



## Responses by Royal Golden Eagle Group to RAN's findings

(Status: October 1, 2021)

### **APRIL refutes forest fire findings**

APRIL's response states that "the burned areas attributed to APRIL in RAN's analysis are significantly inaccurate." APRIL states that:

- In the concession of PT. Riau Andalan Pulp & Paper (RAPP) only 1470 acres of land was burned during the period of our study. Our analysis found 18,362 acres were burned within RAPP's concessions.
- In the case of PT. Adindo Hutani Lestari 54 acres were burned in 2020 only. Our analysis found a total of 1,151 acres of lands burned in the concession of PT. Adindo Hutani Lestari, with 704 acres burned in 2017 and 447 in 2009.
- In the case of PT ITCI Hutani Manunggal only 731 acres burned. Our analysis found a total of 5,270 acres of lands burned in the concession of PT. ITCI Hutani Manunggal.
- In the cases of PT. Sumatera Riang Lestari in North Sumatra, PT. Sumatera Riang Lestari in Riau, and PT. Sumatera Sylva Lestari only burned 158 acres, 1,366 acres and 279 acres. Our analysis found a total of 10,361 acres, 48,378 acres and 33,398 acres of land burned in these concessions.

APRIL also states that in the case of six suppliers -- PT. Nusa Wana Raya, PT. Nusantara Sentosa Raya, PT. Bukit Raya Mudisa, PT. Seleras Abadi Utama, CV Putri Lindung Bulan and PT. Wanugraha Bimalestari -- no fire damage was reported during the period of RAN's study whereas our analysis found a total of 7,166 acres of lands burned in the concessions of these six companies.

APRIL offers "reasons" for the gap between our respective analyses of total burnt areas are due to:

- I. scars caused by industrial logging of forests being mistaken as areas burnt from forest fires when assessed by satellite.
- II. none of the data analyzed by RAN having "been ground-truthed which is a critical practice in order to identify, verify and correct remote sensing analysis".
- III. variations in reported land areas of concession from year-to-year due to changes in the demarcation of concession boundaries and the resolution of land disputes.



- IV. interference of cloud cover affects the results of the automatic analysis processes used in remote sensing.

The first reasons offered by APRIL highlights the shocking fact that the logging operations of APRIL's suppliers and RGE-connected companies cause such destruction that they can be mistaken by satellites as a burn scar from an intense forest fire. The second reason, that its figures are more accurate as a result of field verification of fire alerts, is undermined by APRIL not having published the results of such field verifications (or "ground-truthing"). Accordingly, third-parties are unable to verify the accuracy of its findings.

APRIL's response to RAN's analysis shows that the methods used by APRIL to identify and verify fires result in starkly different results to those published by RAN. This is not the first time that APRIL's analysis on the extent of fires in its concessions has been lower than the analysis published by an independent NGO.

### **RGE's response to forest fires findings**

In response to RAN's invitation to comment on these findings RGE group forwarded a response it provided to Aidenvironment in June 2021. It says that: "The Aidenvironment report continues to wrongly conflate legitimate, legal plantation activity with deforestation and infer, in the absence of documented evidence, ownership connections based on normal and long-standing business relationships." Like its subsidiary companies, the RGE group did not respond to RAN's invitation to provide evidence to refute the connections alleged between it and the companies set out in this publication.

Rainforest Action Network continues to call on the RGE group to publicly disclose evidence to substantiate claims that these connected companies are not part of RGE on the basis of the Accountability Framework initiatives ("AFi") Corporate Group definition and indicators. The onus of proof to substantiate its rejection of the alleged connections to each RGE-connected company remains with the RGE group.

**In conclusion**, the significant variation in the results of APRIL and RAN's analysis of the extent of fires in RGE's concessions demonstrates the need for the Brands and Banks to have the systems established to undertake their own evaluations of RGE's compliance at a corporate group level. The methods of independently verification of compliance with No Burn policies must be undertaken using a credible and commonly



agreed methodology that goes beyond APRIL's current and inadequate approach to audits undertaken by KPMG PRI and commissioned by APRIL's Stakeholder Advisory Committee. Brands and Banks must assess the accuracy of information disclosed by RAN, other NGOs and the RGE group in relation to the extent of the affiliation between the RGE group and its connected companies using the AFi Corporate Group definition and indicators. They must ensure their pulp and palm oil suppliers, investees, or clients refrain from using opaque structures, because this hinders their accountability for unsustainable production practices.

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