



Deforestation Anonymous

Rainforest destruction and
social conflict driven by
PT Mayawana Persada in
Indonesian Borneo

March 2024

The organizations publishing this report are Yayasan Auriga Nusantara, Environmental Paper Network, Greenpeace International, Woods & Wayside International, and Rainforest Action Network.

An opportunity to comment on this report's findings was provided to PT Mayawana Persada, the Royal Golden Eagle Group, the APRIL Group, and the co-chair of APRIL's Stakeholder Advisory Committee. RGE provided a response through a letter submitted by its subsidiary APRIL. RGE's response is referred to within the body of the report and provided in full in the Appendix.

Unless stated otherwise, all references in this report to 'Greenpeace' refer to Greenpeace International.

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Executive Summary

Over the past decade, Indonesia's deforestation rate has significantly declined, including in the pulp and palm oil sectors. But now commodity-driven deforestation is making a resurgence in Indonesia according to recent spatial analysis.¹ And one forestry company – PT Mayawana Persada (hereafter Mayawana) – which operates a pulpwood concession in West Kalimantan province on the island of Borneo, is leading Indonesia's new wave of deforestation.

Since 2021, Mayawana has cleared more than 33,000 hectares – an area nearly half the size of Singapore – accounting for more than a quarter of total deforestation in the hundreds of pulpwood and oil palm concessions across the archipelago. The large-scale forest clearing carried out by Mayawana is causing social conflict between the company and an indigenous Dayak community and is depleting forest habitat for protected species such as Bornean orangutans, helmeted hornbills, white-bearded gibbons, and sun bears. Over 55,000 hectares of rainforest remains in the Mayawana concession, making it a critical test case for efforts to control deforestation in Indonesia.

The effectiveness of such efforts depends on knowing whom to hold accountable. Mayawana, however, is one of a growing number of corporations in the sector which is anonymously owned. Indeed, the firm is owned by a chain of holding companies that leads to the secrecy jurisdictions of the British Virgin Islands and Samoa, neither of which require the names of shareholders to be disclosed to the public. This complex corporate structure, in effect, hides the ultimate beneficial owner(s) of the company and shields them from the legal and reputational risks of destroying such vast tracts of tropical forest.

The Gecko Project, a London-based nonprofit journalism group, reports that Mayawana is part of a larger trend: "Over the past decade, the major producers of both palm oil, and pulp and paper products, have committed to leave forests standing in response to pressure from consumers. But there is mounting evidence that some of these ostensibly sustainable companies have established secretive 'shadow companies' that allow them to continue expanding into rainforests."

While companies can hide their ultimate beneficial owners in secrecy jurisdictions, they still create a paper trail of corporate disclosures – such as names of officers, business addresses, and trading partners – that can reveal their relationships with particular corporate groups. In the case of Mayawana, overlapping corporate officers, operational management connections, and supply chain links indicate the company is related to the Royal Golden Eagle Group (hereafter RGE).

Mayawana's corporate shareholder registered in Malaysia, Green Ascend Sdn Bhd, has a history of overlapping corporate officers with RGE's palm oil company Apical and with other anonymously owned companies in the pulp sector that are linked to RGE. The individual identified as the operational director of Mayawana is a shareholder in a chain of companies linked to RGE-related individuals and addresses. Also, Mayawana sent over 24,000 m³ of large-diameter rainforest logs in 2022 and 2023 to a plywood mill in Sumatra related to RGE, confirmed by official company reports submitted to the Indonesian government and by a field investigation.

1 TheTreeMap. 2024. "2023 deforestation by the wood pulp industry in Indonesia surges, hits record highs in Kalimantan." February 24, 2024. <https://nusantara-atlas.org/2023-deforestation-by-the-wood-pulp-industry-in-indonesia-surges-hits-record-highs-in-kalimantan/>.

TheTreeMap. 2024. "2023 marks a surge in palm oil expansion in Indonesia." January 24, 2024. <https://nusantara-atlas.org/2023-marks-a-surge-in-palm-oil-expansion-in-indonesia/>.



Aerial image showing clearance of natural forests in PT Mayawana Persada's pulpwood concession, August 2023.

Source: Greenpeace Indonesia. Location: 0° 37' 8.376" S – 110° 10' 52.452" E.

In response to these findings, RGE issued a statement through its subsidiary APRIL indicating that "RGE categorically refutes the existence of any links between RGE and its shareholders and PT Mayawana Persada." (See Appendix for RGE's full response).

RGE is a global producer of pulp, paper, packaging, tissue, viscose, and palm oil, which in 2015 initiated a policy of "zero deforestation" in its supply chain. Among the buyers of RGE's products are some of the world's largest fashion brands, consumer goods manufacturers, and mass retailers, many of which make sustainability claims to customers which include not causing rainforest destruction or harming communities. These sustainability claims are now called into question over Mayawana's continuing deforestation in Borneo.

Furthermore, Mayawana's deforestation makes untenable the Forest Stewardship Council's years-long effort to re-engage with APRIL, the RGE Group's holding company for its Indonesia pulp and paper operations, which was disassociated from the organization a decade ago for destructive forestry practices.

The organizations publishing this report call on:

- **PT Mayawana Persada to immediately halt deforestation and peat drainage, disclose details of its ultimate beneficial owner(s), and resolve its conflicts with local communities in an equitable and accountable manner;**
- **The Royal Golden Eagle Group to acknowledge its relation to PT Mayawana Persada, and to commit to full transparency in the structures of ownership and control of its subsidiaries, affiliates, and companies with which it is related;**
- **RGE's customers, and its financiers, to investigate our findings, and to call for an immediate stop to the rainforest destruction and social conflicts being driven by Mayawana and other "shadow companies" related to RGE;**
- **The Forest Stewardship Council to suspend the "remedy process" for APRIL to gain re-entry into the sustainability certification scheme, at the very least until Mayawana stops deforestation and peat drainage in its concession and the company resolves its conflicts with local communities in an equitable and accountable manner.**

Introduction: PT Mayawana Persada and Indonesia's new wave of deforestation

Over the past decade, Indonesia has dramatically reduced the scale at which its tropical forests are being destroyed. But now there is a resurgence in deforestation driven by the development of pulpwood and oil palm plantations. In this new wave of deforestation, it is often unclear who controls and/or stands to benefit from the destruction. In many cases, the shares of operating companies in Indonesia are owned by foreign corporations in offshore countries which, unlike Indonesia, do not publicly disclose the identity of shareholders.

Corporate groups that use anonymously-owned companies in offshore jurisdictions often argue that such complex corporate structures are entirely legal and routinely utilized for legitimate purposes like tax management and asset protection. However, complex corporate structures can also be a way for companies to benefit from rainforest destruction without being held accountable for the negative impacts or for breaching commitments to have zero deforestation in their supply chains. This reduces their exposure to the risks associated with cutting down tropical forests and undermines Indonesia's hard-earned progress in reducing deforestation.

Since 2021, an anonymously-owned company named PT Mayawana Persada (hereafter Mayawana) has converted over 33,000 hectares of rainforest to monoculture pulpwood plantations in one of Indonesia's biggest ongoing cases of deforestation.² Situated close to Borneo's southwestern coast in West Kalimantan and just north of Gunung Palung National Park, the deforestation is impacting local indigenous Dayak communities' cultural and economic resources, as well as depleting forest habitat for threatened species, such as the Bornean orangutan, helmeted hornbills, white-bearded gibbons, and sun bears.

This report sets out evidence that has led us to the striking conclusion that Mayawana is related to the Royal Golden Eagle Group (RGE) – a corporate group with a sustainability policy which forbids this kind of environmental destruction and conflict with local communities.³ In response to this finding, a statement issued by RGE through its subsidiary APRIL stated that “RGE categorically refutes the existence of any links between RGE and its shareholders and PT Mayawana Persada.” (See Appendix for RGE's full response).

RGE is one of the largest global suppliers of paper, packaging, tissue, viscose, and palm oil. In an effort to overcome a history of environmental and social abuses, RGE's flagship pulp and paper company APRIL has a well-publicized set of sustainability initiatives: a commitment to have “zero deforestation” in its operations and supply chain,⁴ a huge forest conservation project,⁵ a fire-free village network,⁶ and an expert working group on peatlands⁷. APRIL produces detailed sustainability reports⁸ to meet international reporting standards and in a written policy requires wood suppliers to conserve high conservation areas and peatland forests.⁹

2 TheTreeMap. 2024. “Deforestation Alerts Dashboard” on Nusantara Atlas. Accessed in February 2024. <https://map.nusantara-atlas.org/>.

3 Royal Golden Eagle. 2023. *RGE Group Sustainability Policy*. July 2023. <https://www.rgei.com/sustainability/sustainability-policy>.

4 APRIL. 2015. *APRIL Group's Sustainable Management Policy 2.0*. June 3, 2015. <https://sustainability.aprilasia.com/en/sustainable-forest-management-policy-sfmp-2-0/>.

5 APRIL. 2024. “Ekosistem Restorasi Riau.” Website, accessed in February 2024. <https://www.rekoforest.org/>.

6 APRIL. 2024. “APRIL's Fire-Free Village Programme: Fostering a Fire-Resilient Community.” APRIL Dialog. December 5, 2023. <https://www.aprildialog.com/en/2023/12/05/aprils-fire-free-village-programme-fostering-a-fire-resilient-community/>.

7 APRIL. 2024. “About Independent Peat Expert Working Group (IPEWG).” Sustainability Dashboard webpage, accessed in February 2024. <https://sustainability.aprilasia.com/en/peatland-management/team/>.

8 APRIL. 2024. *Sustainability Report 2023*. https://www.aprilasia.com/images/pdf_files/sr/april-sustainability-report-2022.pdf.

9 APRIL. 2015. *APRIL Group's Sustainable Management Policy 2.0*. June 3, 2015. <https://sustainability.aprilasia.com/en/sustainable-forest-management-policy-sfmp-2-0/>.

APRIL. 2023. *Wood and Fiber Sourcing Policy*. February 2023. https://www.aprilasia.com/images/pdf_files/Wood%20and%20Fibre%20Sourcing%20Policy.pdf.

Alongside its sustainability initiatives, RGE is undertaking a significant business expansion. In 2023 it strengthened its position as the world's dominant viscose producer with reportedly over a quarter of the global market's volume,¹⁰ while continuing to be a regional leader in printing paper, tissue, and packaging. To feed its downstream ambitions, RGE requires an increasing amount of pulp – most of which comes from expanding operations in Indonesia and Brazil.¹¹ In Indonesia, APRIL's pulp mill in Riau, already one of the largest in the world, is adding two additional pulp production lines and boosting capacity on three of the four lines that are already in operation.¹² Furthermore, as set out in our recent report, *Pulping Borneo*, a new pulp mill being developed in North Kalimantan, on the island of Tarakan, is linked to RGE, though the corporate group officially denies any connection.¹³

RGE's ongoing pulp capacity expansion in Indonesia is creating a massive increase in the group's overall demand for wood fiber. In response to concerns that this increased demand could lead the group to resume its previous destructive behaviors, RGE has claimed that it can expand pulp production without increasing its plantation footprint.¹⁴ But this report's analysis shows that such a big increase of pulp production will require considerably more growing area than RGE currently controls, even assuming optimistic productivity gains from its current plantations.

Mayawana is one of several pulpwood plantation companies related to RGE that are anonymously owned and have been recently developing pulpwood plantations. Our *Pulping Borneo* report, published in 2023, showed that forestry concessions operated by PT Industrial Forest Plantation in Central Kalimantan and PT Adindo Hutani Lestari in North Kalimantan converted significant areas of natural forests and peatlands to pulpwood plantations, even after RGE's 2015 "zero-deforestation" commitment took effect. In the context of RGE's pulp capacity expansion, it can reasonably be assumed that large new areas of pulpwood plantations will need to be developed to meet the group's sharply growing demand for wood fiber.¹⁵ In response to these findings, RGE states, "APRIL's current and future fibre supply will be mainly sourced from its own and suppliers' concession where any increased fibre supply needs will come from productivity gains driven by significant investments in R&D and best practice silviculture." (See Appendix for RGE's full response).

It appears that the use of anonymous ownership structures among pulpwood plantation companies provides RGE with an opportunity to control and/or benefit from controversial operations at the same time as its subsidiaries and the brands that use their products claim high sustainability standards in the global marketplace.¹⁶ Recent and ongoing deforestation by Mayawana – a company with numerous links to RGE – raises important questions for the Forest Stewardship Council (FSC), from which APRIL disassociated some 10 years ago after a complaint¹⁷ was filed providing evidence of deforestation, destruction of High

10 See Sateri and Asia Pacific Rayon in: Canopy. 2024. *Hot Button Report 2023*. <https://hotbutton.canopyplanet.org/>.

11 In Brazil's Sao Paulo state, Bracell's "Project Star" has expanded an existing pulp mill into the world's largest single pulp production line.

12 PT Riau Andalan Pulp and Paper. 2020. "Analisis Dampak Lingkungan Hidup (ANDAL) Rencana Kegiatan Pengembangan Riau Komplek".

13 Environmental Paper Network et al. 2023. *Pulping Borneo*. May 2023. <https://www.greenpeace.org/international/publication/59879/pulping-borneo/>.

14 "Fibre supply to meet current and future production capacity will come entirely from plantation fibre, subject to SFMP 2.0 compliance, and will not necessitate or cause any new forest conversion."

APRIL. 2023. "APRIL Group Response to Al Jazeera Article." *APRIL Dialog*. April 18, 2023. <https://www.aprildialog.com/en/2023/04/18/april-group-response-to-al-jazeera-article/>.

15 Forests & Finance. 2021. *Inherent Risks: APRIL's planned pulp expansion poses material financial risks for banks and investors*. <https://forestsandfinance.org/wp-content/uploads/2021/12/Inherent-Risk-APRIL-investor-briefing.pdf>

16 For example, "EcoCosy® textile fibre is biodegradable which is made from sustainably-managed and renewable plantations." Sateri. 2024. "EcoCosy® Textile Fibres." Company webpage, accessed February 2024. <https://www.sateri.com/products/viscose-fibre/ecocosy-textile-fibres/>.

17 Forest Stewardship Council. 2023. "Asia Pacific Resources International Holdings Ltd. Group (APRIL)." Webpage on Policy for Association cases accessed in March 2023. <https://connect.fsc.org/actions-and-outcomes/current-cases/asia-pacific-resources-internationalholdings-ltd-group-april>.

Conservation Values and violation of human rights. The FSC is now engaged with APRIL to implement a “remedy process” so that the group can end its disassociation from the certification scheme and have the areas it deforested in the past certified to FSC Forest Management standards. Meanwhile, Mayawana’s deforestation shows no signs of abating.



Land clearing operations in PT Mayawana Persada’s concession in preparation for industrial-scale pulpwood plantation development, July 2023.

Source: Auriga Nusantara. Location: 0°36’45.72”S – 110°10’44.52”E.



Aerial image showing clearance of natural forests within PT Mayawana Persada’s pulpwood concession, August 2023.

Source: Greenpeace Indonesia. Location: 0° 37’ 7.554” S 110° 10’ 27.972” E.

Methods and data

This report relies on three main types of data and analysis: geo-spatial remote sensing; corporate structure mapping; and supply chain tracking.

GEO-SPATIAL REMOTE SENSING

The spatial analysis has been conducted by TheTreeMap for the Nusantara Atlas and is used with TheTreeMap's permission. Nusantara Atlas "tracks deforestation annually over two decades, to calculate the past deforestation footprint of companies and creates the clearest picture of the relationship between the loss of natural forests (deforestation) and the development of plantations by linking maps of plantation expansion and associated forest conversion with updated concession maps."

To achieve this monitoring of forests and plantation development, Nusantara Atlas "brings satellite images (Planet/NICFI, Sentinel-2, Landsat, NOAA-20, S-NPP, Aqua and Terra), near-real-time deforestation alerts (RADD; GLAD), fire hotspots (VIIRS and MODIS) and rich cadastral information in one space." The deforestation data for 2001 to 2022 in Nusantara Atlas are based on a corrected version of the annual Tree Loss dataset (v.1.9) developed by Hansen et al. (2013), and a base map of forest cover from Gaveau et al. (2021) for Papua¹⁸ and from Margono et al. (2014) for the rest of Indonesia.¹⁹ The corrections made to Hansen's data are described in Gaveau et al. (2021 and 2022).²⁰ The 2023 deforestation update in the concessions was done by delineating the boundaries of new plantations using Planet images and visual, expert-based interpretation methods inside maps of pulpwood concessions.

The producers of Nusantara Atlas led by Dr. David Gaveau of TheTreeMap have published peer-reviewed academic papers on the application of remote sensing for forest monitoring in Indonesia.²¹ Moreover, Nusantara Atlas is a publicly-accessible platform, so it allows easy and free access to the geospatial images and analysis contained in this report. For the present study, Nusantara Atlas was used to calculate the area of deforestation, during the period 2001–2022, within the concession boundaries of PT Mayawana Persada. The 2023 deforestation area data and remaining natural forest cover, as of January 1, 2024, within Mayawana's concession area was provided by TheTreeMap.

CORPORATE STRUCTURE MAPPING

The analysis of corporate structure for PT Mayawana Persada is based on a review of corporate profiles published by the Directorate General of Public Law and Administration (*Direktorat Jenderal Administrasi Hukum Umum*), in the Government of Indonesia's Ministry of Law and Human Rights (*Kementerian Hukum dan Hak Asasi Manusia*). These profiles include lists of shareholders, directors, and commissioners for each of the companies domiciled in Indonesia. In cases where equity in one company is held by another corporate entity, the ownership and officers of that holding company were analyzed to identify such links.

18 Gaveau, David et al. 2021. "Forest loss in Indonesian New Guinea (2001–2019): Trends, drivers and outlook." *Biological Conservation*, 261, 109225, September 2021. <https://www.sciencedirect.com/science/article/abs/pii/S0006320721002779>.

19 Margono, Belinda, et al. 2014. "Primary forest cover loss in Indonesia over 2000–2012." *Nature Climate Change*, June 29, 2014. <https://www.nature.com/articles/nclimate2277>.

20 Gaveau, David et al. 2021. "Forest loss in Indonesian New Guinea (2001–2019): Trends, drivers and outlook." *Biological Conservation*, 261, 109225, September 2021. <https://www.sciencedirect.com/science/article/abs/pii/S0006320721002779>.

Gaveau, David et al. 2022. "Slowing deforestation in Indonesia follows declining oil palm expansion and lower oil prices." *Plos One* 17, e0266178, March 29, 2022. <https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0266178>.

21 For example, see: Gaveau, David et al. 2021. "Forest loss in Indonesian New Guinea (2001–2019): Trends, drivers and outlook." *Biological Conservation*, 261, 109225, September 2021. <https://www.sciencedirect.com/science/article/abs/pii/S0006320721002779>.

For this analysis, records were requested and analyzed from corporate registries in the following jurisdictions: Indonesia, Malaysia, Hong Kong, the British Virgin Islands, Singapore, and the Cayman Islands. The current and former shareholders and corporate officers (directors, commissioners, and secretaries) listed on these registry documents were compared with the names of corporate officers involved with other companies in the pulp and palm oil sectors.

For each corporate entity, the composition of shareholders, directors, and commissioners was analyzed to identify potential links to corporate groups known to operate in Indonesia's pulp sector. It must be acknowledged that multiple individuals could hypothetically have the same name, particularly in the case of common names. When possible, birthdates have been matched between corporate registry documents and other sources to minimize the chances of mixing up individuals who have the same name.

Data and information from corporate disclosures, company websites, and other public sources of information were incorporated into the corporate mapping analysis.

SUPPLY CHAIN TRACKING

The supply chain analysis is based on mill-level wood supply data, and portions of this analysis were corroborated through a field visit to West Kalimantan conducted in 2023. The wood supply data is from official Indonesian government records of timber and pulpwood used by individual wood processing industries (*Rencana dan Realisasi Pemenuhan Bahan Baku Industri Primer Hasil Hutan Kayu*). The field visit observed the loading of logs, deployed a tracking device, and documented the bill of lading from the transport company.

Rapid deforestation and conversion of peatlands

FOREST LOSS

According to spatial analysis conducted by TheTreeMap for the Nusantara Atlas, PT Mayawana Persada cleared 11,805 ha of rainforest in 2022 and 16,118 hectares in 2023 within its pulpwood concession in West Kalimantan province (see Table 1 and Figure 1).²² In total, over the last three years (2021–2023), natural forest cover in the Mayawana concession has decreased by 33,070 ha, an area equivalent to 45% the size of Singapore.²³ At the end of 2023, 55,625 ha of rainforest remained standing within the concession, including 37,489 ha of forested peatlands.²⁴

Table 1. Deforestation in PT Mayawana Persada’s concession, 2021–2023

Year	Total forest loss (ha)	Forest loss on mineral soils (ha)	Forest loss on peatlands (ha)
2021	5,147	3,821	1,326
2022	11,805	4,379	7,426
2023	16,118	3,012	13,107
2021–2023	33,070	11,212	21,859

Source: Nusantara Atlas/TheTreeMap, 2024.



Aerial image showing clearance of natural forests in PT Mayawana Persada’s pulpwood concession, August 2023.

Source: Greenpeace Indonesia. Location: 0° 37' 12.126" S – 110° 10' 30.276" E.

²² According to satellite imagery data analyzed by TheTreeMap. 2024. *Nusantara Atlas*. <https://nusantara-atlas.org/>.

²³ TheTreeMap. 2024. *Nusantara Atlas*. <https://nusantara-atlas.org/>.

²⁴ TheTreeMap. 2024. *Nusantara Atlas*. <https://nusantara-atlas.org/>.

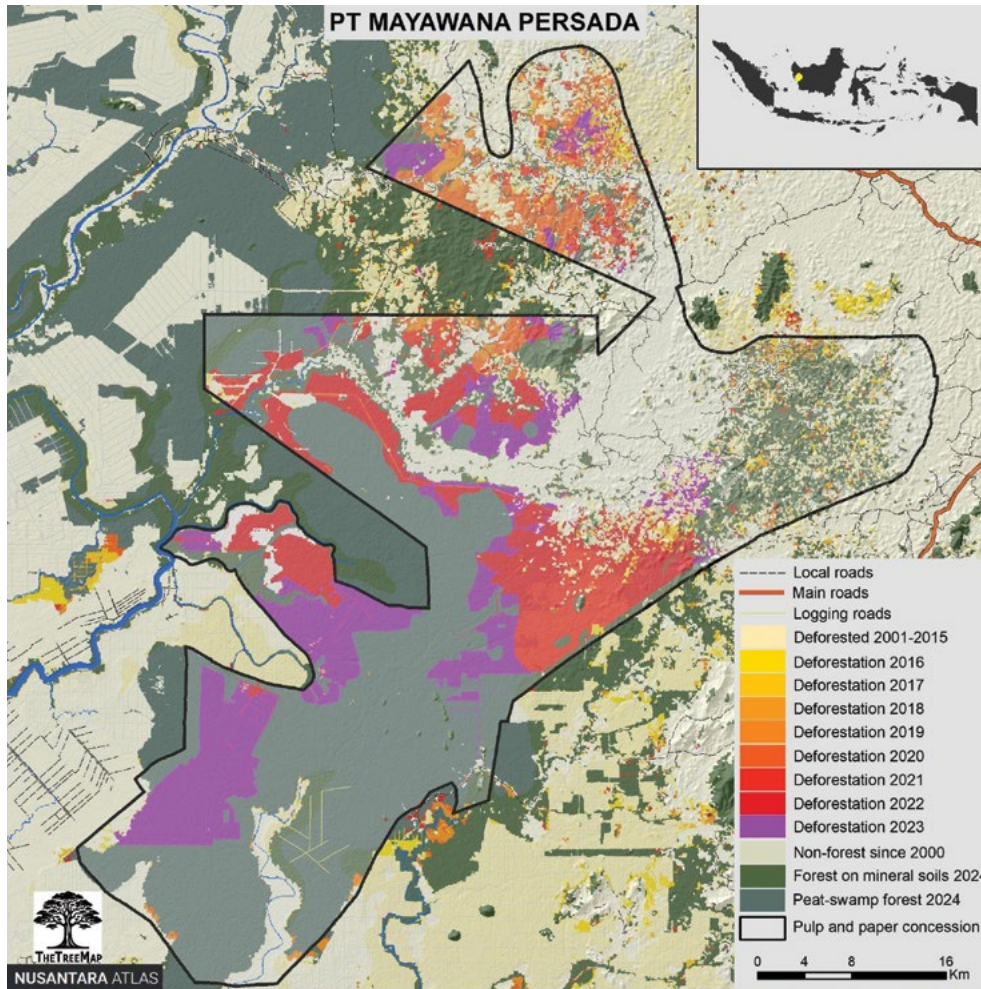


Figure 1.
Deforestation
in PT Mayawana
Persada's
concession,
2001–2023

Source: Nusantara Atlas/TheTreeMap, 2024.



Aerial image showing clearance of natural forests within PT Mayawana Persada's pulpwood concession, July 2023.

Source: Auriga Nusantara. Location: 0°40'17.37"S – 110° 9'53.83"E.

DEFORESTATION ANONYMOUS

RAINFOREST DESTRUCTION AND SOCIAL CONFLICT DRIVEN BY
 PT MAYAWANA PERSADA IN INDONESIAN BORNEO

CONVERSION OF PEATLANDS

Since 2020, more than half of the natural forest destroyed in Mayawana's concession has been on carbon-rich peatlands, and in 2023 the percentage of deforestation on peatland areas rose to over 80%.²⁵ Development of peatlands for industrial pulpwood plantations releases massive amounts of CO₂ and methane.²⁶ As such, this form of land-use change is a major contributor of greenhouse gas (GHG) emissions and makes these landscapes vulnerable to catastrophic fires.²⁷ Mayawana's GHG emissions related to deforestation and conversion of peatlands was estimated at 12.2 million metric tons of CO_{2e} over the three year period 2020–2022.²⁸

After Indonesia's devastating forest and peatland fires of 2015, the Government of Indonesia adopted several significant peat protection policies in a series of environmental regulations. Collectively, these require pulp companies to manage peatlands and ensure no damage to their conservation functions.²⁹ Moreover, both of the major pulp producers in Indonesia – APRIL and its competitor Asia Pulp & Paper (APP) – have pledged to refrain from clearing more forests on peatlands,³⁰ even as more than half of the sector's plantation base is on drained peatlands.³¹



Aerial image showing deforestation on carbon-rich peatlands in PT Mayawana Persada's pulpwood concession, July 2023.

Source: Auriga Nusantara. Location: 0° 47' 25.78" S – 110° 0' 6.70" E.

25 TheTreeMap. 2024. *Nusantara Atlas*. <https://nusantara-atlas.org/>.

26 Trase. 2023. "Deforestation surge ends a decade of progress for Indonesia's pulp sector." *Trase Insights*. <https://trase.earth/insights/deforestation-surge-ends-a-decade-of-progress-for-indonesia-s-pulp-sector>.

27 Trase. 2023. "Deforestation surge ends a decade of progress for Indonesia's pulp sector." *Trase Insights*. <https://trase.earth/insights/deforestation-surge-ends-a-decade-of-progress-for-indonesia-s-pulp-sector>.

28 See data download on page 17 of Trase. 2023. *SEI-PCS Indonesia wood pulp v3.1 supply chain map: Data sources and methods*. November 2023. https://resources.trase.earth/documents/data_methods/SEI_PCS_Indonesia_woodpulp_3.1_ENG.pdf.

29 Rainforest Action Network et al. 2019. *Perpetual haze: Pulp production, peatlands, and the future of fire risk in Indonesia*. November 2019. <https://www.ran.org/wp-content/uploads/2019/11/Perpetual-Haze.pdf>.

30 Asia Pulp & Paper. 2013. *APP's Forest Conservation Policy*. February 2013. https://app.co.id/documents/20123/0/app_forest_conservation_policy_final_english.pdf/e65cff06-53ef-e6e0-cdde-153d8b29214f?t=1688713766790

31 Trase. 2023. "Deforestation surge ends a decade of progress for Indonesia's pulp sector." *Trase Insights*. <https://trase.earth/insights/deforestation-surge-ends-a-decade-of-progress-for-indonesia-s-pulp-sector>.

PULPWOOD PLANTATION DEVELOPMENT

The areas on which PT Mayawana Persada has cleared natural forest are rapidly being converted into pulpwood plantations. As of the end of 2023, Mayawana had established 45,187 ha of pulpwood plantations, according to analysis from TheTreeMap.³² Satellite imagery indicates that Mayawana began planting pulpwood species in 2019.³³ Pulpwood plantations growing *Eucalyptus pellita* on mineral soils and *Acacia crassicaarpa* on peat soils are normally managed on a five-year rotation cycle, with adjustments made for local conditions. The five-year rotation means that Mayawana may start harvesting Acacia and/or Eucalyptus before the end of 2024.



Pulpwood species planted on land recently cleared of natural forest in PT Maywana Persada's concession, July 2023.

Source: Auriga Nusantara.



Pulpwood species planted on land recently cleared from natural forest in PT Maywana Persada's concession, August 2023.

Source: Greenpeace Indonesia.

³² TheTreeMap. 2024. *Nusantara Atlas*. <https://nusantara-atlas.org/>.

³³ TheTreeMap. 2024. *Nusantara Atlas*. <https://nusantara-atlas.org/>.

Land conflicts with communities

Mayawana's land-clearing and plantation development activities in recent years have resulted in conflicts with local communities living within and near the company's concession area.³⁴ According to details in a petition published by Barisan Pemuda Adat Nusantara, an indigenous people's organization, the Kualan Hilir community's ancestral land overlaps with 3,650 ha of Mayawana's concession area.³⁵ In May 2020, community leaders made an agreement with representatives of Mayawana for parts of the Kualan Hilir community's ancestral land to be excluded from the areas being developed for pulpwood plantations.³⁶



Abandoned farmland surrounded by Acacia plantation, June 2023.

Source: JATAN.

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- 34 Jong, Hans Nicholas. 2023. "Habitat Orangutan Tergerus, Kala Pembukaan Hutan Masih Dilakukan Perusahaan HTI". *Mongabay*. October 25, 2023. <https://www.mongabay.co.id/2023/10/25/lsm-habitat-orangutan-tergerus-kala-pembukaan-hutan-masih-dilakukan-perusahaan-hti/>.
- Media Kalbar*. 2022. "Pondok Padi Dibakar Massa Di Areal PT Mayawana Persada". December 3, 2022. <https://mediakalbarnews.com/pondok-padi-dibakar-massa-di-areal-pt-mayawana-persada/>.
- Harada, Aki. 2023. "Violated Indigenous Customary Lands and Serious Social Conflicts: Land Grabbing by PT Mayawana Persada in West Kalimantan, Indonesia." *Japan Tropical Forest Action Network*. June 24, 2023. <https://en.jatan.org/archives/4407>.
- 35 Michelin, Sallata. 2023. "Hentikan Perampasan Tonah Colap Torun Pusaka Milik Masyarakat Adat Benua Kualan Hilir". *Change*. May 29, 2023. <https://www.change.org/p/hentikan-perampasan-tonah-colap-torun-pusaka-milik-masyarakat-adat-benua-kualan-hilir>.
- Detik Borneo*. 2023. "Piawang TCTP Minta PT. MP Hentikan Penggusuran Hutan Adat". June 3, 2023. <https://detikborneo.com/index.php/2023/06/03/piawang-tctp-minta-pt-mp-hentikan-penggusuran-hutan-adat/>.
- 36 Jong, Hans Nicholas. 2023. "Habitat Orangutan Tergerus, Kala Pembukaan Hutan Masih Dilakukan Perusahaan HTI". *Mongabay*. October 25, 2023. <https://www.mongabay.co.id/2023/10/25/lsm-habitat-orangutan-tergerus-kala-pembukaan-hutan-masih-dilakukan-perusahaan-hti/>.

However, in April 2022, some community leaders claimed that, contrary to the agreement, Mayawana had cleared forests considered sacred by the local Kualan Hilir community and agroforestry sites that are important to households' incomes.³⁷ This, in turn, led some members of the Kualan Hilir community to impose customary sanctions and fines on the company in September 2022.³⁸

With the company reportedly rejecting the customary punishment and continuing to clear land near to areas considered sacred by the community, the situation escalated in June 2023 into protests by community members that involved obstructing the heavy machinery used to clear forests.³⁹ In one instance, community members set up a "mandoh" ritual space to block the machinery and to insist that Mayawana move off what they consider to be their ancestral lands.⁴⁰ In the course of these and earlier protests, a number of community members have been summoned and at least one person has been charged by local law enforcement authorities.⁴¹



The Gensaok, Lelayang and Bagan Poring Indigenous communities in Kualan Hilir village, Simpang Hilir district, Ketapang regency, West Kalimantan province, protest destruction of forests they consider sacred by PT Mayawana Persada, July 14, 2023.

Source: Kualan Hilir community.

- 37 Wesly. 2022. "PT Mayawana Persada Kembali Menggusur Lahan Warga Tanpa Permissi". *Berita Investigasi*. April 13, 2022. <https://beritainvestigasi.com/miris-pt-mayawana-persada-kembali-menggusur-lahan-warga-tanpa-permissi/>.
- 38 Agustiandi. 2022. "Melanggar Aturan, PT Mayawana Persada Dijatuhi Hukuman Adat". *Suara Ketapang*. September 16, 2022. <https://ketapang.suarakalbar.co.id/2022/09/melanggar-aturan-pt-mayawana-persada.html>.
- 39 Laia, Kennial. 2023. "Konflik antara Masyarakat Adat dan Perusahaan HTI Terus Berlanjut". *Betahita*. July 13, 2023. <https://betahita.id/news/detail/9001/konflik-antara-masyarakat-adat-dan-perusahaan-hti-terus-berlanjut.html?v=1689210280>.
Fahrozi. 2023. "Piawang TCTP Bukit Sabar Bubu Minta PT. Mayawana Persada Hentikan Penggusuran Hutan Adat". *Kabar 65 News*. June 3, 2023. <https://kabar65news.com/2023/06/03/piawang-tctp-bukit-sabar-bubu-minta-pt-mayawana-persada-hentikan-penggusuran-hutan-adat/>.
- 40 Rindang, Kurnianto. 2023. "AMAN Dan BPAN Kalimantan Barat: PT Mayawana Persada Segera Angkat Kaki dari Wilayah Adat Kami". *Aliansi Masyarakat Adat Nusantara*. June 7, 2023. <https://www.aman.or.id/news/read/aman-dan-bpan-kalimantan-barat-pt-mayawana-persada-segera-angkat-kaki-dari-wilayah-adat-kami>.
- 41 Auriga Nusantara. 2023. "Melindungi hutan adat, 3 warga Simpang Hulu dikriminalisasi". *Environmental Defender: Alerta*. August, 2023. <https://environmentaldefender.id/page/alerta>.



Indigenous Dayak Benua Kualan Hilir people protest the destruction of their sacred forest with a “mandoh” ritual space to block the heavy machinery and to insist that PT Mayawana Persada leave their ancestral lands.

Source: Auriga Nusantara. Location: 0°39'28.53"S – 110° 9'57.00"E.



Demong Adat Benua Simpang, led by Patih Jaga Pati Desa Domong Sepuluh, imposing customary sanctions on PT Mayawana Persada after several alleged violations of customary law, September 2022.

Source: Suarakalbar.



Bukit Sabar Bubu, a forest area considered sacred by the local community and cleared by PT Mayawana Persada's operation, June 2023.

Source: JATAN.

Critical habitat for endangered species

The lowland forest ecosystem inside Mayawana’s concession provides habitat for a wide range of plant and animal species, including several endangered and vulnerable species. The forests within the Mayawana concession area borders a patchwork of village forests in an area designated for protection through the country’s Social Forestry program. Together with these village forests, the forested areas within the Mayawana concession form an ecosystem important to the survival of these species.

According to a habitat map published by the International Union for the Conservation of Nature (IUCN), some 49,208 ha of forest within Mayawana’s concession area is suitable habitat for the Bornean orangutan (*Pongo pygmaeus*) (see Figure 2). These forests would thus be of high conservation value (HCV). HCV areas are prohibited from being degraded or cleared in the RGE Group’s policies, the policies of major brands that continue to do business with the group, and under the certification standards of the FSC.

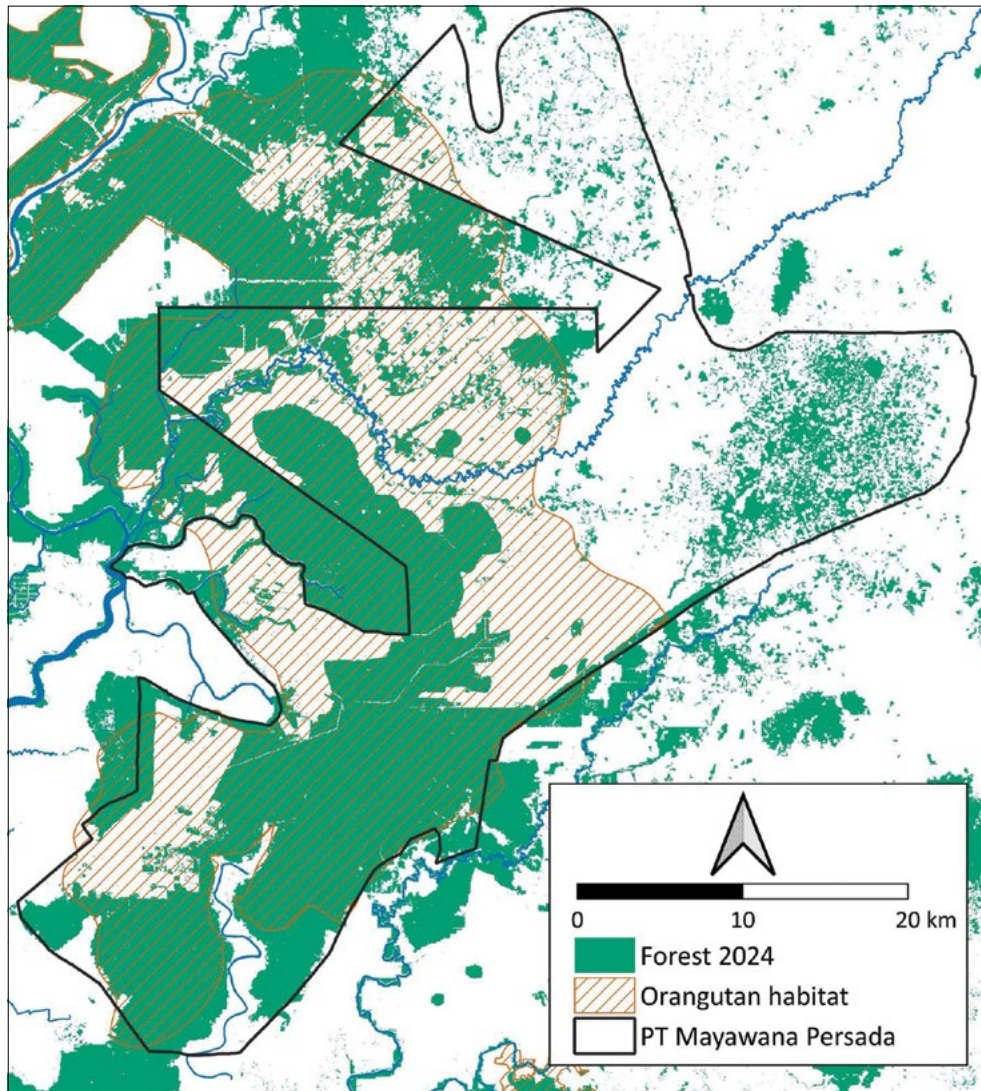


Figure 2. Bornean orangutan habitat within and near PT Mayawana Persada’s concession area according to IUCN.

Source: Orangutan habitat from IUCN Red List maps (Ancrenaz et al 2023), forest cover from TheTreeMap (Nusantara Atlas), and concession boundary from Indonesia’s Ministry of Environment and Forestry.

The Bornean orangutan is a critically endangered species and its population has declined due to large-scale degradation of its habitat from the development of pulpwood and oil palm plantations.⁴² An additional study on the Population Habitat Viability Analysis for the Bornean Orangutan conducted in 2016 confirmed the forest and peatland areas within Mayawana's concession areas are suitable habitat for orangutans.⁴³

Yayasan Palung/Gunung Palung Orangutan Conservation Program (GPOCP) conducts wildlife surveys in the village forests that border the Mayawana concession area, providing annual data on which species are present and in what abundance. GPOCP has approached Mayawana to conduct surveys inside the company's concession area, but through at least October 2023, the company had not responded, according to GPOCP.⁴⁴ GPOCP researchers estimate 61 Bornean orangutans live in the area around Sungai Paduan, based on observations of nests and calls and the availability of food sources in that area.⁴⁵

The GPOCP 2022 survey indicates 10 mammal species and 85 bird species in the Sungai Paduan protected forest (comprised of several village forests).⁴⁶ GPOCP also found evidence of other endangered and vulnerable species living within or near the concession boundaries, including: Bornean white-bearded gibbon (*Hylobates albibarbis*), helmeted hornbills (*Rhinoplax vigil*), and the sun bear (*Helarctos malayanus*) (see Table 2).⁴⁷

Table 2. Threatened status of flagship species inside or near PT Mayawana Persada's concession.

Animal	Scientific name	IUCN Red List status
Bornean orangutan	<i>Pongo pygmaeus</i>	Critically Endangered
Helmeted hornbill	<i>Rhinoplax vigil</i>	Critically Endangered
White-bearded gibbon	<i>Hylobates albibarbis</i>	Endangered
Sun bear	<i>Helarctos malayanus</i>	Vulnerable

Source: IUCN Red List of Threatened Species (2024).

In an article published in Mongabay in October 2023, GPOCP Field Director Edi Rahman explained the ecological significance of Mayawana's deforestation:

The continued loss of orangutan habitat inside the concession means the apes will have less space to live, roam and look for food, he [Edi Rahman] said.

"When the company clears [forests], some of the wildlife will run [to neighboring forests]," Edi said.

"This means that the Sungai Paduan forest will become crowded with orangutans, which could lead to increased conflicts among the apes."

42 Voigt et al. 2018. "Global Demand for Natural Resources Eliminated More Than 100,000 Bornean Orangutans." *Current Biology*. Vol. 28, pp. 761-769. <https://doi.org/10.1016/j.cub.2018.01.053>.

Voigt et al. 2022. "Deforestation projections imply range-wide population decline for critically endangered Bornean orangutan." *Perspectives in Ecology and Conservation*. Vol 20, Issue 3, pp. 240-248. July-September 2022. <https://doi.org/10.1016/j.pecon.2022.06.001>.

43 Ministry of Environment and Forestry. 2016. *Final Report – Orangutan Population and Habitat Viability Assessment*. May 23-26, 2016. In collaboration with IUCN SSC Conservation Breeding Specialist Group. <https://www.cbsg.org/sites/cbsg.org/files/documents/2016%20Orangutan%20PHVA.pdf>.

44 Jong, Hans Nicholas. 2023. "Deforestation surges in hotspot of critically endangered Bornean orangutans." *Mongabay*. October 20, 2023. <https://news.mongabay.com/2023/10/deforestation-surges-in-hotspot-of-critically-endangered-bornean-orangutans/>.

45 Sulidra, Erik, et al. 2023. *Survei populasi orangutan dan biodiversitas lainnya dalam kawasan hutan desa tahun 2022*. Yayasan Palung and Gunung Palung Orangutan Conservation Program.

46 Sulidra, Erik, et al. 2023. *Survei populasi orangutan dan biodiversitas lainnya dalam kawasan hutan desa tahun 2022*. Yayasan Palung and Gunung Palung Orangutan Conservation Program.

47 Jong, Hans Nicholas. 2023. "Deforestation surges in hotspot of critically endangered Bornean orangutans." *Mongabay*. October 20, 2023. <https://news.mongabay.com/2023/10/deforestation-surges-in-hotspot-of-critically-endangered-bornean-orangutans/>.



Bornean orangutan (*Pongo pygmaeus*)
Source: Bjorn Vaugn/Greenpeace



Helmeted hornbill (*Rhinoplax vigil*)
Source: Shutterstock



Sun bear (*Helarctos malayanus*)
Source: Claire Donner/Greenpeace



White-bearded gibbon (*Hylobates albibarbis*)
Source: Shutterstock

These neighboring forests might also not have enough food to sustain the orangutan population displaced from inside the concession, he added.

The ongoing deforestation also threatens to cut off corridors that the apes use to move from one area to another, Edi said. At the same time, the clearing will enable greater access for people to enter into the surrounding forests and orangutan habitat that had remained intact so far, he said, putting further pressure on the orangutan population in the Sungai Paduan protected forest.⁴⁸

To this assessment, GPOCP Deputy Director Caitlin O’Connell added, “A major goal of conservation efforts is connecting large areas of forest to facilitate dispersal and gene flow and to ensure adequate carrying capacity of the forests for large mammals like orangutans.”⁴⁹

48 Jong, Hans Nicholas. 2023. “Deforestation surges in hotspot of critically endangered Bornean orangutans.” *Mongabay*. October 20, 2023. <https://news.mongabay.com/2023/10/deforestation-surges-in-hotspot-of-critically-endangered-bornean-orangutans/>.

49 Email correspondence with Caitlin O’Connell, February 2024.

Mayawana's connections to the Royal Golden Eagle Group

Based on the analysis above, Mayawana's operations to develop pulpwood plantations are clearly causing significant environmental and social harm. Mayawana is responsible for deforestation, the conversion of peatlands and social conflict. What is less obvious is who stands to benefit from these operations, who should be held accountable for the damages, and who holds control over the company's behavior.

PT Mayawana Persada is domiciled in Indonesia and was incorporated in 1994. As of January 2024, shares in Mayawana are not directly owned by a person or a group of people, but rather, in equal parts by two companies: one registered in Malaysia and the other registered in Hong Kong. The Malaysian company is, in turn, owned by a company registered in the British Virgin Islands, a small island nation of 30,000 people that is 18,000 kilometers away from Indonesia. And the Hong Kong company is owned by a company registered in Samoa, a small island nation in the South Pacific Ocean. Since neither the British Virgin Islands nor Samoa provide public access to company shareholder information (unlike Indonesia, which does so for a small fee), the identity of Mayawana's ultimate beneficial owners is hidden. Therefore, whoever stands to benefit from Mayawana's destructive behavior and has the power to change it is, effectively, anonymous.

Lack of accountability through anonymous ownership is a common problem in Indonesia's pulp sector, as well as in Indonesia's palm oil sector. In an investigative story on a palm oil shadow company network linked to the Fangiono family, the Gecko Project, an investigative journalist organization, wrote about the use of anonymous ownership:

There is mounting evidence, however, that major firms involved in the production and trade of palm oil and timber products have sought to circumvent the restrictions imposed by their own policies by establishing shadow companies.

In some cases, these shadow companies are owned on paper by different members of the same family, creating artificial boundaries between what is functionally one conglomerate. In others, the ownership is hidden through secrecy jurisdictions, deploying methods more commonly associated with corruption and tax evasion. Either way, it allows conglomerates to maintain access to "sustainable" markets through one arm, while another destroys rainforests and stokes conflicts with communities.⁵⁰

The use of shadow companies has posed particular challenges for the credibility of forestry product certification systems like the Forest Stewardship Council (FSC), which claims to ensure the producers they associate with are adhering to responsible and sustainable practices. To address this problem, the FSC recently introduced a definition of "corporate group" from the Accountability Framework initiative which, if diligently applied, promises to recognize the shadow companies as part of the respective corporate groups with which they are related.⁵¹ Taking a more expansive view of the corporate group, the AFI definition includes indicators of corporate control beyond shared ownership.⁵² For example, the AFI definition recognizes hidden beneficial ownership, management control, and financial control as indicators of corporate control.⁵³

50 Aritonang, Margareth et al. 2023. "Chasing shadows." *The Gecko Project*. November 20, 2023. <https://thegeckoproject.org/articles/chasing-shadows/>.

51 The Forest Stewardship Council. 2022. *Policy for Association Version 3*. FSC-POL-01-004. <https://connect.fsc.org/document-centre/documents/resource/368>.
Accountability Framework Initiative. 2023. "Definitions." Webpage, accessed in March 2023. <https://accountability-framework.org/the-framework/contents/definitions/>.

52 Accountability Framework Initiative. 2023. "Definitions." Webpage, accessed in March 2023. <https://accountability-framework.org/the-framework/contents/definitions/>.

53 Accountability Framework Initiative. 2023. "Definitions." Webpage, accessed in March 2023. <https://accountability-framework.org/the-framework/contents/definitions/>.

In the case of Mayawana, overlapping corporate officers, operational management connections, and supply chain links with companies connected to RGE indicate that RGE is related to Mayawana. Specifically, the corporate officers involved in the formation and management of the Malaysian company in Mayawana's ownership chain have also been involved in the formation and management of other anonymously-owned pulp sector companies that have been linked to RGE in NGO and media reports – such as PT Adindo Hutani Lestari and PT Balikpapan Chip Lestari.⁵⁴ The individual identified as the operational director of Mayawana is a shareholder in a chain of companies linked to RGE-related individuals and addresses. Also, as set out in the 'supply chain links' section below, Mayawana in the last two years has sent a significant portion of the natural forest wood from its land clearing operations to a plywood mill in Sumatra related to RGE.

BOX 1. OVERVIEW OF THE RGE GROUP

RGE is one of the world's largest producers of wood pulp and products that are made from it: printing paper, tissue, packaging, and viscose rayon. Asia Pacific Resources International Ltd, or APRIL, is RGE's pulp and paper business unit in Indonesia, operating the PT Riau Andalan Pulp & Paper (RAPP) mill in Kerinci, Riau province on the island of Sumatra. One of the biggest mills in the world, RAPP has an annual production capacity of 3.0 million tons of wood pulp and consumes around 15 million cubic meters (m³) of wood per year.⁵⁵ RAPP manages a concession area of 338,228 ha in Sumatra, and the mill sources wood from other suppliers in Sumatra and Kalimantan with a total concession area of 1.464 million ha, according to the Nusantara Atlas.⁵⁶

Outside Indonesia, RGE also has significant pulp, paper and viscose operations in China and Brazil. In China, RGE-owned Asia Symbol has pulp and paper facilities in Rizhao (Shandong province) and Xinhui (Guangdong province) with reportedly a combined capacity of 2.2 million tons of pulp, 600,000 tons of paperboard, and 1.5 million tons of fine paper.⁵⁷ Also located in China, RGE-owned Sateri has become the world's largest producer of viscose fiber.⁵⁸ With five mills, it reportedly produced around 1.5 million tons of viscose fiber in 2021,⁵⁹ with the dissolving pulp requirement reportedly sourced primarily from APRIL's operations in Indonesia and RGE-owned Bracell's operations in Brazil, according to an assessment by Rainforest Alliance for a CanopyStyles report.⁶⁰ Sateri's customers apparently include textile retailers around the world, including well-known fashion brands and household retailers. In 2020, Sateri, in

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54 Narasi TV. 2023. "Exposed! Indonesian companies and the greenwashing that deceived Europe." *Youtube*. November 18, 2023. <https://www.youtube.com/watch?v=qUy8Eh051SU>.

Environmental Paper Network et al. 2023. *Pulping Borneo*. May 2023. <https://www.greenpeace.org/international/publication/59879/pulping-borneo/>.

Aritonang, Margareth et al. 2023. "Chasing shadows." *The Gecko Project*. November 20, 2023. <https://thegeckoproject.org/articles/chasing-shadows/>.

55 Ministry of Environment and Forestry. 2022. "PT Riau Andalan Pulp and Paper". Rencana dan Realisasi Pemenuhan Bahan Baku Industri Primer Hasil Hutan Kayu (RPBBI). Government of Indonesia.

56 TheTreeMap. 2023. *Nusantara Atlas*. Mapping platform, accessed in March 2023. <https://map.nusantara-atlas.org/>.

57 Valmet. 2022. "Valmet to supply a fine paper making line to Asia Symbol (Shandong) in China." Press release, April 28, 2022. <https://www.valmet.com/media/news/press-releases/2022/valmet-to-supply-a-fine-paper-making-line-to-asia-symbol-shandong-in-china/>.

58 RGE. 2019. "Sateri becomes world's largest viscose producer with latest acquisition." *Inside RGE* Webpage, April 19, 2019. <https://www.inside-rge.com/corporate/sateri-becomes-worlds-largest-viscose-producer-with-latest-acquisition/>.

59 Sateri. 2022. *Sateri Sustainability Report 2021*. <https://www.sateri.com/wp-content/uploads/2022/06/sateri-sustainability-report-2021-en.pdf>.

60 Rainforest Alliance. 2018. *CanopyStyle Verification and Guidelines Evaluation Report for Sateri Corporate Office and Manufacturing Mills in China*. May 16, 2018. <https://www.sateri.com/wp-content/uploads/2018/05/canopystyle-verification-report-by-rainforest-alliance.pdf>.

collaboration with Asia Symbol, commenced production of Lyocell,⁶¹ a wood pulp-based textile produced in a closed-loop process with more environmentally-friendly chemicals than conventional viscose rayon.⁶²



Source: Sponsored content in fashion magazine *Premiere Vision Paris*, June 15, 2022.

Data from Forests & Finance indicates that RGE has received US \$6.8 billion in credit during 2018 – September 2023.⁶³ Around 80% of this is estimated to finance RGE’s worldwide pulp & paper operations and 20% to finance its palm oil production and trading business (see Figure 3).⁶⁴ RGE’s largest creditors, according to Forests & Finance data, are Bank of China, Bradesco, CITIC, Taiwan Financial Holdings, China Minsheng Banking and Mitsubishi UFJ (MUFG).⁶⁵

Asia Pacific Resource International Limited (APRIL), the Singapore domiciled holding company, received the largest amount of credit (US \$2.68 billion), followed by Bracell International (US \$1.85 billion), APICAL (US \$1.47 billion), Riau Andalan Paperboard International (US 539 million) and Asia Pacific Rayon (US 300 million).⁶⁶

RGE Group has increasingly sought to arrange credit as so-called Sustainability Linked Loans (SLLs) with syndicates of major international banks from the Middle East and East Asia.⁶⁷ These loans are set against pre-defined environmental Key Performance Indicators, which reportedly align with “broad goals”

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61 *Textile World*. 2020. “Sateri enters China’s lyocell fiber market with new 20,000-ton lyocell line In Shangdong.” May 25, 2020. <https://www.textileworld.com/textile-world/fiber-world/2020/05/sateri-enters-chinas-lyocell-fiber-market-with-new-20000-tonlyocell-line-in-shangdong/>.

62 Sateri. 2020. “Towards closed-loop manufacturing – Sateri enters China’s lyocell fibre market.” Press release, May 25, 2020. https://www.sateri.com/news_events/towards-closed-loop-manufacturing-sateri-enters-chinas-lyocell-fibre-market/.

63 Data from Forests & Finance, <http://tinyurl.com/3p9xt42r>.

64 Data from Forests & Finance, <http://tinyurl.com/3p9xt42r>.

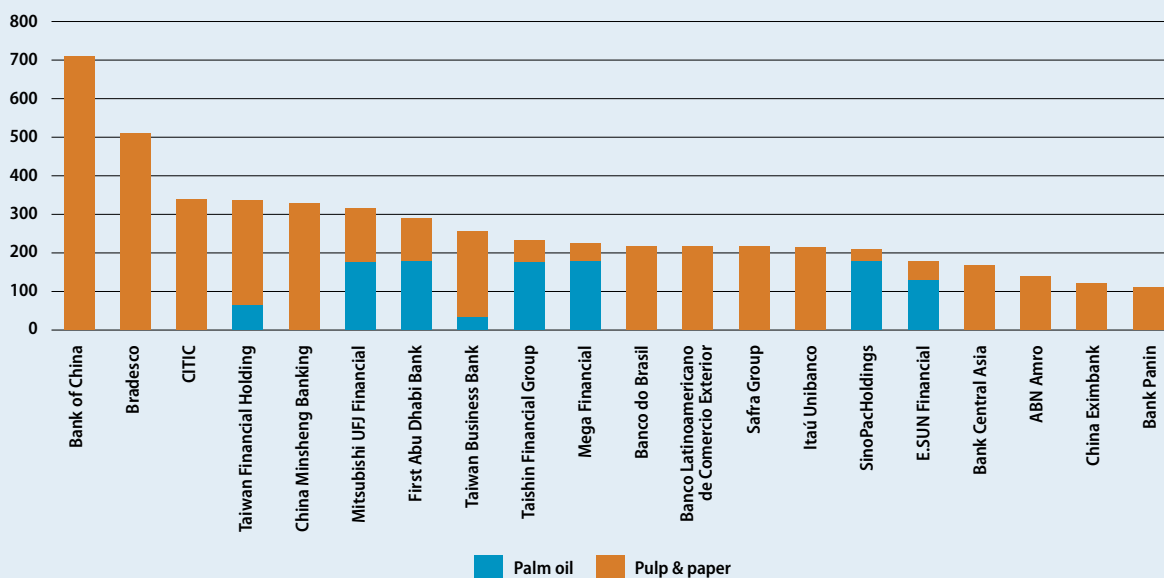
65 Forests & Finance. 2023. *Banking on Biodiversity Collapse*. December 2023. https://forestsandfinance.org/wp-content/uploads/2023/12/BOBC_2023_vF.pdf.

66 Data from Forests & Finance, <http://tinyurl.com/3p9xt42r>.

67 Banks syndicated and advising in RGE’s SLLs include Commercial Bank of Dubai PSC (UAE), First Abu Dhabi Bank (UAE), Mitsubishi UFJ Financial Group (Japan), E.SUN Commercial Bank, Ltd (Taiwan), Hua Nan Commercial Bank (Taiwan), Industrial Bank (Taiwan), MUFG Bank, Ltd, Shanghai Pudong Development Bank (China) and Bank of Communications (Hong Kong).

including “zero tolerance for deforestation” and “radical traceability and transparency”.⁶⁸ As this report and others set out, RGE’s extensive links to companies such as Mayawawna appear contradictory to the stated goals of such credit arrangements.

Figure 3. Top 20 creditors to RGE, 2018 – September 2023, in USD millions.



Source: Forests & Finance, 2024.

RGE supplies palm oil to some of the world’s most influential brands including Procter & Gamble, Mondelēz, Colgate-Palmolive, Unilever, PepsiCo, Nestlé, Kao and Nissin Foods.⁶⁹ Most of these brands, to the best of our knowledge, do not publicly indicate sourcing from RGE’s industrial timber and wood pulp operations – with the exception of Nestlé, which discloses its sourcing of pulp from APRIL’s pulp mill in Indonesia and Asia Symbol’s pulp mill in China.⁷⁰

68 RGE press release in Finance Asia, 13 Dec 2022, <https://www.financeasia.com/article/how-rge-embraced-slls-to-build-a-cleaner-greener-world/482595>.

69 Procter & Gamble. 2023. *Tier 1 Supplier List*. July 2023. https://s1.q4cdn.com/695946674/files/doc_downloads/esg/pg_esg_tier_1_palm_oils_supplier_list.pdf.

Procter & Gamble. 2023 *Palm Oil Mill List*. July 2023. https://s1.q4cdn.com/695946674/files/doc_downloads/esg/2023/pg-palm-oils-mill-list.pdf.

Mondelēz. 2021. *Palm Oil Mill List*. <https://www.mondelezinternational.com/assets/Snacking-Made-Right/ESG-Topics/Palm-Oil/MDLZ-Palm-Oil-Mill-List.pdf>.

Colgate-Palmolive. 2022. *Colgate HQ 2022 Supply Chain Connection Mill List*. https://www.colgatepalmolive.com/content/dam/cp-sites/corporate/corporate/en_us/corp/locale-assets/pdf//colgate-palmolive-company-h2-2022-mill-list-suppliers.pdf.

Unilever. 2022. *Palm Oil Mill List*. <https://www.unilever.com/files/8924ecaf-b04a-4777-a0c5-5e62e718d998/unilever-palm-oil-mill-list-2022.pdf>.

PepsiCo. 2022. *PepsiCo Palm Oil Mill List*. https://www.pepsico.com/docs/default-source/sustainability-and-esg-topics/2022-pepsico-palm-oil-mill-list.pdf?sfvrsn=632acb65_7.

Nestlé. May 2023. *Nestlé. Supply Chain Disclosure Palm Oil*. <https://www.nestle.com/sites/default/files/2019-08/supply-chain-disclosure-palm-oil.pdf>.

Kao. 2019 *Palm Oil Mill List*. <https://www.kao.com/content/dam/sites/kao/www-kao-com/global/en/sustainability/pdf/progress-2019-001.pdf>.

Nissin Foods. Nissin Foods Group. *Palm Oil Mills*. https://www.nissin.com/en_jp/sustainability/environment/procurement/pdf/PalmOilMills.pdf.

70 Nestlé. *Nestlé supply chain disclosure: pulp mills* <https://www.nestle.com/sites/default/files/asset-library/documents/creating-shared-value/raw-materials/nestle-pulp-mill-transparency.pdf>.

ANONYMOUS OWNERSHIP

Historically PT Mayawana Persada was owned by the Alas Kusuma Group, which controls a number of forestry and oil palm companies in Indonesia.⁷¹ The Alas Kusuma Group officially owned Mayawana Persada outright until late December 2022, when half of its shares were bought by an anonymously-owned company.⁷² On December 23, 2022, half of PT Mayawana Persada's shares were transferred from PT Suka Jaya Makmur, an Alas Kusuma company, to Green Ascend (M) Sdn Bhd (hereafter Green Ascend), a company domiciled in Malaysia and incorporated in 2017.⁷³ Green Ascend's sole shareholder is a company registered in the British Virgin Islands named Green Ascend Group Limited, which was incorporated in 2017.⁷⁴ As noted earlier, the identities of shareholders for companies domiciled in the British Virgin Islands are not accessible to the public.⁷⁵

On December 23, 2023, the remaining 50% of Alas Kusuma's shares, owned by PT Harjohn Timber, were transferred to Beihai International Group Limited, a company domiciled in Hong Kong.⁷⁶ Beihai International Group Limited is owned by a company domiciled in Samoa named Balaji Investment Group Holdings Limited.⁷⁷ Samoa does not disclose the names of company directors or shareholders to the public.⁷⁸

Since neither the British Virgin Islands nor Samoa provide public access to company shareholders, Mayawana's ownership is anonymous in that the person or persons who ultimately benefit from and control the company's operations cannot be identified by tracing the entity's formal ownership structure with information that is available in the public domain (see Figure 4).

While companies can hide their ultimate beneficial owners in secrecy jurisdictions, they still create a paper trail of corporate disclosures – such as names of officers, business addresses, and trading partners – that can reveal their relationships with particular corporate groups. In the case of Mayawana, overlapping corporate officers, operational management connections, and supply chain links indicate the company is related to RGE.

OVERLAPPING CORPORATE OFFICERS

Green Ascend, the majority shareholder of Mayawana since December 2022, has overlapping corporate officers with other anonymously owned companies linked to RGE. These include the holding companies of other pulpwood plantation operations in Indonesia, namely PT Industrial Forest Plantation and PT Adindo Hutani Lestari, which have recently cleared natural forests to develop wood fiber plantations.⁷⁹ These also include the holding companies for a woodchip mill in East Kalimantan, PT Balikpapan Chip Lestari, which shipped wood to RGE's pulp mill in China, as well as the holding companies for a new mega-scale pulp mill being developed in North Kalimantan, PT Phoenix Resources International, which is under common control with RGE, according to civil society and media reports.⁸⁰

71 Ministry of Law and Human Rights. 2024. "PT Mayawana Persada." Corporate profile, Government of Indonesia, accessed in February 2024.

72 Ministry of Law and Human Rights. 2024. "PT Mayawana Persada." Corporate profile, Government of Indonesia, accessed in February 2024.

73 Ministry of Law and Human Rights. 2024. "PT Mayawana Persada." Corporate profile, Government of Indonesia, accessed in February 2024.

74 Companies Commission of Malaysia. 2023. "Green Ascend (M) Sdn Bhd." Company profile, Government of Malaysia, accessed in February 2024. BVI Financial Services Commission. 2023. "Green Ascend Group Limited." Registry of Corporate Affairs. November 2023.

75 Tax Justice Network. 2023. "British Virgin Islands." Country profile in Financial Secrecy Index 2022. Accessed in March 2024. <https://fsi.taxjustice.net/country-detail/#country=VG&period=22>.

76 Ministry of Law and Human Rights. 2023. "PT Mayawana Persada." Corporate profile, Government of Indonesia, accessed in February 2023.

77 Hong Kong Companies Registry. 2023. "Behai International Group Limited", Incorporation Form. December 18, 2023.

78 Tax Justice Network. 2023. "Samoa." Country profile in Financial Secrecy Index 2022. Accessed in March 2024. <https://fsi.taxjustice.net/country-detail/#country=WS&period=22>.

79 Environmental Paper Network et al. 2023. *Pulping Borneo*. May 2023. <https://www.greenpeace.org/international/publication/59879/pulping-borneo/>.

80 *Narasi TV*. 2023. "Exposed! Indonesian companies and the greenwashing that deceived Europe." *Youtube*. November 18, 2023. <https://www.youtube.com/watch?v=qUy8Eh051SU>.

Environmental Paper Network et al. 2023. *Pulping Borneo*. May 2023. <https://www.greenpeace.org/international/publication/59879/pulping-borneo/>.

Aritonang, Margaret et al. 2023. "Chasing shadows." *The Gecko Project*. November 20, 2023. <https://thegeckoproject.org/articles/chasing-shadows/>.

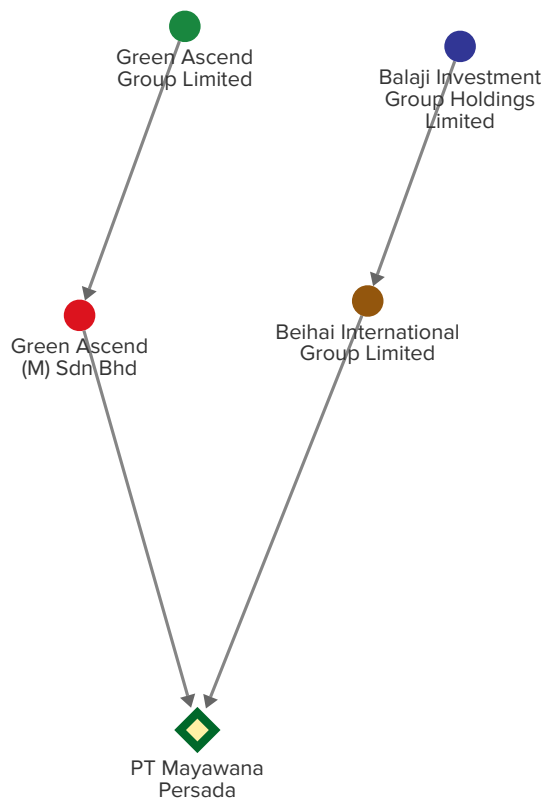


Figure 4. PT Mayawana Persada's ownership structure.

Sources: Ministry of Law and Human Rights (Government of Indonesia), Companies Commission of Malaysia, Hong Kong Companies Registry.

Legend

- Shareholder
- ◇ Pulpwood plantation company in Indonesia
- Malaysia company
- Hong Kong company
- British Virgin Islands company
- Samoa company

RGE has in the past denied that it is affiliated with these controversial pulpwood plantation companies, the wood chip mill in East Kalimantan, and the new pulp mill in North Kalimantan.⁸¹ The authors of this report note that RGE's response to the allegations detailed in our *Pulping Borneo* report is a vague statement, a link to which is included below, that does not address the credible evidence showing connections between its corporate group and controversial activities.⁸²

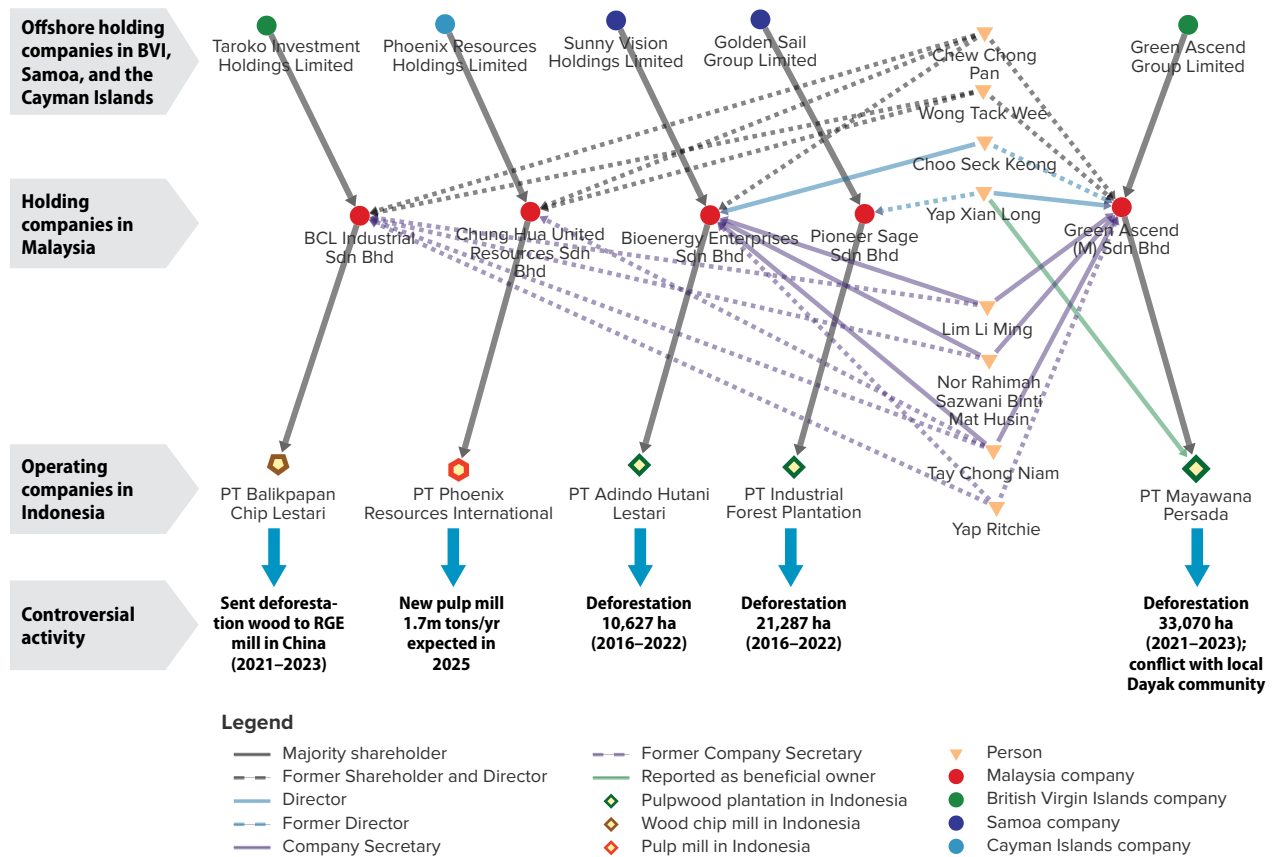
Green Ascend has corporate officers who have served, and in some cases continue to serve, as corporate officers for the Malaysian holding companies of other forestry companies in Indonesia linked to RGE (see Figure 5).⁸³ For example, PT Adindo Hutani Lestari is a pulpwood provider in North Kalimantan which supplies

81 RGE. 2023. "RGE Statement on EPN Report 'Pulping Borneo' – May 2023." <https://www.rgei.com/attachments/article/1893/rge-statement-on-epn-report-23-may-2023.pdf>.
 RGE. 2023. "RGE, APRIL, and Asia Symbol respond to allegations on sustainability." Media statement – Updated 19 December 2023. <https://www.rgei.com/attachments/article/1953/RGE%20Statement%20on%20EPN%20Report%20%27Pulping%20Borneo%27.pdf>.
 APRIL. 2020. "APRIL responds to Auriga on PT AHL." *APRIL Dialog*. October 5, 2020. <https://www.aprildialog.com/en/2020/10/05/april-responds-to-auriga-on-pt-ahl/>.

82 RGE. 2023. "RGE Statement on EPN Report 'Pulping Borneo' – May 2023." <https://www.rgei.com/attachments/article/1893/rge-statement-on-epn-report-23-may-2023.pdf>.
 RGE. 2023. "RGE, APRIL, and Asia Symbol respond to allegations on sustainability." Media statement – Updated 19 December 2023. <https://www.rgei.com/attachments/article/1953/RGE%20Statement%20on%20EPN%20Report%20%27Pulping%20Borneo%27.pdf>.

83 Companies Commission of Malaysia. 2023. "Green Ascend (M) Sdn Bhd." Particulars of Directors/Officers, Government of Malaysia, accessed in February 2024.
 Companies Commission of Malaysia. 2023. "BCL Industrial Sdn Bhd." Particulars of Directors/Officers, Government of Malaysia, accessed in February 2024.
 Companies Commission of Malaysia. 2023. "Chung Hua United Resources Sdn Bhd" Particulars of Directors/Officers, Government of Malaysia, accessed in February 2024.
 Companies Commission of Malaysia. 2023. "Bioenergy Enterprises Sdn Bhd." Particulars of Directors/Officers, Government of Malaysia, accessed in February 2024.
 Companies Commission of Malaysia. 2023. "EGL Capital Sdn Bhd." Particulars of Directors/Officers, Government of Malaysia, accessed in February 2024.

Figure 5. PT Mayawana Persada shared corporate officers with companies connected to RGE.



Sources: Ministry of Law and Human Rights (Government of Indonesia), Companies Commission of Malaysia, Hong Kong Companies Registry.

wood to RGE’s pulp mill in Sumatra.⁸⁴ The majority shareholder of Adindo is Bioenergy Enterprise Sdn Bhd, and Bioenergy’s founding shareholder and Director was the same former RGE employee, Chew Chong Pan, who was the founding shareholder and Director of Green Ascend (M) Sdn Bhd.⁸⁵ As of February 2024, Bioenergy and Green Ascend share the same three corporate secretaries, who were appointed to both companies on the same days (December 27, 2021 for two of them, and January 12, 2024 for one of them).⁸⁶

84 APRIL. 2024. “Supplier list as of December 31, 2023.” Accessed February 2024. <https://sustainability.aprilasia.com/en/april-fiber-supply-source/>.

85 Companies Commission of Malaysia. 2023. “Bioenergy Enterprises Sdn Bhd.” Particulars of Directors/Officers, Government of Malaysia, accessed in February 2024.

Companies Commission of Malaysia. 2023. “Bioenergy Enterprises Sdn Bhd.” Particulars of Shareholder, Government of Malaysia, accessed in February 2024.

Companies Commission of Malaysia. 2023. “Green Ascend (M) Sdn Bhd.” Particulars of Directors/Officers, Government of Malaysia, accessed in February 2024.

Companies Commission of Malaysia. 2023. “Green Ascend (M) Sdn Bhd.” Particulars of Shareholder, Government of Malaysia, accessed in February 2024.

Ministry of Law and Human Rights. 2023. “PT Adindo Hutani Lestari.” Corporate profile, Government of Indonesia, accessed in February 2024.

86 Companies Commission of Malaysia. 2023. “Bioenergy Enterprises Sdn Bhd.” Particulars of Directors/Officers, Government of Malaysia, accessed in February 2024.

Companies Commission of Malaysia. 2023. “Green Ascend (M) Sdn Bhd.” Particulars of Directors/Officers, Government of Malaysia, accessed in February 2024.

In another case, PT Industrial Forest Plantation is a pulpwood supplier linked to RGE with a recent history of large-scale deforestation.⁸⁷ Until May 2022, the majority shareholder was a Malaysian company, EGL Capital Sdn Bhd, which also had the same original shareholders and directors as Green Ascend and Bioenergy.⁸⁸ Since May 2022, PT Industrial Forest Plantation's majority shareholder has been Pioneer Sage Sdn Bhd.⁸⁹ Until August 2023, Yap Xian Long was one of Pioneer Sage's Directors. Yap Xian Long has been the Director of Green Ascend since December 2022 and is reported as Mayawana's beneficial owner in Indonesia.⁹⁰

Current and former corporate officers of Green Ascend served as corporate officers for the Malaysian holding companies of PT Balikpapan Chip Lestari, which operates a woodchip mill in Balikpapan, East Kalimantan. In 2022, this woodchip mill received wood from PT Adindo Hutani Lestari, PT Industrial Forest Plantation, and other pulpwood suppliers linked to RGE. This woodchip mill shipped woodchips exclusively to a pulp mill in Rizhao, China which is owned by Asia Symbol, an RGE subsidiary, using a marine shipping company under common control with RGE.⁹¹ In response to the *Pulping Borneo* report we published in May 2023, Asia Symbol acknowledged receiving woodchips from PT Balikpapan Chip Lestari and announced it would investigate the woodchip mill's sourcing from PT Industrial Forest Plantation because of the deforestation.⁹²

Green Ascend is also related through current and former corporate officers to the Malaysian holding companies of PT Phoenix Resources International, which is developing a pulp mill in North Kalimantan. PT Phoenix Resources International is, like the abovementioned woodchip mill and pulpwood plantation companies, anonymously-owned – but corporate connections indicate it is under common control with RGE.

RGE denies the connections to PT Balikpapan Chip Lestari and PT Phoenix Resources International. In a statement issued in May 2023 and re-issued in December 2023, RGE denied its connections without specifying the company names when it stated: "RGE categorically refutes the overall premise of the report published by Environmental Paper Network (EPN) on 23 May 2023, which suggests that two of the entities named in the report as operating in Kalimantan are under the 'common control' of RGE."⁹³ In response to the findings presented in this report, a statement issued by RGE through its subsidiary APRIL denied its connections to PT Phoenix Resources International when it stated that "This absence of any form of association also holds true between RGE and its shareholders and PT Phoenix Resources International." (See Appendix for RGE's full response).

87 Environmental Paper Network et al. 2023. *Pulping Borneo*. May 2023. <https://www.greenpeace.org/international/publication/59879/pulping-borneo/>.

AidEnvironment. 2021. *The industrial tree operations of the Nusantara Fiber group*. February 2021. <https://www.aidenvironment.org/wp-content/uploads/2021/02/Nusantara-Fiber-Report-Aidenvironment.pdf>

88 Government of Malaysia, accessed in February 2024. Companies Commission of Malaysia. 2023. "EGL Capital Sdn Bhd." Particulars of Directors/Officers, Government of Malaysia, accessed in February 2024.

Companies Commission of Malaysia. 2023. "EGL Capital Sdn Bhd." Particulars of Shareholder, Government of Malaysia, accessed in February 2024.

89 Ministry of Law and Human Rights. 2023. "PT Industrial Forest Plantation." Corporate profile, Government of Indonesia, accessed in February 2024.

90 Government of Malaysia, accessed in February 2024. Companies Commission of Malaysia. 2023. "Pioneer Sage Sdn Bhd." Particulars of Directors/Officers, Government of Malaysia, accessed in February 2024.

Companies Commission of Malaysia. 2023. "Green Ascend (M) Sdn Bhd." Particulars of Directors/Officers, Government of Malaysia, accessed in February 2024.

91 Environmental Paper Network et al. 2023. *Pulping Borneo*. May 2023. <https://www.greenpeace.org/international/publication/59879/pulping-borneo/>.

92 Asia Symbol. 2023. "Stakeholder Engagement." Webpage. July 7, 2023. <https://www.asiasymbol.com/en/sustainability/stakeholder-engagement>.









93 RGE. 2023. "RGE Statement on EPN Report 'Pulping Borneo' – May 2023." <https://www.rgei.com/attachments/article/1893/rge-statement-on-epn-report-23-may-2023.pdf>.


RGE. 2023. "RGE, APRIL, and Asia Symbol respond to allegations on sustainability." Media statement – Updated 19 December 2023. <https://www.rgei.com/attachments/article/1953/RGE%20Statement%20on%20EPN%20Report%20%27Pulping%20Borneo%27.pdf>.

Figure 6. Apical and RGE webpage excerpts.

OUR GROUP OF COMPANIES

RGE, also known as Royal Golden Eagle, manages a group of world-class companies in the resource-based manufacturing industry. Our operations occupy critical positions in the value chain, delivering resources and quality end-products to businesses and millions of people around the world. Each business group operates independently with its own holding company, governed by a board of directors and management overseeing operations and strategy.













Apical

Apical is a leading vegetable oil processor with an expanding global footprint. Our vertically integrated mid-stream refining and value-added downstream processing makes us an integral supplier that supports the food, feed, oleochemical and renewable fuel needs across industries.

With integrated assets in strategic locations spanning Indonesia, China and Spain, Apical operates numerous refineries, oleochemical plants, renewable fuel plants and kernel crushing plants. Through joint ventures and strategic partnerships, Apical also has processing and distribution operations in Brazil, India, Pakistan, Philippines, Middle East, Africa, USA and Vietnam.



APICAL OFFICES

<p>AAA OILS & FATS PTE LTD</p> <p>80 Raffles Place #50-01 UOB Plaza 1 Singapore 048624</p> <p>+65 6216 9368 +65 6538 4668</p>	<p>ARES MERCHANTS PTE LTD</p> <p>34 North Canal Road Singapore 059290</p>	<p>APICAL (MALAYSIA) SDN BHD</p> <p>Level 12A, Tower 2, Avenue 5 Bangsar South, No. 8, Jalan Kerinchi 59200 Kuala Lumpur, Malaysia</p> <p>+603 2785 7977 +603 2785 8999</p>
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Source: Company websites of Apical and RGE accessed in February 2024.

Mayawana’s corporate structure also has connections to RGE’s publicly acknowledged palm oil group Apical (see Figure 6). Yap Ritchie, Green Ascend’s corporate secretary until January 12, 2024, simultaneously served as corporate secretary for Apical (Malaysia) Sdn Bhd, the Malaysian office for RGE’s palm oil processor, Apical (see Figure 5).⁹⁴ Similarly, Green Ascend’s corporate secretary until 2022, Phang Kim Mee, was at the same time the corporate secretary for Apical (Malaysia) Sdn Bhd.⁹⁵

94 Companies Commission of Malaysia. 2023. “Apical (Malaysia) Sdn Bhd.” Particulars of Directors/Officers, Government of Malaysia, accessed in February 2024.

95 Companies Commission of Malaysia. 2023. “Apical (Malaysia) Sdn Bhd.” Particulars of Directors/Officers, Government of Malaysia, accessed in February 2024.

OPERATIONAL MANAGEMENT CONNECTIONS

The involvement of RGE-linked companies in Mayawana's legal ownership structure formally began in December 2022. However, it appears that RGE has had some degree of operational control over the company's forestry concession since 2019. Several staff of Mayawana stated to a field investigator that the individual directing operations since 2019 has been Andrea Gunawan Suwandi. After being asked directly, Mr. Suwandi confirmed that he directs Mayawana's operations.⁹⁶

Mr. Suwandi was linked to RGE's companies in the pulp sector, according to a report our organizations published with civil society partners in October 2020.⁹⁷ At that time (and as of February 2024), he owned half the shares of a company named PT Cahayamas Lestari Jaya, which is domiciled in Indonesia and itself is a minority shareholder in a company named PT Super Mitra Nusantara Abadi.⁹⁸ PT Super Mitra Nusantara Abadi's office address in Medan, North Sumatra was the same address as RGE's palm oil company Asian Agri's office in Medan.⁹⁹ The majority shareholder of PT Super Mitra Nusantara Abadi was a company, PT Bintang Utama Lestari, which until several years ago shared an address with RGE and APRIL headquarters in downtown Jakarta. PT Super Mitra Nusantara Abadi's former shareholders include RGE founding Chairman and beneficial owner Sukanto Tanoto, who owned the company with his wife Tinah Bingei until August 2008.¹⁰⁰

PT Super Mitra Nusantara Abadi owns half the shares of another company, PT Asiaraya Panelindo Hutanilestari, which, until recently, shared an address with RGE headquarters in Jakarta.¹⁰¹ A former Commissioner of PT Asiaraya Panelindo Hutani Lestari is Protasius Daritan who was described in a 2015 Tanoto Foundation report as "one of the senior leaders of RGE Indonesia".¹⁰² PT Asiaraya Panelindo Hutani Lestari owns 50% of shares in PT Wananugraha Bimalestari, which operates an industrial woodfiber concession in Sumatra. PT Wananugraha Bimalestari is listed by APRIL as a long-term "supply partner".¹⁰³

Mr. Suwandi is also an indirect minority shareholder of a company operating a plywood mill in Riau, which has received natural forest wood from PT Mayawana Persada, as detailed in the next section.¹⁰⁴

SUPPLY CHAIN LINKS

RGE's connection to Mayawana is also indicated by supply chain evidence that shows a plywood mill operated by PT Asia Forestama Raya – which was owned directly until 2008 by Sukanto Tanoto¹⁰⁵ – has sourced natural

96 Contacted by phone during field investigation conducted in July 2023.

97 Auriga et al. 2020. *Sustaining Deforestation: APRIL's links with PT Adindo Hutani Lestari undercut "No Deforestation" pledge*. October 2020. <https://environmentalpaper.org/wp-content/uploads/2020/11/2020-10-06-Sustaining-Deforestation-APRIL-Adindo.pdf>.

98 Ministry of Law and Human Rights. 2023. "PT Cahayamas Lestari Jaya." Corporate profile, Government of Indonesia, accessed in February 2023. Ministry of Law and Human Rights. 2024. "PT Super Mitra Nusantara Abadi." Corporate profile, Government of Indonesia, accessed in February 2024.

99 Ministry of Law and Human Rights. 2024. "PT Super Mitra Nusantara Abadi." Corporate profile, Government of Indonesia, accessed in February 2024

Asian Agri. 2024. "Contact us." Webpage. Accessed in March 2024. <https://www.asianagri.com/en/contact-us/>.

100 Ministry of Law and Human Rights. 2024. "PT Super Mitra Nusantara Abadi." Corporate profile, Government of Indonesia, accessed in February 2024.

101 Ministry of Law and Human Rights. 2024. "PT Asiaraya Panelindo Hutanilestari." Corporate profile, Government of Indonesia, accessed in February 2024.

102 Tanoto Foundation. 2016. Annual Report 2015. Jakarta, Indonesia. <http://www.tanotofoundation.org/wp-content/uploads/2016/08/TF-Annual-Report-Web-Chp-2.pdf>.

103 APRIL. 2024. "List of APRIL's fiber supply sources as of 31 January 2024." Webpage on *APRIL Sustainability Dashboard*. Accessed in March 2024. <https://sustainability.aprilasia.com/en/april-fiber-supply-source/>.

104 Ministry of Law and Human Rights. 2024. "PT Asia Forestama Raya." Corporate profile, Government of Indonesia, accessed in February 2024.

105 Ministry of Law and Human Rights. 2024. "PT Asia Forestama Raya." Corporate profile, Government of Indonesia, accessed in February 2024.

forest timber from Mayawana's concession.¹⁰⁶ Sukanto Tanoto maintained part ownership of the mill through holding company PT Dasa Anugrah Mandiri until July 2023, when his shares were transferred to Glory Heights Limited¹⁰⁷, a company domiciled in the British Virgin Islands, that was linked to RGE by information in the International Consortium of Investigative Journalists' (ICIJ) Offshore Leaks database.¹⁰⁸

PT Asia Forestama Raya's plywood mill in Riau province has a production capacity of 68,500 m³ per year.¹⁰⁹ In 2022, it operated below half of its reported capacity, consuming 43,640 m³ of timber to produce 21,736 m³ of plywood, of which a third was exported.¹¹⁰ In 2023, the mill reportedly received 35,215 m³ of wood and produced 16,831 m³ of plywood.¹¹¹ In both 2022 and 2023, the company received natural forest wood from PT Mayawana Persada, according to the Industrial Raw Material Supply Plan Information System (SI-RPBBI) managed by Indonesia's Ministry of Environment and Forestry.¹¹²

PT Asia Forestama Raya was previously named PT Raja Garuda Mas Panel¹¹³, and it operated a plywood mill under the Raja Garuda Mas Group – which was later renamed the Royal Golden Eagle Group.¹¹⁴ PT Asia Forestama Raya used to be directly owned by Sukanto Tanoto, the founding Chairman of RGE, and his brother Polar Yanto Tanoto¹¹⁵ who died in a plane crash in 1997.¹¹⁶ Sukanto Tanoto's wife Tinah Bingei served as the company's commissioner.¹¹⁷ Following Polar Yanto Tanoto's death¹¹⁸, Sukanto Tanoto split ownership of PT Asia Forestama Raya with another company domiciled in Indonesia, PT Dasa Anugrah Mandiri.¹¹⁹ PT Dasa Anugrah Mandiri was, in turn, also owned by Sukanto Tanoto until July 2023, when his ownership was transferred to Glory Heights Limited, a company domiciled in the British Virgin Islands.¹²⁰

Glory Heights Limited is the majority owner of PT Dasa Anugrah Mandiri as of February 2024, alongside the minority owner PT Asiaraya Panelindo Hutani Lestari (see "operational management connections" section above).¹²¹ Although Glory Heights Limited is a BVI company with limited publicly available information, some of the company's data was published as part of ICIJ's Offshore Leaks database and shows multiple connections

106 Ministry of Environment and Forestry. 2022 and 2023. "PT Asia Forestama Raya". Rencana dan Realisasi Pemenuhan Bahan Baku Industri Primer Hasil Hutan Kayu (RPBBI), Government of Indonesia.

107 Ministry of Law and Human Rights. 2024. "PT Dasa Anugrah Mandiri." Corporate profile, Government of Indonesia, accessed in February 2024.

108 International Consortium of Investigative Journalists. 2013. "Glory Heights Limited." Offshore Leaks. Accessed in February 2024. <https://offshoreleaks.icij.org/nodes/124339>.

109 Ministry of Environment and Forestry. 2022. "PT Asia Forestama Raya". Rencana dan Realisasi Pemenuhan Bahan Baku Industri Primer Hasil Hutan Kayu (RPBBI), Government of Indonesia.

110 Ministry of Environment and Forestry. 2022. "PT Asia Forestama Raya". Rencana dan Realisasi Pemenuhan Bahan Baku Industri Primer Hasil Hutan Kayu (RPBBI), Government of Indonesia.

111 Ministry of Environment and Forestry. 2022 and 2023. "PT Asia Forestama Raya". Rencana dan Realisasi Pemenuhan Bahan Baku Industri Primer Hasil Hutan Kayu (RPBBI), Government of Indonesia.

112 Ministry of Environment and Forestry. 2022 and 2023. "PT Asia Forestama Raya". Rencana dan Realisasi Pemenuhan Bahan Baku Industri Primer Hasil Hutan Kayu (RPBBI), Government of Indonesia.

113 Ministry of Law and Human Rights. 2024. "PT Asia Forestama Raya." Corporate profile, Government of Indonesia, accessed in February 2024.

114 RGE. 2024. "Our history" on company website. Accessed in February 2024. <https://www.rgei.com/about/rge-history>.

115 Ministry of Law and Human Rights. 2023. "PT Asia Forestama Raya." Corporate profile, Government of Indonesia, accessed in February 2024.

116 <https://archive.seattletimes.com/archive/?date=19970926&slug=2562636>.

117 Ministry of Law and Human Rights. 2023. "PT Asia Forestama Raya." Corporate profile, Government of Indonesia, accessed in February 2024.

118 Spencer, Geoff. 1997. "Indonesian Jet Crashes; 234 On Board – Smoke, Haze From Forest Fires Investigated As Possible Cause" Seattle Times. September 26, 1997.

119 Ministry of Law and Human Rights. 2023. "PT Asia Forestama Raya." Corporate profile, Government of Indonesia, accessed in February 2024.

120 Ministry of Law and Human Rights. 2023. "PT Dasa Anugrah Mandiri." Corporate profile, Government of Indonesia, accessed in February 2024.

121 Ministry of Law and Human Rights. 2023. "PT Dasa Anugrah Mandiri." Corporate profile, Government of Indonesia, accessed in February 2024.

to RGE.¹²² Similarly, PT Asiaraya Panelindo Hutani Lestari has been linked in previous civil society investigative reports to RGE forestry companies and former management personnel.¹²³

In 2022, Mayawana supplied 10,808 m³ of logs from forest clearing to PT Asia Forestama Raya, according to the RPBBI report.¹²⁴ In 2023, the volume of wood that Mayawana supplied to Asia Forestama Raya increased to 13,423 m³.¹²⁵ Last year, Mayawana supplied more than 98% of the natural forest wood (and 38% of the mill's overall wood supply) received by Asia Forestama Raya.¹²⁶



Natural forest timber being loaded onto a barge inside PT Mayawana Persada's concession for transport to PT Asia Forestama Raya's plywood mill in Riau province, Sumatra, August 2023.

Source: Greenpeace Indonesia.

The transportation of wood from Mayawana's log pond to Asia Forestama Raya was verified by a tracking device on a shipment of logs in 2023.¹²⁷ The tracking device indicated that the logs left Mayawana's log pond on August 6, 2023 and arrived at Asia Forestama Raya on August 15, 2023 (see Figure 7). This shipment of logs was further verified by checking the transport operator's bill of lading.¹²⁸

In response to the above findings, APRIL states: "RGE categorically refutes the existence of any links between RGE and its shareholders and PT Mayawana Persada [. . .] The information presented relating to individuals

122 International Consortium of Investigative Journalists. 2013. "Glory Heights Limited." Offshore Leaks. Accessed in February 2024. <https://offshoreleaks.icij.org/nodes/124339>.

123 Eyes on the Forest et al. 2020. *Sustaining Deforestation*. <https://environmentalpaper.org/wp-content/uploads/2020/11/2020-10-06-Sustaining-Deforestation-APRIL-Adindo.pdf>

Environmental Paper Network et al. 2023. *Pulping Borneo*. May 2023. <https://www.greenpeace.org/international/publication/59879/pulping-borneo/>.

124 Ministry of Environment and Forestry. 2022. "PT Asia Forestama Raya". Rencana dan Realisasi Pemenuhan Bahan Baku Industri Primer Hasil Hutan Kayu (RPBBI), Government of Indonesia.

125 Ministry of Environment and Forestry. 2023. "PT Asia Forestama Raya". Rencana dan Realisasi Pemenuhan Bahan Baku Industri Primer Hasil Hutan Kayu (RPBBI), Government of Indonesia.

126 Ministry of Environment and Forestry. 2023. "PT Asia Forestama Raya". Rencana dan Realisasi Pemenuhan Bahan Baku Industri Primer Hasil Hutan Kayu (RPBBI), Government of Indonesia.

127 Field investigation conducted in 2023.

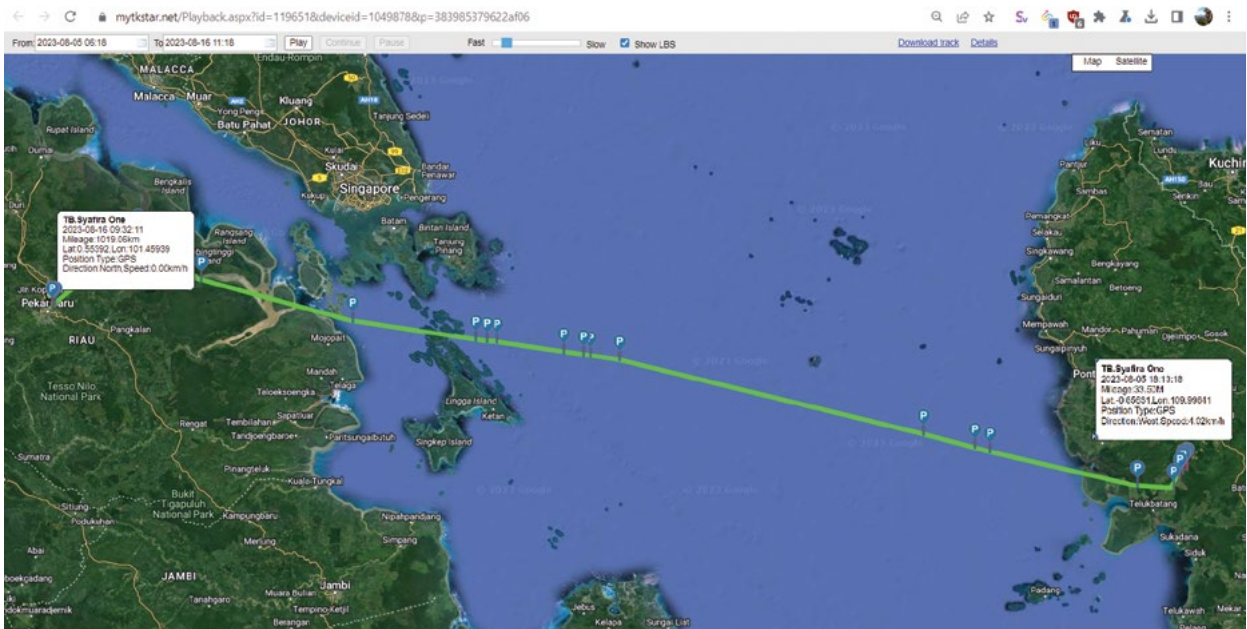
128 Field investigation conducted in 2023.



Logs harvested from natural forest inside PT Mayawana Persada’s concession being loaded onto a barge for transport to PT Asia Forestama Raya’s plywood mill in Riau province, Sumatra, August 2023.

Source: Greenpeace Indonesia.

Figure 7. Course of log shipment from PT Mayawana Persada’s jetty on the Kualan River to PT Asia Forestama Raya’s jetty on the Siak River in August 2023.



Source: Greenpeace Indonesia.

indicates nothing more than the existence of standard professional networks and relationships. Like any other sector in Indonesia or globally, directors and professionals move freely between entities as part of normal career progression and to retain network connections. The commentary regarding corporate links is speculative and unfounded, given the lack of any detailed, factual information.” (See Appendix for RGE’s full response.)

DEFORESTATION ANONYMOUS

RAINFOREST DESTRUCTION AND SOCIAL CONFLICT DRIVEN BY PT MAYAWANA PERSADA IN INDONESIAN BORNEO

RGE Group's pulp expansion

PT Mayawana Persada is clearing rainforest in Borneo to develop monoculture pulpwood plantations. As of December 31, 2023, 45,187 ha of pulpwood plantations were growing within Mayawana's concession area in West Kalimantan.¹²⁹ The pulpwood that Mayawana is growing on deforested lands will mature in the coming years and appears set to supply wood fiber to RGE's pulp mills during a period of rapid capacity expansion.

RGE's flagship mill, operated by PT Riau Andalan pulp & Paper (RAPP) under APRIL in Riau province, is in the process of adding two new pulp production lines and upgrading several existing ones.¹³⁰ In addition, RGE is linked to a giant greenfield pulp mill under construction by PT Phoenix Resources International on Tarakan island in North Kalimantan province near Borneo's northeastern coast. (Officially, RGE has denied involvement in the project¹³¹). Together, these projects are expected to double RGE's annual wood requirement from 14.7 million m³ to 29.6 million m³, as detailed in the analysis below.

APRIL claims that it will meet the future wood demand of the RAPP mill complex through productivity improvements on existing plantation areas and that no additional plantations will be required to support the planned capacity expansion at the mill. However, based on our analysis, even if APRIL achieves its ambitious productivity improvement targets, it will still need almost 100,000 hectares of new plantations to meet RAPP's projected wood requirement. At existing plantation productivity levels, the planned expansion at RAPP and the Phoenix mill project will require nearly 750,000 hectares of new pulpwood plantations – over double the net planted area currently managed by APRIL and its existing network of suppliers.

Moreover, despite claims made by the RGE Group – and its flagship companies – that it will not source pulpwood from suppliers engaged in deforestation, there are clear and recent cases where entities in the group have been exposed for sourcing from producers clearing forests. One recent case is Asia Symbol's confirmation of its sourcing from PT Balikpapan Chip Lestari, an RGE-related woodchip mill which, in turn, has sourced wood from PT Industrial Forest Plantation despite ongoing forest destruction in its concession in Central Kalimantan.¹³²

RAPP PULP EXPANSION IN RIAU, SUMATRA

The RAPP mill complex in Kerinci district of Riau province, is already one of the world's largest pulp mills, and it is now undergoing a significant expansion of its pulp capacity. According to the Environmental Impact Assessment (*Analisis Mengenai Dampak Lingkungan, AMDAL*) for the project, the planned expansion at RAPP will increase the mill's pulp production capacity from its current level of 3.0 million tons to 5.6 million tons per year.¹³³ This increase of 2.6 million tons in annual pulp production capacity includes two new pulp lines, one of which is for packaging grade semi-mechanical pulp, and upgrades to two of four existing paper-grade pulp lines (see Table 3). It is noted that two corporate entities – PT Riau Andalan Pulp & Paper and PT Intiguna

129 TheTreeMap. 2023. *Nusantara Atlas*. Mapping platform, accessed in March 2023. <https://map.nusantara-atlas.org/>.

130 PT Riau Andalan Pulp and Paper. 2020. "Analisis Dampak Lingkungan Hidup (ANDAL) Rencana Kegiatan Pengembangan Riau Komplek".

131 RGE. 2023. "RGE Statement on EPN Report 'Pulping Borneo' – May 2023." <https://www.rgei.com/attachments/article/1893/rge-statement-on-epn-report-23-may-2023.pdf>.

RGE. 2023. "RGE, APRIL, and Asia Symbol respond to allegations on sustainability." Media statement – Updated 19 December 2023. <https://www.rgei.com/attachments/article/1953/RGE%20Statement%20on%20EPN%20Report%20%27Pulping%20Borneo%27.pdf>.

132 Asia Symbol. 2023. "Stakeholder Engagement." Webpage. July 7, 2023. <https://www.asiasymbol.com/en/sustainability/stakeholder-engagement>.

133 PT Riau Andalan Pulp and Paper. 2020. "Analisis Dampak Lingkungan Hidup (ANDAL) Rencana Kegiatan Pengembangan Riau Komplek".

Primatama – formally own various portions of the existing pulp production lines at the RAPP mill complex, and both companies will be involved in the mill’s planned capacity expansion project.

Table 3. Planned pulp capacity expansion at the RAPP mill complex in Kerinci district, Riau province.

Company	Production Unit	Current Capacity (2022)	Capacity to be Added
PT Riau Andalan Pulp and Paper	Fiberline 1	1,150,000 ton/year	—
	Fiberline 3B	—	1,200,000 ton/year
	BCTMP Plant	—	1,300,000 ton/year
	Fiberline 2A	625,000 ton/year	50,000 ton/year
PT Intiguna Primatama	Fiberline 2B	525,000 ton/year	90,000 ton/year
	Fiberline 3A	700,000 ton/year	90,000 ton/year
Total		3,000,000 ton/year	2,640,000 ton/year

Source: RAPP Environmental Impact Assessment (AMDAL) 2020.

In 2022, the RAPP mill consumed 14.7 million m³ of wood to produce 2.96 million tons of pulp, according to the mill’s wood utilization report submitted to the Ministry of Environment and Forestry.¹³⁴ With a plan to increase pulp production by nearly 70%, the mill’s annual wood requirement will increase substantially as well. By our estimates, the RAPP mill’s wood requirement will increase to nearly 25 million m³ per year when the expansion is completed and the added pulp production capacity is fully online (see Table 4).

Table 4. RGE Group’s projected wood requirement after pulp capacity expansion at the RAPP mill and the Phoenix mill development.

Pulp mill	Pulp production/capacity (tons)	Type of pulp	Conversion rate (m ³ /ton of pulp)	Wood requirement (m ³)
Current (2022)				
RAPP/Intiguna	2,964,676	BHKP/Dissolving	4.96	14,713,341
Expansions				
RAPP/Intiguna	1,340,000	BHKP/Dissolving	4.96	6,650,264
RAPP/Intiguna	1,300,000	BCTMP	2.75	3,575,000
Phoenix	1,700,000	Semi-chemical	2.75	4,675,000
			RAPP only	24,938,605
			<i>change</i>	69%
			with Phoenix	29,613,605
			<i>change</i>	101%

Sources: Industrial Wood Utilization Report (RPBBI) for PT Riau Andalan Pulp & Paper 2022; Environmental Impact Assessment (AMDAL) for PT Riau Andalan Pulp & Paper (2020); Environmental Impact Assessment (AMDAL) for PT Phoenix Resources International; and FAO (2020) for semi-mechanical pulp conversion factor.

134 Ministry of Environment and Forestry. 2022. “PT Riau Andalan Pulp & Paper”. Rencana dan Realisasi Pemenuhan Bahan Baku Industri Primer Hasil Hutan Kayu (RPBBI), Government of Indonesia.

APRIL has claimed that productivity improvements on existing pulpwood plantation areas will mean that no additional plantations will be required to meet the future raw material needs of the RAPP mill.¹³⁵ Indeed, APRIL has set a target of increasing the productivity of its plantation base by 50% by 2030.¹³⁶ We note that over the past two decades, APRIL and its wood suppliers have faced persistent challenges from pests and pathogens, peatland subsidence, catastrophic fires, and social conflicts, all of which have placed significant constraints on plantation productivity levels.¹³⁷ APRIL has not yet published a detailed plan showing how it intends to manage these constraints and to achieve such an ambitious increase in productivity on an industrial scale over the next six years.¹³⁸

Moreover, as shown in Table 5, even if APRIL achieves its 50% productivity improvement target for 2030 across its current network of wood suppliers, APRIL will still need over 96,000 hectares of new planted area to meet RAPP’s projected wood demand of 25 million cubic meters per year. To calculate current average harvest yield levels, we assume that the average rotation length is 5 years. Therefore, the annual harvest area is one-fifth of the total planted area (739,189 ha) currently managed by APRIL and its existing wood suppliers, or 147,838 ha. By dividing the total volume of wood consumed by RAPP in 2022 by the annual harvest area, an average net harvest yield of 99.5 cubic meters of wood per hectare (delivered to the mill) is calculated. These projections demonstrate that even if APRIL can increase the average net harvest yield to 149.2 cubic meters per hectare (delivered to the mill) over the group’s entire wood supply network, it will continue to face a substantial gap in net planted area.

Table 5. Projected plantation requirement for planned pulp capacity expansion at the RAPP mill based on an assumed 50% increase in current harvest yield levels.

Current net planted area (ha)	Rotation (years)	Current annual harvest area (ha)	Current annual wood use (m ³ /year)	Current harvest yield (m ³ /ha) (net delivered to mill)	Assumed 50% increase in harvest yield (m ³ /ha) (net delivered to mill)	Projected annual wood requirement (m ³ /year)	Projected annual harvest area requirement (ha/year)	Projected net planted area requirement (ha)	Projected net planted area gap (ha)
739,189	5	147,838	14,713,341	99.52	149.28	24,938,605	167,059	835,296	96,107

Sources: Nusantara Atlas (planted area), RPBB (wood use), industry sources (rotation length), and RAPP Environmental Impact Assessment (pulp capacity expansion).

In response to these findings, RGE states, “APRIL’s current and future fibre supply will be mainly sourced from its own and suppliers’ concession where any increased fibre supply needs will come from productivity gains driven by significant investments in R&D and best practice silviculture. All fibre supply, including third party sourcing, will be in accordance with the company’s Sustainable Forest Management Policy 2.0 which explicitly commits to no deforestation in our supply chain from any sources.” (See Appendix for RGE’s full response.)

135 “APRIL has clearly stated that it has no intention of expanding its forest concessions and that future demand for fiber supply will be met from its existing supply chain, including from intensification and productivity gains from existing plantations.” APRIL. 2021. “APRIL Group response to NBC story.” *APRIL Dialog*. December 12, 2021. <https://www.aprildialog.com/en/2021/12/12/april-group-response-to-nbc-story/>.

136 APRIL. 2023. “Upholding commitments to no deforestation and sustainable forest management.” *APRIL Dialog*. May 23, 2023. <https://www.aprildialog.com/en/2023/05/23/april-statement-upholding-commitments-to-no-deforestation-and-sustainable-forest-management/>.

137 Hardiyanto et al. 2024. “Sustaining plantation forest productivity in Sumatra over three decades: From acacias to eucalypts.” *Forest Ecology and Management*. Vol. 553. February 1, 2024. <https://doi.org/10.1016/j.foreco.2023.121613>.

138 The wood fiber supply review by consultancy Indufor that APRIL published in 2019 apparently did not consider the wood fiber demands for a pulp capacity expansion. See Indufor. 2019. *Summary Report on the Strategic Wood Fiber Supply Review*. August 5, 2019. <https://www.aprildialog.com/wp-content/uploads/2019/08/8500-Indufor-Summary-Report-on-LRP-Wood-Supply-Review.pdf>.

PHOENIX PULP MILL CONSTRUCTION IN NORTH KALIMANTAN

The Phoenix pulp mill will reportedly produce semi-chemical pulp, according to the Environmental Impact Assessment (AMDAL) for the project. The AMDAL, completed in early 2023, indicates that the mill will be built in two phases over a period of 72 months.¹³⁹ According to the AMDAL, each phase will involve the construction of a pulp production line with a capacity of 850,000 tons/year, for a total capacity of 1.7 million tons/year upon completion.¹⁴⁰ A letter from the Ministry of Environment and Forestry to the directors of PT Phoenix Resources International, dated October 5, 2021, indicates that the company has applied for permits to construct a pulp mill with a total production capacity of 2,520,000 tons/year.¹⁴¹



Construction of semi-chemical pulp mill in Tarakan, North Kalimantan by PT Phoenix Resources International, February 2024.

Source: Rainforest Action Network

PT Phoenix Resources International's development of a mega-scale pulp mill on Tarakan island is likely to pose new threats to natural forests in Kalimantan, Sulawesi, and Papua.¹⁴² Wood fiber is a pulp mill's primary raw material, and a mill producing on the scale planned for Phoenix will need approximately 4.5 million cubic meters of wood per year (see Table 4). That is equivalent to about 100,000 truckloads of wood every year that the pulp mill operates at its designed capacity. This demand for wood will put a structural pressure on the surrounding landscape to produce sufficient volumes of fiber for many decades to come.

139 Environmental Paper Network et al. 2023. *Pulping Borneo*. May 2023. <https://www.greenpeace.org/international/publication/59879/pulping-borneo/>.

140 Environmental Paper Network et al. 2023. *Pulping Borneo*. May 2023. <https://www.greenpeace.org/international/publication/59879/pulping-borneo/>.

141 Environmental Paper Network et al. 2023. *Pulping Borneo*. May 2023. <https://www.greenpeace.org/international/publication/59879/pulping-borneo/>.

142 Environmental Paper Network et al. 2023. *Pulping Borneo*. May 2023. <https://www.greenpeace.org/international/publication/59879/pulping-borneo/>.



Construction of semi-chemical pulp mill in Tarakan, North Kalimantan by PT Phoenix Resources International, February 2024.

Source: Rainforest Action Network.

In April 2023, a coalition of Indonesian and international civil society organizations published a report entitled, *Pulping Borneo*, which provided evidence of substantial links between the Phoenix pulp mill and RGE (see Figure 8). In response to the report, RGE issued a statement that vaguely denied its involvement with the mill project: “RGE categorically refutes the overall premise of the report published by Environmental Paper Network (EPN) on 23 May 2023, which suggests that two of the entities named in the report as operating in Kalimantan are under the ‘common control’ of RGE.”¹⁴³ Since RGE’s statement in May 2023 (and reissued in December 2023), a statement from one of the mill’s contractors, China West Construction, referred to the mill in a statement on its website as the “Golden Eagle Paper Mill”.¹⁴⁴

In response to these findings, APRIL states, “This absence of any form of association also holds true between RGE and its shareholders and PT Phoenix Resources International” (see Appendix for RGE’s full response).

RGE GROUP’S OVERALL PLANTATION REQUIREMENT

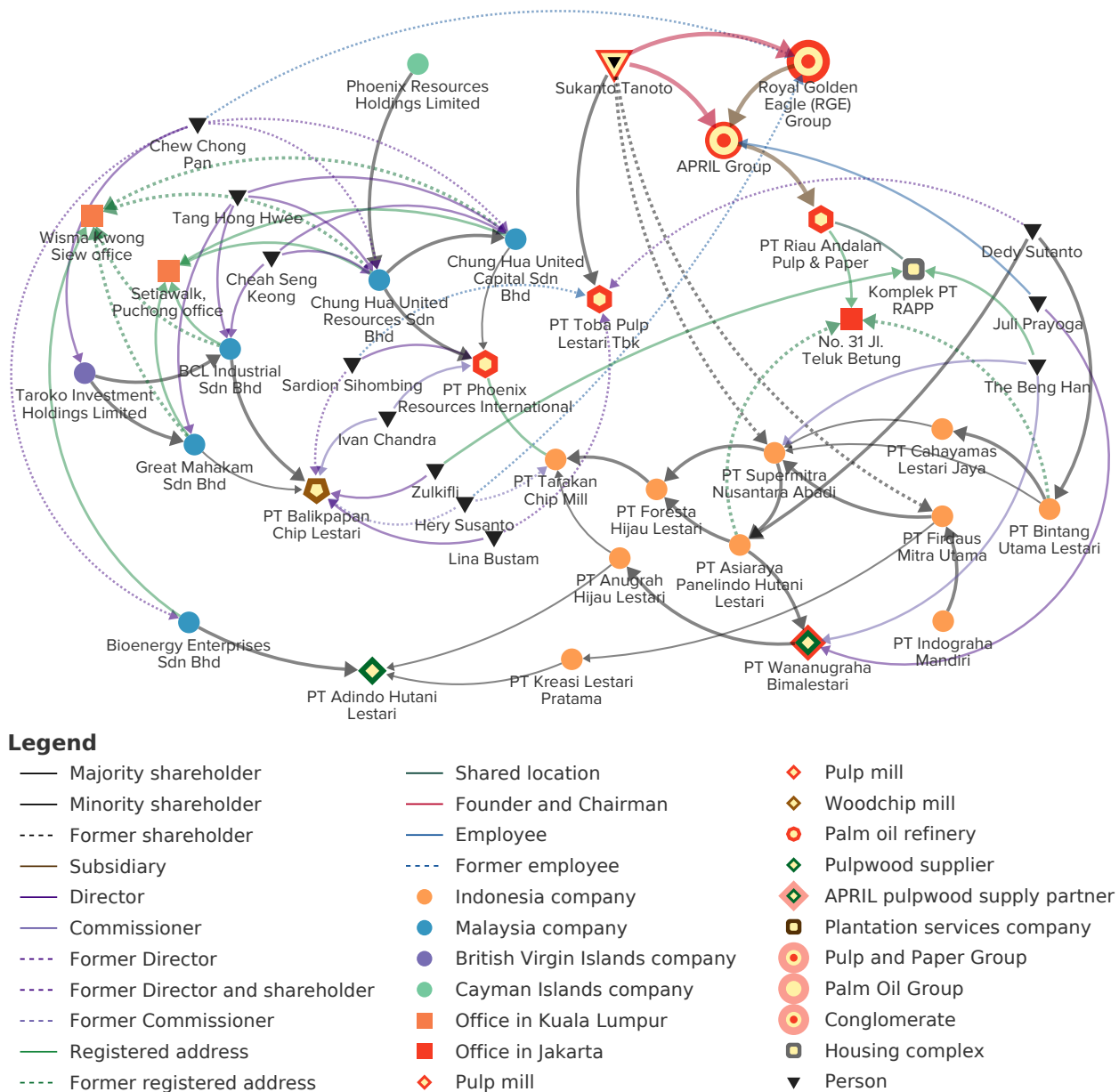
Taken together, the RAPP mill expansion and Phoenix mill construction stand to double RGE’s current wood requirement in Indonesia from 14.7 million m³ to 29.6 million m³ per year. How much planted area is required to produce 29.6 million m³ of wood on an annual basis, and how will that impact RGE’s overall plantation requirement?

143 RGE. 2023. “RGE Statement on EPN Report ‘Pulping Borneo’ – May 2023.” <https://www.rgei.com/attachments/article/1893/rge-statement-on-epn-report-23-may-2023.pdf>.

RGE. 2023. “RGE, APRIL, and Asia Symbol respond to allegations on sustainability.” Media statement – Updated 19 December 2023. <https://www.rgei.com/attachments/article/1953/RGE%20Statement%20on%20EPN%20Report%20%27Pulping%20Borneo%27.pdf>.

144 China West Construction Group Co., Ltd. 2023. “Wu Zhiqi and his delegation went to Indonesia for short-term work.” Media release. March 28, 2023. Accessed in March 2024. <https://cwgc.cscec.com/xwzx/xjyw/202303/3645694.html>.

Figure 8. PT Phoenix Resources International's corporate structure and links to the RGE Group.



Sources: Figure from *Pulping Borneo* (2023), Ministry of Law and Human Rights, Government of Indonesia; Companies Commission of Malaysia; British Virgin Islands Financial Services Commission, PT Toba Pulp Lestari Tbk Annual Reports; RGE Group website; APRIL Supplier List; Apical letter to Aidenvironment; LinkedIn.

Based on our calculations of current average harvest yields for RAPP's existing network of wood suppliers, we estimate that a projected wood requirement of 29.6 million m³ will require an annual harvest area of 297,554 ha, and an overall net planted area of 1,487,769 million hectares at current average plantation productivity levels. This indicates that RGE will need a plantation base that is over twice the size of the current planted area (739,000 hectares) managed by APRIL and its existing network of wood suppliers in order to meet the projected wood fiber needs of the RAPP mill and the Phoenix mill when the planned expansions are fully operational (see Table 6).

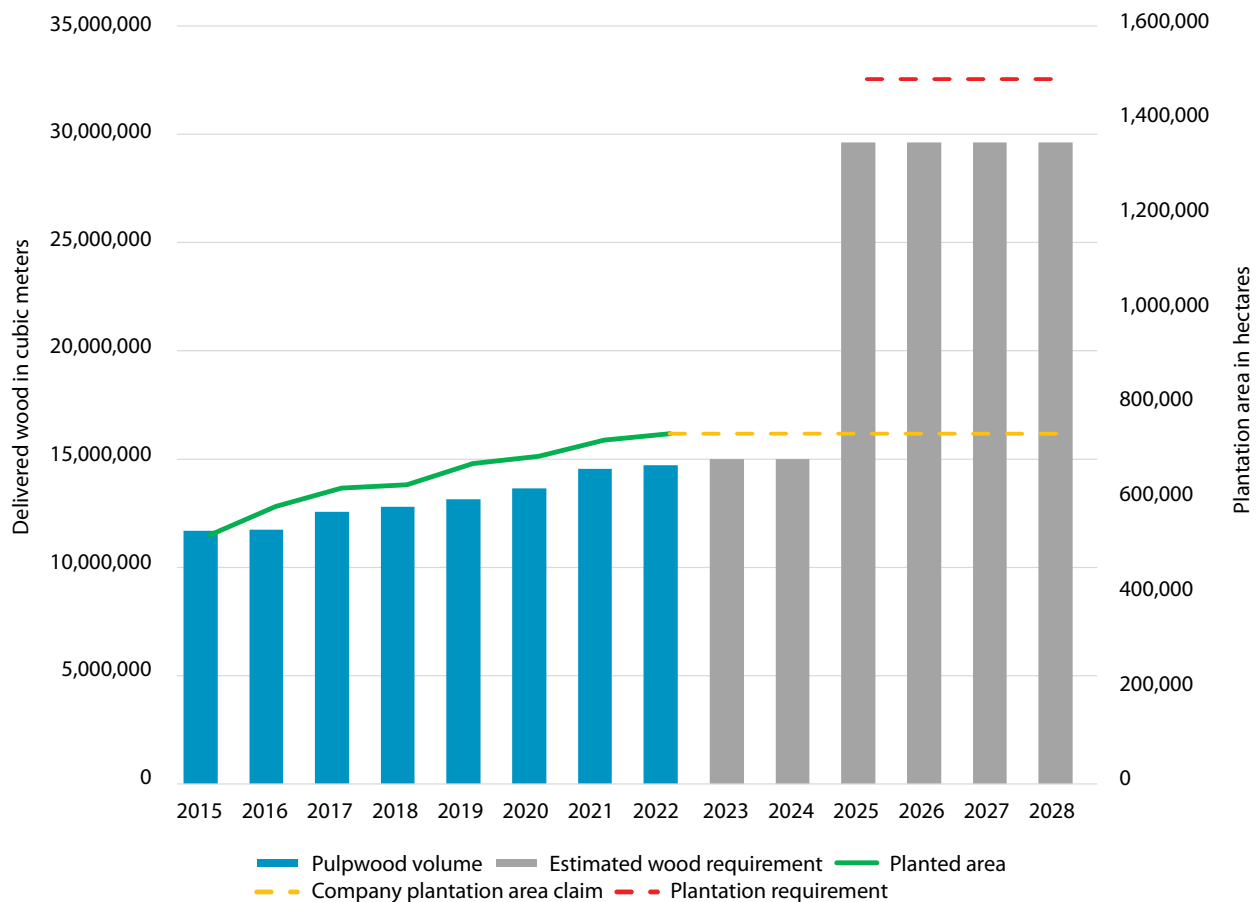
Table 6. Projected plantation requirement for planned pulp capacity expansion at RAPP and Phoenix mill development, at current harvest yield levels.

Current net planted area (ha)	Rotation (years)	Current annual harvest area (ha)	Current annual wood use (m ³ /year)	Current average harvest yield (m ³ /ha) (net delivered to mill)	Projected annual wood requirement (m ³ /year)	Projected annual harvest area (ha)	Projected net planted area requirement (ha)	Additional net planted area needed (ha)
739,189	5	147,838	14,713,341	99.52	29,613,605	297,564	1,487,822	748,633

Sources: Nusantara Atlas (planted area), RPBBI (wood use), industry sources (rotation length), and RAPP and Phoenix Environmental Impact Assessments (pulp capacity expansion).

Figure 9 shows the scale of the projected gap between RGE’s current planted area and its anticipated plantation requirement when both the planned RAPP pulp capacity expansion and the Phoenix mill development project are fully completed, based on current levels of plantation productivity. We note that the additional net planted area that RGE will need to meet its projected wood demand – 748,633 hectares – is over 10 times the size of Singapore and nearly 30 percent larger than the land area of Brunei. Within this context, it is reasonable to assume that the RGE Group would have a powerful interest to support the development of new pulpwood plantations to supply its future demand for wood fiber. Indeed, the 45,187 hectares of pulpwood plantations established in recent years by PT Mayawana Persada represents approximately 6 percent of the additional net planted area that RGE will need to meet its projected wood fiber needs.

Figure 9. RGE Group’s historical and projected pulpwood use and plantation requirement for planned pulp capacity expansion at RAPP and Phoenix mill development.



Sources: Nusantara Atlas (plantation area), RPBBI (wood use), industry sources (rotation length), and RAPP and Phoenix Environmental Impact Assessments (pulp capacity expansion).

Test for the Forest Stewardship Council's new corporate group policy

The Forest Stewardship Council has already accepted a Policy for Association complaint about PT Mayawana Persada which was submitted by Mighty Earth, a U.S.-based environmental advocacy organization, in December 2023.¹⁴⁵ This complaint, submitted against Mayawana's previous owners¹⁴⁶, the Alas Kusuma Group, alleges the following "unacceptable activities":

- Conversion of natural forests into plantations
- Destruction of high conservation values
- Violation of human and traditional rights
- Illegal logging or the trade in illegal wood or forest products¹⁴⁷

The ownership of Mayawana was transferred in December 2022 (50% of shares) and December 2023 (the other 50% of shares) from the Alas Kusuma Group to its current shareholders. As detailed in the sections above, the company is now related to the RGE Group, the parent conglomerate of APRIL, which has been disassociated from the FSC since 2013. Significantly, the FSC has engaged with APRIL in a years-long effort towards APRIL regaining membership in the certification scheme.¹⁴⁸ This engagement recently resulted in the signing of a "remedy framework agreement" in November 2023 which began a process for APRIL and other entities in RGE to undergo a "remedy process" for past environmental and social harms.

Due to APRIL's previous disassociation, the implementation of actions in accordance with the FSC's Remedy Framework are a prerequisite for association with the FSC and ultimately for eligibility to be certified to the FSC's Forest Management standards.¹⁴⁹ APRIL companies had previously held FSC certificates until July 2013, when APRIL abruptly withdrew from the certification system to avoid an impending investigation into deforestation and human rights abuses.¹⁵⁰ A complaint lodged by Greenpeace International, WWF, and the Rainforest Action Network had prompted the FSC to initiate the investigation. However, the investigation was never completed, as the FSC halted the proceedings after APRIL withdrew, and subsequently the FSC officially disassociated APRIL from the certification scheme.¹⁵¹

145 Forest Stewardship Council. 2024. "Alas Kusuma". Webpage on Policy for Association Cases. Accessed in February 2024. <https://connect.fsc.org/current-cases/policy-association-cases/alas-kusuma>.

146 Ministry of Law and Human Rights. 2024. "PT Mayawana Persada." Corporate profile, Government of Indonesia, accessed in February 2024.

147 Forest Stewardship Council. 2024. "Alas Kusuma". Webpage on Policy for Association Cases. Accessed in February 2024. <https://connect.fsc.org/current-cases/policy-association-cases/alas-kusuma>.

148 FSC, Asia Pacific Resources International Holdings Ltd. Group (APRIL), <https://connect.fsc.org/current-cases/policy-association-cases/asia-pacific-resources-international-holdings-ltd-group>.

149 Forest Stewardship Council. 2024. "Asia Pacific Resources International Holdings Ltd. Group (APRIL)." FSC Connect. Accessed in February 2024. <https://connect.fsc.org/asia-pacific-resources-international-holdings-ltd-group-april>.

Forest Stewardship Council. 2022. <https://connect.fsc.org/document-centre/documents/resource/1444>. Accessed in February 2024.

In Indonesia this means meeting the Indonesian National Forest Stewardship Standard. <https://connect.fsc.org/document-centre/documents/resource/456>.

150 Forest Stewardship Council. 2023. "Asia Pacific Resources International Holdings Ltd. Group (APRIL)." Webpage on Policy for Association cases accessed in March 2023. <https://connect.fsc.org/actions-and-outcomes/current-cases/asia-pacific-resources-internationalholdings-ltd-group-april>.

151 Forest Stewardship Council. 2023. "Asia Pacific Resources International Holdings Ltd. Group (APRIL)." Webpage on Policy for Association cases accessed in March 2023. <https://connect.fsc.org/actions-and-outcomes/current-cases/asia-pacific-resources-internationalholdings-ltd-group-april>.

Given the evidence presented in this report that Mayawana is now related to the RGE Group, the FSC must suspend the “remedy process” with APRIL while it conducts an independent and thorough investigation to assess whether Mayawana is in the same corporate group as APRIL. If the independent investigation, and the FSC, concludes that Mayawana is a corporate entity within the RGE Group, then it would appear to require the certification scheme to terminate the November 2023 “remedy framework agreement” with APRIL given violations of the FSC’s Policy to Address Conversion which prohibits association with corporate groups that have violated its December 2020 cut off date for deforestation. By taking proactive measures to resolve these issues, the FSC can demonstrate its commitment to its own principles of preserving natural forest and ensuring justice for forest communities, while avoiding the risk of associating the FSC brand with ongoing deforestation.

Conclusion

In just the last three years, PT Mayawana Persada has destroyed an area of rainforest in Indonesian Borneo that is nearly half the size of Singapore. This large-scale forest clearing – much of it on carbon-rich peatlands – is causing social conflict between Mayawana and an indigenous Dayak community and is depleting forest habitat for endangered species such as Bornean orangutans, helmeted hornbills, and white-bearded gibbons.

Despite the enormous scale of destruction that has occurred in the Mayawana concession, it is unclear who benefits from and controls the company's operations. Mayawana is one of a growing number of companies in Indonesia's pulpwood and oil palm plantation sectors which are anonymously owned. Indeed, Mayawana is owned by a chain of holding companies that leads to the secrecy jurisdictions of the British Virgin Islands and Samoa, neither of which require the names of shareholders to be disclosed to the public. This complex corporate structure, in effect, hides the ultimate beneficial owner(s) of the company and shields them from the legal and reputational risks of destroying such vast tracts of tropical forest.

At the same time, overlapping corporate officers, operational management connections, and supply chain links indicate that Mayawana is related to a rapidly-expanding pulp empire that supplies a number of downstream industries. The Royal Golden Eagle Group is a global producer of pulp, paper, packaging, tissue, and viscose; and in 2015, RGE – together with several of the group's subsidiaries, including APRIL, Asia Symbol, and Apical – initiated a policy of "zero deforestation" in its supply chains. Among the buyers of RGE's products are some of the world's largest fashion brands, consumer goods manufacturers, and mass retailers, many of which make sustainability claims to customers about not causing rainforest destruction or harming communities. These sustainability claims are now called into question by Mayawana's continuing deforestation in Borneo.

Furthermore, Mayawana's deforestation makes untenable the Forest Stewardship Council's years-long effort to re-associate with APRIL, the RGE Group's holding company for its Indonesia pulp and paper operations, which was disassociated from the organization a decade ago for destructive forestry practices. Indeed, the multi-faceted relation between Mayawana and RGE fundamentally undermines the FSC's justification for the "remedy process" in which it is now engaged with APRIL. What good is a "remedy process" if the destructive forestry practices and harm to local communities are allowed to continue?

The organizations publishing this report call on:

- **PT Mayawana Persada to immediately halt deforestation and peat drainage, disclose details of its ultimate beneficial owner(s), and resolve its conflicts with local communities in an equitable and accountable manner;**
- **The Royal Golden Eagle Group to acknowledge its relation to PT Mayawana Persada, and to commit to full transparency in the structures of ownership and control of its subsidiaries, affiliates, and companies with which it is related;**
- **RGE's customers, and its financiers, to investigate our findings, and to call for an immediate stop to the rainforest destruction and social conflicts being driven by Mayawana and other "shadow companies" related to RGE;**
- **The Forest Stewardship Council to suspend the "remedy process" for APRIL to gain re-entry into the sustainability certification scheme, at the very least until Mayawana stops deforestation and peat drainage in its concession and the company resolves its conflicts with local communities in an equitable and accountable manner.**

Appendix: The Royal Golden Eagle (RGE) Group's response to the report's findings



March 8 2024

Mr. Sergio Baffoni
Environmental Paper Network
% ARA, August Bebel Str. 16-18
33602 Bielefeld, Germany

Dear Mr. Baffoni,

Thank you for the opportunity to comment on your letter and draft report dated 1 March 2024. Please see our responses below:

- As previously stated to EPN and publicly on 10th July 2023, APRIL has no supplier relationship with PT Mayawana Persada. APRIL steadfastly maintains its commitment to no deforestation in its supply chain as part of its Sustainable Forest Management Policy 2.0, which was implemented in 2015.
- As also stated on 10th July 2023 to EPN, RGE categorically refutes the existence of any links between RGE and its shareholders and PT Mayawana Persada. This absence of any form of association also holds true between RGE and its shareholders and PT Phoenix Resources International.
- APRIL's current and future fibre supply will be mainly sourced from its own and suppliers' concession where any increased fibre supply needs will come from productivity gains driven by significant investments in R&D and best practice silviculture.
- All fibre supply, including third party sourcing, will be in accordance with the company's Sustainable Forest Management Policy 2.0 which explicitly commits to no deforestation in our supply chain from any sources.

In relation to the findings presented in your report:

- The information presented relating to individuals indicates nothing more than the existence of standard professional networks and relationships.
- Like any other sector in Indonesia or globally, directors and professionals move freely between entities as part of normal career progression and to retain network connections.
- The commentary regarding corporate links is speculative and unfounded, given the lack of any detailed, factual information.

We trust this clarifies our position and that your report will fairly reflect this response.

Kind regards,

A handwritten signature in black ink, appearing to read "Geeta", written over a faint, illegible background.

Geeta Ramachanran
Head of International Communications, APRIL Group

