

Jussi Pesonen
President & CEO
UPM-Kymmene Oyj

7 March 2008

REQUEST TO STOP SUPPLYING FROM APRIL

Dear Jussi Pesonen,

We, the undersigned representatives of civil society organisations in Riau, are deeply concerned about UPM-Kymmene's pulp supply from Asia Pacific Resources International Ltd (APRIL). APRIL's operations are a cause of serious social and environmental problems in Riau province, Indonesia.

Continued destruction of High Conservation Value Forests by APRIL is exemplified by the case of Kampar Peninsula. Kampar Peninsula is one of the few remaining large peat swamp forests in the world with a functioning hydrology. The area hosts still over 400 000 ha of rainforest and is an important habitat for a number of endangered species, including Sumatran tiger. Indigenous Akit people, who inhabit the area, rely on its forests for their livelihood. In cooperation with Jikalahari forest conservation network, the governments of Siak and Pelalawan regencies (kabupaten) committed themselves in protecting Kampar Peninsula and its vast reserves of peat in December 2007.

Despite the value of the area, APRIL plans to convert 147 000 hectares of it to pulp plantations, including estimated 87 000 ha of areas that should be protected under Indonesian law, as well as additional 20 000 ha that are subject to APRIL's own HCVF protection commitment. PT Madukoro, a partner company of APRIL, provides an example of APRIL's failure to manage forest sustainably in Kampar. The concession of PT Madukoro, cleared of its forest cover during 2006-7, is situated on peat soil thicker than 3 meters (which should be legally protected) and clearly filled the criteria of High Conservation Value Forest. Currently almost 20% of the pulp plantation companies of APRIL and its partners – including PT Madukoro – have been linked to breaches of law and are under police investigation in Riau.

The most recent case in January 2008 concerns the arrest of the bupati (regent) of Pelalawan, Azmun Jafar, for granting invalid concession permits to companies in Kampar Peninsula. The bupati was arrested based on 23 concession permits that he had handed out apparently illegally. In 18 of these cases the companies involved were associated with APRIL and most likely had been supplying wood to APRIL's mills. This supply of wood has not only been illegal, but also originated in natural forests of High Conservation Value, and included timber species which should be protected (for instance under CITES). The 18 APRIL-related concessions cover 142 000 ha in areas with peat soil deeper than 3 meters. Use of these areas for logging or plantation development contradicts with the law (Kepres 32/1990, regulating i.a. the use of peat swamps). Furthermore clearing and draining of the remaining forest in these concessions would cause the destruction of the whole Kampar Peninsula peat swamp hydrological system. As a result, carbon currently stored in the peat would be released to atmosphere. This would contribute significantly

to global climate change, since carbon stored in the soil of Kampar Peninsula amounts up to 70% of global emissions from fossil fuels.

The use of pulp from APRIL by UPM-Kymmene should be continued only if certain conditions are met. These include free, prior informed consent of local communities in dealing with plantation development, a just conflict resolution mechanism, stop to acquiring wood from legally controversial sources, and stop to conversion of natural forest such as those in Kampar Peninsula.

APRIL has repeatedly disregarded its own HCVF protection commitment as well as acted against Indonesian law, violating conditions of its pulp supply contract with UPM. It continues to plan further conversion in HCVF areas. We do not see any signs that the company would start living up to its commitments. Therefore we ask UPM-Kymmene to terminate its pulp supply from APRIL unless the company drastically and immediately changes its course.

Sincerely,

Susanto Kurniawan – JIKALAHARI (Jaringan Kerja Penyelamat Hutan Riau)

Jhony S Mundung – Walhi Riau

Rivani Noor – CAPP

Dt Jafri – Aliansi Masyarakat Adat Riau

Patra Bdiyanto – Hakiki

Zenuri Hasyim – Mitra Insani

Bambang Aswandi – Kelompok Advokasi Riau

Riko Kurniawan – Perkumpulan Elang

Teddy Hardiyansyah – Kabut Riau

Ali Husein Nst – KBH (Kantor Bantuan Hukum) Riau

Suryadi – Lembaga Bantuan Hukum Pekanbaru

Suroyo – LPAD

Prio – Siklus

Ribut Susanto – Riau Mandiri

Yayasan Tanah Air

Bunga Bangsa

Arak Nikson – AIR

Harijal Jalil – Tropika

Beni - Mapala Suluh

Sukma - Mapala Phylomina

Mapala Sungkai

Jois – KPA EMC2

Satwa Sahara

Janu – Humendala

LKHD

Indra Jaya – LALH

Irsyadul Halim – Kaliptra Sumatera