

# BANKTRACK

## BANKTRACK RESPONSE TO APRIL RE “BANKING WITH PRINCIPLES?” REPORT

We would like to thank the pulp and paper producer Asia Pacific Resources International Limited (APRIL) for its response to our report “Banking with Principles?”<sup>1</sup>. Our report included a brief paragraph highlighting APRIL as a case study of a company involved in adverse human rights impacts, financed by a number of the banks which the report benchmarked.

We stated: “APRIL and its subsidiaries and suppliers are involved in numerous land and social conflicts in Riau Province. A study by the independent auditors SGS found that over 40,000 hectares of APRIL’s concession area in Riau have been claimed by local communities as their traditional land. Social conflicts have erupted in several different communities, with injuries and even deaths of community members as a result.”

APRIL’s response notes that the company “commissioned SGS Forestry to conduct a Forest Management audit scoping visit in 1997 to ensure, among other indicators included in a Forest Management audit, that significant environmental and social impacts are identified to be acted upon by APRIL to enable the company to meet the required international forestry management standard.”

This response does not dispute the claims in our report (sourced from a 2001 Friends of the Earth briefing<sup>2</sup>), nor does it give any indication that the land conflicts have been solved since this report was produced in 1997. Although we do not know the present amount of land under dispute with local communities, as the company has obtained more concessions since then, and as numerous other social conflicts have since emerged, the current number may well be much higher.

While APRIL’s response highlights that this information dates from some years ago, this is not due to an absence of more recent evidence of social conflicts. Rather, it serves to illustrate the long history of social conflicts with which the company has been involved. The full profile of APRIL on the BankTrack website provides details of further conflicts which have taken place in the intervening years and up to the present day<sup>3</sup>, and a report by Indonesian NGO Eyes on the Forest lists a number of social conflicts with a focus on the years 2009 to 2012<sup>4</sup>.

These include:

- In August 2009, three people were killed and 16 wounded while resisting private security forces linked to an APRIL subsidiary during a protest over land rights in the village of Tangun. The APRIL Group claims these people died in an accident, however this is contradicted by the findings of an independent fact-finding team and disputed by local NGOs<sup>5</sup>.

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<sup>1</sup> [http://business-humanrights.org/sites/default/files/documents/BusinessHumanRights\\_APRIL\\_17Dec2014.pdf](http://business-humanrights.org/sites/default/files/documents/BusinessHumanRights_APRIL_17Dec2014.pdf)

<sup>2</sup> [http://www.foe.co.uk/sites/default/files/downloads/april\\_fools.pdf](http://www.foe.co.uk/sites/default/files/downloads/april_fools.pdf)

<sup>3</sup> <http://www.banktrack.org/show/companyprofiles/april>

<sup>4</sup> [http://www.eyesontheforest.or.id/attach/EoF\\_\(20Dec12\)\\_APRIL\\_Riau\\_Sumatras\\_biggest\\_forest\\_pulper\\_2009\\_to\\_2012.pdf](http://www.eyesontheforest.or.id/attach/EoF_(20Dec12)_APRIL_Riau_Sumatras_biggest_forest_pulper_2009_to_2012.pdf)

<sup>5</sup> <http://www.eyesontheforest.or.id/?page=news&action=view&id=4>



- In March 2012, a group of NGOs accused APRIL's flagship RAPP paper mill of provoking a riot by arming its 500 employees and security with machetes and heavy machinery to ambush and assault the residents of Gunung Sahilan, Riau during a conflict over 2,000 hectares of land.<sup>6</sup>
- Since the RAPP mill started its operations in 2011, villagers in Pulau Padang have been protesting the company's actions and demanding that the Indonesian government revoke its logging concession, which is largely located on peatland rainforests. In 2012, villagers travelled to Jakarta to seek support from the national government for to an inquiry into the company's logging concession, and 28 of them sewed their mouths shut in a desperate protest<sup>7</sup>. The conflict remains unresolved, and in January 2015 protests in the village were ongoing.

As well as ongoing social conflicts, the company has been found to have paid bribes to obtain illegal permits in Riau, in 2011<sup>8</sup>, and Eyes on the Forest has documented apparent use of child labour in plantations owned by APRIL's supplier PT Triomas in April 2014.<sup>9</sup>

APRIL's response also states that the SGS report advised APRIL to strengthen its dispute resolution mechanism. However, 18 years later, the company still has no grievance mechanism on its website, nor any information about its procedures for ensuring the Free, Prior and Informed Consent (FPIC) of Indigenous peoples, nor does it publicly report on any conflict resolution processes.

We have focused here on social and human rights issues, as the subject of our recent report. However, APRIL's continuing role in clearcutting hardwood forest is perhaps the primary concern of civil society observers. These concerns are widely shared, as evidenced by the World Business Council for Sustainable Development's threat last year to expel APRIL unless it can demonstrate it has ended its role in deforestation.<sup>10</sup> APRIL itself admits that it will continue to use natural forest fibre until the start of 2020, and its own Stakeholder Advisory Committee notes that one site the company has earmarked for logging contains two IUCN red-listed species.<sup>11</sup>

APRIL claims to be "a pioneer in implementing sustainability practices in the pulp and paper industry in Indonesia". However, due to the company's ongoing involvement in large scale deforestation and social conflicts, BankTrack together with the Environmental Paper Network is calling for banks to avoid providing the company with finance until APRIL and its associated companies make and implement commitments to act within the law.

### **BankTrack, January 2015**

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<sup>6</sup> <http://www.eyesontheforest.or.id/index.php?page=news&action=view&id=523>

<sup>7</sup> [http://news.mongabay.com/2012/0109-hance\\_protests\\_rapp\\_inquiry.html](http://news.mongabay.com/2012/0109-hance_protests_rapp_inquiry.html)

<sup>8</sup> <http://thejakartaglobe.beritasatu.com/archive/kpk-vows-to-pursue-logging-cold-cases/441684/>

<sup>9</sup> Eyes on the Forest, APRIL clears high conservation value forest in Sumatra's Kampar Peninsula, as it breaks its own commitment, April 2014,

[http://www.eyesontheforest.or.id/attach/EoF%20\(April2014\)%20Investigative%20Report%20Triomas%20APRIL%20Finals\\_20140811060840.pdf](http://www.eyesontheforest.or.id/attach/EoF%20(April2014)%20Investigative%20Report%20Triomas%20APRIL%20Finals_20140811060840.pdf)

<sup>10</sup> <http://www.greenpeace.org/international/en/press/releases/Sustainability-organisation-WBCSD-warns-APRIL-clean-up-or-get-out/>

<sup>11</sup> [https://aprilasia.files.wordpress.com/2014/12/sac-recommendations\\_3rdmeeting.pdf](https://aprilasia.files.wordpress.com/2014/12/sac-recommendations_3rdmeeting.pdf)