest Stewardship Council (December 2007) Forest Stewardship Council dissociates with Asia Pulp and Paper. http://www.fsc.org/fileadmin/web-data/public/document_center/ Stakeholder_updates/FSC_dissociates_with_APP-EN.pdf

The toilet paper on your grocery store shelves may have a direct impact on the 400 Sumatran tigers left in the wild. Consumers should not have to choose between tigers and toilet paper.

WWF's Work

WWF promotes responsible pulp and paper production in Indonesia and the use of paper products made with fiber from plantations established on truly degraded lands rather than converted tropical forest. WWF has worked in Indonesia for 50 years and collaborates with local communities, industry and governments to achieve a balance between nature and people. Since 2000, WWF-Indonesia has had a Riau Province office that focuses on conserving Sumatra's critically endangered tigers, elephants and forests.

WWF also works with numerous companies that make real commitments to responsible forest management and forest product sourcing through its Global Forest & Trade Network program.

WWF Outreach to Grocery Chains

WWF research identified the following grocers as among the top sellers of Paseo brand retail tissue and towel products in 2011. This is based on Nielsen retail data and other research, including in-store visits, online research and inquiries to grocery chains.

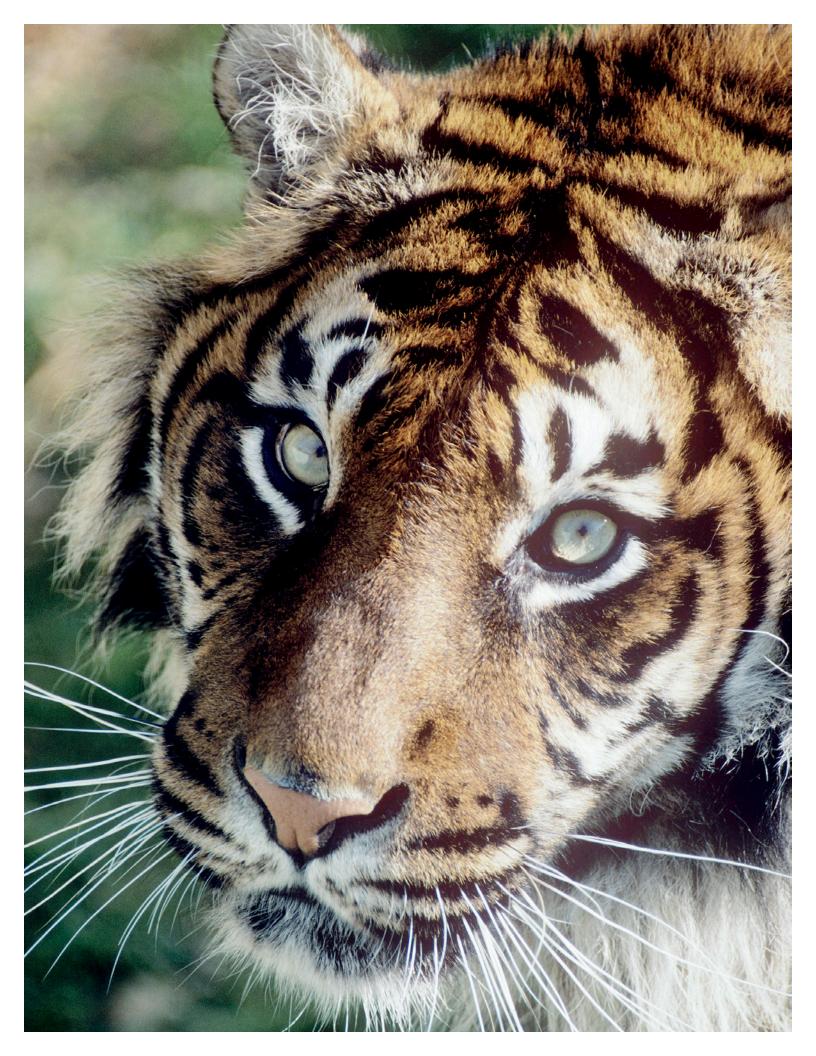
Starting in November 2011, WWF reached out individually to each of the grocery chains listed, presenting information about the links between Paseo tissue, APP and Sumatran forest destruction. We asked them to stop selling Paseo until APP has stopped clearing natural forest.

The good news is that some companies responded positively and took quick action to end contracts as an individual purchasing decision. WWF commends them for their responsible decisions.



	No response, or no	Said it has stopped	
Grocery chain	action taken	carrying Paseo	Additional information
Albertsons LLC	×		
BI-LO		~	
Brookshire Grocery Co. (Brookshire's)		V	
Delhaize Group (sold at Food Lion and Harvey's)		V	On Nov. 1, 2011, Delhaize said: "Having identified procurement links to Asia Pulp and Paper, Delhaize Group sought external expert advice and approached the company for further information. Based on this research, it was concluded that APP was not making sufficient measures to reduce the impact on deforestation. Delhaize Group has therefore begun phasing out APP products."*
Giant Eagle	*		
Harris Teeter		~	
Hy-Vee	×		
IGA	*		
Ingles	×		
Kmart		~	
Kroger (sold at Food4Less, Foods Co., Ralphs)		~	On Dec. 23, 2011, Kroger issued the following statement after an independent review: "The Kroger Co. and its family of stores have decided to discontinue the sourcing of products from Asia Pulp & Paper. Kroger has informed APP of our concerns about the impact of their business operations on deforestation."
K-VA-T (sold at Food City)	*		
Lowes Food	×		
Marsh	*		
Price Chopper	×		
Roundy's Supermarkets (sold at Roundy's, Pick'n Save, Rainbow and Copps)	×		
Save Mart	×		
Spartan Stores	×		
SUPERVALU (sold at Albertsons)		'	
Weis Markets		V	

^{*} http://www.greenpeace.org/international/en/press/releases/Indonesian-Rainforest-Destroyer-Asia-Pulp-and-Paper-Loses-More-Contracts/



Recommendations

What Companies Can Do

One thing is clear: Commercial purchasing power can drive improved forestry. Companies can avoid risks and influence responsible forestry practices in Indonesia and elsewhere by choosing responsible paper products as part of their individual purchasing decisions.

Steps companies can take:

- Avoid sourcing paper products (like Paseo and Livi lines) made from Indonesian fiber linked to forest destruction.
- Cut ties with APP until the company stops clearing tropical forests and improves its practices. Urge APP to improve its practices, commit not to clear any more natural forests, and become a 100 percent plantation-based company.
- Create a strong and responsible paper-sourcing policy to avoid unwanted sources; give preference to 100 percent recycled and FSC-certified tissue products.
- · Ask questions of your suppliers about their responsible sourcing policies and the origin of the fiber used to make their products.
- Consider paper testing to look for tropical forest fiber in products from any questionable sources. Use an independent fiber analysis lab.

What Consumers Can Do

Consumers are more aware and more empowered than ever before to make responsible buying decisions.

Steps consumers can take:

- Stop buying Paseo and Livi products until APP stops clearing tropical forests and improves its practices.
- As the easiest way to avoid these impacts, look for tissue products that are Forest Stewardship Council (FSC)-certified or 100% recycled.
- Ask your grocer, retailers, schools, hotels and restaurants if they know the forest source of the tissue and paper products they carry.
- · Ask them to carry more FSC-certified and recycled-fiber paper products.

What APP Must Do

WWF calls on APP to take these steps toward developing responsible operations:

 Immediately stop clearing natural forest in Indonesia and stop sourcing mixed tropical hardwood fiber from natural forest until areas of high conservation value have been independently and transparently identified and protected.

Tigers are a resilient species and can recover if given the chance. We can all do our part by not buying products linked to destruction of tiger habitat and urging retailers and other businesses to do the same.

BELOW An APP wood supplier was found to be draining and clearing peat forests inside the Senepis Tiger Sanctuary in 2011. RIGHT Sumatra is the only place in the world where rhinos, tigers, elephants and orangutans are found together, along with other spectacular wildlife. All of them are threatened when their forest habitats are destroyed.

- · Stop any expansion in pulp or paper production at existing mills, or construction of new mills, until plantations to supply them are established to guarantee that fiber from natural forest is not required.
- Employ an independent third party, acceptable to independent civil society groups in Indonesia, to monitor the implementation and continued adherence to the above conditions and report regularly to the public on its findings.





