

# Papering over corporate control

Paper Excellence's relationship  
with Asia Pulp & Paper and  
the Sinar Mas Group

October 2022



This analysis has been prepared based on publicly available information and data obtained from numerous sources as cited. Where the authors express any opinion, it is the authors' opinion only and is not intended as specific advice to any particular party or person. This analysis does not allege that any of the companies or individuals named in this report have committed legal or regulatory violations in Canada, the United States, Brazil, France, the Netherlands, China, Indonesia or any other jurisdiction.

This report is dedicated to the memory of Lafcadio Cortesi, who devoted his life to forest conservation and justice for forest communities.



Creative Commons Attribution 4.0 International License

# Contents

Executive Summary . . . . .	<b>1</b>
Introduction . . . . .	<b>3</b>
Rapid expansion of Paper Excellence . . . . .	<b>6</b>
Corporate structure and beneficial ownership . . . . .	<b>10</b>
Paper Excellence links with Asia Pulp & Paper and Sinar Mas . . . . .	<b>18</b>
APP's environmental impacts and community conflicts in Indonesia . . . . .	<b>40</b>
APP's financial default and debt restructuring . . . . .	<b>44</b>
Forest Stewardship Council certification . . . . .	<b>48</b>
Conclusion . . . . .	<b>54</b>
Appendix A. Paper Excellence's responses to the main findings of this report . . . . .	<b>55</b>
Appendix B. Asia Pulp & Paper's response to the main findings of this report . . . . .	<b>60</b>
Appendix C. Meadow Lake Mechanical Pulp Inc.: Press Release, Canadian Corporate Newswire, January 17, 2007. . . . .	<b>61</b>
Appendix D. Excerpts of letters from Meadow Lake Mechanical Pulp Mill to the Environmental Division of the Saskatchewan Government. . . . .	<b>63</b>
Appendix E. Excerpts from Fibre Excellence SAS filing submitted to France corporate registry in 2010 . . . . .	<b>66</b>

## Figures and Tables

Figure 1. Timeline of Paper Excellence acquisitions, 2007–2022. . . . .	8
Figure 2. Locations of Paper Excellence, Domtar, and Resolute mills . . . . .	9
Figure 3. Corporate structure of Paper Excellence mills in Canada . . . . .	11
Figure 4. Corporate structure of Paper Excellence mills in France and Brazil . . . . .	12
Figure 5. Corporate structure and related companies of Domtar mills in Canada and the United States . . . . .	14
Figure 6. Shareholder companies of Paper Excellence mills in Canada, France, and Brazil and of Domtar mills in Canada and the United States . . . . .	16
Figure 7. Excerpt of letter from Meadow Lake Mechanical Pulp to the Environmental Assessment Branch of Government of Saskatchewan . . . . .	20
Figure 8. Moe Sihota’s registration for lobbying on behalf of Paper Excellence Canada Holdings Corporation, as of October 2022 . . . . .	21
Figure 9. Moe Sihota’s 12-month lobbying summary for work on behalf of Paper Excellence Canada Holdings Corporation, as of October 2022 . . . . .	22
Figure 10. Jackson Wijaya’s family connections with the Chairman of Asia Pulp & Paper and its prominent shareholders . . . . .	24
Figure 11. Jackson Wijaya’s connections to APP China (2007–2017) . . . . .	26
Figure 12. Excerpt from Paper Excellence B.V.’s Annual Report 2009 on ultimate parent company . . . . .	27
Figure 13. Extract from ICIJ’s Offshore Leaks database for Marque Technologies Limited . . . . .	28
Figure 14. Excerpts from Paper Excellence B.V.’s Annual Report 2010 on loan from Bank International Ningbo . . . . .	29
Figure 15. Suresh Kilam’s Director positions in Paper Excellence and Asia Pulp & Paper companies . . . . .	30
Table 1. Suresh Kilam’s service as Director for Fortune Everrich and APP companies . . . . .	31
Figure 16. Tei Ah Lek’s Director positions in Paper Excellence and APP China companies . . . . .	32
Figure 17. Hardi Wardhana’s position as Director for Paper Excellence B.V. and reported address at Sinar Mas headquarters in Jakarta, Indonesia . . . . .	33
Figure 18. Hardi Wardhana listing his address at Sinar Mas headquarters in Jakarta . . . . .	34
Figure 19. Danilo Benvenuti’s profile on Forest for Future’s website . . . . .	35
Figure 20. Danilo Benvenuti’s positions as Director of Fibre Excellence SAS and APP marketing companies in Europe . . . . .	36
Figure 21. Corporate structure of Paper Excellence and links to Asia Pulp & Paper . . . . .	39
Table 2. Paper Excellence and Domtar pulp and/or paper mills with an FSC certificate. . . . .	48

## Executive Summary

After acquiring pulp and paper giant Domtar Corporation last year, Paper Excellence became Canada's top wood pulp producer with more than double the [mill capacity](#) as the next largest competitor. Paper Excellence will become one of North America's largest pulp, paper, and lumber producers if its [proposal to acquire](#) Resolute Forest Products Limited is completed as scheduled in early 2023.

[Journalists](#) and [civil society groups](#) have pointed out that Paper Excellence is a company controlled by the Sinar Mas Group, the parent conglomerate for pulp and paper producer Asia Pulp & Paper (APP). In Indonesia, APP and its wood suppliers have converted [over 2 million hectares](#) of tropical rainforests to establish pulpwood plantations, including in areas providing critical habitat for Sumatran elephants, orangutans and tigers, according to [civil society analyses](#).

Many of APP's wood suppliers have [unresolved conflicts](#) with local and Indigenous communities over land used for industrial tree plantations. APP's plantation operations in Indonesia, which involve draining hundreds of thousands of hectares of carbon-rich peatlands, have been linked to [catastrophic fires](#) and globally significant levels of [greenhouse gas emissions](#). On the financial side, APP set an emerging markets record in 2001 for the largest corporate [debt default](#) of nearly US\$14 billion.

Paper Excellence [represents itself](#) as a Canadian company that was established in 2006. It has [denied](#) being a subsidiary of APP or Sinar Mas Group. APP similarly has [denied](#) any ownership or management relationship with Paper Excellence.

This report presents evidence that demonstrates, in the view of the authors, that Paper Excellence is, in fact, part of the same corporate group as APP and Sinar Mas. As defined by the Accountability Framework Initiative, a [corporate group](#) is a "totality of legal entities to which the company is affiliated in a relationship in which either party controls the actions or performance of the other." A nexus of factors such as family ties, overlapping management, and lobbyist filings indicate that Sinar Mas Group controls Paper Excellence. As such, Paper Excellence and APP can be considered as "sister companies" under the common control of the Sinar Mas Group. The analysis is based on a review of hundreds of pages of publicly available corporate registry documents and other official filings about entities in Canada, Indonesia, France, Brazil, Italy, Germany, the United Kingdom, the United States, Malaysia, the British Virgin Islands, and other jurisdictions.

In response to the findings of this report on the links between Paper Excellence and APP/Sinar Mas, Paper Excellence's Vice President of Corporate Communications, Graham Kissack, stated, "Paper Excellence is entirely independent of APP/Sinar Mas. Of course, it is well known that Jackson Wijaya, the ultimate owner of PE, is the son of the current leader of APP/SMG. But Jackson continues to operate PE completely independently.[. . .] There are no ownership or control links with APP/Sinar Mas or anybody else."

APP responded to the report's main findings, "Your suggestion that Paper Excellence is part of the same corporate group as Asia Pulp & Paper (APP) is not correct. There is no such company within the Asia Pulp & Paper (APP) group."

In analyzing the linkages of Paper Excellence with APP and Sinar Mas, the authors of the report emphasize that APP and Sinar Mas' respective performance and practices, either in the past or at present, may not be indicative of those of Paper Excellence and/or its affiliates. Nonetheless, this report highlights the need for stakeholders of Paper Excellence to conduct appropriate due diligence to understand the group's complex corporate structure, including its links to APP and Sinar Mas, and to assess what implications this may have in terms of corporate control and accountability. Paper Excellence's corporate structure has an extensive network of corporate entities registered in offshore jurisdictions characterized by high levels of corporate secrecy.

In response to this report's finding of Paper Excellence having an opaque corporate structure, Graham Kissack of Paper Excellence stated, "There is not, and never has been, an intention to create a corporate structure at Paper Excellence that is intended to hide anything. There are various factors to think about when building the corporate structure of a business. This is all the more relevant in the case of an international business such as that of the PE Group. These include tax, corporate finance, allocation of corporate liability, and the like."

The findings of this report have relevance for the Forest Stewardship Council (FSC), which recently adopted a [new Policy for Association](#) that recognizes corporate group affiliation based on factors of corporate control. Paper Excellence has [FSC certificates](#) for twenty pulp and/or paper mills, while APP and its subsidiaries have been [disassociated](#) from the FSC since 2007 because of "destructive forestry practices." This report should also be of interest to parties that rely on the FSC's certification program for determining the sustainability of forestry companies they source from in North America, Brazil or Indonesia. These parties include major consumers of wood pulp, paper, tissue, packaging, and lumber products sold by Paper Excellence, Domtar or Resolute.

Furthermore, this analysis may be of interest to financing institutions providing [loans](#) and/or [loan commitment letters](#) to Paper Excellence and/or Domtar – such as Barclays, Bank of Montreal, CoBank, the Royal Bank of Canada, Wells Fargo, Credit Suisse, and U.S. Bank. To fund its expansion in North America, Paper Excellence is borrowing billions of dollars from U.S. and Canadian banks, including a [half billion-dollar loan](#) from the U.S. Farm Credit System.

Indigenous, national, provincial and municipal governments may find this analysis useful in determining to what extent Paper Excellence and its affiliated companies have access to public benefits and incentives such as forestry resources, government financing, tax breaks, preferential trade access, and energy subsidies. The report may also be of interest to trade justice advocates and state representatives currently negotiating the Canada-Indonesia Comprehensive Economic Partnership Agreement (CEPA). Finally, competition authorities in Canada (Competition Bureau Canada) and the U.S. (the Federal Trade Commission's Bureau of Competition) may consider this analysis useful in assessing market concentration issues related to their respective reviews of the Resolute Forest Products acquisition by Domtar Corporation, Paper Excellence's wholly-owned subsidiary, and any future acquisitions related to Paper Excellence.

## Introduction

The Sinar Mas Group, through its subsidiary Asia Pulp & Paper (APP), has cleared two million hectares of rainforest in Indonesia to make pulp and paper, destroying critical habitat for orangutans, tigers, and elephants, according to a civil society analysis.<sup>1</sup> Its land-use practices to drain peatlands have been linked to catastrophic fires in 2015 and again in 2019.<sup>2</sup> The group has engaged in conflicts with over a hundred communities in Sumatra<sup>3</sup>, and seven of its security contractors surrendered to police after the murder of 26-year old Indra Pelani<sup>4</sup>, a land-rights activist and farmer, in 2015. This corporate group also had a record-breaking trail of debt problems beginning in 2001 that left banks and investment funds around the world – including the U.S. Government<sup>5</sup> – with substantial losses after protracted legal battles.

And now the same corporate group<sup>6</sup> that controls APP – the Sinar Mas Group owned by Indonesia’s Widjaja family with a reported net worth of US\$9.7 billion<sup>7</sup> – is acquiring several of the largest pulp and paper companies in North and South America through its affiliated company Paper Excellence. Paper Excellence bought pulp and paper giant Domtar Corporation in 2021 for US\$3 billion.<sup>8</sup> Last year, Paper Excellence also concluded the purchase that began in 2017 of Eldorado Brasil Celulose S.A., which operates the largest single pulp line in the world, for R\$15 billion (US\$2.9 billion).<sup>9</sup> And this year (2022) Paper Excellence announced the purchase for US\$2.7 billion of Resolute Forest Products<sup>10</sup>, which has pulp, paper, and lumber mills in the southeast U.S., Ontario, and Quebec and manages 20 million hectares of forest in Canada’s Boreal region.<sup>11</sup> If the Resolute deal closes, as announced, in early 2023, Paper Excellence will have made over US\$8 billion worth of acquisitions in the last few years, to become one of the largest pulp and paper producers in the Americas.

---

1 Eyes on the Forest. 2011. *The truth behind APP’s greenwash*. <https://eyesontheforest.or.id/uploads/default/report/Eyes-on-the-Forest-Investigative-Report-The-truth-behind-APPs-greenwash.pdf>.

2 Rainforest Action Network and others. 2020. *Perpetual Haze*. <https://www.ran.org/wp-content/uploads/2019/11/Perpetual-Haze.pdf>.

3 Environmental Paper Network and others. 2019. *Conflict plantations: Chapter 1: Revealing Asia Pulp & Paper’s trail of disputes across Indonesia*. October 2019. <https://environmentalpaper.org/wp-content/uploads/2020/03/APP-social-conflicts-mapping.pdf>.

Arianti, Fitri. 2021. “Destroying Lives and Stealing Land.” Rainforest Action Network. January 4, 2021. <https://forestsandfinance.org/news/destroying-lives-and-stealing-land/>.

4 Setiawan, Kodrat. 2015. “7 Tersangka Pembunuh Petani di Jambi Menyerahkan Diri.” *Tempo*, March 3, 2010. <https://nasional.tempo.co/read/646731/7-tersangka-pembunuh-petani-di-jambi-menyerahkan-diri>.

5 Mapes, Timothy. 2004. “Asia Pulp & Paper and creditors continue to tussle over repayment.” *The Wall Street Journal*, September 20, 2004. <https://www.wsj.com/articles/SB109561628686921570>.

6 The definition of “corporate group” as used throughout this report is from the Accountability Framework Initiative’s “Definitions” document used for its *Core Principles and Operational Guidance* document and available on its website: Accountability Framework Initiative. 2022. “Definitions: Key terms that are used in the Accountability Framework Core Principles and Operational Guidance.” Webpage and pdf accessed on August 29, 2022. <https://accountability-framework.org/the-framework/contents/definitions/>.

7 Forbes. 2022. “Profile: Widjaja family.” *2021 Indonesia’s 50 richest net worth*. Accessed on August 29, 2022. <https://www.forbes.com/profile/widjaja-1>.

8 *Northern Ontario Business Review*. 2021. “\$3B Domtar sale passes final requirement.” November 19, 2021. <https://www.northernontariobusiness.com/industry-news/forestry/3b-domtar-sale-passes-final-requirement-4776013>.

9 Bautzer, Tatiana. 2022. “Paper Excellence and J&F remain at odds over Eldorado deal after court ruling.” *Reuters*. <https://www.reuters.com/markets/deals/paper-excellence-jf-remain-odds-over-eldorado-deal-after-court-ruling-2022-07-30/>.

10 Resolute Forest Products. 2022. “Paper Excellence Group Enters Into Definitive Agreement to Acquire Resolute.” Press release, July 6, 2022. <https://resolutefp.mediaroom.com/2022-07-06-PAPER-EXCELLENCE-GROUP-ENTERS-INTO-DEFINITIVE-AGREEMENT-TO-ACQUIRE-RESOLUTE-FOR-20-50-PER-SHARE-AND-ONE-CONTINGENT-VALUE-RIGHT-TIED-TO-POTENTIAL-DUTY-DEPOSIT-REFUNDS-OF-UP-TO-500-MILLION>.

11 Lewis Courtenay and Ashley Jordan. 2021. *Pulp Fiction: Canada’s Largest Pulp Producers’ Actions Do Not Match Their Sustainability Claims*. Natural Resources Defense Council, October 2021. <https://www.nrdc.org/sites/default/files/pulp-fiction-canada-forests-report.pdf>.

This report makes the case that Paper Excellence is, in fact, part of the same corporate group as Sinar Mas and APP. A nexus of factors such as family ties, overlapping management, and lobbyist filings indicate that Sinar Mas controls Paper Excellence, which is the defining characteristic of belonging to a shared corporate group. The analysis is based on a review of hundreds of pages of publicly available corporate registry documents and other official filings about entities in Canada, Indonesia, France, the Netherlands, Brazil, Italy, Germany, the United Kingdom, the United States, Malaysia, the British Virgin Islands, and other jurisdictions. Media reports<sup>12</sup>, the Government of Canada's Inter-Corporate Ownership database<sup>13,14</sup>, and the Orbis database similarly describe Paper Excellence as one arm of the Sinar Mas conglomerate owned and controlled by the Widjaja family.

Paper Excellence<sup>15</sup> has denied being a subsidiary of APP or Sinar Mas. APP<sup>16,17</sup> similarly has denied any ownership or management relationship with Paper Excellence. In response to the findings of this report on the links between Paper Excellence and APP/Sinar Mas, Paper Excellence's Vice President of Corporate Communications, Graham Kissack, stated, "Paper Excellence is entirely independent of APP/Sinar Mas. Of course, it is well known that Jackson Wijaya, the ultimate owner of PE, is the son of the current leader of APP/SMG. But Jackson continues to operate PE completely independently.[ . . .] There are no ownership or control links with APP/Sinar Mas or anybody else." (See Appendix A for Paper Excellence's complete response.) APP responded to the report's main findings, "Your suggestion that Paper Excellence is part of the same corporate group as Asia Pulp & Paper (APP) is not correct. There is no such company within the Asia Pulp & Paper (APP) group." (See Appendix B for Asia Pulp & Paper's complete response.)

In analyzing the linkages of Paper Excellence with APP and Sinar Mas, the authors of the report emphasize that APP and Sinar Mas' respective performance and practices, either in the past or at present, may not be indicative of those of Paper Excellence and/or its affiliates. Nonetheless, this report highlights the need for stakeholders of Paper

---

12 For example, see:

Dowd, Allan. 2010. "Sinar Mas unit to buy Canada's Mackenzie pulp mill." *Reuters*. April 16, 2010. <https://www.reuters.com/article/sinarmas-mackenzie/sinar-mas-unit-to-buy-canadas-mackenzie-pulp-mill-idUSN1614013920100416>.

Ebner, Dave. 2010. "Indonesian Forester Widens BC Footprint." *The Globe and Mail*. August 17, 2010. <https://www.theglobeandmail.com/report-on-business/indonesian-forester-widens-bc-footprint/article1377412/>.

Bennet, Nelson. 2018. "Paper Excellence to buy Catalyst Paper." *Business in Vancouver*, October 9, 2018. <https://biv.com/article/2018/10/paper-excellence-buy-catalyst-paper>.

Alerigi, Alberto, Tatiana Bautzer and Ana Mano. 2018. "Brazil's J&F, Paper Excellence dispute Eldorado sale price." *Reuters*, August 29, 2018. <https://www.reuters.com/article/eldorado-brasil-celulose-ma-paper-excell/update-2-brazils-jf-paper-excellence-dispute-eldorado-sale-price-source-idUSL2N1VK150>.

13 Statistics Canada. 2022. "Paper Excellence Canada Holdings Corporation". Inter-corporate ownership. Database, accessed on August 29, 2022. <https://www150.statcan.gc.ca/n1/pub/61-517-x/61-517-x2021001-eng.htm>.

14 In response to the data that APP owns Paper Excellence on the Inter-Corporate Ownership database, Graham Kissack of Paper Excellence stated, "Thank you for drawing our attention to this listing. Put simply, it is incorrect. We went through the process of having this corrected last year in connection with the acquisition of Domtar and understood that it had been changed. We are distressed that this database is wrong and will take steps to clarify the matter with StatsCan.[ . . .] When we last spoke with StatsCan back in July 2021, they acknowledged that they did not have actual shares information and any such linkage determination were based on internet research, including media reports. Contrary to such determination, based as they are on StatsCan's internet research of questionable veracity, neither APP nor the Sinar Mas Group have any ownership interest in Paper Excellence. To be clear, however, the point that we intend to clarify is that Paper Excellence is not owned or controlled by APP or Sinar Mas and that any assertion to that effect in the StatsCan database needs to be corrected."

15 Bennett, Nelson. 2015. "Chetwynd mill restart caps company buying spree." *Business in Vancouver*, May 12. <https://biv.com/article/2015/05/chetwynd-mill-restart-caps-company-buying-sprees>.

16 Setiaji, Stefanus Arief. 2018. "Direktur APP: Kami Tak Ada Hubungan dengan Paper Excellence." *Bisnis Indonesia*, March 16. <https://market.bisnis.com/read/20180316/192/750716/direktur-app-kami-tak-ada-hubungan-dengan-paper-excellence>.

17 Aidenvironment. 2022. *The world's tissue paper companies, and their care for forests*. August 2022. <https://aidenvironment.org/wp-content/uploads/2022/08/2022-08-04-Final-Less-than-15-MB-version-Worlds-Tissue-Paper-Companies.pdf>.

Excellence to conduct appropriate due diligence to understand the group's complex corporate structure, including its links to APP and Sinar Mas, and to assess what implications this may have in terms of corporate control and accountability. Paper Excellence's corporate structure has an extensive network of corporate entities registered in offshore jurisdiction characterized by high levels of corporate secrecy.

In response to this report's finding of Paper Excellence having an opaque corporate structure, Graham Kissack of Paper Excellence stated, "There is not, and never has been, an intention to create a corporate structure at Paper Excellence that is intended to hide anything. There are various factors to think about when building the corporate structure of a business. This is all the more relevant in the case of an international business such as that of the PE Group. These include tax, corporate finance, allocation of corporate liability, and the like."

This report begins with an overview of Paper Excellence's rapid expansion into one of the world's largest forestry and wood products companies. This is followed by an analysis of the corporate structure of Paper Excellence through several offshore jurisdictions. The report then identifies twelve significant linkages of Paper Excellence with APP and Sinar Mas, which indicate corporate control as per the Accountability Framework Initiative's definition of a corporate group.<sup>18</sup> This is followed by a summary of the environmental impacts and social conflicts associated with APP's operations in Indonesia, and a review of APP's 2001 financial default and subsequent debt restructuring process. The final section maps the report's findings onto the corporate control factors recently adopted by the Forest Stewardship Council in its new Policy for Association.

The report's findings may have relevance to the following parties:

- National, provincial, state, and municipal governments that may provide public benefits and incentives such as access to forestry resources, government financing, tax breaks, preferential trade access, and energy subsidies in anticipation of future government revenue.
- Indigenous, national, state, or local governments that enact regulations for forestry operations, mills, or forest product imports.
- Policymakers crafting a trade agreement between Canada and Indonesia.
- Financing institutions providing loans and/or loan commitment letters.
- U.S. government officials supervising the Farm Credit System (FCS).
- Business competition authorities in Canada and the U.S. assessing market concentration.
- The Forest Stewardship Council, which dissociated from APP in 2007<sup>19</sup> but currently certifies Paper Excellence and Domtar products.

---

18 Accountability Framework Initiative. 2022. "Definitions: Key terms that are used in the Accountability Framework Core Principles and Operational Guidance." Webpage and pdf, accessed on August 29, 2022. <https://accountability-framework.org/the-framework/contents/definitions/>.

19 The Forest Stewardship Council. 2022. "Asia Pulp & Paper." Webpage, accessed on August 29, 2022. <https://fsc.org/en/unacceptable-activities/cases/asia-pulp-and-paper-app>.

## Rapid expansion of Paper Excellence

Paper Excellence was reportedly established in 2006 and has its corporate headquarters in British Columbia, Canada.<sup>20</sup> Over the past 15 years, Paper Excellence has carried out an ambitious strategy of corporate acquisitions to emerge as one of the largest pulp and paper producers in North and South America (see Figures 1 and 2).

Paper Excellence's first acquisition occurred in Saskatchewan, Canada, in 2007 when it purchased the Meadow Lake Mechanical Pulp Mill.<sup>21</sup> In 2010, Paper Excellence made four acquisitions: two mills in France, in Tarascon and Saint-Gaudens<sup>22</sup>; and two mills in British Columbia, the Mackenzie pulp mill and the Howe Sound pulp mill.<sup>23</sup> Paper Excellence acquired the Prince Albert pulp mill<sup>24</sup>, its second in Saskatchewan, in 2011, as well as the Northern Pulp mill in Nova Scotia.<sup>25</sup> In 2013, it added the Skookumchuck pulp mill in interior southern British Columbia<sup>26</sup>; and, in 2014, Paper Excellence purchased one more mill in British Columbia, the Chetwynd pulp mill.<sup>27</sup> Paper Excellence's next acquisition in Canada was in 2019 when it acquired Catalyst's three mills in coastal British Columbia.<sup>28</sup> By the end of 2020, Paper Excellence had acquired nine mills in Canada and another two in France.

In 2017, Paper Excellence announced the intention to acquire Eldorado Brasil Celulose S.A., Brazil's largest single pulp line with a capacity to produce 1.7 million tons per year, for a reported US\$2.9 billion.<sup>29</sup> But a protracted legal battle with the Eldorado mill owners<sup>30</sup>, the brothers Joesley and Wesley Batista, who are the largest shareholders of the meatpacking company JBS S.A., meant that the acquisition was only completed in 2021<sup>31</sup> (however, the Batista brothers have continued contesting whether the acquisition was concluded).<sup>32</sup> In 2021, Eldorado reported R\$6.05 billion in revenue and employed 5,334 people.<sup>33</sup>

20 Paper Excellence. 2022. Homepage of Paper Excellence's corporate website. Accessed on September 4, 2022. <https://paperexcellence.com/>.

21 Wood, James. 2007. "Pulp mill changes hands." *The Leader Post*. January 25, 2007.

22 MarketLine. 2010. "Tembec sells Tembec Tarascon and Tembec Saint-Gaudens to Paper Excellence." *Financial Deals Tracker* database, May 11, 2010.

23 Paper Excellence. 2010. "Paper Excellence acquires Mackenzie pulp mill." Press release accessed on Marketwire (formerly Canadian Corporate Newswire), April 16, 2010.

*Reuters*. 2010. "Paper Excellence expands with Howe Sound Pulp and Paper purchase." *The Vancouver Sun*, July 17, 2010.

24 Graham, Jennifer. 2011. "Paper Excellence to invest \$200 million in idled Domtar mill, create 200 jobs." *The Canadian Press*, March 7, 2011.

25 *Pulp and Paper Canada*. 2011. "Acquisitions continue: Paper Excellence buys Northern Pulp Nova Scotia." March 31, 2011. <https://www.pulpandpapercanada.com/acquisitions-continue-paper-excellence-buys-northern-pulp-nova-scotia-1000406631/>.

26 *Pulp & Paper Canada*. 2013. "Paper Excellence buys sixth Canadian mill: Skookumchuck." March 26, 2013. <https://www.pulpandpapercanada.com/paper-excellence-buys-sixth-canadian-mill-skookumchuck-1002169657/>.

27 Bennet, Nelson. 2015. "Idled Chetwynd pulp mill is back in production." *Business in Vancouver*, May 4, 2015. <https://biv.com/article/2015/05/idled-chetwynd-pulp-mill-back-production>.

28 Bennet, Nelson. 2019. "Done deal – Paper Excellence owns Catalyst." *Business in Vancouver*, March 18, 2019. <https://biv.com/article/2019/03/done-deal-paper-excellence-owns-catalyst>.

29 *Reuters*. 2017. "Paper Excellence to buy Brazil's Eldorado from J&F for \$4.7 billion." September 2, 2017. <https://www.reuters.com/article/us-eldorado-brasil-m-a/paper-excellence-to-buy-brazils-eldorado-from-jf-for-4-7-billion-idUSKCN1BD0K0>.

30 Bautzer, Tatiana and Carolina Mandl. 2018. "Pulp friction: Paper Excellence, Brazil's J&F joust over scuppered deal." *Reuters*. September 21, 2018. <https://www.reuters.com/article/eldorado-brasil-celulose-ma-idLTAL2N1VZ25P>.

31 Bautzer Tatiana. 2021. "Paper Excellence wins arbitration to complete acquisition of Brazil's Eldorado: sources." *Reuters*. February 3, 2021. <https://www.reuters.com/article/us-eldorado-m-a-arbitration/paper-excellence-wins-arbitration-to-complete-acquisition-of-brazils-eldorado-sources-idUSKBN2A32KI>.

32 Bautzer, Tatiana. 2022. "Paper Excellence and J&F remain at odds over Eldorado deal after court ruling." *Reuters*, July 30, 2022. <https://www.reuters.com/markets/deals/paper-excellence-jf-remain-odds-over-eldorado-deal-after-court-ruling-2022-07-30/>.

33 Eldorado Brasil Celulose S.A. 2022. *Financial Statements 2021*. <https://eldoradobrasil.com.br/img/click-here-for-eldorado-brasils-annual-report-2021.pdf>.



A clear-cut in a logging area of Saskatchewan, Canada in 2019. Photo courtesy of John Murray/The Drumble Forest Project

In 2021, Paper Excellence acquired one of North America's largest pulp and paper producers, Domtar Corporation, for US\$3.0 billion.<sup>34</sup> Domtar has 11 pulp, paper, and packaging mills and nine manufacturing/converting sites in North America, and it is the North American leader in uncoated freesheet paper.<sup>35</sup> With US\$3.7 billion in sales in 2021, Domtar employs 6,100 people and has corporate offices in Fort Mill, South Carolina, and Montreal, Quebec.<sup>36</sup> Of the US\$3.0 billion acquisition cost, a reported US\$1.95 billion in financing is being provided by Barclays, Credit Suisse, and Bank of Montreal.<sup>37</sup>

Domtar Corporation's President and CEO, John D. Williams, was given an opportunity to comment on the findings of this report related to Domtar Corporation, but no response was received.

Paper Excellence announced in July 2022 that it is in the process of acquiring another North American pulp, paper, and lumber giant, Resolute Forest Products, for a reported US\$2.7 billion.<sup>38</sup> Resolute has 7,000 employees and did US\$3.7 billion in sales in 2021.<sup>39</sup> Resolute's 40 facilities include 4 pulp mills (with a combined capacity of 1.1 million tons per

34 Domtar Corporation. 2021. "Definitive Proxy Statement (Schedule 14-A)." Securities and Exchange Commission filing, July 12, 2021. <https://www.sec.gov/Archives/edgar/data/1381531/000119312521203298/d314599ddefm14a.htm>.

35 Domtar Corporation. 2022. "Fact Sheet." Website accessed on August 28, 2022. <https://www.domtar.com/sites/default/files/2022-06/Domtar%20Corporate%20Fact%20Sheet%202022.pdf>.

36 Domtar Corporation. 2022. "Fact Sheet." Company website accessed on August 28, 2022. <https://www.domtar.com/sites/default/files/2022-06/Domtar%20Corporate%20Fact%20Sheet%202022.pdf>.

37 Domtar Corporation. 2021. "Definitive Proxy Statement (Schedule 14-A)." Securities and Exchange Commission filing, July 12, 2021. <https://www.sec.gov/Archives/edgar/data/1381531/000119312521203298/d314599ddefm14a.htm>.

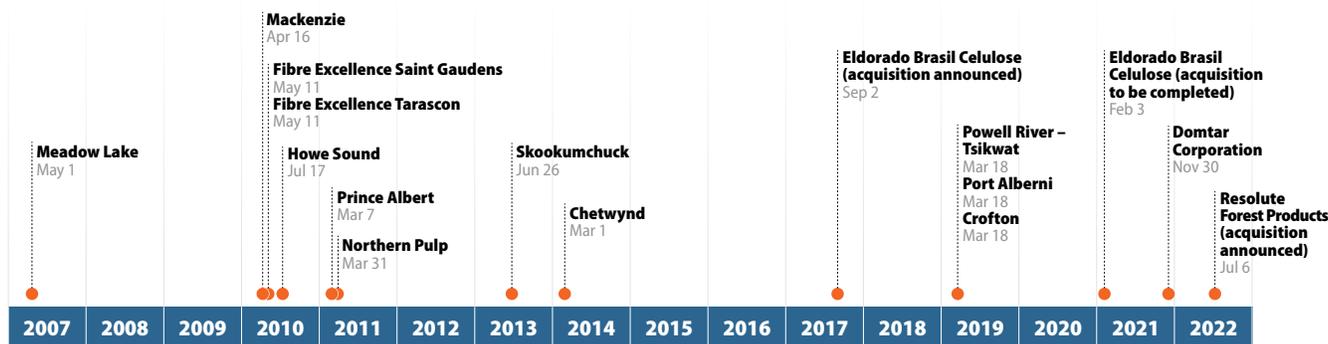
38 Krishna, Rithika. 2022. "Canada's Paper Excellence to buy Resolute Forest Products in \$2.7 bln deal." *Reuters*. July 6, 2022. <https://www.reuters.com/markets/us/canadas-paper-excellence-buy-resolute-forest-products-27-bln-deal-2022-07-06/>.

39 Resolute Forest Products Inc. 2022. "Fast Facts." Company website, accessed on August 25, 2022. [https://www.resolutefp.com/media/fast\\_facts/](https://www.resolutefp.com/media/fast_facts/).

year), 4 tissue facilities, 7 paper mills, 22 wood product facilities including 17 sawmills with 2.9 billion board feet capacity, and 13 power generation assets with 405 megawatts (MW) of installed capacity including 7 hydroelectric facilities.<sup>40</sup>

In response to the findings of this report related to Resolute Forest Products, Vice President of Corporate Communications for Resolute, Seth Kursman, replied, “I suggest you reach out to the Paper Excellence Group for comment.”

**Figure 1. Timeline of Paper Excellence acquisitions, 2007–2022**



Sources: Various media reports and company statements 2007–2022.

If the acquisition of Resolute Forest Products is approved by shareholders and regulators, Paper Excellence will own companies that employ more than 20,000 workers and that generated US\$11.0 billion in revenue in 2021. The current largest wood products company based in Canada is West Fraser Timber, which had US\$10.5 billion in revenue<sup>41</sup> and 10,625 employees in 2021.<sup>42</sup>

To finance the acquisition of Domtar, Paper Excellence received a debt commitment of US\$1.95 billion from Barclays Bank, Bank of Montreal, and Credit Suisse and had an equity commitment of US\$1.535 billion from an unnamed affiliate of the purchasing company.<sup>43</sup> For the purchase of Resolute Forest Products, the proposal announced to shareholders includes debt financing arrangements for US\$1.5 billion from a number of banks, including Barclays, Bank of Montreal, CoBank, Royal Bank of Canada, U.S. Bank, and Wells Fargo.<sup>44</sup> The financing from CoBank is a US\$500 million, seven-year term loan from the Farm Credit System<sup>45</sup>, a “government-backed enterprise” intended to give farmers and agriculture workers access to affordable credit.<sup>46</sup>

40 Resolute Forest Products Inc. 2022. “Fast Facts.” Company website, accessed on August 25, 2022. [https://www.resolutefp.com/media/fast\\_facts/](https://www.resolutefp.com/media/fast_facts/).

41 West Fraser Timber. 2022. *West Fraser Annual Report 2021*. February 15, 2022. [https://www.westfraser.com/sites/default/files/West-Fraser-2021-AR\\_linked.pdf](https://www.westfraser.com/sites/default/files/West-Fraser-2021-AR_linked.pdf).

42 West Fraser Timber. 2022. “Organization.” Website, accessed on September 21, 2022. <https://www.westfraser.com/sustainability/sustainability-report/governance-reporting/organization>.

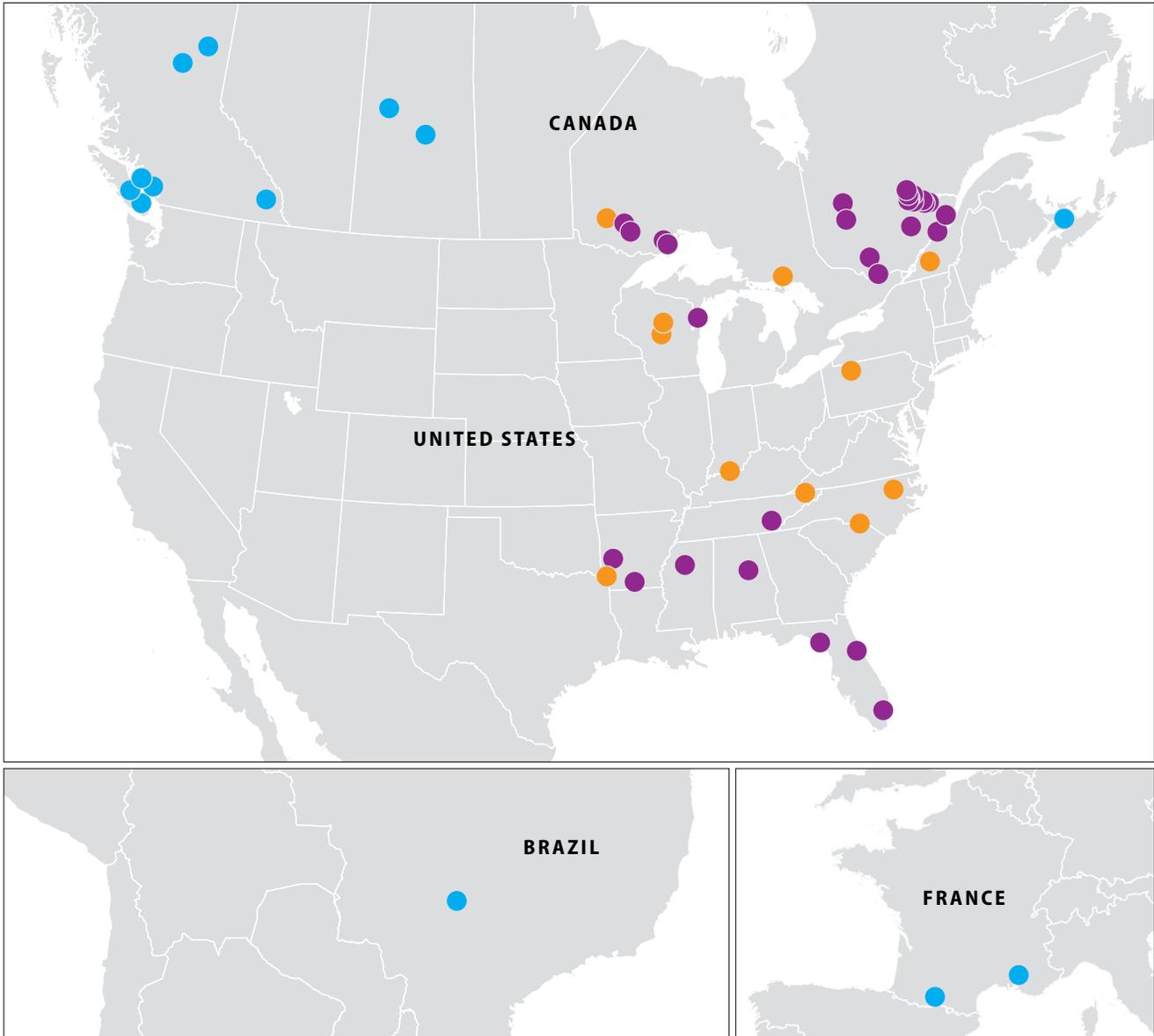
43 Domtar Corporation. 2021. “Definitive Proxy Statement (Schedule 14-A).” Securities and Exchange Commission filing, July 12, 2021. <https://www.sec.gov/Archives/edgar/data/1381531/000119312521203298/d314599ddefm14a.htm>.

44 Resolute Forest Products Inc. 2022. “DEFA14A (Proxy statement (business combination)).” Securities and Exchange Commission filing, September 20, 2022. <https://www.sec.gov/Archives/edgar/data/1393066/000119312522247759/d329267ddefm14a.htm>.

45 Resolute Forest Products Inc. 2022. “DEFA14A (Proxy statement (business combination)).” Securities and Exchange Commission filing, September 20, 2022. <https://www.sec.gov/Archives/edgar/data/1393066/000119312522247759/d329267ddefm14a.htm>.

46 Grassley, Chuck. 2022. “Grassley, Brown Propose Banning Foreign Individuals From Obtaining U.S. Farm Credit.” Press release, September 27, 2022. <https://www.grassley.senate.gov/news/news-releases/grassley-brown-propose-banning-foreign-individuals-from-obtaining-us-farm-credit>.

**Figure 2. Locations of Paper Excellence (blue), Domtar (orange), and Resolute (purple) mills**



Source: Company websites and Googlemaps.

Other than the financing information on the Domtar and Resolute acquisitions contained in SEC filings, little information on Paper Excellence’s financing arrangements is publicly available. From a search of the register of charges on corporate registries for the companies in Paper Excellence’s corporate structure, to the best of our knowledge only one charge is registered in publicly available filings. China Development Bank registered a charge for Elite Shine Investments Limited, Paper Excellence’s “ultimate parent company”, on August 9, 2012 and released the charge on November 3, 2020.<sup>47</sup> According to China Development Bank’s website, “Founded in 1994, China Development Bank (CDB) is a state-owned development finance institution under the direct administration of the State Council of China.”<sup>48</sup>

47 Newhaven Corporate Services (BVI) Limited. 2020. “Notice Specifying Property Ceased to be Affected by Registered Charge of Elite Shine Investments Limited.” Signed by Diana Todman on behalf of Newhaven Corporate Services (BVI) Limited, November 3, 2020. Obtained from the British Virgin Islands’ Registry of Corporate Affairs.

48 China Development Bank Capital. 2022. “Shareholder profile.” Accessed on September 10, 2022. <https://www.cdb-capital.com/GKJR/briefen/list>.

## Corporate structure and beneficial ownership

Paper Excellence has a corporate structure with layers of holding companies spanning several offshore jurisdictions. Paper Excellence's nine mills in Canada<sup>49</sup> (other than mills owned by Domtar Corporation), two mills in France<sup>50</sup>, and one mega-scale mill in Brazil<sup>51</sup> are owned by holding companies incorporated in the Netherlands, Malaysia, and the British Virgin Islands. Domtar Corporation, acquired by Paper Excellence in 2021, is owned by holding companies in the Netherlands and Hong Kong. These ownership structures are detailed in the following sections.

### PAPER EXCELLENCE PULP AND PAPER MILLS IN CANADA

Paper Excellence's Canadian mills are primarily owned by Paper Excellence Canada Holdings Corporation, incorporated in Canada on March 31, 2010 (see Figure 3).<sup>52</sup> More recently, majority shares of Northern Resources Nova Scotia Corporation (Northern Pulp mill)<sup>53</sup> and Mackenzie Pulp Mill Corporation<sup>54</sup> are owned by Hervey Investments B.V., with minority shares owned by Paper Excellence Canada Holdings Corporation. Hervey Investments was incorporated on August 3, 2010 in the Netherlands.

Paper Excellence Canada Holdings Corporation is owned by Paper Excellence B.V.,<sup>55,56</sup> incorporated in the Netherlands on March 31, 2008.<sup>57</sup> The owner of Paper Excellence B.V. and Hervey Investments B.V. is Fortune Everrich Sdn Bhd, a company incorporated in Malaysia on May 20, 2003.<sup>58</sup> Fortune Everrich Sdn Bhd is owned by another Malaysian company, Capital Asset Holdings (L) Bhd,<sup>59</sup> which is incorporated in the Labuan jurisdiction within Malaysia as indicated by the "(L)" suffix in its official name. Malaysia declared Labuan an International Offshore Financial Centre in October 1990.<sup>60</sup>

49 Crofton, Tiskwat (Powell River), Port Alberni, Howe Sound, Meadow Lake, Prince Albert, Mackenzie, Northern Pulp, and Skookumchuck.

50 Fibre Excellence Tarascon and Fibre Excellence Saint-Gaudens.

51 Eldorado Brasil Cellulose.

52 Statistics Canada. 2021. "Paper Excellence Canada Holding Corporation." *Inter-corporate ownership*. Database, accessed on August 29, 2022. <https://www150.statcan.gc.ca/n1/pub/61-517-x/61-517-x2021001-eng.htm>.

53 Statistics Canada. 2021. "Northern Resources Nova Scotia Corporation." *Inter-corporate ownership*. Database, accessed on August 29, 2022. <https://www150.statcan.gc.ca/n1/pub/61-517-x/61-517-x2021001-eng.htm>

54 Statistics Canada. 2021. "Mackenzie Pulp Mill Corporation." *Inter-corporate ownership*. Database, accessed on August 29, 2022. <https://www150.statcan.gc.ca/n1/pub/61-517-x/61-517-x2021001-eng.htm>

55 Paper Excellence B.V. 2012. "Paper Excellence B.V. Annual Report 2009." Kamer van Koophandel (KvK), October 31, 2012.

Paper Excellence B.V. 2012. "Paper Excellence B.V. Annual Report 2010." Kamer van Koophandel (KvK), January 31, 2012.

Paper Excellence B.V. 2013. "Paper Excellence B.V. Annual Report 2011." Kamer van Koophandel (KvK), January 31, 2013.

Paper Excellence B.V. 2014. "Paper Excellence B.V. Annual Report 2012." Kamer van Koophandel (KvK), January 30, 2014.

Paper Excellence B.V. 2015. "Paper Excellence B.V. Annual Report 2013." Kamer van Koophandel (KvK), February 2, 2015.

Paper Excellence B.V. 2016. "Paper Excellence B.V. Annual Report 2014." Kamer van Koophandel (KvK), January 29, 2016.

56 Statistics Canada. 2022. "Paper Excellence Canada Holdings Corporation." *Inter-corporate ownership*. Database, accessed on August 29, 2022. <https://www150.statcan.gc.ca/n1/pub/61-517-x/61-517-x2021001-eng.htm>.

57 Paper Excellence B.V. 2012. "Paper Excellence B.V. Annual Report 2009." Kamer van Koophandel (KvK), October 31, 2012.

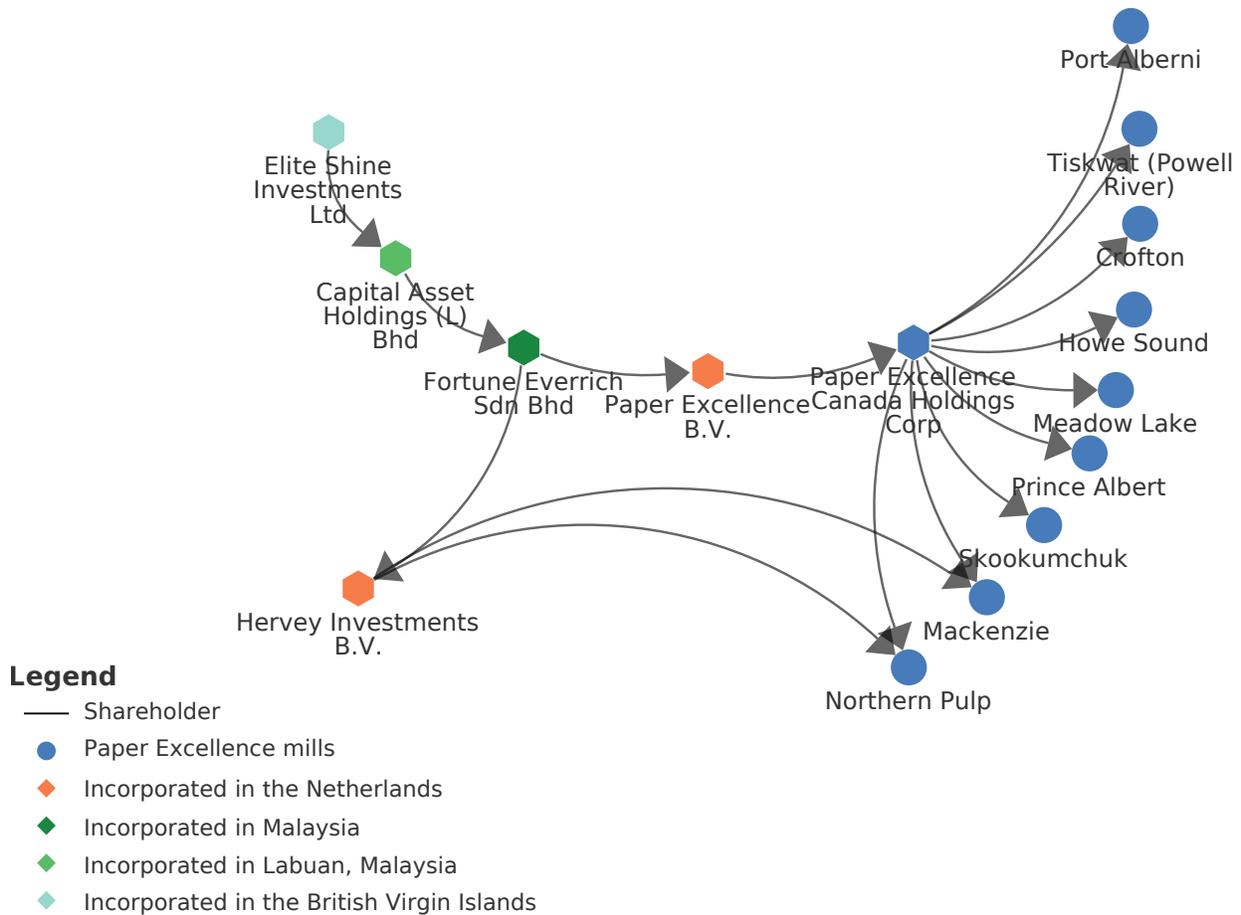
58 Kamer van Koophandel (KvK). 2022. "Paper Excellence B.V. Shareholders report." Accessed on

59 Companies Commission of Malaysia (Suruhanjaya Syarikat Malaysia). 2022. "Fortune Everrich Sdn Bhd." Corporate profile, accessed on April 28, 2022.

60 Abdullah, Danial Mah. *Labuan As an International Of As an International Offshore Financial Centre fshore Financial Centre*. Presentation as Director of Labuan Offshore Financial Services Authority. Accessed on September 3, 2022. [https://aric.adb.org/pdf/labuan\\_sym.pdf](https://aric.adb.org/pdf/labuan_sym.pdf).

The ultimate parent company of Paper Excellence Canada Holdings Corporation and Paper Excellence B.V. has since 2012 been Elite Shine Investments Limited, incorporated in the British Virgin Islands.<sup>61</sup> Elite Shine Investments Limited, therefore, owns Capital Asset Holdings (L) Bhd, though it cannot be confirmed using publicly available sources if this ownership is held directly or indirectly through another company or companies. Companies incorporated in the British Virgin Islands, including Elite Shine Investments Limited, do not disclose the identity of shareholders to the public on the corporate registry.<sup>62</sup>

**Figure 3. Corporate structure of Paper Excellence mills in Canada**



Sources: Statistics Canada (Inter-Corporate Ownership database), Kamer van Koophandel, Companies Commission of Malaysia.

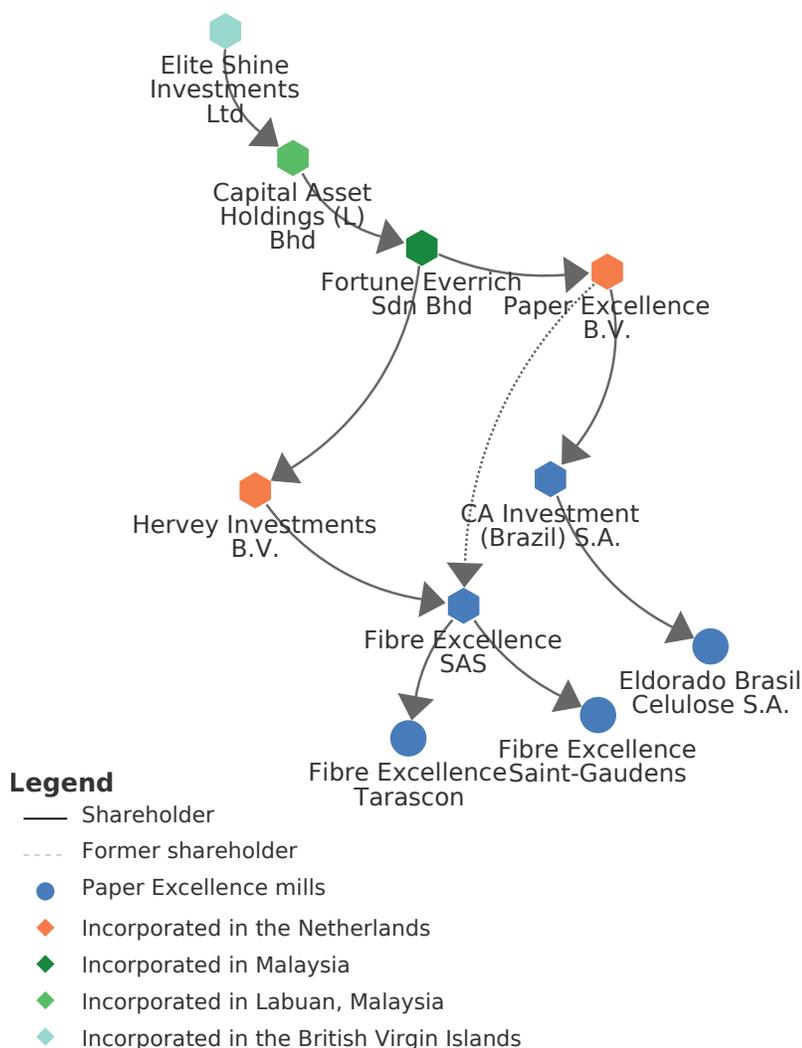
61 For current ownership: Statistics Canada. 2022. "Paper Excellence Canada Holdings Corporation". *Inter-corporate ownership*. Database. <https://www150.statcan.gc.ca/n1/pub/61-517-x/61-517-x2021001-eng.htm>. For ownership beginning 2012: Paper Excellence B.V. 2014. "Paper Excellence B.V. Annual Report 2012." Kamer van Koophandel (KvK), January 30, 2014. For subsequent periods see Paper Excellence B.V. Annual Reports 2011-2014. Public reporting of ultimate parent company in Paper Excellence B.V.'s annual reports stops in 2015 until the latest available report (2020).

62 Baker, Stephanie. 2019. "Sun, Sand, and the \$1.5 Trillion Offshore Economy." *Bloomberg Businessweek*, July 2, 2019. <https://www.bloomberg.com/news/features/2019-07-03/the-bvi-s-struggle-to-protect-its-offshore-economy>.

## PAPER EXCELLENCE PULP AND PAPER MILLS IN FRANCE AND BRAZIL

Paper Excellence’s pulp mills in France, Fibre Excellence Tarascon and Fibre Excellence Saint-Gaudens, are owned by Fibre Excellence SAS, incorporated in France on June 7, 2010 (see Figure 4).<sup>63</sup> Fibre Excellence SAS is owned by Hervey Investments B.V., as of July 5, 2018 when its ownership was transferred from Paper Excellence B.V.<sup>64</sup> Hervey Investments B.V., as indicated above, is owned by Fortune Evertich Sdn Bhd.<sup>65</sup> Paper Excellence’s mill in Brazil, Eldorado Brasil Celulose S.A., is owned by CA Investment Brazil S.A., which is owned by Paper Excellence B.V.<sup>66</sup>

**Figure 4. Corporate structure of Paper Excellence mills in France and Brazil**



Sources: Greffe du Tribunal de Commerce de Toulouse, Kamer van Koophandel, Company data service provider, Companies Commission of Malaysia, Statistics Canada (Inter-Corporate Ownership database).

63 Fibre Excellence SAS. 2021. “Groupe Fibre Excellence Annual Report 2020.” Greffe du Tribunal de Commerce de Toulouse.

64 Fibre Excellence SAS. 2021. “Groupe Fibre Excellence Annual Report 2020.” Greffe du Tribunal de Commerce de Toulouse.

65 Kamer van Koophandel (KvK). “Hervey Investments B.V.” Company structure report, accessed on March 31, 2022.

66 Company data service provider. 2022. “Company profile for CA Investment (Brasil) S.A.” Accessed on May 31, 2022.

## DOMTAR PULP AND PAPER MILLS

On May 10, 2021, Paper Excellence announced a proposal to acquire Domtar Corporation through a merger agreement, and on November 30, 2021 Paper Excellence announced that the merger was completed.<sup>67</sup> Paper Excellence B.V., Hervey Investments B.V., and Karta Halten B.V. were considered the “parent parties” in the agreement with Domtar Corporation.<sup>68</sup> The Plan of Merger indicates that Domtar Corporation would become a wholly-owned subsidiary of Karta Halten B.V. after the merger was completed (see Figure 5).<sup>69</sup>

Paper Excellence B.V. and Hervey Investments B.V. acted as “Guarantors” for the merger agreement on behalf of Karta Halten B.V. (“including payment obligations”).<sup>70</sup> Karta Halten B.V. is identified as an affiliate of Paper Excellence B.V. in the joint news release by Domtar Corporation and Paper Excellence, which is included in the SEC filing related to the merger.<sup>71</sup> Paper Excellence’s equity commitment of US\$1.535 billion to consummate the merger was provided by an unidentified affiliate of Karta Halten B.V.<sup>72</sup>

Karta Halten B.V. was incorporated in the Netherlands on November 26, 2020, and it is owned by First Management Limited<sup>73</sup>, incorporated in Hong Kong on April 8, 2020.<sup>74</sup> First Management Limited’s most recent annual return identifies Jackson Wijaya [Limantara] as the company’s only shareholder and only Director.<sup>75</sup>

---

67 Paper Excellence. 2021. “Paper Excellence Welcomes Domtar Into Its Group of Companies.” Press Release. *Business Wire*, November 30, 2021. <https://www.businesswire.com/news/home/20211130005720/en/>

68 Domtar Corporation. 2021. “Definitive Proxy Statement (Schedule 14-A).” Securities and Exchange Commission filing. <https://www.sec.gov/Archives/edgar/data/1381531/000119312521203298/d314599ddefm14a.htm>

69 Domtar Corporation. 2021. “Definitive Proxy Statement (Schedule 14-A).” Securities and Exchange Commission filing. <https://www.sec.gov/Archives/edgar/data/1381531/000119312521203298/d314599ddefm14a.htm>

70 Domtar Corporation. 2021. “Definitive Proxy Statement (Schedule 14-A).” Securities and Exchange Commission filing. <https://www.sec.gov/Archives/edgar/data/1381531/000119312521203298/d314599ddefm14a.htm>

71 Domtar Corporation. 2021. “Definitive Proxy Statement (Schedule 14-A).” Securities and Exchange Commission filing. <https://www.sec.gov/Archives/edgar/data/1381531/000119312521203298/d314599ddefm14a.htm>

72 “Affiliate” is defined in the Definitive Proxy Statement related to the proposed merger as “with respect to any Person, any other Person that directly or indirectly controls or is controlled by, or is under common control with, such Person. The term “control” (including its correlative meanings “controlled” and “under common control with”) shall mean possession, directly or indirectly, of power to direct or cause the direction of management or policies of a Person (whether through ownership of 50% or more of such Person’s securities or partnership or other ownership interests, or by Contract or otherwise).”

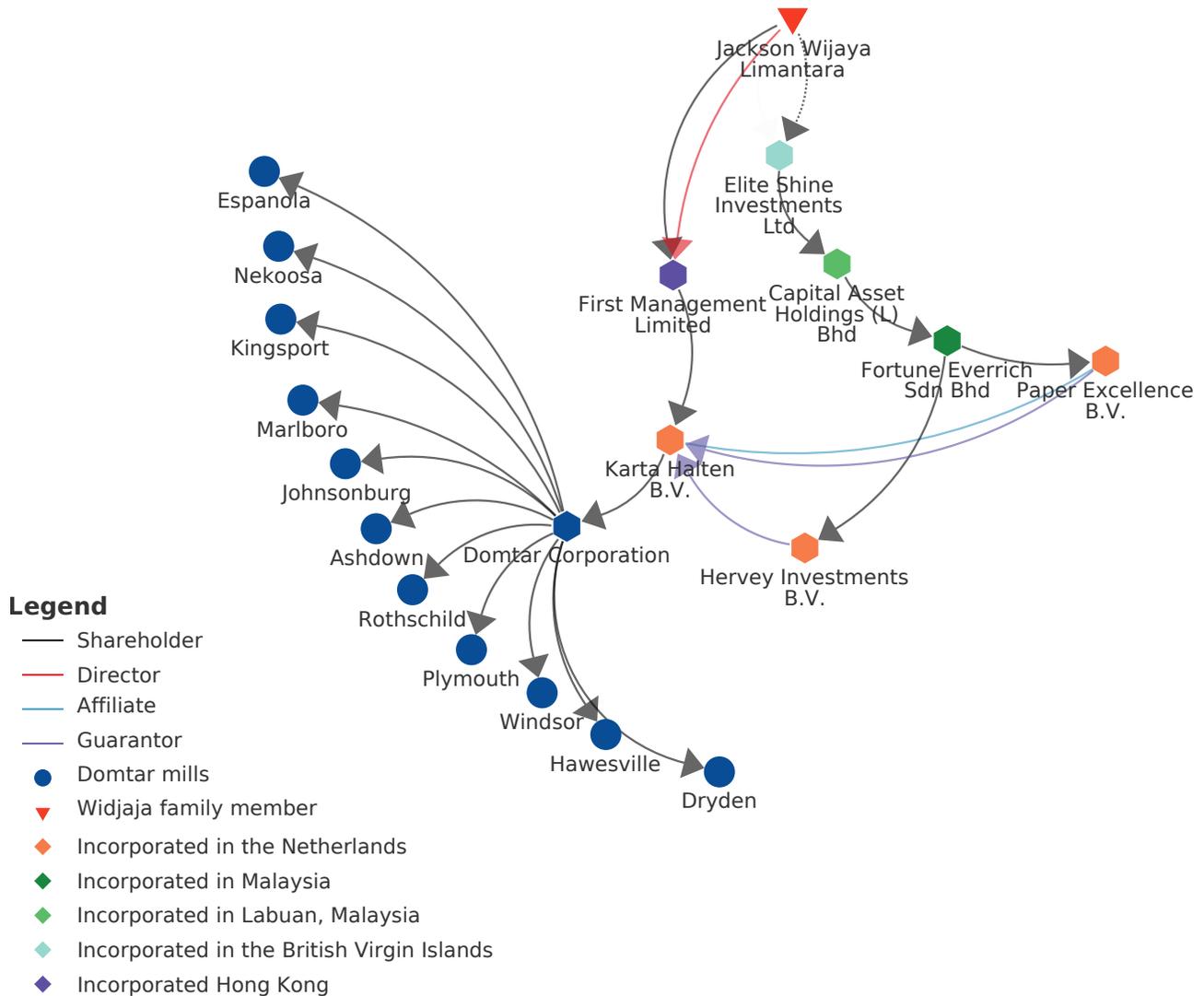
Domtar Corporation. 2021. “Definitive Proxy Statement (Schedule 14-A).” Securities and Exchange Commission filing. <https://www.sec.gov/Archives/edgar/data/1381531/000119312521203298/d314599ddefm14a.htm>

73 Kamer van Koophandel (KvK). “Karta Halten B.V.” Company structure report.

74 ICRIS Cyber Search Centre. “First Management Limited.” Hong Kong corporate registry, accessed on April 6, 2022.

75 First Management Limited. 2022. *Annual Return*. Form NAR1. Corporate Registry (Hong Kong), April 8, 2022.

**Figure 5. Corporate structure and related companies of Domtar mills in Canada and the United States**



Sources: U.S. Securities and Exchange Commission, Kamer van Koophandel, Companies Registry (Hong Kong), Companies Commission of Malaysia, Statistics Canada (Inter-Corporate Ownership database).

## OVERVIEW OF PAPER EXCELLENCE’S CORPORATE STRUCTURE

In the jurisdictions where Paper Excellence’s top holding companies are located – the Netherlands, Labuan (Malaysia), the British Virgin Islands, and Hong Kong – Paper Excellence does not have manufacturing operations (see Figure 6). All four of these jurisdictions are known as offshore financial centers that offer foreign companies varying levels of low corporate tax rates and secrecy, according to the Tax Justice Network’s Corporate Tax Haven Index<sup>76</sup> and Financial Secrecy Index<sup>77</sup>. In the ownership chain that goes to Elite Shine Investments Limited in the British Virgin Islands, the complete chain of ownership cannot be ascertained through corporate registry documents that are publicly accessible.

76 Tax Justice Network. 2022. *Corporate Tax Haven Index*. Webpage, accessed on August 22, 2022. <https://cthi.taxjustice.net/en/>.

77 Tax Justice Network. 2022. *Financial Secrecy Index*. Webpage, accessed on August 22, 2022. <https://fsi.taxjustice.net/>.

The layering of companies in offshore jurisdictions is a practice that can be used to conceal the beneficial ownership of those entities, according to a report published by the Financial Action Task Force (FATF), a global initiative.<sup>78</sup> A corporate structure that may conceal the ultimate beneficial owner(s) in this way is not in itself evidence of criminality or wrong-doing, but it can be indicative of risk that may warrant careful scrutiny and/or due diligence.

In response to the findings on corporate structure, Paper Excellence's Vice President of Corporate Communications, Graham Kissack, said, "PE Group does not engage in any business or activity that is covered by FATF and there is not, and never has been, an intention to create a corporate structure at Paper Excellence that is intended to hide anything. There are various factors to think about when building the corporate structure of a business. This is all the more relevant in the case of an international business such as that of the PE Group. These include tax, corporate finance, allocation of corporate liability, and the like. In fact, it is usually necessary to engage accountants, lawyers and other experienced professionals in order to fully understand the latest developments and structures that could be relevant. This is exactly what PE Group has done and we are not different to any other similar business." (See Appendix A for Paper Excellence's complete response.)

While Elite Shine Investment Limited's ultimate beneficial owner(s) is not transparent in corporate registry filings, Domtar filed an Amendment to its annual 10-K report (10-K/A) that discloses Paper Excellence B.V. is "indirectly 100% owned by Jackson Wijaya".<sup>79</sup> This appears to indicate that the natural person, Jackson Wijaya, is the sole owner of Paper Excellence B.V. and its shareholdings of pulp and paper mills. In alignment with this, in a 2015 media report, Paper Excellence described Jackson Wijaya as the sole owner of the company.<sup>80</sup>

Paper Excellence has also stated that Jackson Wijaya's ownership should be understood to potentially include other family members. In Domtar Corporation's filings to the SEC after it was purchased by Paper Excellence, Exhibits 4.1, 4.2, and 4.3 to the original 10-K submission document Domtar's financing arrangements. All three exhibits state that "Jackson Wijaya means (a) Jackson Wijaya, (b) family members of Jackson Wijaya, (c) trusts, partnerships or limited liability companies for the benefit of any of the individuals identified in the foregoing clause (a) or (b), and (d) heirs, executors, estates, successors and legal representatives of the individuals identified in the foregoing clause (a) or (b)."<sup>81</sup> According to this statement, other members of the Widjaja family may benefit from and/or control Paper Excellence with or without the involvement of Jackson Wijaya, the natural person.

In response to this finding, Paper Excellence's Vice President of Corporate Communications, Graham Kissack, said, "This is a standard definition for any person in the SEC context. What it does not refer to is any implication suggesting that PE Group is controlled by APP/Sinar Mas, which again, is not correct." Mr. Kissack also stated in his response,

---

78 See point 53 on methods used to "obscure" beneficial ownership: "generating complex ownership and control structures through the use of legal persons and legal arrangements, particularly when established across multiple jurisdictions."

Financial Action Task Force (FATF) and Egmont Group. 2018. *Concealment of beneficial ownership*. July 2018. <https://www.fatf-gafi.org/media/fatf/documents/reports/FATF-Egmont-Concealment-beneficial-ownership.pdf>.

79 Domtar Corporation. 2022. *Form 10-K/A Amendment No.1*. Annual Report for the fiscal year ended December 31, 2021. United States Securities and Exchange Commission.

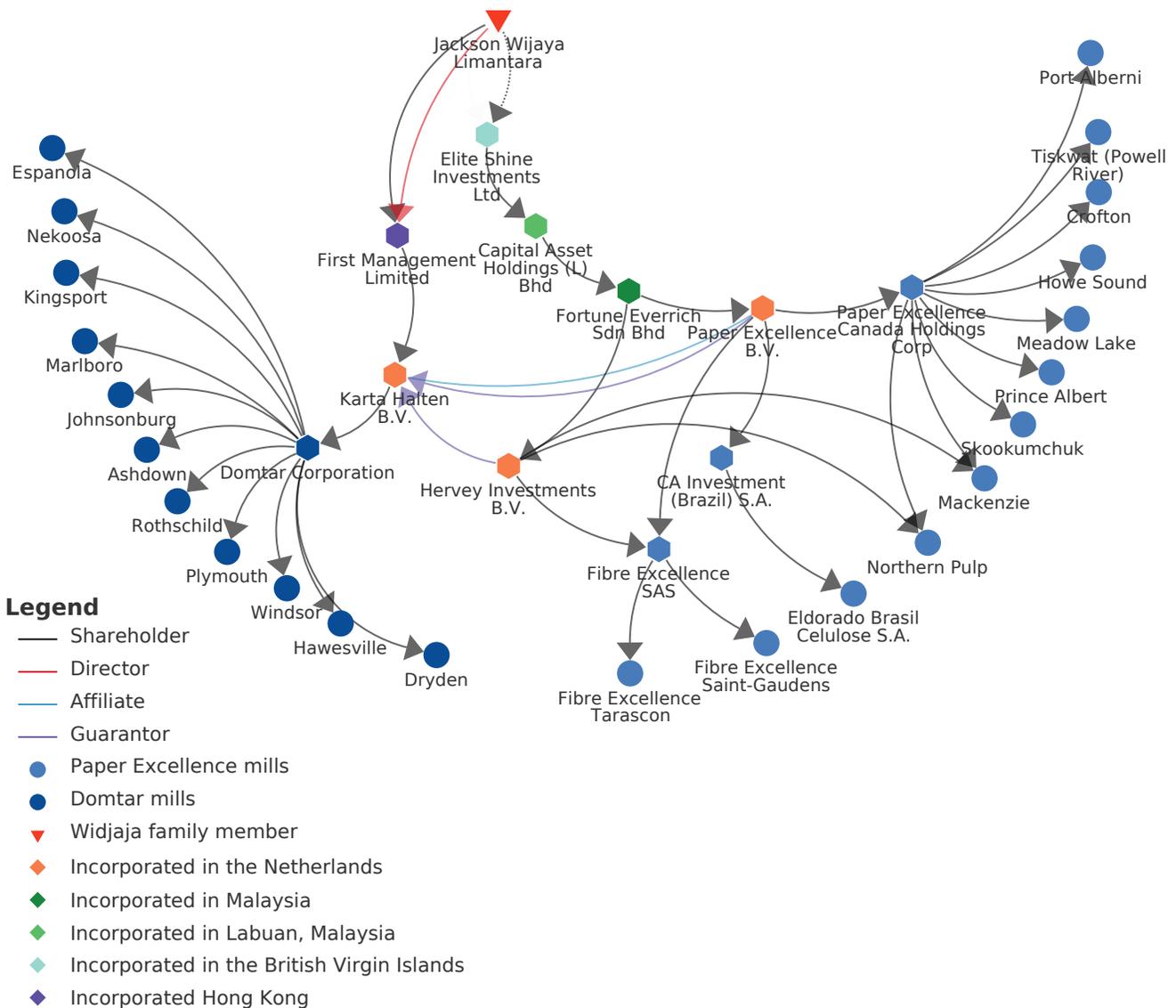
80 Bennett, Nelson. 2015. "Chetwynd mill restart caps company buying spree." *Business in Vancouver*, May 12. <https://biv.com/article/2015/05/chetwynd-mill-restart-caps-company-buying-sprees>.

81 Domtar Corporation. 2022. *Exhibit 4.1 of Form 10-K*. Annual Report for the fiscal year ended December 31, 2021. United States Securities and Exchange Commission. [https://www.sec.gov/Archives/edgar/data/1381531/000156459022009469/ufs-ex41\\_61.htm](https://www.sec.gov/Archives/edgar/data/1381531/000156459022009469/ufs-ex41_61.htm)

Domtar Corporation. 2022. *Exhibit 4.2 of Form 10-K*. Annual Report for the fiscal year ended December 31, 2021. United States Securities and Exchange Commission. [https://www.sec.gov/Archives/edgar/data/1381531/000156459022009469/ufs-ex42\\_60.htm](https://www.sec.gov/Archives/edgar/data/1381531/000156459022009469/ufs-ex42_60.htm)

Domtar Corporation. 2022. *Exhibit 4.3 of Form 10-K*. Annual Report for the fiscal year ended December 31, 2021. United States Securities and Exchange Commission. [https://www.sec.gov/Archives/edgar/data/1381531/000156459022009469/ufs-ex43\\_65.htm](https://www.sec.gov/Archives/edgar/data/1381531/000156459022009469/ufs-ex43_65.htm).

**Figure 6. Shareholder companies of Paper Excellence mills in Canada, France, and Brazil and of Domtar mills in Canada and the United States**



Sources: Statistics Canada (Inter-Corporate Ownership database), Kamer van Koophandel, Companies Commission of Malaysia, Greffe du Tribunal de Commerce de Toulouse, Brazil registry via company data service provider, U.S. Securities and Exchange Commission, Companies Registry (Hong Kong).

“Nobody else, except Jackson, has ever been or is the ultimate owner or controller of any of the companies in the PE Group. No member of APP/SMG has ever had any ownership interest in any of the PE Group entities.”

The Orbis database on private companies, one of the most comprehensive sources for data on corporate entities, provides further evidence that the Widjaja family is the beneficial owner of Paper Excellence. Orbis identifies the Widjaja family as the owner of Elite Shine Investments Limited.<sup>82</sup> The Orbis entry for Elite Shine Investments Limited indicates that the company owns Paper Excellence’s mills and holding companies (Paper Excellence Canada

82 Orbis. “Paper Excellence B.V.” Bureau van Dijk. Data update August 19, 2022. Accessed on August 22, 2022.



Areas cleared of timber in the Boreal forest in Ontario to feed Domtar's Dryden pulp mill. River Jordan/Natural Resources Defense Council

Holdings Corporation, Paper Excellence B.V., Fortune Everrich Sdn Bhd, Capital Asset Holdings (L) Bhd, and Fibre Excellence SAS).<sup>83</sup>

In response to this information, Graham Kissack of Paper Excellence stated, "It [Orbis] has never contacted PE to verify or discuss any conclusions and, because we are not a subscriber, we do not have visibility on its conclusions or methodology. Nonetheless, now that you have brought this to our attention, please be assured that we will be contacting Orbis consistent with the tenor of the facts set forth in this response."

---

83 Orbis. "Paper Excellence B.V." Bureau van Djik. Data update August 19, 2022. Accessed on August 22, 2022.

## Paper Excellence links with Asia Pulp & Paper and Sinar Mas

Paper Excellence has denied being a subsidiary of APP or Sinar Mas Group.<sup>84</sup> APP similarly has denied any ownership or management relationship with Paper Excellence.<sup>85,86</sup> However, a number of factors such as corporate communications and lobbyist compliance filings (see #1–3), family ties (see #4), overlapping management (see #5–6 and #8–12), and financial links (see #7) provide strong circumstantial evidence that Paper Excellence is in the same corporate group as APP and is controlled by Sinar Mas as per the Accountability Framework Initiative’s definition of corporate group and factors of corporate control.<sup>87</sup>

The following section documents the historical and current linkages of Paper Excellence with APP and Sinar Mas.

### **SINAR MAS AND APP WERE INVOLVED IN THE PURCHASE AND INITIAL OPERATION OF PAPER EXCELLENCE’S FIRST MILL ACQUISITION IN CANADA (2007)**

Paper Excellence’s first acquisition, carried out in January 2007, was a pulp mill in the Canadian province of Saskatchewan called Meadow Lake.<sup>88</sup> On December 19, 2006, pulp and paper industry news service RISI reported: “APP, one of Asia’s largest papermakers and Meadow Lake’s biggest customer, and Meadow Lake Pulp Limited Partnership signed a purchase and sale agreement for the deal. Asia Pulp and Paper will buy the bankrupt 325,000 tonne/yr market pulp mill at Meadow Lake, Sask., for C\$37.5 million, an official at Investment Saskatchewan told RISI.”<sup>89</sup> Similarly, on December 17, 2006, Canada’s *Globe and Mail*, reported, “Industry giant Asia Pulp and Paper Co. Ltd. will pay \$38-million for the fixed assets of the mill, which is jointly owned by the provincial government’s Investment Saskatchewan arm and Alberta forestry company Millar Western, confirmed the mill’s lawyer, Conrad Hadubiak.”<sup>90</sup>

After the purchase was complete, the report in Saskatchewan’s local media on January 25, 2007, stated, “The \$38-million purchase of the mill’s fixed and operating assets by a subsidiary of Asian forest product giant Sinar Mas – approved by a Court of Queen’s Bench judge nearly two weeks ago – became official on Wednesday.”<sup>91</sup> The report went on to note, “Vern Bachiu, director of planning and development for the Meadow Lake Tribal Council, said council members met briefly with a representative of Sinar Mas last week.”<sup>92</sup>

---

84 Bennett, Nelson. 2015. “Chetwynd mill restart caps company buying spree.” *Business in Vancouver*, May 12. <https://biv.com/article/2015/05/chetwynd-mill-restart-caps-company-buying-sprees>.

85 Setiaji, Stefanus Arief. 2018. “Direktur APP: Kami Tak Ada Hubungan dengan Paper Excellence.” *Bisnis Indonesia*, March 16. <https://market.bisnis.com/read/20180316/192/750716/direktur-app-kami-tak-ada-hubungan-dengan-paper-excellence>.

86 Aidenvironment. 2022. *The world’s tissue paper companies, and their care for forests*. August 2022. <https://aidenvironment.org/wp-content/uploads/2022/08/2022-08-04-Final-Less-than-15-MB-version-Worlds-Tissue-Paper-Companies.pdf>.

87 Accountability Framework Initiative. 2022. “Definitions: Key terms that are used in the Accountability Framework Core Principles and Operational Guidance.” Webpage and pdf, accessed on August 29, 2022. <https://accountability-framework.org/the-framework/contents/definitions/>.

88 Paper Excellence. 2022. “Meadow Lake Mechanical Pulp celebrates 30 years of operation.” September 7, 2022. <https://paperexcellence.com/meadow-lake-mechanical-pulp-celebrates-30-years-in-operation/>.

89 RISI. 2006. “APP to buy Meadow Lake Pulp mill for C\$37.5M.” December 19, 2006.

90 Regina. 2006. “Asia Pulp takes on Saskatchewan’s biggest loser.” *The Globe and Mail*. December 17, 2006. <https://www.theglobeandmail.com/report-on-business/asia-pulp-takes-on-saskatchewans-biggest-loser/article1111944/>.

91 Wood, James. 2007. “Pulp mill changes hands.” *The Star Phoenix*. January 25, 2007.

92 Wood, James. 2007. “Pulp mill changes hands.” *The Star Phoenix*. January 25, 2007.

The press release announcing the acquisition of the Meadow Lake pulp mill on January 18, 2007 states, “The Purchaser [Meadow Lake Mechanical Pulp Inc.] is indirectly related to the Sinar Mas companies. It is anticipated that the Sinar Mas Pulp and Paper Products division (“APP”) will be providing technical expertise to the Purchaser in respect of future operations of the Meadow Lake Pulp Mill.[. . .] The Purchaser is excited about the opportunity of being able to expand its worldwide operations into Northern Saskatchewan and Canada.”<sup>93</sup>

The press release was apparently issued by Sinar Mas: The middle section of the press release appears under the header “About Sinar Mas”, and it includes descriptions of Sinar Mas, APP, and Sinar Mas Forestry (see Appendix C).<sup>94</sup> The bottom section of the press release is nearly 485 words listing APP’s accomplishments and commitments on sustainability and indigenous communities, and ending with the statement: “To date, APP and Sinar Mas operations directly and indirectly support millions of families; most of whom live in remote villages and rural communities.”<sup>95</sup>

### **SINAR MAS LETTERHEAD WAS USED FOR OFFICIAL COMMUNICATIONS BY PAPER EXCELLENCE MILL (2008–2010)**

After Paper Excellence acquired the Meadow Lake mill in Canada in 2007, Meadow Lake Mechanical Pulp Inc. wrote at least six letters to the Environmental Division of the Saskatchewan Government on letterhead that stated the mill is “A Division of Sinarmas Group.” The letters are dated May 30, 2008; June 2, 2008; October 15, 2009; March 26, 2010; April 16, 2010; and September 15, 2010 (see Figure 7 for the first of these letters and Appendix D for excerpts of all the letters indicated above). A letter dated October 15, 2010, is the first time, to the best of the authors’ knowledge, that Meadow Lake Mechanical Pulp Mill Inc. used the Paper Excellence logo on its letterhead in correspondence with the Environmental Division of the Saskatchewan Government, and it appears that this continued to be the practice in subsequent communications.

In 2010, when Meadow Lake’s letterhead switched from “A Division of Sinarmas Group” to “Paper Excellence”, there is no filing in the corporate registry that indicates a change in corporate control or ownership. The only change indicated in Meadow Lake Mechanical Pulp Mill Inc.’s publicly available corporate filings in 2010 to the Saskatchewan Government was on April 26, 2010, to indicate that two people stopped serving as directors.<sup>96</sup> No new directors were added at that time, and the two remaining directors had started as directors in 2007 (Hardi Wardhana)<sup>97</sup> and 2008 (Ed Roste) when Meadow Lake was identified as “A Division of Sinarmas Group.”<sup>98</sup> Roste stopped serving as director in January 2012.<sup>99</sup> Wardhana continued serving as a director at least until July 2022, according to publicly available filings.<sup>100</sup>

---

93 Sinar Mas. 2007. “Meadow Lake Mechanical Pulp Mill: Press Release.” Canadian Corporate Newswire, January 17, 2007.

94 Sinar Mas. 2007. “Meadow Lake Mechanical Pulp Mill: Press Release.” Canadian Corporate Newswire, January 17, 2007.

95 Sinar Mas. 2007. “Meadow Lake Mechanical Pulp Mill: Press Release.” Canadian Corporate Newswire, January 17, 2007.

96 Meadow Lake Mechanical Pulp Mill Inc. 2010. “Form 6: Changes of Directors.” Saskatchewan corporate registry, filed on April 26, 2010.

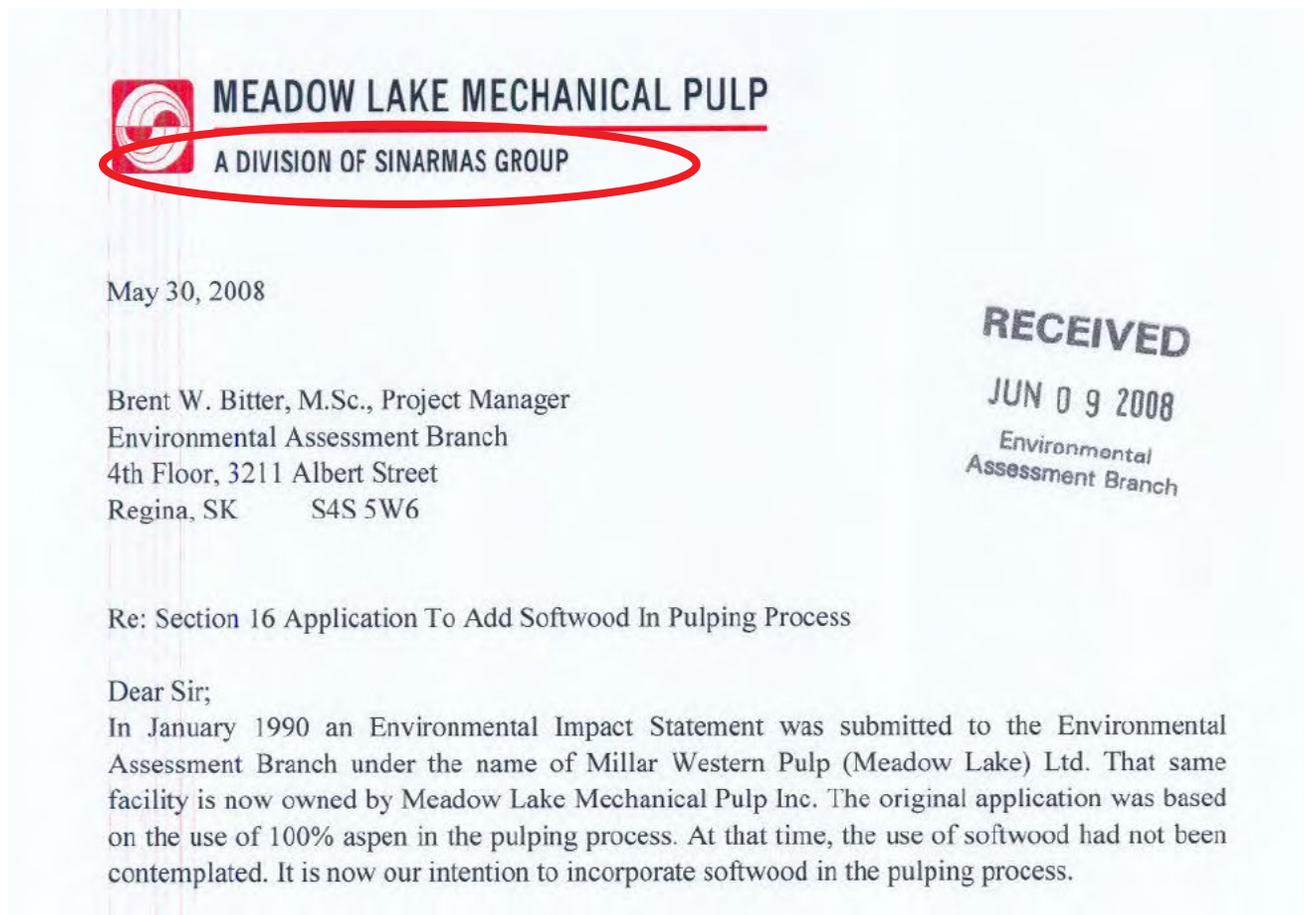
97 Meadow Lake Mechanical Pulp Mill Inc. 2007. “Form 6: Changes of Directors.” Saskatchewan corporate registry, filed on January 24, 2007.

98 Meadow Lake Mechanical Pulp Mill Inc. 2008. “Form 6: Changes of Directors.” Saskatchewan corporate registry, filed on September 11, 2008.

99 Meadow Lake Mechanical Pulp Mill Inc. 2012. “Form 6: Changes of Directors.” Saskatchewan corporate registry, filed on April 20, 2012.

100 Examination of filings for Meadow Lake Mechanical Pulp Mill Inc from the Saskatchewan corporate registry at the end of July 2022.

**Figure 7. Excerpt of letter from Meadow Lake Mechanical Pulp to the Environmental Assessment Branch of Government of Saskatchewan**



Source: Government of Saskatchewan via Access to Information request.

### **PAPER EXCELLENCE LOBBYIST REGISTRATION STATES THAT SINAR MAS GROUP IS AN AFFILIATE OF PAPER EXCELLENCE CANADA HOLDINGS CORPORATION (2020–PRESENT)**

Moe Sihota registered with the Government of British Columbia as a lobbyist for Paper Excellence Canada Holdings Corporation on August 12, 2020.<sup>101</sup> The lobbyist registration Moe Sihota submitted to British Columbia's Office of the Registrar of Lobbyists for his work on behalf of Paper Excellence reports that "Paper Excellence Canada Holdings Corporation has the following affiliates that could have a direct interest in the outcome of the lobbying activities: [ . . . ]" Sinar Mas Group is included in this list, along with five of Paper Excellence's mills in British Columbia (see Figure 8).<sup>102</sup> The address provided on Moe Sihota's lobbyist registration for Sinar Mas Group is "4 Gondangdia, Kec Menteng, Jakarta 10350, Indonesia".

101 Office of the Registrar of Lobbyists, British Columbia. 2022. "Registration – Consultant Lobbyist for Moe Sihota." Version 1 of 6 (August 12 to November 6, 2020). Accessed on October 5, 2022. <https://www.lobbyistsregistrar.bc.ca/app/secure/orkl/lrs/do/vwRg?regId=56554964&cno=3505>.

102 Office of the Registrar of Lobbyists, British Columbia. 2022. "Registration – Consultant Lobbyist for Moe Sihota." 6 versions (August 12, 2020 to present (October 5, 2022)). Accessed on October 5, 2022. <https://www.lobbyistsregistrar.bc.ca/app/secure/orkl/lrs/do/vwRg?regId=56554964&cno=3505>.

**Figure 8. Moe Sihota’s registration for lobbying on behalf of Paper Excellence Canada Holdings Corporation, as of October 2022**

**O.R.L.** office of the registrar of lobbyists  
BRITISH COLUMBIA  
www.lobbyistsregistrar.bc.ca

Registry Search Tools | Reporting Tools | Lobbying Statistics | Help | Sign In

Registry Dashboard

## Registration - Consultant Lobbyist

Share this page

### Paper Excellence Canada Holdings Corporation / Moe Sihota, Consultant Lobbyist

**Registration Information**

Client name: Paper Excellence Canada Holdings Corporation  
Previous client names  
 Lobbyist name: Moe Sihota, Consultant Lobbyist  
 Initial registration start date: 2020-08-12  
 Registration status: Active  
 Projected end date: No date provided  
 Registration number: 2094-3505

**Associated Lobbying Activity Reports**

Total number of Lobbying Activity Reports: 27  
 Lobbying Activity Reports - last 6 months: 4

Registration versions: 6 of 6: 2022-07-02 to present

Version 6 of 6 (2022-07-02 to present)

[Lobbying Information](#) | 
 [Client Details](#) | 
 [Lobbyist Details](#)

#### Client Contact Information

Paper Excellence Canada Holdings Corporation

Address: 200- 3600 Lysander Lane  
 Richmond, BC V7B 1C3  
 Canada

Telephone number: 604-247-4400  
 Website: paperexcellence.com

#### Description of Business Activities

One of the largest Pulp and paper producers in North America with operations in B.C.

#### Contributors to the Lobbying Activity

No person or organization contributed over \$1000CAD, within the preceding 12 months, toward the lobbying activity on behalf of the organization that has a direct interest in the outcome of the lobbying activity.

#### Government Funding in the Last 12 Months

Source of Government Funding	Funding Received	Funding Requested
Canada Revenue Agency	\$15,727,461.00 Period received: 2021-01-01 to 2022-12-31	None requested
Nova Scotia	\$10,000,000.00 Period received: 2021-01-01 to 2021-12-31	None requested

#### Coalition Members Information

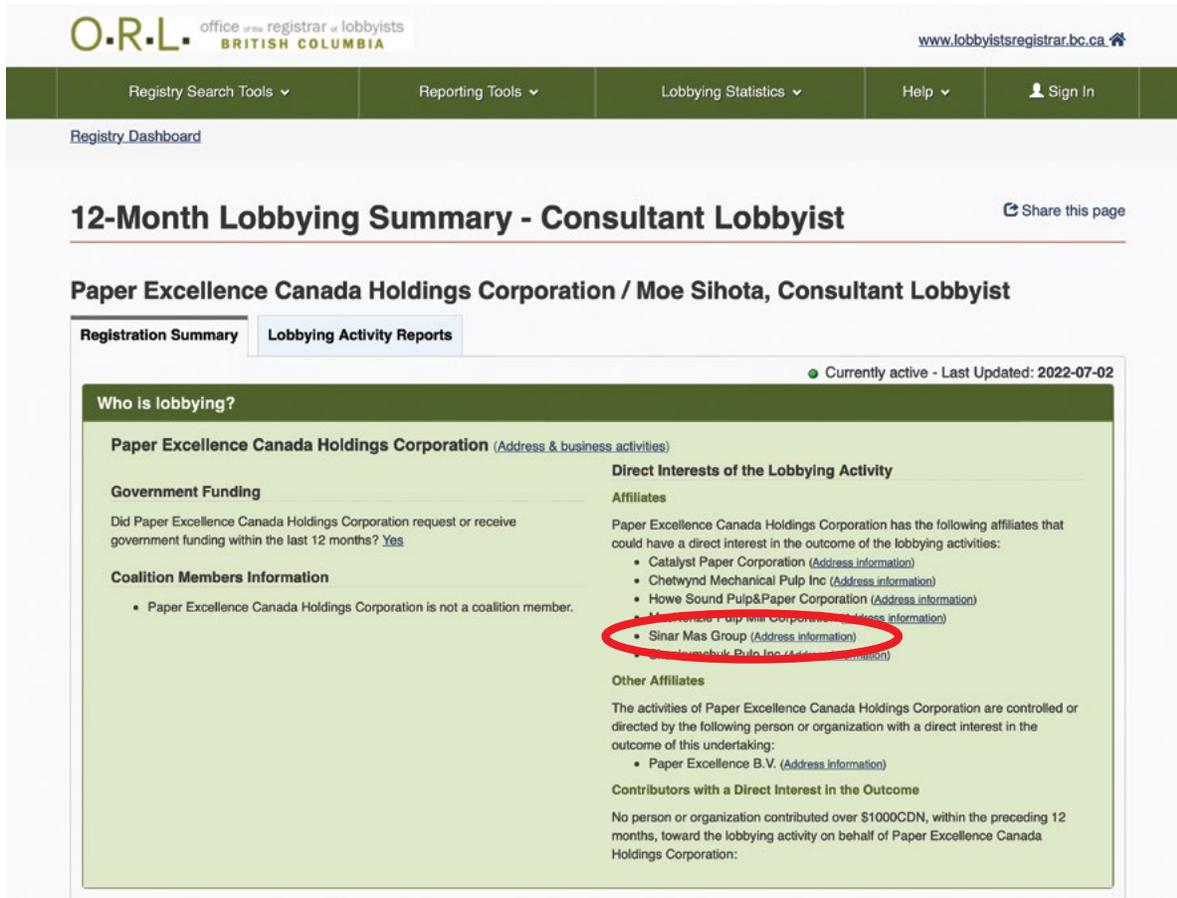
Paper Excellence Canada Holdings Corporation is not a coalition member.

#### Affiliates with a Direct Interest in the Outcome

- Catalyst Paper Corporation
  - 3600 Lysander Lane
  - Richmond, BC V7B 1C3
  - Canada
- Chetwynd Mechanical Pulp Inc
  - 4181 Chetwynd Pulp Mill Road
  - Chetwynd, BC VOC 1J0
  - Canada
- Howe Sound Pulp&Paper Corporation
  - 3838 Port Mellon Highway
  - Port Mellon, BC V0N 2S0
  - Canada
- MacKenzie Pulp Mill Corporation
  - PO Box 2609
  - 1000 Coquiwalde Road
  - Mackenzie, BC V0J 2C0
  - Canada
- Sinar Mas Group
  - 4 Gondangdia, Kec Menteng
  - Jakarta 10350
  - Indonesia
- Skookumchuk Pulp Inc
  - 4501 Farstad Way
  - Skookumchuk, BC V0B 2E0
  - Canada

Source: Office of the Registrar of Lobbyists, British Columbia

**Figure 9. Moe Sihota’s 12-month lobbying summary for work on behalf of Paper Excellence Canada Holdings Corporation, as of October 2022**



Source: Office of the Registrar of Lobbyists, British Columbia

Moe Sihota’s six registrations to work as a lobbyist for Paper Excellence Canada Holdings Corporation, which are collectively active over the period August 12, 2020 through the present (October 2022), include Sinar Mas Group as an “affiliate with direct interest in the outcome” of his lobbying work on behalf of Paper Excellence Canada Holdings Corporation.<sup>103</sup> In addition, Moe Sihota’s “12 month lobbying summary” for Paper Excellence, last updated on July 2, 2022, also states the Sinar Mas Group is an “affiliate with direct interest in the outcome” of Mr. Sihota’s lobbying activities on behalf of Paper Excellence Canada Holdings Corporation (see Figure 9).<sup>104</sup>

British Columbia’s *Lobbyists Transparency Act* states under Section 4 that “Each registration return filed under Section 3 must include [ . . . ] (f) if the client or organization is a corporation, the name and business address of each affiliate of the corporation that, to the designated filer’s knowledge after making reasonable inquiries, has a direct interest in the outcome of the activities of each lobbyist named in the registration return who lobbies on behalf

103 Office of the Registrar of Lobbyists, British Columbia. 2022. “Registration – Consultant Lobbyist for Moe Sihota.” 6 versions (August 12, 2020 to present (October 5, 2022)). Accessed on October 5, 2022. <https://www.lobbyistsregistrar.bc.ca/app/secure/orl/lrs/do/vwRg?regId=56554964&cno=3505>.

104 Office of the Registrar of Lobbyists, British Columbia. 2022. “12-month lobbying summary for Moe Sihota on behalf of Paper Excellence Canada Holdings Corporation.” Last updated on July 2, 2022. <https://www.lobbyistsregistrar.bc.ca/app/secure/orl/lrs/do/clntSmmry?clientOrgCorpNumber=3505&sMdKy=>.

of the client or organization;”<sup>105</sup> The *Lobbyists Transparency Act* adopts the meaning of “affiliate” in Section 2 of the Business Corporations Act:<sup>106</sup>

*For the purposes of this Act, one corporation is affiliated with another corporation if*

*(a) one of them is a subsidiary of the other,*

*(b) both of them are subsidiaries of the same corporation, or*

*(c) each of them is controlled by the same person.*

## **PAPER EXCELLENCE’S SELF-REPORTED OWNER IS THE SON OF APP’S CHAIRMAN AND THE BROTHER AND NEPHEW OF APP’S MAJOR SHAREHOLDERS (2007–PRESENT)**

Paper Excellence’s self-reported owner is Jackson Wijaya Limantara. Jackson’s father is APP’s longtime Chairman, Teguh Ganda Widjaja (see Figure 10). Jackson’s sister is Linda Wijaya Limantara, a former managing director of APP.<sup>107</sup> Linda is also a shareholder in PT Purinusa Ekapersada<sup>108</sup>, which holds controlling interests in APP’s major pulp and paper mills in Indonesia.<sup>109</sup> Three of Jackson’s uncles – Indra Widjaja, Franky Widjaja, and Muktar Widjaja – hold similar interests in PT Purinusa Ekapersada.<sup>110</sup> Jackson’s grandfather, Eka Tjipta Widjaja, who died in 2019, was the founder of the Sinar Mas Group.

In response to this finding of family connection, Graham Kissack of Paper Excellence stated, “Of course, it is well known that Jackson Wijaya, the ultimate owner of PE, is the son of the current leader of APP/SMG. But Jackson continues to operate PE completely independently.”

According to Linda Wijaya Limantara quoted in a 2019 article published in *The Nikkei*, a financial newspaper, Sinar Mas operates “like a family council” even as only one family member is appointed to manage each company.<sup>111</sup>

*“We believe in the phrase ‘one captain per ship,’” said Linda, who served her apprenticeship at APP under her father Teguh.*

*But unlike many other Indonesian family conglomerates, with their seemingly transparent succession plans and clear lines of authority, Linda says Sinar Mas operates more like a family council.*

*Of Eka’s many grandchildren, 12 are directly involved in the family business, although “the ones who are running the show [are] probably less than 10,” said Linda. “My cousins and I are, thankfully, very, very close. We keep each other updated and ask each other for help and support.”*

105 British Columbia. 2002. *Business Corporations Act*. [SBC 2002] Chapter 57. Assented to on October 31, 2002. Accessed on October 4, 2022. [https://www.bclaws.gov.bc.ca/civix/document/id/complete/statreg/02057\\_01#division\\_d2e2739](https://www.bclaws.gov.bc.ca/civix/document/id/complete/statreg/02057_01#division_d2e2739).

106 British Columbia. 2001. *Lobbyists Transparency Act*. [SBC 2001] Chapter 42. Assented to on August 27, 2001. Accessed on October 4, 2022. [https://www.bclaws.gov.bc.ca/civix/document/id/complete/statreg/01042\\_01](https://www.bclaws.gov.bc.ca/civix/document/id/complete/statreg/01042_01).

107 Suzuki, Jun. 2016. “Linda Wijaya pursues growth and conservation.” *Nikkei Asia*. October 13. <https://asia.nikkei.com/Business/Linda-Wijaya-pursues-growth-and-conservation>.

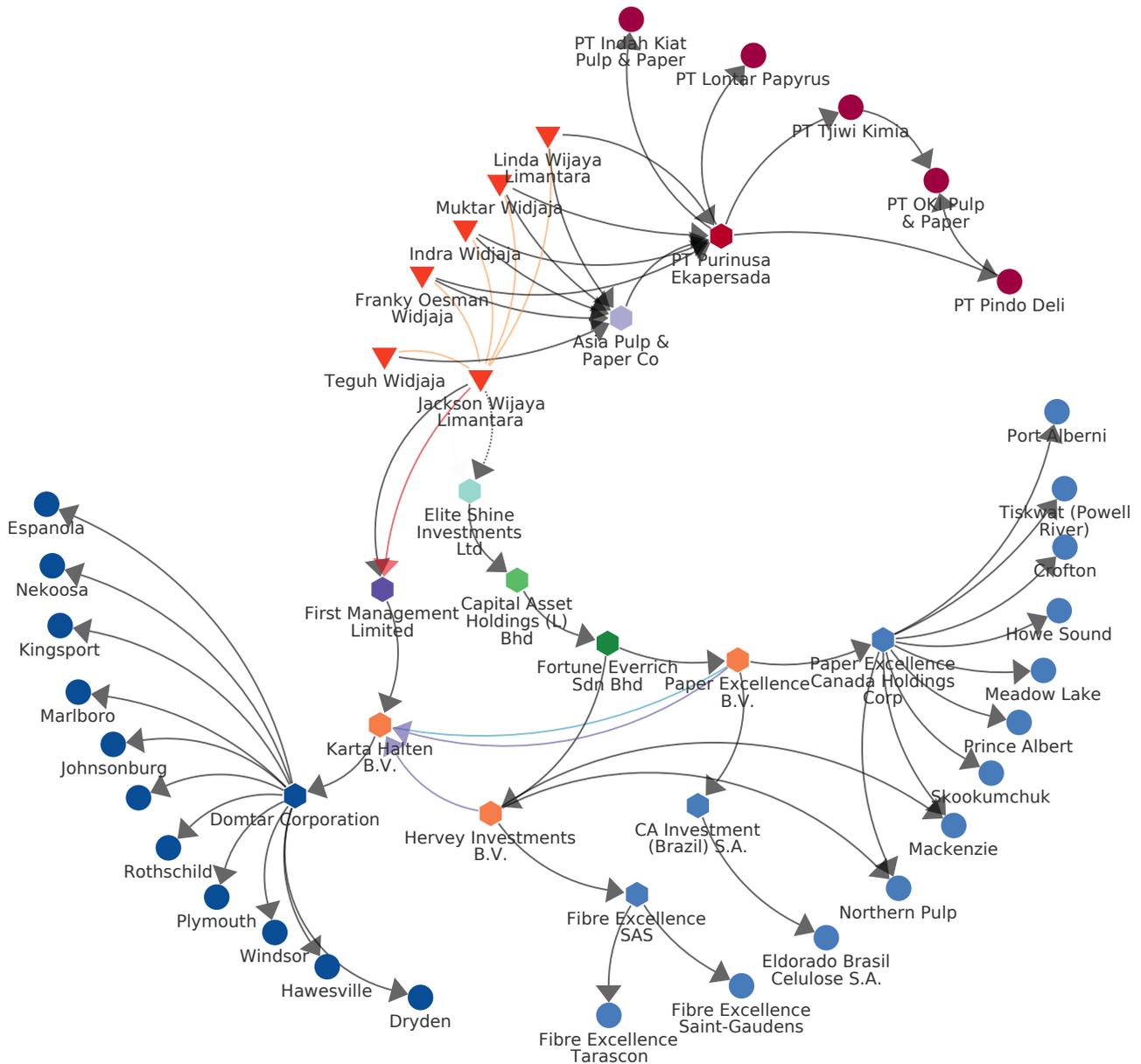
108 Ministry of Law and Human Rights, Government of Indonesia. 2021. “PT Purinusa Ekapersada”. Corporate profile, accessed on October 6, 2021. <https://ahu.go.id/pencarian/profil-pemilik-manfaat>.

109 Ministry of Law and Human Rights, Government of Indonesia, Corporate Profiles for PT Indah Kiat Pulp & Paper Tbk, PT Lontar Papyrus Pulp & Paper, PT Tjiwi Kimia, PT Pindo Deli, and PT OKI Pulp & Paper Mills.

110 Ministry of Law and Human Rights, Government of Indonesia 2021. “PT Purinusa Ekapersada”. Corporate profile, accessed on October 6, 2021. <https://ahu.go.id/pencarian/profil-pemilik-manfaat>.

111 Maulia, Erwida. 2019. “The Chinese-Indonesian dynasty reshaping a \$30bn empire by WhatsApp.” *Nikkei Asia*. December 27, 2019. <https://asia.nikkei.com/Spotlight/Asian-Family-Conglomerates/The-Chinese-Indonesian-dynasty-reshaping-a-30bn-empire-via-WhatsApp>.

**Figure 10. Jackson Wijaya's family connections with the Chairman of Asia Pulp & Paper and its prominent shareholders**



**Legend**

- Family
- Shareholder
- Director
- Affiliate
- Guarantor
- Address
- Paper Excellence mills
- Domtar mills
- APP mills in Indonesia
- ▼ Widjaja family members
- ◆ Incorporated in the British Virgin Islands
- ◆ Incorporated in Malaysia
- ◆ Incorporated in Labuan, Malaysia
- ◆ Incorporated in the Netherlands
- ◆ Incorporated Hong Kong
- Incorporated in Singapore

Sources: Statistics Canada (Inter-Corporate Ownership database), Kamer van Koophandel (the Netherlands), Companies Commission of Malaysia, Greffe du Tribunal de Commerce de Toulouse (France), Brazil registry via company data service provider, U.S. Securities and Exchange Commission, Companies Registry (Hong Kong), Ministry of Law and Human Rights for the Government of Indonesia, Accounting and Corporate Regulatory Authority of Singapore.

*According to Linda, the third generation tries to meet with their seniors on the Sinar Mas board at least once a week. And, like any other quintessential urban Indonesian family, they tend to communicate more via WhatsApp.*

*There is a one chat group “for the entire big Widjaja family,” said Linda, and another “for those involved in the family business to coordinate about strategies and synergies, and fix overlapping plans and conflicts.”*

As indicated in the previous section on corporate structure, Paper Excellence has stated in filings by Domtar Corporation to the U.S. Securities and Exchange Commission that Jackson’s ownership should be understood to potentially include other family members: “Jackson Wijaya means (a) Jackson Wijaya, (b) family members of Jackson Wijaya, (c) trusts, partnerships or limited liability companies for the benefit of any of the individuals identified in the foregoing clause (a) or (b), and (d) heirs, executors, estates, successors and legal representatives of the individuals identified in the foregoing clause (a) or (b).”<sup>112</sup>

In response to this finding, Paper Excellence’s Vice President of Corporate Communications, Graham Kissack, said, “This is a standard definition for any person in the SEC context. What it does not refer to is any implication suggesting that PE Group is controlled by APP/Sinar Mas, which again, is not correct.” Mr. Kissack also stated in his response, “Nobody else, except Jackson, has ever been or is the ultimate owner or controller of any of the companies in the PE Group. No member of APP/SMG has ever had any ownership interest in any of the PE Group entities.”



APP’s OKI pulp and paper mill in South Sumatra, which began operation in December 2016 with a designed annual capacity of 2.8 million tons of bleached hardwood kraft pulp.

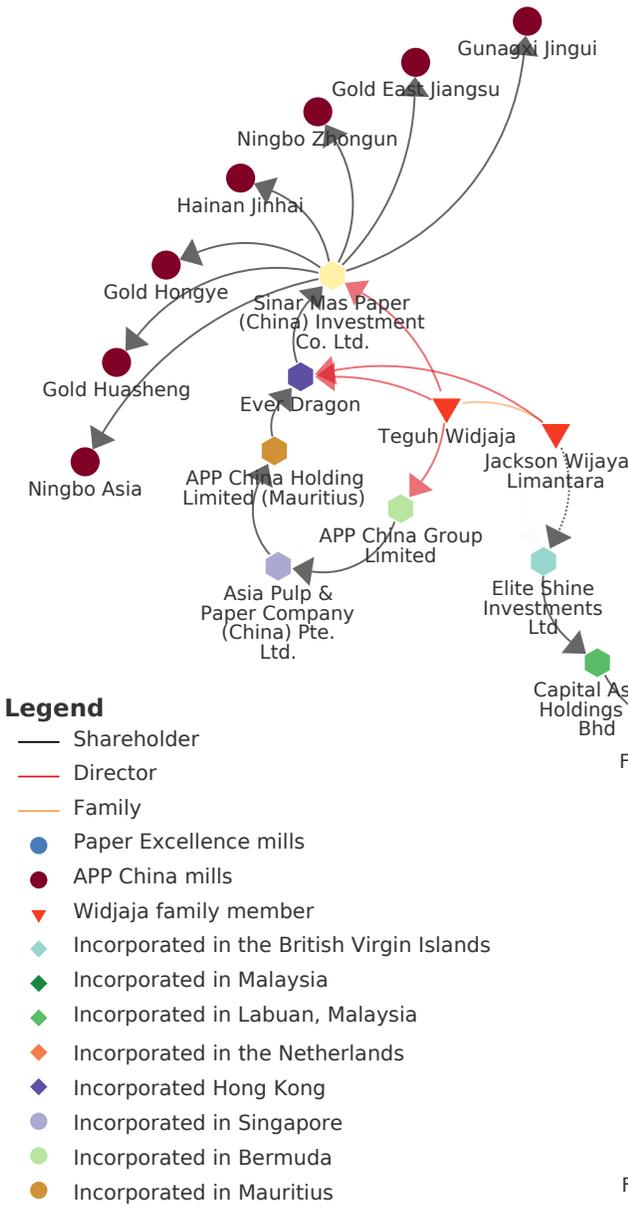
112 Domtar Corporation. 2022. *Exhibit 4.1 of Form 10-K*. Annual Report for the fiscal year ended December 31, 2021. United States Securities and Exchange Commission. [https://www.sec.gov/Archives/edgar/data/1381531/000156459022009469/ufs-ex41\\_61.htm](https://www.sec.gov/Archives/edgar/data/1381531/000156459022009469/ufs-ex41_61.htm)

Domtar Corporation. 2022. *Exhibit 4.2 of Form 10-K*. Annual Report for the fiscal year ended December 31, 2021. United States Securities and Exchange Commission. [https://www.sec.gov/Archives/edgar/data/1381531/000156459022009469/ufs-ex42\\_60.htm](https://www.sec.gov/Archives/edgar/data/1381531/000156459022009469/ufs-ex42_60.htm)

Domtar Corporation. 2022. *Exhibit 4.3 of Form 10-K*. Annual Report for the fiscal year ended December 31, 2021. United States Securities and Exchange Commission. [https://www.sec.gov/Archives/edgar/data/1381531/000156459022009469/ufs-ex43\\_65.htm](https://www.sec.gov/Archives/edgar/data/1381531/000156459022009469/ufs-ex43_65.htm).

**PAPER EXCELLENCE’S SELF-REPORTED OWNER SERVED CONCURRENTLY AS A DIRECTOR OF AN APP CHINA HOLDING COMPANY (2007–2017)**

Paper Excellence’s self-reported owner, Jackson Wijaya Limantara, served as a director of Ever Dragon Investments Group Limited from 2005 through at least October 2017 – and no later than September 2019 (see Figure 11).<sup>113</sup> Ever Dragon is the sole shareholder of Sinar Mas Paper (China) Investment Corporation, which in turn owns 100% shares of all seven APP mills in China.<sup>114</sup> Jackson Wijaya Limantara was also the Assistant President of Ever Dragon Investments as of



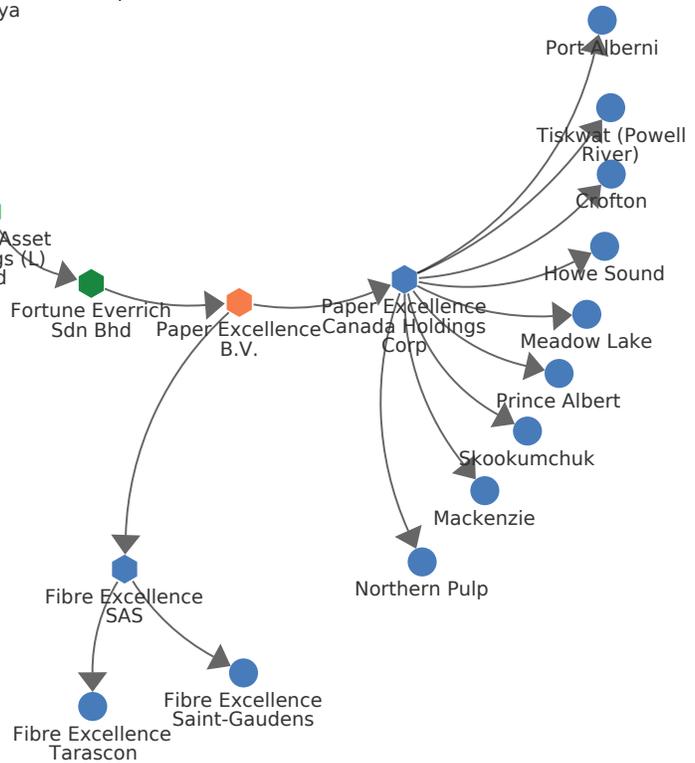
**Figure 11. Jackson Wijaya’s connections to APP China (2007–2017)**

Sources: Greffe du Tribunal de Commerce de Toulouse, Kamer van Koophandel, Company data service provider, Companies Commission of Malaysia, Statistics Canada (Inter-Corporate Ownership database), Prospectus for Green Fortune Capital Limited’s 2017 bond offering.

Note: The information presented in this chart is not comprehensive of all directors and shareholdings for the companies shown. Shareholdings and directorships may be based on historic data and may not reflect the current situation.

**Legend**

- Shareholder
- Director
- Family
- Paper Excellence mills
- APP China mills
- ▼ Widjaja family member
- ◆ Incorporated in the British Virgin Islands
- ◆ Incorporated in Malaysia
- ◆ Incorporated in Labuan, Malaysia
- ◆ Incorporated in the Netherlands
- ◆ Incorporated Hong Kong
- ◆ Incorporated in Singapore
- ◆ Incorporated in Bermuda
- ◆ Incorporated in Mauritius



113 Green Fortune Capital Limited. 2017. “Bond offering prospectus for Green Fortune Capital Limited and guaranteed by Ever Dragon Investments Group Limited”, Hong Kong Stock Exchange, September 18, 2017.

Note: A bond prospectus for Green Fortune Capital Limited dated September 24, 2019 does not indicate that Jackson Wijaya Limantara is part of the senior management team at that time.

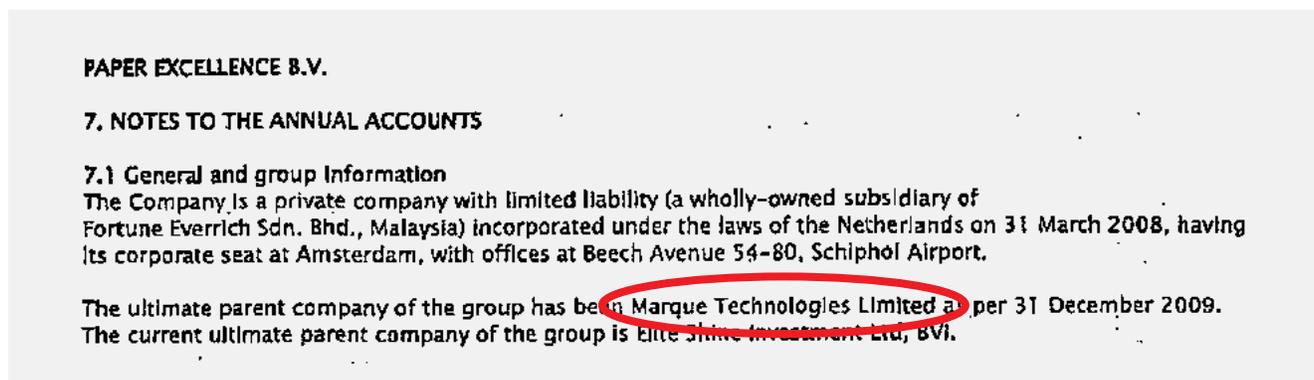
114 Green Fortune Capital Limited. 2017. “Bond offering prospectus for Green Fortune Capital Limited and guaranteed by Ever Dragon Investments Group Limited”, Hong Kong Stock Exchange, September 18, 2017.

October 2017.<sup>115</sup> Jackson's father, Teguh Ganda Widjaja, was his direct superior at Ever Dragon in his role as President, in addition to being named as the ultimate controlling shareholder of APP China "and/or any of his associates and/or his immediate family members. . ."<sup>116</sup>

## **APP'S CHAIRMAN SERVED AS THE DIRECTOR OF PAPER EXCELLENCE'S ULTIMATE PARENT COMPANY (2009)**

As of December 31, 2009, Paper Excellence's ultimate parent company was Marque Technologies Limited, incorporated in the British Virgin Islands (see Figure 12).<sup>117</sup> Marque Technologies Limited was established in 1996, and for several years before Paper Excellence was founded, its directors included APP's Chairman, Teguh Ganda Widjaja, and APP's Chief Financial Officer, Hendrik Tee. According to the Offshore Leaks published by the International Center for Investigative Journalism (see Figure 13), the only director of Marque Technologies as of 2010<sup>118</sup> was the Chairman of APP, Teguh Ganda Widjaja (the other directors stopped serving in 1998 and 2002).<sup>119</sup> The shareholder of Marque Technologies as of 2010, according to Offshore Leaks, was one bearer share.<sup>120</sup> A bearer share is owned by whomever physically possesses the shares certificate, as opposed to registered or named shares.<sup>121</sup> Marque Technologies Limited was at that time in 2009 (and remains as of August 2022) a minority shareholder of PT Purinusa Ekapersada, through which it owns shares of all APP mills in Indonesia.<sup>122</sup>

**Figure 12. Excerpt from Paper Excellence B.V.'s Annual Report 2009 on ultimate parent company**



Source: Paper Excellence B.V. 2012. "Paper Excellence B.V. Annual Report 2009." Kamer van Koophandel (KvK), October 31, 2012.

115 Green Fortune Capital Limited. 2017. "Bond offering prospectus for Green Fortune Capital Limited and guaranteed by Ever Dragon Investments Group Limited", Hong Kong Stock Exchange, September 18, 2017.

116 Green Fortune Capital Limited. 2017. "Bond offering prospectus for Green Fortune Capital Limited and guaranteed by Ever Dragon Investments Group Limited", Hong Kong Stock Exchange, September 18, 2017.

117 Paper Excellence B.V. 2012. "Paper Excellence B.V. Annual Report 2009." Kamer van Koophandel (KvK), October 31, 2012.

118 "The Offshore Leaks data is current through 2010," according to International Consortium of Investigative Journalists (ICIJ). 2022. "Frequently asked questions." Offshore Leaks Database. Website. Accessed on July 19, 2022. <https://offshoreleaks.icij.org/pages/faq>.

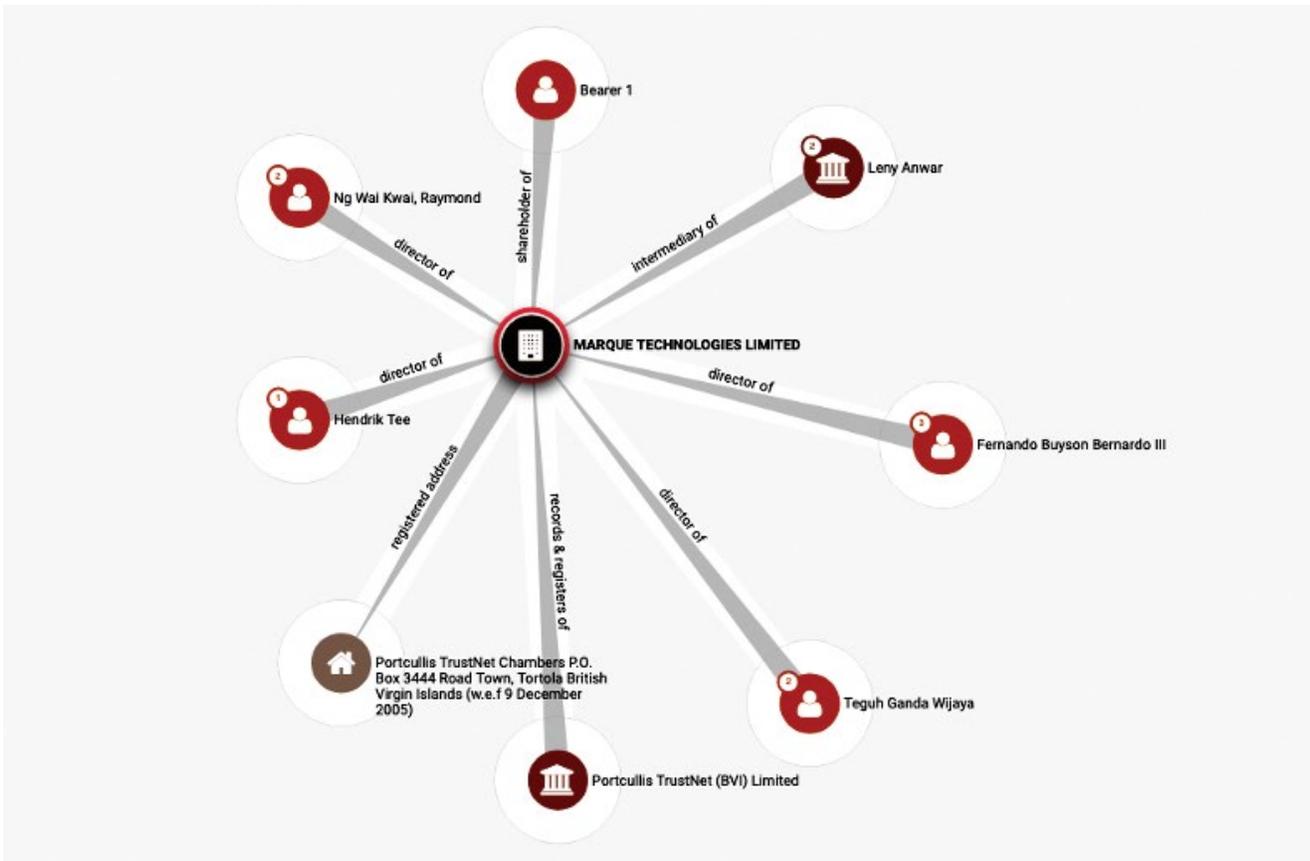
119 International Consortium of Investigative Journalists (ICIJ). 2022. "Marque Technologies Limited." Offshore Leaks database, accessed on August 20, 2022. <https://offshoreleaks.icij.org/nodes/124669>.

120 International Consortium of Investigative Journalists (ICIJ). 2022. "Marque Technologies Limited." Offshore Leaks database, accessed on August 20, 2022. <https://offshoreleaks.icij.org/nodes/124669>.

121 Definition of "bearer share" from Cambridge Dictionary. <https://dictionary.cambridge.org/us/dictionary/english/bearer-share>

122 Ministry of Law and Human Rights, Government of Indonesia, Corporate Profiles for PT Purinusa Ekapersada, PT Indah Kiat Pulp & Paper Tbk, PT Lontar Papyrus Pulp & Paper, PT Tjiwi Kimia, PT Pindo Deli, PT OKI Pulp & Paper Mills.

**Figure 13. Extract from ICIJ’s Offshore Leaks database for Marque Technologies Limited**



**Officer (5)**

	Role	From	To	Data From
<b>Bearer 1</b>	Shareholder	-	-	Offshore Leaks
<b>Hendrik Tee</b>	Director	1996-06-06	2002-09-02	Offshore Leaks
<b>Teguh Ganda Wijaya</b>	Director	1996-06-06	-	Offshore Leaks
<b>Ng Wai Kwai, Raymond</b>	Director	1996-06-05	2002-09-04	Offshore Leaks
<b>Fernando Buyson Bernardo III</b>	Director	1996-06-05	1998-02-04	Offshore Leaks
<b>Portcullis TrustNet (BVI) Limited</b>	Records & registers	-	-	Offshore Leaks

**Intermediary (2)**

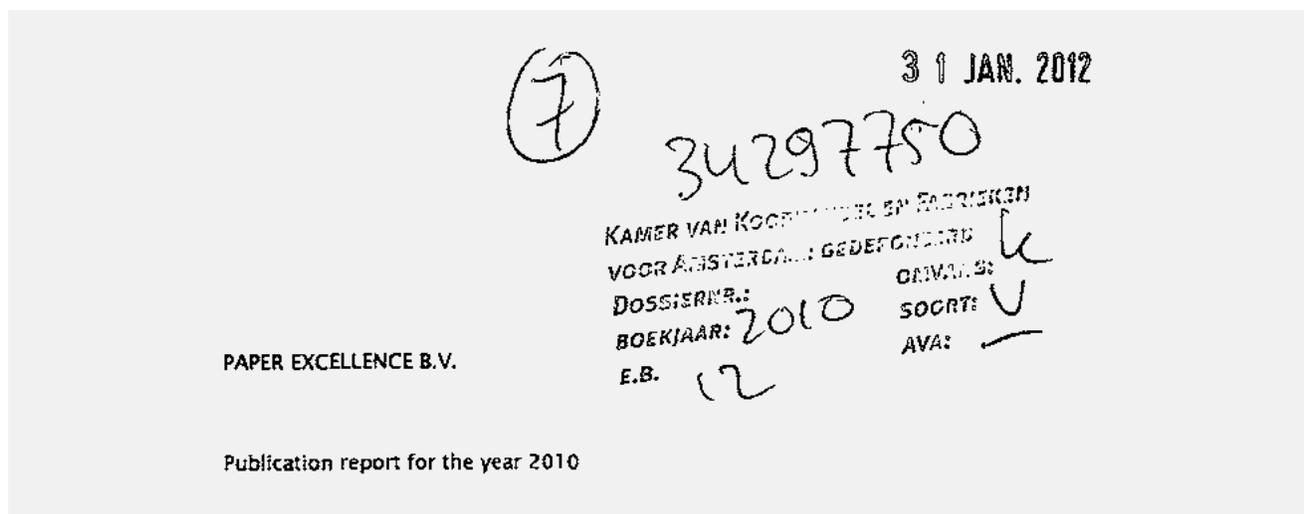
	Status	Data From
<b>Leny Anwar</b>	-	Offshore Leaks
<b>Portcullis TrustNet (BVI) Limited</b>	-	Offshore Leaks

Source: International Consortium of Investigative Journalists (ICIJ). 2022. “Marque Technologies Limited.” Offshore Leaks database, accessed on August 20, 2022. <https://offshoreleaks.icij.org/nodes/124669>.

## A SINAR MAS BANK LOANED FUNDS TO PAPER EXCELLENCE AT A NON-MARKET RATE (2010)

In 2010, Paper Excellence B.V. received a 10-year loan for US\$17.5 million at a non-market rate of 0.1% interest from Bank International Ningbo<sup>123,124</sup> owned by Sinar Mas in China (see Figure 14).<sup>125,126</sup> Loans and other financial transactions that occur at non-market rates may be indicative of transactions between related parties.<sup>127</sup> The average lending rate in Canada in 2010 was 2.6%, according to the World Bank.<sup>128</sup>

**Figure 14. Excerpts from Paper Excellence B.V.'s Annual Report 2010 on loan from Bank International Ningbo**



The shares of Meadow Lake Mechanical Pulp Inc have been pledged to the Bank International Ningbo, China, in order to secure the loan entered into.

### 3.4 Long term liabilities

The long term loans with the third party bear interest at 0.1% per annum and have a maturity date of 1 May 2019.

Source: Paper Excellence B.V. 2012. "Paper Excellence B.V. Annual Report 2010." Kamer van Koophandel (KvK), January 31, 2012.

123 Paper Excellence B.V. 2012 "Paper Excellence B.V. Annual Report 2010." Kamer van Koophandel (KvK), January 31, 2012.

124 Profundo. 2012. *Dutch private companies related to APP*. Greenpeace Nederland. <https://docplayer.net/7830518-Dutch-private-companies-related-to-app-update-a-research-paper-prepared-for-greenpeace-nederland.html>.

125 Webb, Sara. 2001. "Widjaja family discloses ownership of offshore banks." *The Wall Street Journal*. May 25, 2001. <https://www.wsj.com/articles/SB990729621280692905>.

126 Li, Baker. 2009. "Sinopac Fin eyes stake in Bank Int'l Ningbo." *Reuters*. December 6, 2009. <https://www.reuters.com/article/idINTOE5B600K20091207>.

127 The U.S.-based Public Company Accounting Oversight Board's auditing standards indicate that "Transactions that because of their nature may be indicative of the existence of related parties include [...] Borrowing or lending on an interest-free basis or at a rate of interest significantly above or below market rates prevailing at the time of the transaction." The U.S. Securities and Exchange Commission oversees the Public Company Accounting Oversight Board, which is a nonprofit corporation established by the U.S. Congress to oversee the audits of public companies. [https://pcaobus.org/oversight/standards/archived-standards/details/AU334#ftn.au\\_334\\_fn4](https://pcaobus.org/oversight/standards/archived-standards/details/AU334#ftn.au_334_fn4).

128 The World Bank Group. 2022. "Lending Interest Rate – Canada". Website. Accessed August 2, 2022. <https://data.worldbank.org/indicator/FR.INR.LEND?locations=CA>.

## A DIRECTOR OF APP'S INDONESIA MILLS CONCURRENTLY SERVED AS DIRECTOR OF A PAPER EXCELLENCE HOLDING COMPANY (2007–2018)

Fortune Everrich Sdn Bhd has been one of the main holding companies for Paper Excellence mills.<sup>129</sup> Incorporated in 2003 in Labuan, Malaysia, Fortune Everrich was managed as a holding company by senior officers of APP and Sinar Mas for over three years before Paper Excellence was founded. For a period of over 13 years, one of the company's directors was Suresh Kilam (September 2004 to March 2018).<sup>130</sup> While he was a director of Fortune Everrich, Suresh Kilam

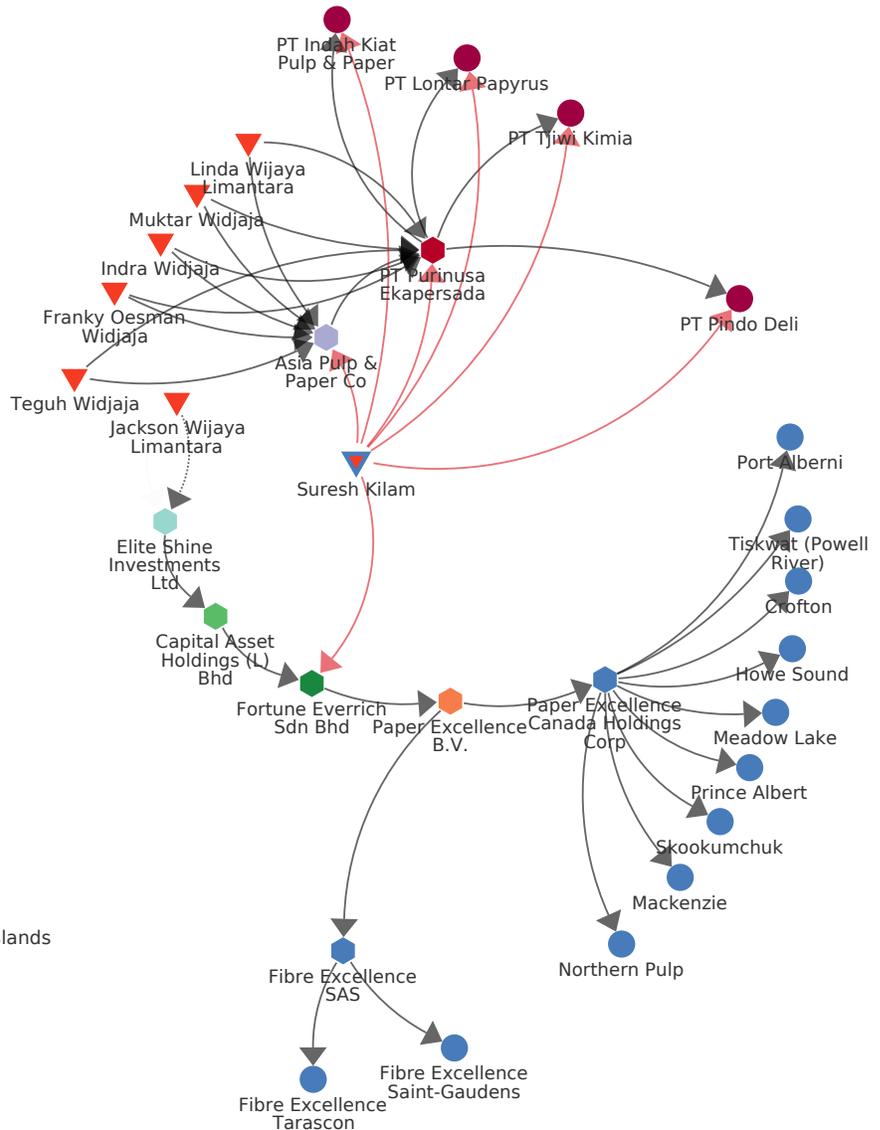
**Figure 15. Suresh Kilam's Director positions in Paper Excellence and Asia Pulp & Paper companies**

Sources: Greffe du Tribunal de Commerce de Toulouse, Kamer van Koophandel, Brazil registry via company data service provider, Companies Commission of Malaysia, Statistics Canada (Inter-Corporate Ownership database), Ministry of Law and Human Rights for the Government of Indonesia, Accounting and Corporate Regulatory Authority of Singapore.

Note: The information presented in this chart is not comprehensive of all directors and shareholdings for the companies shown. Shareholdings and directorships may be based on historic data and may not reflect the current situation.

### Legend

- Shareholder
- Director
- Paper Excellence mills
- APP mills in Indonesia
- ▼ Widjaja family member
- ▼ Director
- ◆ Incorporated in the British Virgin Islands
- ◆ Incorporated in Malaysia
- ◆ Incorporated in Labuan, Malaysia
- ◆ Incorporated in the Netherlands
- Incorporated in Singapore



129 Paper Excellence B.V. 2012. "Paper Excellence B.V. Annual Report 2009." Kamer van Koophandel (KvK), October 31, 2012.  
 Paper Excellence B.V. 2012. "Paper Excellence B.V. Annual Report 2010." Kamer van Koophandel (KvK), January 31, 2012.  
 Paper Excellence B.V. 2013. "Paper Excellence B.V. Annual Report 2011." Kamer van Koophandel (KvK), January 31, 2013.  
 Paper Excellence B.V. 2014. "Paper Excellence B.V. Annual Report 2012." Kamer van Koophandel (KvK), January 30, 2014.  
 Paper Excellence B.V. 2015. "Paper Excellence B.V. Annual Report 2013." Kamer van Koophandel (KvK), February 2, 2015.  
 Paper Excellence B.V. 2016. "Paper Excellence B.V. Annual Report 2014." Kamer van Koophandel (KvK), January 29, 2016.  
 Statistics Canada. 2022. "Paper Excellence Canada Holdings Corporation." Inter-corporate ownership 2021. Database, accessed on September 6, 2022. <https://www150.statcan.gc.ca/n1/pub/61-517-x/61-517-x2021001-eng.htm>.

130 Malaysia Companies Registry, Particulars of Officers/Directors for Fortune Everrich Sdn Bhd. May 19, 2022.

was also a director of major APP pulp and paper mills in Indonesia: PT Indah Kiat Pulp & Paper, PT Lontar Papyrus Pulp & Paper, PT Tjiwi Kima, and PT Pindo Deli (see Figure 15 and Table 1).<sup>131</sup> He held key positions in the holding companies for APP mills and other companies as the director of PT Purinusa Ekapersada<sup>132</sup> and Asia Pulp & Paper Co, another holding company for APP mills in Indonesia that is incorporated in Singapore.<sup>133</sup>

**Table 1. Suresh Kilam’s service as Director for Fortune Everrich and APP companies**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Fortune Everrich</b>												March
<b>Asia Pulp &amp; Paper Co.</b>												
<b>Purinusa Ekapersada</b>												
<b>Indah Kiat</b>												
<b>Lontar Papyrus</b>												
<b>Tjiwi Kimia</b>												
<b>Pindo Deli</b>					Sept							

Sources: Ministry of Law and Human Rights for the Government of Indonesia, Companies Commission of Malaysia.

### **DIRECTOR OF APP CHINA COMPANIES CONCURRENTLY SERVED AS A DIRECTOR OF A PAPER EXCELLENCE HOLDING COMPANY (2007–2018)**

Over this same 13-year time period (September 2004 to March 2018) Fortune Everrich’s other director was Tei Ah Lek.<sup>134</sup> During some of the time he was a director of Fortune Everrich, Tei Ah Lek was also the Chief Financial Officer and general manager of investments for Sinar Mas Paper (China) Investment Corporation, which wholly owns all seven of APP’s mills in China (see Figure 16).<sup>135</sup> His direct superior at Sinar Mas Paper (China) was at the time, and remains as of July 2022, the Chairman of APP, Teguh Ganda Widjaja.<sup>136</sup>

131 Ministry of Law and Human Rights, Government of Indonesia, Corporate Profiles for PT Indah Kiat Pulp & Paper Tbk, PT Lontar Papyrus Pulp & Paper, PT Tjiwi Kimia, and PT Pindo Deli.

132 Ministry of Law and Human Rights, Government of Indonesia, Corporate Profile for PT Purinusa Ekapersada.

133 Accounting and Corporate Regulatory Authority, Government of Singapore. 2017. “Asia Pulp & Paper Company Ltd.” Business profile, accessed June 2017.

134 Companies Commission of Malaysia, Particulars of Officers/Directors for Fortune Everrich Sdn Bhd. May 19, 2022.

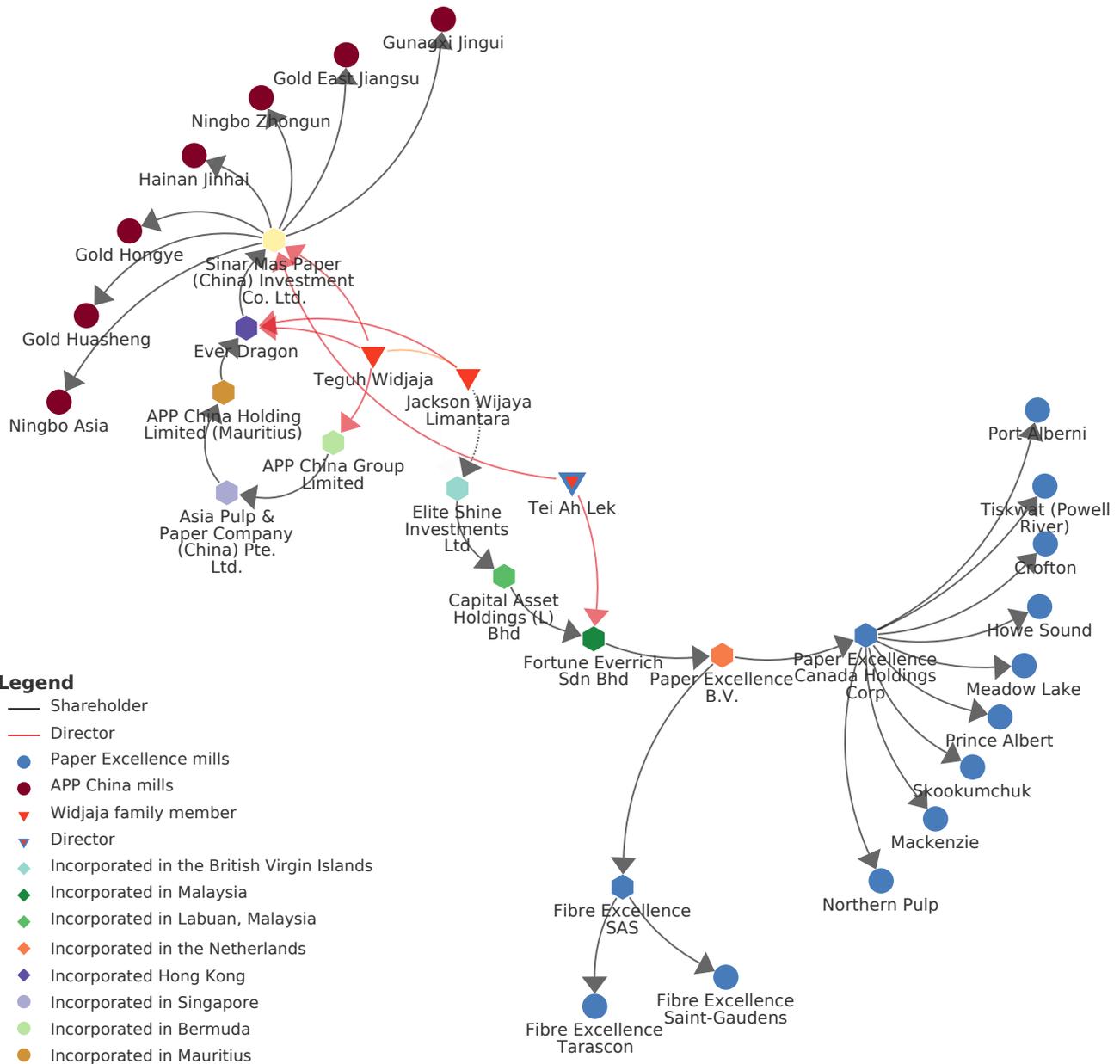
Note: The third director of Fortune Everrich along with Suresh Kilam and Tei Ah Lek was Kuan Chee Hoong. Kuan Chee Hoong’s registered address is in Labuan, and he is listed as the contact for ITMC Fiduciary Limited, a trust company registered in Labuan, Malaysia under the Labuan Trust Companies Act. ITMC Fiduciary Limited is the trust company listed for Capital Asset Holdings (L) Berhad. On its website, ITMC Fiduciary Limited lists the services it offers, which includes company formation and management (specifically “resident directors” and “nominee shareholders”). ITMC Fiduciary Limited. 2022. “Services offered.” Company website, accessed September 4, 2022. <http://www.itmcfiduciary.com/services.htm>.

135 Bond offering prospectus for Green Fortune Capital Limited and guaranteed by Ever Dragon Investments Group Limited, September 18, 2017.

136 Bond offering prospectus for Green Fortune Capital Limited and guaranteed by Ever Dragon Investments Group Limited, September 18, 2017.

Note: Teguh Ganda Widjaja’s Chinese name, Oei Tjie Goan, is used in the bond offering prospectus.

**Figure 16. Tei Ah Lek's Director positions in Paper Excellence and APP China companies**



Sources: Greffe du Tribunal de Commerce de Toulouse, Kamer van Koophandel, Brazil registry via company data service provider, Companies Commission of Malaysia, Statistics Canada (Inter-Corporate Ownership database), Prospectus for Green Fortune Capital Limited's bond offering in 2017.

Note: The information presented in this chart is not comprehensive of all directors and shareholdings for the companies shown. Shareholdings and directorships may be based on historic data and may not reflect the current situation.

## A DIRECTOR OF PAPER EXCELLENCE LISTED HIS ADDRESS AT SINAR MAS AND APP HEADQUARTERS IN JAKARTA (2010–2018)

A long-time and current director of Paper Excellence companies (both mills and holding companies) is Hardi Wardhana, aka Peter Wardhana.<sup>137</sup> A media report in 2010 by Canada’s Globe and Mail, in an article titled “Indonesian forester widens BC footprint”, describes Wardhana as, “President of Paper Excellence who is based in Jakarta at Sinar Mas (for whom he previously worked directly).”<sup>138</sup> His address on official corporate registry documents<sup>139</sup> submitted to the

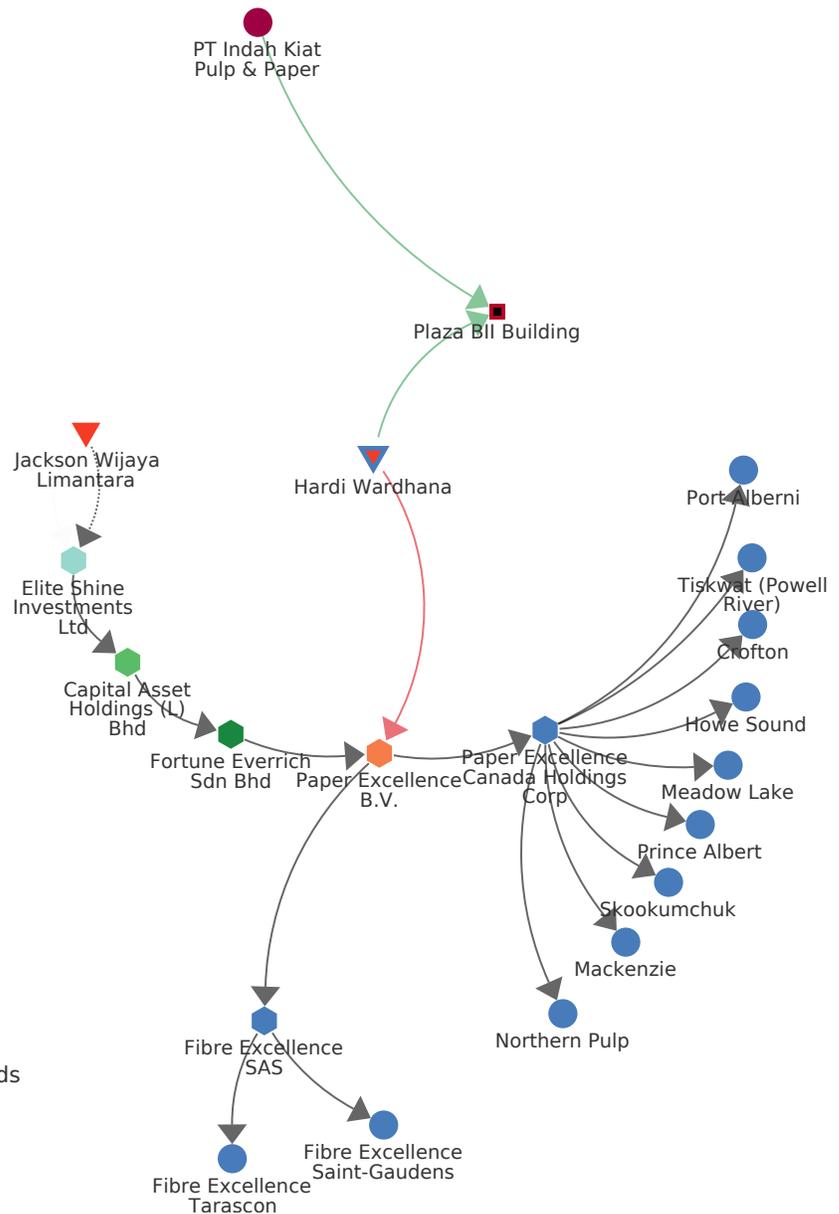
**Figure 17. Hardi Wardhana’s position as Director for Paper Excellence B.V. and reported address at Sinar Mas headquarters in Jakarta, Indonesia**

Sources: Greffe du Tribunal de Commerce de Toulouse, Kamer van Koophandel, Brazil registry via company data service provider, Companies Commission of Malaysia, Statistics Canada (Inter-Corporate Ownership database), Ministry of Law and Human Rights for the Government of Indonesia.

Note: The information presented in this chart is not comprehensive of all directors and shareholdings for the companies shown. Shareholdings and directorships may be based on historic data and may not reflect the current situation.

### Legend

- Address
- Director
- Shareholder
- Sinar Mas Headquarters in Jakarta
- ▼ Director
- Paper Excellence mills
- APP mill in Indonesia
- ▼ Widjaja family member
- ◆ Incorporated in the British Virgin Islands
- ◆ Incorporated in Malaysia
- ◆ Incorporated in Labuan, Malaysia
- ◆ Incorporated in the Netherlands



137 For example, see Paper Excellence B.V. Annual Report 2020, or incorporation documents for Crofton Pulp & Paper Mill, Howe Sound, Meadow Lake Mechanical Pulp Mill, and Paper Excellence Canada Holdings Corp.

138 Ebner, Dave. 2010. “Indonesian Forester Widens BC Footprint.” *The Globe and Mail*. August 17, 2010. <https://www.theglobeandmail.com/report-on-business/indonesian-forester-widens-bc-footprint/article1377412/>.

139 For example, see Ministry of Finance, BC Registry Services. 2012. “Notice of change of Directors.” Howe Sound Pulp & Paper Corporation. May 31, 2012. Accessed on September 2, 2022.

Government of Canada as early as November 2010<sup>140</sup> and as late as October 2018<sup>141</sup> matches the official address at Sinar Mas headquarters in Jakarta used by PT Indah Kiat Pulp & Paper, one of APP’s flagship pulp and paper companies in Indonesia, and other APP businesses during that same time period: Plaza BII, Tower II, 7th Floor, Jl Thamrin No. 51 Jakarta Pusat 10350 Indonesia (see Figure 17 and 18).<sup>142</sup> Plaza BII, now called Sinar Mas Land Plaza, is the headquarters of Sinar Mas in Indonesia.

**Figure 18. Hardi Wardhana listing his address at Sinar Mas headquarters in Jakarta**

**Form 6**  
**Changes Regarding Directors**  
*Canada Business Corporations Act*  
*(CBCA) (s. 106 and 113)*

**Formulaire 6**  
**Changements concernant les administrateurs**  
*Loi canadienne sur les sociétés par actions (LCSA) (art. 106 et 113)*  
 Received Date (YYYY-MM-DD): 2018-10-22  
 Date de réception (AAAA-MM-JJ): 2018-10-22

1 Corporate name  
 Dénomination sociale  
 11028405 Canada Ltd.

2 Corporation number  
 Numéro de la société  
 1102840-5

3 Members of the Board of Directors (new directors in bold)  
 Membres du conseil d'administration (les nouveaux administrateurs sont indiqués en caractère gras)

Name Nom	Start Date YYYY-MM-DD Date d'entrée en fonction AAAA-MM-DD	Address Adresse	Resident Canadian Résident Canadien
Choong Wei Tan	2018-10-04	95 - 10551 Shellbridge Way, Richmond BC V6X 2W8, Canada	No
<b>Lukas Ari Kurniawan</b>	<b>2018-10-04</b>	<b>95 - 10551 Shellbridge Way, Richmond BC</b>	<b>Yes</b>
<b>Hardi Wardhana</b>	<b>2018-10-04</b>	<b>Plaza BII, Tower II, 7th Floor, JL. MH. Thamrin No. 51, Jakarta 10350, Indonesia</b>	<b>No</b>

4 The following individuals are no longer directors  
 Les individus suivants ont cessé d'être administrateur de la société

Name Nom	End Date YYYY-MM-DD Date de fin de mandat AAAA-MM-DD
-------------	---

5 Declaration: I certify that I have relevant knowledge of the corporation and that I am authorized to sign this form.  
 Déclaration: J'atteste que je possède une connaissance suffisante de la société et que je suis autorisé(e) à signer le présent formulaire.

Original signed by / Original signé par  
 Hardi Wardhana  
 604.232.2453

Canada  
 IC 3103 (2008/04)

Source: Innovation, Science, and Economic Development Canada.

Note: 11028405 Canada Ltd. amalgamated with Catalyst Paper Corporation on March 15, 2019 when Paper Excellence acquired three mills in British Columbia – Powell River (tiskwat), Port Alberni, and Crofton.

140 Ministry of Finance, BC Registry Services. 2010. "Notice of change of Directors." Paper Excellence Canada Holdings Corporation. November 22, 2010. Accessed on September 2, 2022.

141 Innovation, Science, and Economic Development Canada. 2018. "Changes regarding Directors." 11028405 Canada Ltd. October 22, 2018. Accessed on September 2, 2022.

142 Ministry of Law and Human Rights, Government of Indonesia 2018. "PT Indah Kiat Pulp & Paper". Corporate profile, accessed in January 2018. <https://ahu.go.id/pencarian/profil-pemilik-manfaat>.

## A DIRECTOR OF FIBRE EXCELLENCE MILLS CONCURRENTLY SERVED AS A DIRECTOR OF APP MARKETING COMPANIES IN EUROPE (2010–2018)

Danilo Benvenuti served as director between 2010 and April 26, 2018 for Fibre Excellence SAS, the company that owns the two pulp mills that Paper Excellence acquired in France in 2010.<sup>143,144</sup> Danilo Benvenuti has also served for over two decades as an APP executive in Europe and, at least since 2014, as APP's regional director of sales for Europe (see Figure 19).<sup>145</sup> At the same time as he was director of Fibre Excellence SAS, Danilo Benvenuti was director of Asia Pulp & Paper (Germany) BmbH<sup>146</sup>, Asia Pulp & Paper Italia SRL<sup>147</sup>, and Asia Pulp & Paper France EURL (see Figure 20).<sup>148</sup> Danilo Benvenuti signed official documents as the representative of Paper Excellence on a filing by Fibre Excellence SAS that in 2010 was submitted to the Government of France (see Appendix E).

**Figure 19. Danilo Benvenuti's profile on Forest for Future's website**



Danilo Benvenuti  
ASIA PULP & PAPER  
/ Europe Regional Director

Danilo Benvenuti, Europe Regional Director of Asia Pulp and Paper Group (APP), has been working for over 30 years in the pulp and paper industry, including 25 years for APP. Over the years, he has consolidated his knowledge in the production, distribution and management of the business, which has led to increased success in Europe, thanks to his expertise in international trade and economic dynamics in Europe. Conscious of the importance of sustainability in raw materials supply chains, he has been engaged in APP's efforts in this area for several years. He has spoken at various international events and conferences to promote industrial relations and sustainable development.

Source: Forest for Future, <https://www.forestforfuture.org/en/partners/>, accessed on May 20, 2022.

143 France corporate registry filing on August 17, 2010 for Fibre Excellence SAS.

144 France corporate registry filing for Fibre Excellence SAS. 2018. "Decisions adopted by shareholder on 9th April 2018." See p. 6: "The sole shareholder accepts the resignation of the President of the Company, Mr. Danilo Benvenuti, effective 26 April 2018."

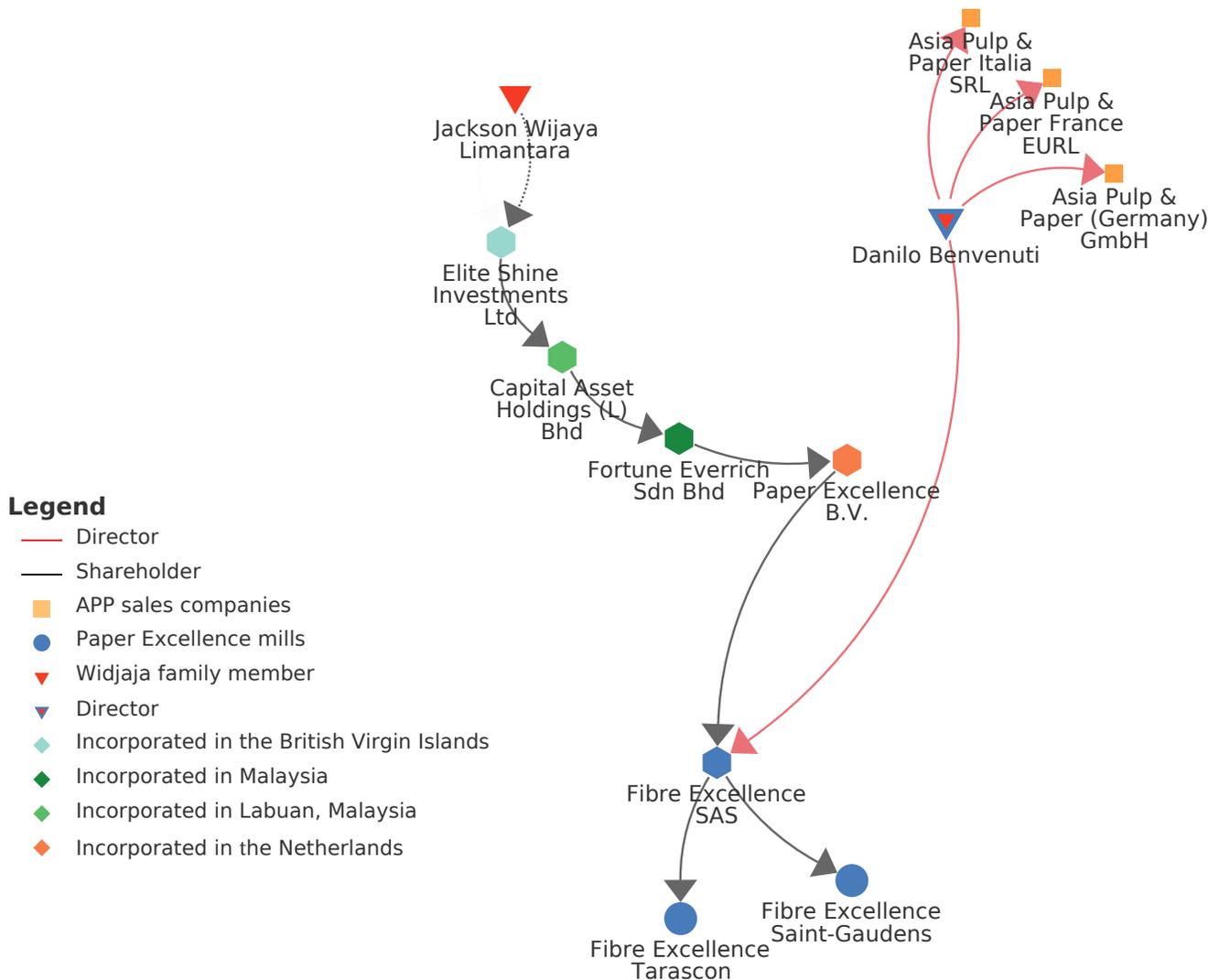
145 APP employment history from "Partners" webpage description for Danilo Benvenuti on website for Forest for Future, <https://www.forestforfuture.org/en/partners/>, accessed on May 20, 2022. Asia Pulp & Paper. "Asia Pulp & Paper invests in European distribution hub." News release. Accessed on May 26, 2022. <https://asiapulppaper.com/-/asia-pulp-paper-invests-in-european-distribution-hub>.

146 Bundesanzeiger. 2017. "Asia Pulp & Paper (Germany) BmbH, Jahresabschluss zum Geschäftsjahr vom 01.01.2016 bis zum 31.12.2016." Accessed on September 3, 2022. <https://www.bundesanzeiger.de/pub/en/start?4>.

147 Camera de Commercio Industria. 2022. "Asia Pulp & Paper Italia S.R.L." Registro Imprese, accessed on September 2, 2022.

148 Greffe du tribunal de commerce de Paris. 2015. "Statuts, Asia Pulp & Paper France." March 12, 2015, accessed via Infogreffe.

**Figure 20. Danilo Benvenuti’s positions as Director of Fibre Excellence SAS and APP marketing companies in Europe**



Sources: Greffe du Tribunal de Commerce de Toulouse, Kamer van Koophandel, Company data service provider, Companies Commission of Malaysia, Statistics Canada (Inter-Corporate Ownership database), Bundesanzeiger, Camera di Commercio Padova, Infogreffe.

Note: The information presented in this chart is not comprehensive of all directors and shareholdings for the companies shown. Shareholdings and directorships may be based on historic data and may not reflect the current situation.

### **PAPER EXCELLENCE MARKETING COMPANY DIRECTORS CONCURRENTLY SERVED AS APP EMPLOYEES (2007–2014)**

Paper Excellence B.V. was the sole shareholder of sales companies in the UK and Spain called Arco Paper & Print Limited and Arco Paper & Print SA, respectively.<sup>149</sup> Danilo Benvenuti was a director at both companies until they were dissolved around 2014.<sup>150</sup> Another director of these companies was Djaja Widjaja, aka Tonny Widjaja. A LinkedIn profile for the name “D. Tonny Widjaja” lists employment as “Europe Financial Controller” for APP from July 2007 until

149 Paper Excellence B.V. Annual Reports 2010-2014, Kamer van Koophandel.

150 Registradores de Espana (Registro Mercantile de Barcelona). “Arco Paper & Print SA.” Annual Reports 2010-2012.

June 2012, and then “Director of Project Finance” for APP from July 2012 until June 2018.<sup>151</sup> At the time they were serving as directors of companies owned by Paper Excellence B.V., both Danilo Benvenuti and Djaja Widjaja also held management roles in a company registered in the UK called Calington Limited, which APP lists on its website as its UK sales office.<sup>152,153</sup> Danilo Benvenuti signed at least one official document as the representative of Paper Excellence on a filing that Arco Paper & Print SA submitted to the Government of Spain in 2011.<sup>154</sup>

\* \* \*

The analysis above is based on a review of hundreds of pages of public registry documents and other official filings about entities in Canada, Indonesia, France, Brazil, the Netherlands, Italy, Germany, the United Kingdom, the United States, Malaysia, the British Virgin Islands, and other jurisdictions. Taken together, this nexus of family ties, overlapping management, and lobbyist filings indicate that Sinar Mas controls Paper Excellence (see Figure 21). Corporate control is the defining characteristic of belonging to a shared corporate group, and the indicators of corporate control presented in this section demonstrate that Paper Excellence is, in fact, part of the same corporate group as Sinar Mas and APP.

In response to the findings on overlapping management, Paper Excellence’s Vice President of Corporate Communication, Graham Kissack, stated, “Your letter/report refers to various individuals and their connections with various companies. I am in the process of looking into the detail in this regard in order to check on accuracy etc. but – again – I do not believe that these matters are relevant. As you know, various people with different skill-sets, backgrounds, experience and knowledge are routinely asked to serve as board members of companies. This contributes to the richness and diversity of a board. Trusted advisers, former colleagues, even friends are sometimes asked to play a role. But this has nothing to do with the ultimate ownership and control of any company. Many boards include individuals who play a non-executive or less active role in the business. This doesn’t (and in fact can’t) in any way take away from the fact that Jackson is the ultimate owner and controller of the PE Group.”

Mr. Kissack did not follow-up after this response to provide any additional details of the individuals and their connections.

Mr. Kissack also stated, “In your letter/report, you make various references to definitions or descriptions of ‘sister companies’ and ‘common control’ of companies. However, these concepts are not relevant since – even under the broadest definition of these terms – PE is entirely independent of APP/SMG. This is simply a fact and there is nothing in your letter/summary that shows otherwise.”

---

151 LinkedIn profile for D. Tonny Widjaja, accessed on May 28, 2022. <https://www.linkedin.com/in/d-tonny-widjaja-a129267/>. It must be noted that the authors of this report have not been able to independently verify the information published in Mr. Widjaja’s LinkedIn profile. It is further noted that multiple individuals could hypothetically have the same name, particularly in the case of common names.

152 Calington Limited. 2013. Annual Return made up to September 23, 2013. Companies House UK, filed on October 10, 2013. <https://find-and-update.company-information.service.gov.uk/company/04908778/filing-history?page=2>.

153 Asia Pulp & Paper. 2022. “APP Global Network.” Accessed on May 28, 2022. <https://asiapulppaper.com/app-global-network>.

154 Registradores de Espana (Registro Mercantile de Barcelona). 2012. “Arco Paper & Print SA.” Annual Report 2011. August 13, 2012.

## **MEDIA REPORTS HAVE OFTEN DESCRIBED PAPER EXCELLENCE AS A SUBSIDIARY OF SINAR MAS GROUP**

In addition to the links described above, media outlets and trade publications have routinely described Paper Excellence as being controlled by Sinar Mas and/or the Widjaja family.<sup>155</sup> Prior to Paper Excellence making its first acquisition in Canada, on December 17, 2006, *The Globe and Mail* reported, "Industry giant Asia Pulp and Paper Co. Ltd. will pay \$38-million for the fixed assets of the mill, which is jointly owned by the provincial government's Investment Saskatchewan arm and Alberta forestry company Millar Western, confirmed the mill's lawyer, Conrad Hadubiak." The pulp and paper trade publication *Fastmarkets RISI*, writing at the same time, explained, "The Sinar Mas Group [ . . . ] set up a Canadian firm to do the acquisition."<sup>156</sup>

After Paper Excellence acquired another mill, *Reuters* published a report on April 16, 2010, with the headline, "Sinar Mas unit to buy Canada's Mackenzie pulp mill."<sup>157</sup> That same day, the Canadian Broadcasting Corporation (CBC) reported, "One of Asia's biggest pulp companies, Indonesian firm Sinar Mas, and its Netherlands subsidiary Paper Excellence, are taking over the [Mackenzie] mill."<sup>158</sup>

On October 9, 2018, *Business in Vancouver* reported, "Paper Excellence is owned by a Dutch subsidiary of an Indonesian conglomerate Sinar Mas Group."<sup>159</sup> Similarly, in Indonesia, *Detik*, a leading media outlet, reported on February 4, 2021, "Pada tahun 2007 grup Sinar Mas mendirikan Paper Excellence di Vancouver, Kanada melalui Jackson Widjaja."<sup>160</sup> ["In 2007 the Sinar Mas group established Paper Excellence in Vancouver, Canada through Jackson Widjaja."]

In response to being presented with four of the media reports describing Paper Excellence as being controlled by Sinar Mas and/or the Widjaja family, Mr. Kissack of Paper Excellence stated, "As is so common these days, they are simply speculative and represent the social media echo chamber. None of them present any verified facts other than the incorrect assertion that Paper Excellence is, in some undisclosed fashion, controlled by Sinar Mas based on family relationship assumption."

Mr. Kissack of Paper Excellence also stated in response to this report's findings, "Jackson Wijaya established the PE Group in 2006. Jackson's dream was to build a strong business in the pulp and paper industry in the Americas and Europe. This was a big step for Jackson and it was, and has been, his project from the very beginning."

---

155 The authors of the present report have not independently verified the content of the media reports cited in this section and assume no responsibility for any claims made therein.

156 *Fastmarkets RISI*. 2007. "Judge approves Sinar Mas acquisition of Meadow Lake Pulp." January 16, 2007.

157 Dowd, Allan. 2010. "Sinar Mas unit to buy Canada's Mackenzie pulp mill." *Reuters*. April 16, 2010. <https://www.reuters.com/article/sinarmas-mackenzie/sinar-mas-unit-to-buy-canadas-mackenzie-pulp-mill-idUSN1614013920100416>

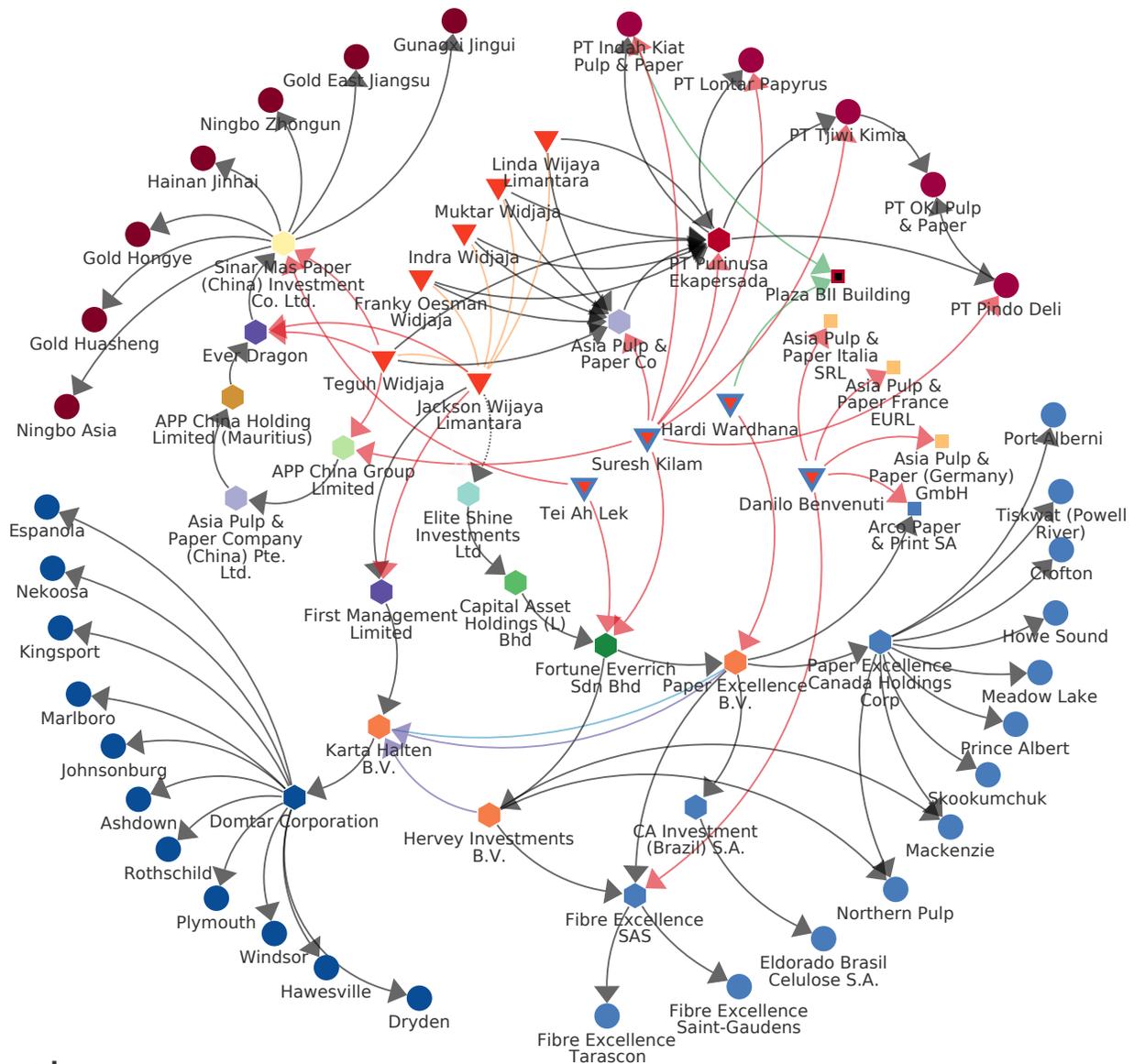
158 CBC News. 2010. "B.C. mill to reopen with new owner." CBC, April 16, 2010. <https://www.cbc.ca/news/canada/british-columbia/b-c-mill-to-reopen-with-new-owner-1.884553>.

159 Bennet, Nelson. 2018. "Paper Excellence to buy Catalyst Paper." *Business in Vancouver*, October 9, 2018. <https://biv.com/article/2018/10/paper-excellence-buy-catalyst-paper>

160 Lidyana, Vadhia. 2021. "Perusahaan Kertas Cucu Pendiri Sinar Mas Menang Sengketa Bisnis di Brasil." *Detik Finance*, February 4, 2021. <https://finance.detik.com/berita-ekonomi-bisnis/d-5361882/perusahaan-kertas-cucu-pendiri-sinar-mas-menang-sengketa-bisnis-di-brasil>

Please note that in 2018 the management of APP denied its affiliation with Paper Excellence in comments to Indonesian media (see Setiaji, Stefanus Arief. 2018. "Direktur APP: Kami Tak Ada Hubungan dengan Paper Excellence." *Bisnis Indonesia*, March 16. <https://market.bisnis.com/read/20180316/192/750716/direktur-app-kami-tak-ada-hubungan-dengan-paper-excellence>.)

**Figure 21. Corporate structure of Paper Excellence and links to Asia Pulp & Paper**



**Legend**

- Shareholder
- Director
- Family
- Affiliate
- Guarantor
- Address
- Paper Excellence mills
- Domtar mills
- APP mills in Indonesia
- APP China mills
- ▼ Widjaja family members
- ▼ Directors
- Sinar Mas Headquarters in Jakarta
- ◆ Incorporated in the British Virgin Islands
- ◆ Incorporated in Malaysia
- ◆ Incorporated in Labuan, Malaysia
- ◆ Incorporated in the Netherlands
- ◆ Incorporated Hong Kong
- ◆ Incorporated in Singapore
- ◆ Incorporated in Bermuda
- ◆ Incorporated in Mauritius

Sources: Statistics Canada (Inter-Corporate Ownership database), Kamer van Koophandel, Companies Commission of Malaysia, Greffe du Tribunal de Commerce de Toulouse, Brazil registry via company data service provider, U.S. Securities and Exchange Commission, Companies Registry (Hong Kong), Ministry of Law and Human Rights for the Government of Indonesia, Accounting and Corporate Regulatory Authority of Singapore, Prospectus for Green Fortune Capital Limited’s 2017 bond offering, Bundesanzeiger, Camera di Commercio Padova, Infogreffe.

Note: The information presented in this chart is not comprehensive of all directors and shareholdings for the companies shown. Shareholdings and directorships may be based on historic data and may not reflect the current situation.

## APP's environmental impacts and community conflicts in Indonesia

In Indonesia, APP operates three mega-scale pulp mills with a combined capacity to produce 7.0 million tons/year of bleached hardwood kraft pulp (BHKP). Since the 1990s, APP has been responsible for extensive deforestation<sup>161</sup> and has been involved in a multitude of conflicts with rural and indigenous communities living in and around its forestry concessions, according to numerous NGO and media reports.<sup>162</sup> The group's wood suppliers, many of which are controlled by APP and its affiliate Sinar Mas Forestry, have been accused of draining large areas of carbon-rich peatlands to establish pulpwood plantations.<sup>163</sup> This, in turn, has contributed to catastrophic fires and widespread haze<sup>164</sup>, causing public health emergencies<sup>165</sup> and alarming levels of greenhouse gas emissions.<sup>166</sup>

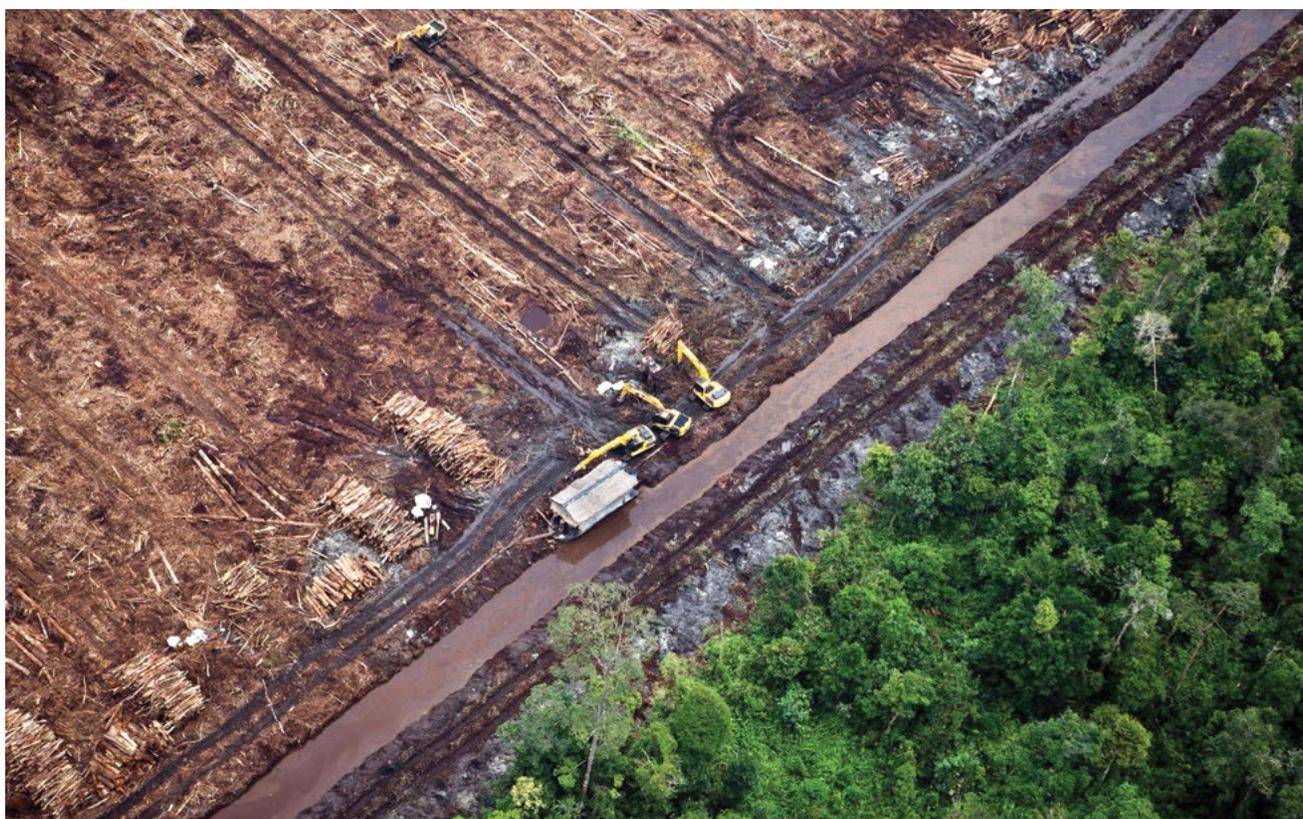
This section is comprised of excerpts from the Asia Pulp & Paper Risk Briefing for Banks and Investors, published in December 2021 by eight Indonesian and four international environmental groups, including several that are authors of this report.<sup>167</sup>

- 
- 161 Eyes on the Forest. 2022. "APP expands pulpwood plantation by clearing HCV areas in a UNESCO Biosphere Reserve, Sumatra." August 8, 2022. <https://www.eyesontheforest.or.id/reports/app-expands-pulpwood-plantation-by-clearing-hcv-areas-in-a-unesco-biosphere-reserve-sumatra>.
- Greenpeace. 2020. "Greenpeace finds Asia Pulp and Paper guilty of peatland clearance and fuelling forest fires in Indonesia". July 16, 2020. <https://www.greenpeace.org/malaysia/press/3477/greenpeace-finds-asia-pulp-and-paper-guilty-of-peatland-clearance-and-fuelling-forest-fires-in-indonesia/>.
- Greenpeace. 2018. "This company promised to stop deforestation. But we caught them out". May 30, 2018. <https://www.greenpeace.org/usa/this-company-promised-to-stop-deforestation-but-we-caught-them-out/>. <https://www.eyesontheforest.or.id/reports/app-expands-pulpwood-plantation-by-clearing-hcv-areas-in-a-unesco-biosphere-reserve-sumatra>.
- Eyes on the Forest, *The truth behind APP's greenwash*. December 2011. <https://www.eyesontheforest.or.id/uploads/default/report/Eyes-on-the-Forest-Investigative-Report-The-truth-behind-APPs-greenwash.pdf>
- Eyes on the Forest. 2012. "Tropical rainforest clearcutting by PT Arara Abadi (Distrik Nilo), a subsidiary of Asia Pulp Paper (APP), in Tesso Nilo block, Sumatra." February 2012. <https://www.eyesontheforest.or.id/uploads/default/report/Eyes-on-the-Forest-Investigative-Report-PT-Arara-Abadi-APP-Nilo.pdf>.
- Eyes on the Forest. 2012. "APP default on environmental covenant." February 6, 2012. [https://www.eyesontheforest.or.id/uploads/default/report/Eyes-on-the-Forest-Investigative-Report-APP-default-on-environmental-covenant\\_report\\_.pdf](https://www.eyesontheforest.or.id/uploads/default/report/Eyes-on-the-Forest-Investigative-Report-APP-default-on-environmental-covenant_report_.pdf).
- Eyes on the Forest. 2012. "SMG/APP: The pulping continues." July 26, 2012. <https://www.eyesontheforest.or.id/reports/smgapp-the-pulping-continues-july-2012>.
- Eyes on the Forest. 2013. "SMG/APP deforestation and deadly human-tiger conflict." January 2013.
- 162 Human Rights Watch. 2003. *Without Remedy*. January 6. <https://www.hrw.org/report/2003/01/06/without-remedy/human-rights-abuse-and-indonesias-pulp-and-paper-industry>.
- Environmental Paper Network et al. 2019. *Conflict Plantations*. October. <https://environmentalpaper.org/wp-content/uploads/2020/03/APP-social-conflicts-mapping.pdf>
- Jong, Hans Nicholas. 2021. "Calls for end to business with paper giant APP over Sumatra land disputes." *Mongabay*. May 21. <https://news.mongabay.com/2020/05/calls-for-end-to-business-with-paper-giant-app-over-sumatra-land-disputes/>.
- Arianti, Fitri. 2021. "Destroying Lives and Stealing Land." Rainforest Action Network. January 4. <https://forestsandfinance.org/news/destroying-lives-and-stealing-land/>.
- 163 Rainforest Action Network et al. 2020. *Perpetual Haze*. <https://www.ran.org/wp-content/uploads/2019/11/Perpetual-Haze.pdf>.
- 164 Wright, Stephen. 2017. "Pulp giant tied to companies accused of fires." *Associated Press*, December 20, 2017. <https://apnews.com/article/indonesia-deforestation-ap-top-news-international-news-environment-fd4280b11595441f81515daef0a951c3>.
- 165 Koplitz, Shannon N et al. 2016. "Public health impacts of the severe haze in Equatorial Asia in September–October 2015: demonstration of a new framework for informing fire management strategies to reduce downwind smoke exposure." *Environmental Research Letters*, September 19, 2016. <https://iopscience.iop.org/article/10.1088/1748-9326/11/9/094023/pdf>.
- 166 Rainforest Action Network et al. 2020. *Perpetual Haze*. <https://www.ran.org/wp-content/uploads/2019/11/Perpetual-Haze.pdf>.
- 167 Environmental Paper Network et al. 2021. *Asia Pulp & Paper risk briefing for banks and investors*. December 2021. [https://www.banktrack.org/download/asia\\_pulp\\_and\\_paper\\_risk\\_briefing\\_for\\_banks\\_and\\_investors/211206\\_app\\_briefing.pdf](https://www.banktrack.org/download/asia_pulp_and_paper_risk_briefing_for_banks_and_investors/211206_app_briefing.pdf).

From *Asia Pulp & Paper Risk Briefing for Banks and Investors* (2021) (lightly edited):

## EXTENSIVE DEFORESTATION

A 2010 report by Eyes on the Forest estimated that APP has been responsible for deforestation of an area of more than two million hectares in the provinces of Riau and Jambi, Indonesia between 1984 and 2010.<sup>168</sup> Despite APP's 2013 Forest Conservation Policy, which included a commitment to "zero-deforestation" in the group's supply chain, the deforestation has continued during the years since, albeit at lower rates. A 2018 Greenpeace study revealed that from 2013 to 2018, almost 8,000 hectares of forest and peatland were cleared in two concessions linked to APP and its parent company Sinar Mas Group.<sup>169</sup> A second Greenpeace study found that between August 2018 and June 2020, approximately 3,500 hectares of peatland were destroyed in three concessions either owned by APP/Sinar Mas or that are major suppliers to APP's pulp mills.<sup>170</sup> While land clearing by APP fibre suppliers decreased after the group's 2013 commitment, the destruction of peatlands by fires increased.<sup>171</sup>



Excavators work to clear logs in 2012 on an APP supplier in the Kerumutan peat swamp forest in Sumatra, Indonesia, an important habitat for the critically-endangered Sumatran tiger. Kamal Jufri/Greenpeace

168 Eyes on the Forest. 2011. *The truth behind APP's greenwash*. <https://eyesontheforest.or.id/uploads/default/report/Eyes-on-the-Forest-Investigative-Report-The-truth-behind-APPs-greenwash.pdf>.

169 Greenpeace. 2018. "This company promised to stop deforestation. But we caught them out". May 30, 2018. <https://www.greenpeace.org/usa/this-company-promised-to-stop-deforestation-but-we-caught-them-out/>.

170 Greenpeace. 2020. "Greenpeace finds Asia Pulp and Paper guilty of peatland clearance and fuelling forest fires in Indonesia". July 16, 2020. <https://www.greenpeace.org/malaysia/press/3477/greenpeace-finds-asia-pulp-and-paper-guilty-of-peatland-clearance-and-fuelling-forest-fires-in-indonesia/>.

171 Environmental Paper Network. 2020. *Sustainability Default*, 2020. <https://environmentalpaper.org/wp-content/uploads/2020/11/20201027-Sustainability-default.pdf>.



Fire on a plantation area in Kalimantan, Indonesia in 2019. Jurnasyanto Sukarno/Greenpeace

## CATASTROPHIC FIRES AND HAZE

The development of extensive pulpwood plantations on dried peat is a major factor causing the large-scale fires that have occurred in Indonesia in recent years. These areas have been especially prone to burning during extreme dry weather seasons caused by climate change.

The years 2015 and 2019 saw the most intense burning of forests and peatlands in Indonesia's history,<sup>172</sup> creating a smoke and haze crisis that affected much of Southeast Asia. The 2015 fires in Indonesia burned 2.6 million hectares<sup>173</sup> of forest, peat and other land, releasing 1.75 billion tonnes of carbon dioxide in just a few months.<sup>174</sup> On aggregate, it was estimated that the 2015 fires could cause more than 100,000 premature deaths in the region.<sup>175</sup> In the province of South Sumatra, 293,065 hectares within APP's forestry concessions burned in 2015, nearly three-fifths of which constituted carbon-dense peatlands.<sup>176</sup> In 2019, an additional 60,000 ha burned within APP concessions in South

172 Taylor, Michael. 2019. "As fires burn, can Indonesia avoid repeat of 2015 haze crisis?" Reuters, August 5, 2019. <https://www.reuters.com/article/us-indonesia-politics-haze-analysis/as-fires-burn-can-indonesia-avoid-repeat-of-2015-haze-crisis-idUSKCN1UV0ZJ>.

173 World Bank Group. 2016. The cost of fire : an economic analysis of Indonesia's 2015 fire crisis. February 1, 2016. <http://documents.worldbank.org/curated/en/776101467990969768/The-cost-of-fire-an-economic-analysis-of-Indonesia-s-2015-fire-crisis>.

174 Environmental Paper Network et al. 2019. More peatland fire disasters for Indonesia? February 2019. [https://environmentalpaper.org/wp-content/uploads/2019/02/Peatlands-report\\_Feb-2019-FINAL-1.pdf](https://environmentalpaper.org/wp-content/uploads/2019/02/Peatlands-report_Feb-2019-FINAL-1.pdf).

175 Carrington, Damian. 2015. "Indonesian fires on track to emit more CO2 than UK." The Guardian, October 7, 2015. <https://www.theguardian.com/environment/2015/oct/07/indonesian-forest-fires-on-track-to-emit-more-co2-than-uk>.

176 Trase. 2021. "Indonesia pulp exports linked to widespread fires on peatlands." February 23, 2021. <https://insights.trase.earth/insights/indonesia-pulp-exports-linked-to-widespread-fires-peatlands/>.

Sumatra.<sup>177</sup> Sinar Mas' pulpwood concessions and those of its suppliers had the largest burned area of any corporate group during that year.<sup>178</sup>

## SOCIAL CONFLICTS

Despite APP's commitment in its Forest Conservation Policy to respect the Free, Prior, and Informed Consent (FPIC) of Indigenous Peoples and local communities, over one hundred social conflicts and land disputes have taken place in forestry concessions either owned by APP/Sinar Mas companies or which supply wood to APP's mills. A 2020 investigation by the Environmental Paper Network, which mapped social conflicts in pulpwood plantations in Indonesia, revealed that in five provinces (Riau, Jambi, South Sumatra, West Kalimantan and East Kalimantan) at least 107 villages or communities were then in active and ongoing conflicts with APP affiliates or its suppliers.<sup>179</sup>

In response to the report's findings, Asia Pulp & Paper responded, "Since the promulgation of our Forest Conservation Policy, our supply chain has and is deforestation free and we have transparently reported the progress of the FCP's implementation, including addressing land disputes within our pulpwood supplier concessions. Of the conflicts, more than half have been resolved and this information has been shared transparently through our Stakeholders Advisory Forum. All this information is available in our [2021] Sustainability report ([https://asiapulppaper.com/documents/20123/0/APP+Sinar+Mas+SR2021\\_FINAL.pdf](https://asiapulppaper.com/documents/20123/0/APP+Sinar+Mas+SR2021_FINAL.pdf)) and website (<https://sustainability-dashboard.com/>)."



The landscape of Kampung Pelayang Tebat in Lubuk Mandarsah, Jambi province on the island of Sumatra. Farmer and activist Indra Pelani from Lubuk Mandarsah was brutally murdered in 2015. Seven security contractors for APP affiliate and wood supplier PT Wirakarya Sakti later surrendered to authorities for the murder. Communities in Lubuk Mandarsah remain in conflict with PT Wirakarya Sakti over disputed land.

177 Trase. 2021. Indonesia pulp sector supply chain. Database. [https://supplychains.trase.earth/flows?selectedColumnsIds=0\\_18-1\\_27-2\\_23-3\\_11&selectedResizeBy=1097&toolLayout=1&countries=107&commodities=87](https://supplychains.trase.earth/flows?selectedColumnsIds=0_18-1_27-2_23-3_11&selectedResizeBy=1097&toolLayout=1&countries=107&commodities=87).

178 Forest Hints News. 2019. "APP Sinarmas sets new peat fire record this year." November 28, 2019. <https://foresthints.news/app-sinarmas-sets-new-peat-fire-record-this-year/>.

179 Environmental Paper Network et al. 2019. Conflict Plantations. October. <https://environmentalpaper.org/wp-content/uploads/2020/03/APP-social-conflicts-mapping.pdf>

## APP's financial default and debt restructuring

In the context of Paper Excellence's rapid expansion, in which the company and its affiliates will be borrowing at least US\$3.4 billion, the Canadian and American public should be aware of the larger corporate group's track record of meeting its financial and sustainability commitments after assuming large amounts of debt. As noted earlier, APP in 2001 defaulted on nearly US\$14 billion in bonds and loans, representing the largest corporate default in emerging markets history.<sup>180</sup>

A *Euromoney* article on the Sinar Mas Group's expansion plans, published in January 2016, recounted the episode as follows:

*In 2001 [Sinar Mas Group's] New York-listed crown jewel, Asia Pulp & Paper (APP), called a debt standstill on nearly \$14 billion of bonds and loans. That made it the biggest default by an emerging markets corporate name – a dubious record that APP still holds to this day.*

*What followed was a protracted and bitter battle between APP and an assortment of international creditors, many of whom had sharply competing interests. Among those fighting to get their money back were the Indonesian Bank Restructuring Agency, which was created to save Indonesia's banking system during the Asian financial crisis in the late 1990s, and a group of mainland Chinese banks that had lent over \$1 billion to APP's Chinese mills and which formed a separate creditor group.*

*With several state-of-the-art mills located in China, APP feared these assets could be seized by the mainland banks: so it ring-fenced its Chinese operations from its Indonesian assets, kept the Chinese banks separate from its other creditors, and eventually spun off APP China in a debt-for-equity swap that gave the Widjaja family a substantial stake.*

*However, the vast bulk of APP's debt was owed to a multitude of international creditors, including plenty of famous names; banks such as Deutsche Bank, ABN Amro, Credit Lyonnais and Japan's Fuji; bond market mainstays like Fidelity Investments and John Hancock Funds; distressed-debt investors like Oaktree Capital Management and Gramercy Advisors; and government export credit agencies in the US, Japan and Europe. The big Japanese trading houses Mitsubishi Corp and Nissho Iwai Corp were also owed money.*

*Negotiations over APP's restructuring dragged on for years.*

*APP was initially advised by Credit Suisse until the relationship between the investment bank's restructuring experts and the Indonesian client (APP) soured. Credit Suisse declined to comment on its relationship with APP/Sinar Mas group companies for this article.*

*Some creditors such as Gramercy and Oaktree turned to the courts in the US, Singapore and Indonesia to try to secure better repayment terms, while many others complained that the final restructuring deal paid back crumbs over too long a timespan.*

*What particularly riled creditors and investors at the time of the showdown, as they tried to negotiate debt repayments, was the discovery that APP and other companies in the Sinar Mas Group had carried out several highly-questionable transactions, often with related parties, that resulted in further losses of at least \$1 billion.*

*Yet more than a decade later, it would appear there is little institutional or corporate memory of the group's antics.<sup>181</sup>*

180 Shari, Michael. 2001. "Asia's Worst Deal." *Bloomberg Business*. April 13, 2001. <http://www.bloomberg.com/news/articles/2001-08-12/asias-worst-deal>.

181 Webb, Sara. 2016. "Asia: The Untouchables – Indonesia's Widjajas." *Euromoney*, January 2016. <https://www.euromoney.com/article/b12kp1g5cbvcvb/asia-the-untouchables-indonesias-widjajas>.

This section of the report intends to address the lack of “institutional and corporate memory” described in the *Euromoney* article by compiling excerpts from contemporaneous reports published by *The Wall Street Journal* and *Reuters*. The group’s creditors alleged a number of questionable behaviors on the part of APP related to how the group took on such large amounts of debt and how it handled the debt restructuring process following the group’s default, some of which are recounted below.

**1. APP had over US\$1 billion in debts to trading companies in the British Virgin Islands thought to be related to APP, according to *The Wall Street Journal* in 2001.<sup>182</sup>**

“Of the many pressing issues involving financially troubled Asia Pulp & Paper Co., one is a billion-dollar question: Who controls the five companies that APP says owe it just over US\$1 billion? [. . .] There may also be questions about possible relationships between the five companies and APP. Some of the people named as ‘officers’ or ‘agents’ of the five companies in Singapore say they also worked for APP at the same time [. . .] The company added that the five companies ‘are neither owned by, nor related to, APP group or the Widjaja family.’”<sup>183</sup>

**2. APP acknowledged in 2001 losses of US\$220 million from two currency swaps that initially were unreported and caused the company’s financial statements to have to be restated, according to reporting by *The Wall Street Journal* in 2001.<sup>184</sup>**

“APP had disclosed on April 4 this year that it had taken losses of \$220 million on two derivatives contracts and acknowledged these weren’t reflected in its financial statements for the period 1997 to 2000.[. . .] One complaint, filed by attorneys for APP shareholder James Harris against APP, its directors and Arthur Andersen, alleges that the defendants ‘knew or recklessly disregarded that the company’s financial statements did not reflect two derivative hedge contracts with Deutsche Bank,’ and that as a result, ‘the financial statements for 1997 through 1999 were false and materially misleading.’ A spokesman for APP said it wouldn’t be appropriate to comment on the cases.”<sup>185</sup>

**3. APP obtained a court ruling in 2004 to invalidate debt issued in New York State based on a technicality in the investment structure, although this decision was later overturned by Indonesia’s Supreme Court, according to *Reuters* in 2008.<sup>186</sup>**

In September 2004, *The Wall Street Journal* reported: “Last week, an Indonesian court agreed to a request by APP to invalidate some \$550 million in debt owed by one of the company’s main subsidiaries, PT Lontar Papyrus Pulp & Paper. APP lawyers argued that its subsidiary issued the debt illegally in 1995 through an international bond offer that violated Indonesian law. Lawyers for creditors seeking repayment immediately appealed the decision.[. . .] APP’s lawyers argued that the bonds were illegal because they were issued by wholly-owned offshore finance subsidiaries of APP, which then gave the funds raised by the bond issue to the Indonesian operating companies. While such a structure is common in international bond markets because of

182 Webb, Sara. 2001. “Beleaguered Asia Pulp & Paper Seeks To Recover \$1 Billion in Alleged Debts.” *The Wall Street Journal*, August 28, 2001. <https://www.wsj.com/articles/SB998947134210734714>.

183 Webb, Sara. 2001. “Beleaguered Asia Pulp & Paper Seeks To Recover \$1 Billion in Alleged Debts.” *The Wall Street Journal*, August 28, 2001. <https://www.wsj.com/articles/SB998947134210734714>.

184 Webb, Sara. 2001. “APP Unveils Hefty Losses For Derivatives Contracts.” *The Wall Street Journal*, April 6, 2001. <https://www.wsj.com/articles/SB98645191864248542>.

185 Webb, Sara. 2001. “Asia Pulp & Paper faces U.S. complaints by holders alleging misleading data.” *The Wall Street Journal*, August 20, 2001.

186 Rondonuwu, Olivia and Sara Webb. 2008. “Indonesian Supreme Court rules on bonds, overturns APP ruling,” *Reuters*, October 31, 2008. <https://www.reuters.com/article/indonesia-app/indonesian-supreme-court-rules-on-bonds-overturns-app-ruling-idUSJAK19746820081031>.

tax considerations, APP argued that the arrangement violated Indonesian law.”<sup>187</sup> In October 2008, according to Reuters, Indonesia’s Supreme Court overturned the lower court ruling and subsequent decisions in the case, and confirmed that the widely used bond structure was indeed valid.

**4. Some bondholders who participated in a debt restructuring vote were alleged to be employees of APP, according to *The Wall Street Journal* in 2004.**<sup>188</sup>

“A company involved in a crucial part of Asia Pulp & Paper Co.’s \$13.9 billion debt restructuring has alleged that a plan concerning APP’s China unit won court approval last year based on votes from people who may not have been legitimate creditors. Bondholder Communications was hired by APP last year to count votes by creditors for the plan to swap \$660 million in debt owed by APP China Group Ltd. – an APP holding company incorporated in Bermuda – for 99% ownership of the unit.[. . .] In his letter, Bondholder Communications’ President Robert Apfel said it appears ‘one or more persons may have “stuffed the ballot box” in the October 2003 vote his company administered. He said many of the suspicious votes allegedly were cast by individuals who Bondholder Communications subsequently learned worked for APP, often in Indonesia. ‘We find this so disturbing that we must withdraw the prior set of affidavits we provided to the court,’ Mr. Apfel wrote in his letter, which has been reviewed by *The Wall Street Journal*. In a subsequent telephone interview, he added, ‘In my view, it appears that a fraud was committed.’”<sup>189</sup>

**5. APP’s complex corporate structure in multiple jurisdictions created challenges for debt restructuring, according to a report in *The Wall Street Journal* in 2003.**<sup>190</sup>

“Asia Pulp & Paper Co.’s debt-workout plans are stirring disagreements, sparked by APP’s plan for a debt-to-equity swap at its Chinese holding company. The APP move would split the paper company in two. APP’s Chinese operating companies, which industry analysts say are the paper-making group’s most valuable assets, would be separated from APP divisions in Indonesia and the group’s Singapore holding company. Disagreements over the plan underscore how efforts to unwind APP’s \$13.9 billion debt continue to be hampered by a complex corporate structure and operations spread across different countries and legal systems in Asia.”<sup>191</sup>

**6. APP failed to meet debt obligations to U.S. taxpayers through unpaid debts to the U.S. Export-Import Bank, forcing the U.S. export credit agency to sue the company for US\$104 million, according to reporting by *The Wall Street Journal* in 2003.**<sup>192</sup>

“Seeking to recover \$104 million, the US attorney’s office for the southern district of New York has filed a lawsuit on behalf of the Export-Import Bank of the US (Ex-Im Bank) against Asia Pulp & Paper (APP), and three of its

187 Mapes, Timothy. 2004. “Asia Pulp & Paper and creditors continue to tussle over repayment.” *The Wall Street Journal*, September 20, 2004. <https://www.wsj.com/articles/SB109561628686921570>.

188 Mapes, Timothy. 2004. “Charges Cloud Asia Pulp Debt Plan—Outside vote-count firm cites suspicious ballots in proposal for China unit.” *The Wall Street Journal*, June 17, 2004. <https://www.wsj.com/articles/SB108740980910038879>.

189 Mapes, Timothy. 2004. “Charges Cloud Asia Pulp Debt Plan—Outside vote-count firm cites suspicious ballots in proposal for China unit.” *The Wall Street Journal*, June 17, 2004. <https://www.wsj.com/articles/SB108740980910038879>.

190 Mapes, Timothy. 2003. “APP debt plan riles creditors.” *The Wall Street Journal*, October 8, 2003. <https://www.wsj.com/articles/SB106555146129207900>.

191 Mapes, Timothy. 2003. “APP debt plan riles creditors.” *The Wall Street Journal*, October 8, 2003. <https://www.wsj.com/articles/SB106555146129207900>.

192 Maps, Timothy. 2003. “APP plan faces U.S. challenge.” *The Wall Street Journal*, October 30, 2003. <https://www.wsj.com/articles/SB106749322944981400>.

operating Indonesian subsidiaries. The subsidiaries have defaulted on approximately \$104 million of credits, portions of which were insured by APP itself. Says Ex-Im Bank's chief operating officer and general counsel, Peter Saba: 'Ex-Im Bank has attempted to avoid litigation against APP but negotiations did not conclude satisfactorily. Therefore we have decided that the best course of action for the bank to recover the debt owed US taxpayers is to pursue litigation in the federal courts.' [ . . . ] Two years of discussions between the agency and APP resulted in a restructuring plan rejected by Ex-Im Bank. Ex-Im Bank's chief financial officer James Hess says the proposed repayment structure 'does not adequately reflect APP's ability to service its debt'."<sup>193</sup>

\* \* \*

Paper Excellence's management of its financial obligations will not necessarily replicate the experience of Asia Pulp & Paper's financial default in 2001 and subsequent restructuring of its corporate debt. To be clear, the authors of the present report are making no claim that such a process will happen again. However, the extensive linkages of Paper Excellence with APP and Sinar Mas should provide prospective investors and creditors with a powerful incentive to carefully monitor the financial management practices of Paper Excellence and its affiliates.

In response to these findings, Asia Pulp & Paper stated, "You refer to a financial default that dates back more than 20 years (it seems that the most recent date in your materials on this topic is 2008?). That default took place under extraordinary circumstances brought about by the Asian Financial Crisis. Since then, a restructuring has taken place with repayments to creditors accelerated. There have been no credit incidences since."

### **PAPER EXCELLENCE MILL NORTHERN PULP FILED FOR CREDITOR PROTECTION**

The Paper Excellence mill Northern Pulp, located in Nova Scotia, filed for creditor protection in 2020, including on loans from the province of Nova Scotia amounting to CA\$84 million.<sup>194</sup> Paper Excellence, Northern Pulp's parent company, has claimed much larger debts of CA\$213 million that it apparently loaned to its subsidiary, Northern Pulp.<sup>195</sup> As of January 2021, Northern Pulp had a CA\$3.2 million deficit in pension plans with no payments projected through the end of 2022 according to the company's creditor protection plan.<sup>196</sup> The Northern Pulp mill has been shut down since January 2020 because it lacks an acceptable waste effluent treatment facility. Northern Pulp filed a lawsuit against the province of Nova Scotia in 2021 for CA\$450 million for damages related to the province not approving its environmental plan.<sup>197</sup>

---

193 Mapes, Timothy. 2003. "APP plan faces U.S. challenge." *The Wall Street Journal*, October 30, 2003. <https://www.wsj.com/articles/SB106749322944981400>.

194 Baxter, Joan. 2022. "Northern Pulp says it is 'insolvent' and can't pay its pension obligations, but it's got plenty of cash to bankroll legal assaults on Nova Scotia's government and laws." *Halifax Examiner*, April 20, 2022. <https://www.halifaxexaminer.ca/province-house/northern-pulp-says-it-is-insolvent-and-cant-pay-its-pension-obligations-but-its-got-plenty-of-cash-to-bankroll-legal-assaults-on-nova-scotias-government-and-laws/>.

195 Baxter, Joan. 2022. "Northern Pulp is "insolvent," but the company that owns it, Paper Excellence, is on a \$3 billion buying spree." *Halifax Examiner*. May 12, 2022. <https://www.halifaxexaminer.ca/environment/northern-pulp-is-insolvent-but-the-company-that-owns-it-paper-excellence-is-on-a-3-billion-buying-spre/>.

196 Withers, Paul. 2021. "Union hopes Northern Pulp 'will do the right thing' and make pension payment." *CBC News*, January 12, 2021. <https://www.cbc.ca/news/canada/nova-scotia/northern-pulp-paper-excellence-special-pension-payment-deficit-1.5869266>.

197 Gorman, Michael. 2021. "Northern Pulp files lawsuit against N.S. government for damages, lost profits." *CBC News*, December 17, 2021. <https://www.cbc.ca/news/canada/nova-scotia/northern-pulp-boat-harbour-law-suit-court-1.6289979>.

## Forest Stewardship Council certification

Since November 2007, Paper Excellence companies have been certified by the forest product green labelling scheme managed by the Forest Stewardship Council (FSC). As of October 2022, 20 pulp and/or paper mills owned by Paper Excellence and Domtar hold FSC certificates (see Table 2).<sup>198</sup> It is questionable, however, whether Paper Excellence is in compliance with FSC’s policies given the evidence presented in this report on Paper Excellence’s links to APP.

**Table 2. Paper Excellence and Domtar pulp and/or paper mills with an FSC certificate.**

Pulp and/or paper mill	Country	FSC License Code
Ashdown	United States	FSC-C001844
Crofton - Catalyst	Canada	FSC-C004353
Dryden	Canada	FSC-C001844
Eldorado	Brazil	FSC-C113939
Espanola	Canada	FSC-C001844
Fibre Excellence Saint-Gaudens	France	FSC-C122317
Fibre-Excellence Tarascon	France	FSC-C122317
Hawesville	United States	FSC-C001844
Howe Sound	Canada	FSC-C004353
Johnsonburg	United States	FSC-C001844
Kingsport	United States	FSC-C001844
Marlboro	United States	FSC-C001844
Meadow Lake	Canada	FSC-C011605
Nekoosa	United States	FSC-C001844
Northern Pulp	Canada	FSC-C019196
Plymouth	United States	FSC-C001844
Port Alberni - Catalyst	Canada	FSC-C004353
Rothschild	United States	FSC-C001844
Skookumchuk	Canada	FSC-C116612
Windsor	Canada	FSC-C001844

Source: FSC certificate database.

In October 2007, the FSC formally disassociated from Asia Pulp & Paper. Announcing its decision in a December 2007 press release, the FSC explained: “There is substantial publicly available information that suggests that APP, a Sinar Mas subsidiary, is associated with destructive forestry practices. Reports from WWF, Greenpeace, Eyes on the Forest and many other independent sources suggest that APP is actively conducting forestry practices contrary to FSC Principles and Criteria.”<sup>199</sup>

198 Forest Stewardship Council. 2022. “FSC Certificate Public Dashboard.” Accessed on August 20, 2022. <https://fsc.org/en/fsc-public-certificate-search>.

199 The Forest Stewardship Council. 2007. “Forest Stewardship Council dissociates with Asia Pulp and Paper.” Press Release. December. [https://www.wwf.or.jp/activities/upfiles/20080116opt\\_fsc.pdf](https://www.wwf.or.jp/activities/upfiles/20080116opt_fsc.pdf).

Wright, Tom and Carlton, Jim. 2007. “FSC’s ‘Green’ Label for Wood Products Gets Growing Pains.” *The Wall Street Journal*. October 30. <https://www.wsj.com/articles/SB119368082115675124>.

In 2015, APP initiated a roadmap process with the FSC to end its disassociation. However, the FSC suspended this process in August 2018 following media and NGO investigations documenting Sinar Mas Group and APP's use of an opaque corporate structure to disguise its connections to at least 25 wood supply companies that APP had declared were independently owned and operated.<sup>200</sup> NGO and media reports also documented that two companies connected to Sinar Mas Group had cleared nearly 8,000 hectares (ha) of natural forest and peatlands in apparent violation of the group's "no deforestation" pledge.<sup>201</sup> As of October 2022, APP remains disassociated from the FSC.<sup>202</sup>

FSC's Policy for Association prohibits association to companies "involved" with those like APP that, following a formal investigation, have been found to have violated the commitment to avoid unacceptable activities defined in the policy.<sup>203</sup> Despite this policy, Paper Excellence companies remain FSC certified.

Endorsed by many environmental organizations, the FSC has described itself as "the world's most respected and widespread forest certification system" for timber and forestry products such as furniture, paper, and packaging.<sup>204</sup> For products that carry the FSC's well-known tree outline logo, an FSC endorsement can provide better market opportunities and access to premium prices.<sup>205</sup>

The substantial evidence compiled in this report requires a response from FSC that includes initiating its own Policy for Association (PfA) investigation of the links between Paper Excellence and APP. Recently, FSC revised its PfA to adopt a definition of corporate group that explicitly recognizes factors of corporate control beyond registered shareholdings.<sup>206</sup> The revised PfA (Version 3.0) applies to associated individuals and organizations and to the corporate group(s) they belong to and will be put into effect on January 1, 2023. It will not apply retroactively.<sup>207</sup>

The definition of "corporate group" recently adopted by the FSC from the Accountability Framework initiative (AFI) is "the totality of legal entities to which an associated organization is affiliated in a corporate relationship in which either party controls the performance of the other (e.g. parent or sister company, subsidiary, joint ventures, etc.)" "Corporate control" is defined by the FSC's new policy as "the possession of power to direct, restrict, regulate, govern, or administer the performance of the other company through authority, rights, contract, or other means."<sup>208</sup>

200 Wright, Stephen. 2018. "Forest watchdog sends ultimatum to Indonesian paper giant." *Associated Press*, May 30, 2018. <https://apnews.com/article/a88303a0659c467e8b02d876ddcee18f>.

Wright, Stephen. 2017. "Pulp giant tied to companies accused of fires." *Associated Press*, December 20, 2017. <https://apnews.com/article/indonesia-deforestation-ap-top-news-international-news-environment-fd4280b11595441f81515daef0a951c3>.

Koalisi Anti Mafia Hutan et al. 2018. *Removing the Corporate Mask*. <https://auriga.or.id/wp-content/uploads/2018/05/Removing-the-corporate-mask.pdf>.

201 Taylor, Michael. 2018. "Greenpeace cuts ties with Indonesian paper firm linked to deforestation." *Reuters*. May 17, 2018. <https://www.reuters.com/article/us-indonesia-forests-business/greenpeace-cuts-ties-with-indonesian-paper-firm-linked-to-deforestation-idUSKCN1I123T>.

202 FSC. 2022. "APP Roadmap Process" on FSC website, accessed July 10, 2022. <https://fsc.org/en/newsfeed/app-roadmap-process>.

203 Forest Stewardship Council. 2009. *Policy for the Association of Organizations with FSC FSC-POL-01-004 V2-0*. <https://fsc.org/en/document-centre/documents/resource/368>.

204 Forest Stewardship Council. 2022. *Annual Report 2021*. <https://fsc.org/en/annual-reports>.

205 Breuhink, Gijs, Joshua Levin and Karen Mo. 2015. *Profitability and Sustainability in Responsible Forestry: Economic impacts of FSC certification on forest operators*. World Wide Fund for Nature (WWF). [http://assets.wwf.org.uk/downloads/profitability\\_and\\_sustainability\\_in\\_responsible\\_forestry\\_main\\_report\\_final.pdf?\\_ga=1.254525576.1241702820.1436385161](http://assets.wwf.org.uk/downloads/profitability_and_sustainability_in_responsible_forestry_main_report_final.pdf?_ga=1.254525576.1241702820.1436385161).

206 Forest Stewardship Council. 2022. *Policy for Association FSC-POL-01-004 Version 3-0*. Approved on August 26, 2022. [https://connect.fsc.org/document-centre/documents/resource/368?dspace\\_document=628](https://connect.fsc.org/document-centre/documents/resource/368?dspace_document=628)

207 Forest Stewardship Council. 2022. "Decision Record of BM93." August 24-26, 2022. Oaxaca, Mexico.

208 Forest Stewardship Council. 2022. *Policy for Association FSC-POL-01-004 Version 3-0*. Approved on August 26, 2022. [https://connect.fsc.org/document-centre/documents/resource/368?dspace\\_document=628](https://connect.fsc.org/document-centre/documents/resource/368?dspace_document=628)

Following the AFI framework, the FSC's PfA describes eight "factors that are used to determine whether a company is part of a broader corporate group". Below is a brief description of how the evidence of corporate links presented in the sections above relates to the factors of "corporate group" described in the FSC's new PfA (Policy for Association FSC-POL-01-004 Version 3-0). The documentation presented in this report should be considered by the FSC as "substantial evidence" that Paper Excellence is in the same corporate group as APP and Sinar Mas.

- **Formality of relationship: Is there formal ownership, such as through an investment holding structure?**

Possibly. Paper Excellence's shareholder companies span multiple offshore jurisdictions, which has the effect of concealing the ultimate beneficial owners. Therefore, we can neither conclude nor rule out that Paper Excellence's ultimate beneficial owner(s) overlap with APP's shareholders or shareholders of other Sinar Mas companies. It is significant that one prominent source (the Orbis database) identifies the Widjaja family as being the owners of Elite Shine Investments Limited, which since 2012 has been the ultimate parent company of Paper Excellence Canada Holdings Corporation and Paper Excellence B.V. (see section on corporate structure). Since August 2020, compliance filings submitted to the Government of British Columbia by a registered lobbyist for Paper Excellence Canada Holdings have identified Sinar Mas Group as an "affiliate" of Paper Excellence "that could have a direct interest in the outcome of the lobbying activities."

In response to the findings of this report, Paper Excellence's Vice President of Corporate Communication, Graham Kissack, stated, "There are no ownership or control links with APP/Sinar Mas or anybody else."

- **Declared as a group: Has the group publicly declared the companies are linked?**

Historically. The 2007 press release announcing the purchase of Paper Excellence's first mill, Meadow Lake, stated "the Purchaser is indirectly related to the Sinar Mas companies. It is anticipated that the Sinar Mas Pulp and Paper Products division ("APP") will be providing technical expertise to the Purchaser in respect of future operations of the Meadow Lake Pulp Mill [ . . . ] The Purchaser, with the help of APP and the Saskatchewan Government, believes that it has the operating expertise and available capital to successfully restore the economic viability of the Meadow Lake Pulp Mill operations."<sup>209</sup>

The press release includes information about Sinar Mas and Asia Pulp & Paper under a section called "About Sinar Mas": "Sinar Mas was founded in 1960. It continually enhances its technical capabilities and expands its market globally through its ventures with companies in Japan, Korea, China, Taiwan, the Philippines, Thailand, Singapore, Australia, France, Germany, Belgium, the United Kingdom and the United States, **and now Canada** [ . . . ] APP is one of the world's leading pulp and paper group of companies [ . . . ]"<sup>210</sup> [bold face type added for emphasis]

But, in 2015 Paper Excellence said it is not a subsidiary of APP or Sinar Mas, and APP (in 2018 and 2022) stated the groups do not have common owners. In response to the findings of this report, Paper Excellence's Vice President of Corporate Communication, Graham Kissack, stated, "Paper Excellence is entirely independent of APP/Sinar Mas."

- **Family control: Are the companies owned or run by members of the same family?**

Yes. The reported Paper Excellence owner (Jackson Wijaya) is the son of the Chairman of APP (Teguh Ganda Widjaja), and his sister (Linda Wijaya Limantara) is the former Managing Director of APP (see #3 in the section on

---

209 Sinar Mas. 2007. "Meadow Lake Mechanical Pulp Mill: Press Release." Canadian Corporate Newswire, January 17, 2007.

210 Sinar Mas. 2007. "Meadow Lake Mechanical Pulp Mill: Press Release." Canadian Corporate Newswire, January 17, 2007.

links above). Three of Jackson Wijaya's uncles (Muktar Widjaja, Franky Oesman Widjaja, and Indra Widjaja), along with Jackson's sister Linda Wijaya Limantara, together constitute a majority shareholding in APP's Indonesia mills. Jackson's father, Teguh Ganda Widjaja, previously had significant shareholdings in the APP Indonesia mills as well.

In addition, Paper Excellence's self-reported owner, Jackson Wijaya, served as a director and Assistant President of Ever Dragon Investments Group Limited from 2005 through at least October 2017, the sole shareholder of Sinar Mas Paper (China) Investment Corporation, which in turn owns 100% shares of all seven APP mills in China. In this position, Jackson's direct superior was his father, Teguh Ganda Widjaja, the longtime Chairman of APP.

Paper Excellence has stated that Jackson Wijaya's ownership should be understood to potentially include other family members. According to SEC filings submitted by Domtar on March 10, 2022, "Jackson Wijaya" means (a) Jackson Wijaya, (b) family members of Jackson Wijaya, (c) trusts, partnerships or limited liability companies for the benefit of any of the individuals identified in the foregoing clause (a) or (b), and (d) heirs, executors, estates, successors and legal representatives of the individuals identified in the foregoing clause (a) or (b)."<sup>211</sup>

Linda Wijaya Limantara, speaking to a reporter in 2019, said, "Sinar Mas operates more like a family council.[. . .] the third generation tries to meet with their seniors on the Sinar Mas board at least once a week.[. . .] There is one [Whatsapp] chat group 'for the entire big Widjaja family,' said Linda, and another 'for those involved in the family business to coordinate about strategies and synergies, and fix overlapping plans and conflicts.'"<sup>212</sup>

In response to these findings, Paper Excellence's Vice President of Corporate Communication, Graham Kissack, stated, "Of course, it is well known that Jackson Wijaya, the ultimate owner of PE, is the son of the current leader of APP/SMG. But Jackson continues to operate PE completely independently.[. . .] There are no ownership or control links with APP/Sinar Mas or anybody else."

- **Financial control: Are there contractual or other financial arrangements that indicate one party controls the performance of another?**

Historically. In 2010, Paper Excellence received a non-market rate loan from a Sinar Mas-owned bank in China, which is indicative of a transaction between related parties (see #6 in the section on links above). We note that this piece of evidence alone is not conclusive of there being a relationship of control between Sinar Mas and Paper Excellence.

- **Management control: Is there extensive overlap in officials between companies?**

Historically. Three directors (Suresh Kilam, Tei Ah Lek, and Danilo Benvenuti) of Sinar Mas companies served at the same time as directors for Paper Excellence companies. And a longtime and current director of Paper Excellence companies (Hardi Wardhana, aka Peter Wardhana), listed his address at Sinar Mas headquarters in Jakarta on official documents as late as 2018. Jackson Wijaya also held key management roles in APP China at the same time as he was reportedly the owner of Paper Excellence.

---

211 Domtar Corporation. 2022. *Exhibit 4.1 of Form 10-K*. Annual Report for the fiscal year ended December 31, 2021. United States Securities and Exchange Commission. [https://www.sec.gov/Archives/edgar/data/1381531/000156459022009469/ufs-ex41\\_61.htm](https://www.sec.gov/Archives/edgar/data/1381531/000156459022009469/ufs-ex41_61.htm)

Domtar Corporation. 2022. *Exhibit 4.2 of Form 10-K*. Annual Report for the fiscal year ended December 31, 2021. United States Securities and Exchange Commission. [https://www.sec.gov/Archives/edgar/data/1381531/000156459022009469/ufs-ex42\\_60.htm](https://www.sec.gov/Archives/edgar/data/1381531/000156459022009469/ufs-ex42_60.htm)

Domtar Corporation. 2022. *Exhibit 4.3 of Form 10-K*. Annual Report for the fiscal year ended December 31, 2021. United States Securities and Exchange Commission. [https://www.sec.gov/Archives/edgar/data/1381531/000156459022009469/ufs-ex43\\_65.htm](https://www.sec.gov/Archives/edgar/data/1381531/000156459022009469/ufs-ex43_65.htm)

212 Maulia, Erwida. 2019. "The Chinese-Indonesian dynasty reshaping a \$30bn empire by WhatsApp." *Nikkei Asia*. December 27, 2019. <https://asia.nikkei.com/Spotlight/Asian-Family-Conglomerates/The-Chinese-Indonesian-dynasty-reshaping-a-30bn-empire-via-WhatsApp>.

In response to the findings on overlapping management, Paper Excellence's Vice President of Corporate Communication, Graham Kissack, stated, "As you know, various people with different skill-sets, backgrounds, experience and knowledge are routinely asked to serve as board members of companies. This contributes to the richness and diversity of a board. Trusted advisers, former colleagues, even friends are sometimes asked to play a role. But this has nothing to do with the ultimate ownership and control of any company."

- **Operational control: Are landholdings under a group's operational control?**

Historically. Overlapping management with APP for most of Paper Excellence's history indicates that Paper Excellence's landholdings have been under some degree of operational control by APP and/or Sinar Mas Group.

In response to the findings of this report, Paper Excellence's Vice President of Corporate Communication, Graham Kissack, stated, "Paper Excellence is entirely independent of APP/Sinar Mas.

- **Beneficial ownership: Is ultimate ownership hidden in offshore companies or by use of nominees?**

Yes. As indicated above under the 'formality of relationship' factor, Paper Excellence's shareholder companies span multiple offshore jurisdictions, which has the effect of obscuring the ultimate beneficial owners. This kind of corporate structure is not by itself conclusive evidence of common control, but it indicates the potential for the group to have ultimate beneficial owners who are not named in publicly available documents.

In response to this finding, Graham Kissack of Paper Excellence stated, "There is not, and never has been, an intention to create a corporate structure at Paper Excellence that is intended to hide anything.[. . .] There are various factors to think about when building the corporate structure of a business. This is all the more relevant in the case of an international business such as that of the PE Group. These include tax, corporate finance, allocation of corporate liability, and the like."

According to an SEC filing for Domtar submitted on April 25, 2022, Paper Excellence B.V. is "indirectly 100% owned by Jackson Wijaya".<sup>213</sup> According to SEC filings submitted by Domtar on March 10, 2022, "Jackson Wijaya" means (a) Jackson Wijaya, (b) family members of Jackson Wijaya, (c) trusts, partnerships or limited liability companies for the benefit of any of the individuals identified in the foregoing clause (a) or (b), and (d) heirs, executors, estates, successors and legal representatives of the individuals identified in the foregoing clause (a) or (b).<sup>214</sup>

In 2015, a media report quoted a Paper Excellence spokesperson describing Jackson Wijaya as the sole owner of the company.<sup>215</sup> However, the abovementioned disclosure to the SEC indicates that Jackson Wijaya, the natural person, may or may not be the only beneficial owner of Paper Excellence. Rather, the SEC disclosure indicates that, in fact, other members of the Widjaja family may benefit from and/or control Paper Excellence with or without the involvement of Jackson Wijaya.

---

213 Domtar Corporation. 2022. *Form 10-K/A Amendment No.1*. Annual Report for the fiscal year ended December 31, 2021. United States Securities and Exchange Commission. [https://www.sec.gov/Archives/edgar/data/0001381531/000156459022015379/ufs-10ka\\_20211231.htm](https://www.sec.gov/Archives/edgar/data/0001381531/000156459022015379/ufs-10ka_20211231.htm).

214 Domtar Corporation. 2022. *Exhibit 4.1 of Form 10-K*. Annual Report for the fiscal year ended December 31, 2021. United States Securities and Exchange Commission. [https://www.sec.gov/Archives/edgar/data/1381531/000156459022009469/ufs-ex41\\_61.htm](https://www.sec.gov/Archives/edgar/data/1381531/000156459022009469/ufs-ex41_61.htm)

Domtar Corporation. 2022. *Exhibit 4.2 of Form 10-K*. Annual Report for the fiscal year ended December 31, 2021. United States Securities and Exchange Commission. [https://www.sec.gov/Archives/edgar/data/1381531/000156459022009469/ufs-ex42\\_60.htm](https://www.sec.gov/Archives/edgar/data/1381531/000156459022009469/ufs-ex42_60.htm)

Domtar Corporation. 2022. *Exhibit 4.3 of Form 10-K*. Annual Report for the fiscal year ended December 31, 2021. United States Securities and Exchange Commission. [https://www.sec.gov/Archives/edgar/data/1381531/000156459022009469/ufs-ex43\\_65.htm](https://www.sec.gov/Archives/edgar/data/1381531/000156459022009469/ufs-ex43_65.htm).

215 Bennett, Nelson. 2015. "Chetwynd mill restart caps company buying spree." *Business in Vancouver*, May 12. <https://biv.com/article/2015/05/chetwynd-mill-restart-caps-company-buying-sprees>.

In response to this finding, Graham Kissack of Paper Excellence stated, “Nobody else, except Jackson, has ever been or is the ultimate owner or controller of any of the companies in the PE Group.”

- **Shared resources: Do companies share a registered address, land or other physical assets, or provision of company functions or services?**

Historically. When Paper Excellence first acquired Meadow Lake Mechanical Pulp Mill in 2007, the press release issued by the “purchaser” stated: “The Purchaser, **with the help of APP** and the Saskatchewan Government, believes that it has the operating expertise and available capital to successfully restore the economic viability of the Meadow Lake Pulp Mill operations.”<sup>216</sup> [bold face type added for emphasis]

Three directors (Suresh Kilam, Tei Ah Lek, and Danilo Benvenuti) of Sinar Mas companies (APP and APP China) served at the same time as directors for Paper Excellence companies. And a longtime and current Director of Paper Excellence companies (Hardi Wardhana, aka Peter Wardhana), listed his address at Sinar Mas headquarters in Jakarta on official documents as late as October 2018.

\* \* \*

Taken together, these eight factors of control constitute “substantial evidence” that Paper Excellence and APP are under common control of the Sinar Mas Group owned by the Widjaja family. The above analysis offers a guide and a case study to the FSC as it applies the corporate group and control definitions in the implementation of the new PfA to Paper Excellence and APP. Furthermore, it offers evidence that Paper Excellence and APP, by virtue of being under common control of the Sinar Mas Group, are sister companies. In the version 2-0 of the PfA – the version that applies to cases of unacceptable activities up to January 2023, including APP’s past violations – the “indirect involvement” criteria includes “sister” companies.<sup>217</sup>

Asked by the authors of this report to verify that the “indirect involvement” criteria includes “sister” companies, FSC Chief System Integrity Officer, Marc Jessel, stated in an email sent on September 26, 2022, “The ‘indirect involvement’ criterion is based on majority ownership (or voting power) which could take the form of a sister company.” Marc Jessel was requested to clarify this statement by making reference to the applicable text in the PfA version 2-0, but no clarification was received as of three weeks after the request was sent by email.

In response to the findings in this report, Graham Kissack of Paper Excellence stated, “In your letter/report, you make various references to definitions or descriptions of ‘sister companies’ and ‘common control’ of companies. However, these concepts are not relevant since – even under the broadest definition of these terms – PE is entirely independent of APP/SMG.”

Asia Pulp & Paper stated in response to the findings in this report, “Your suggestion that Paper Excellence is part of the same corporate group as Asia Pulp & Paper (APP) is not correct. There is no such company within the Asia Pulp & Paper (APP) group.”

---

216 Sinar Mas. 2007. “Meadow Lake Mechanical Pulp Mill: Press Release.” Canadian Corporate Newswire, January 17, 2007.

217 Forest Stewardship Council. 2009. *Policy for the Association of Organizations with FSC FSC-POL-01-004 V2-0*. Approved in July 2009 (Part I) and September 2011 (Part II). <https://connect.fsc.org/document-centre/documents/resource/368.1>.

## Conclusion

The facts and circumstances set out in this report offer substantial evidence that Paper Excellence is part of the same corporate group as Sinar Mas and APP.

- The acknowledged owners of APP and Paper Excellence are from Indonesia's Widjaja family, which is said to operate its conglomerate as a "family council".
- Paper Excellence's self-reported owner, Jackson Wijaya Limantara, served as a director and Assistant President of Ever Dragon Investments Group Limited from 2005 through at least October 2017, the sole shareholder of Sinar Mas Paper (China) Investment Corporation, which in turn owns 100% shares of all seven APP mills in China.
- Sinar Mas itself indicated its control of Paper Excellence when the latter acquired its first pulp mill in 2007.
- Several of Paper Excellence's Directors concurrently served as Director for APP's mills, major holding companies, and marketing companies in Indonesia, China, and Europe.
- Paper Excellence received at least one loan with a non-market interest rate from a Sinar Mas-owned bank.
- The ownership chain of Paper Excellence, as of December 31, 2009, went to a company owned anonymously through a bearer share with the Chairman of APP, Teguh Ganda Widjaja, as the sole Director.
- As recently as October 2022, compliance filings submitted to the Government of British Columbia by a registered lobbyist for Paper Excellence Canada Holdings identify Sinar Mas Group as an "affiliate" of Paper Excellence "that could have a direct interest in the outcome of the lobbying activities."
- Documents filed with the SEC in 2022 by Domtar Corporation, a wholly owned subsidiary of Paper Excellence, acknowledge the possibility that Paper Excellence is owned by Jackson Wijaya, the natural person, and/or other "family members of Jackson Wijaya," or corporate entities "for the benefit of" other Widjaja family members.
- And it is common industry knowledge and frequently reported in the press that Sinar Mas Group controls Paper Excellence and that Paper Excellence is an affiliate of APP.

Collectively, these linkages demonstrate, in the authors' view, that Paper Excellence and APP are sister companies and that both are under the control of the Sinar Mas Group, and ultimately the Widjaja family. Although Paper Excellence has denied being a subsidiary of either APP or Sinar Mas, the concept of "corporate control" as defined by the Accountability Framework initiative takes into account the "totality of legal entities to which the company is affiliated in a relationship in which either party controls the actions or performance of the other." In this context, corporate control can be established not only through direct or indirect ownership interests, but also – as specified in the Forest Stewardship Council's new Policy for Association – through a variety of factors that provide a corporate entity with "the possession of power to direct, restrict, regulate, govern, or administer the performance of the other company through authority, rights, contract, or other means."

The complex corporate structure of Paper Excellence, which includes an extensive network of entities registered in offshore jurisdictions characterized by high levels of corporate secrecy, has the effect of limiting transparency and accountability for the company and its affiliates. Yet as Paper Excellence is now emerging as a major corporate actor in the pulp/paper and wood products industries of Canada, the United States, and Brazil, it is increasingly important for stakeholders to ask: Who owns, controls, and benefits from Paper Excellence and its operating companies? In conducting their due diligence, stakeholders will need to understand the connections between Paper Excellence and APP/Sinar Mas, and to assess the implications and potential risks of APP and Sinar Mas' track records on environmental, social, and financial issues.

# Appendix A. Paper Excellence's responses to the main findings of this report



September 22, 2022

Environmental Paper Network  
c/o ARA, August Bebel Str. 16-18  
33602 Bielefeld, Germany  
Attn: Sergio Baffoni

BY EMAIL ([sergio.baffoni@environmentalpaper.org](mailto:sergio.baffoni@environmentalpaper.org))

Dear Mr. Baffoni:

I have received your letter dated September 16, 2022 and your summary of findings that came with your letter.

I am sending you this letter to let you know that I have made progress in my review of your letter/summary and – in light of the extent of the matters that you refer to – also begun discussions with my colleagues. However, you have raised many points on various topics that, while I am confident we can address them, the time given by you is very short.

Beyond that, I think that it would be a good idea to allocate more time for dialogue and discussion and I therefore encourage you to consider this important timing issue. It is very much in our mutual interests to fully engage, communicate and discuss all items so that the quality of the work that you produce is of the highest standard and – at the same time – has the full benefit of all input from us.

One important example of why this makes sense is that we have not seen the report that you refer to in your letter/summary. If you could give me and my colleagues access to this report, that would be a great help to us. This would also help you in ensuring that recipients of your report will have full and accurate information.

In any event – and based on our review to date of your letter/summary - I would offer the following observations and responses for your consideration.

## **Key Point**

The most fundamentally key point that I would make in response to your letter/summary is that Paper Excellence is entirely independent of APP/Sinar Mas. Of course, it is well known that Jackson Wijaya, the ultimate owner of PE, is the son of the current leader of APP/SMG. But Jackson continues to operate PE completely independently. Paper Excellence is his passion and his responsibility. There are no ownership or control links with APP/Sinar Mas or anybody else. There is no doubt or question about that.

---

Paper Excellence Canada | T: 604.247.4400 | F: 604.247.0512 | [info@paperexcellence.com](mailto:info@paperexcellence.com)  
2nd Floor, 3600 Lysander Lane, Richmond, BC V7B 1C3 | [www.paperexcellence.com](http://www.paperexcellence.com)

### **History of Paper Excellence**

Jackson Wijaya established the PE Group in 2006. Jackson's dream was to build a strong business in the pulp and paper industry in the Americas and Europe. This was a big step for Jackson and it was, and has been, his project from the very beginning. Since that date, the PE Group has been a huge focus for him and his goal has been, and is, to create and develop a healthy and sustainable business that he and all members of the PE Group team and all other stakeholders in PE can be proud of.

Nobody else, except Jackson, has ever been or is the ultimate owner or controller of any of the companies in the PE Group. No member of APP/SMG has ever had any ownership interest in any of the PE Group entities.

### **Your reference to "Nexus of Facts"**

In your letter/report, you make various references to definitions or descriptions of "sister companies" and "common control" of companies. However, these concepts are not relevant since - even under the broadest definition of these terms - PE is entirely independent of APP/SMG. This is simply a fact and there is nothing in your letter/summary that shows otherwise.

**Corporate Structure** – Your letter/summary also touches on corporate structures being used to conceal ownership of companies, structures used to facilitate money-laundering and terrorism, FATF issues and so on. Again, I can assure you that none of this is relevant or has any application to PE Group. I can also assure you that PE Group does not engage in any business or activity that is covered by FATF and there is not, and never has been, an intention to create a corporate structure at Paper Excellence that is intended to hide anything.

There are various factors to think about when building the corporate structure of a business. This is all the more relevant in the case of an international business such as that of the PE Group. These include tax, corporate finance, allocation of corporate liability, and the like. In fact, it is usually necessary to engage accountants, lawyers and other experienced professionals in order to fully understand the latest developments and structures that could be relevant. This is exactly what PE Group has done and we are not different to any other similar business. Accordingly, any suggestion to the contrary in your letter/summary is not correct.

**Your References to Media Reports** – I note that your letter/summary refers generally (but not specifically) to media reports etc. that, I must confess, are not at all clear to me. In order to offer a response in this regard, it would be very important for us to understand what these media reports are, where they came from and other details. The fact that your letter/summary merely refers to general and unidentified media sources makes it impossible to provide a sensible response.

**Inter-Corporate Ownership database ("StatsCan")** – Thank you for drawing our attention to this listing. Put simply, it is incorrect. We went through the process of having this corrected last year in connection with the acquisition of Domtar and understood that it had been changed. We are distressed that this database is wrong and will take steps to clarify the matter with StatsCan.

**Orbis** – Orbis appears to be a for-profit database with which PE is previously unfamiliar. It has never contacted PE to verify or discuss any conclusions and, because we are not a subscriber, we

do not have visibility on its conclusions or methodology. Nonetheless, now that you have brought this to our attention, please be assured that we will be contacting Orbis consistent with the tenor of the facts set forth in this response.

**Your References to Family Relationship** – Again, I note that your letter/summary refers to family relationships, to different members of the Wijaya family, to filings made by Domtar with the SEC and the like. To be honest, I found this part of your letter/summary to be very difficult to understand and, indeed, your reasons for referring to these matters are not at all clear to me.

Regarding the paragraph mentioned in your summary, this is a standard definition for any person in the SEC context. What it does not refer to is any implication suggesting that PE Group is controlled by APP/Sinar Mas, which again, is not correct.

**Your references to various Directorships** – Your letter/report refers to various individuals and their connections with various companies. I am in the process of looking into the detail in this regard in order to check on accuracy etc. but – again – I do not believe that these matters are relevant. As you know, various people with different skill-sets, backgrounds, experience and knowledge are routinely asked to serve as board members of companies. This contributes to the richness and diversity of a board. Trusted advisers, former colleagues, even friends are sometimes asked to play a role. But this has nothing to do with the ultimate ownership and control of any company. Many boards include individuals who play a non-executive or less active role in the business. This doesn't (and in fact can't) in any way take away from the fact that Jackson is the ultimate owner and controller of the PE Group.

**Other Contents of your letter/report** – In my responses and observations above, I have endeavored to respond on the key matters that are referred to in your letter/summary. In particular, I hope that I have responded clearly regarding the ownership and control of PE Group. Beyond that, I have tried to provide the best answers that I can in the limited time available.

I would like to end by saying that PE Group has come a long way under Jackson's leadership and stewardship and his, and our, goal is to be the best version of ourselves. Jackson's aim and the aim of all executives at PE is to provide our growing team with a long-term future in these uncertain times and to work with all our stakeholders in helping them to understand our business and our philosophy. I therefore, once again, repeat my offer to you of an open, transparent and honest dialogue regarding the matters that you have covered in your letter/summary. Please do not hesitate to call me at any time to discuss this. I look forward to having the opportunity to do so.

Sincerely,



Graham Kissack  
Vice President Environment, Health and  
Safety and Corporate Communications



September 28, 2022

BY EMAIL ([sergio.baffoni@environmentalpaper.org](mailto:sergio.baffoni@environmentalpaper.org))

Environmental Paper Network  
c/o ARA, August Bebel Str. 16-18  
33602 Bielefeld, Germany  
Attn: Sergio Baffoni

Dear Mr. Baffoni:

Thanks for your letter dated September 23, 2022. There are a few points that I think are worth making.

First, while we have done our best replying to your “summary” of the proposed report, we did ask you if we could review a draft of the report itself. Seeing things in context makes it much easier to provide a meaningful response. We must note that we still have not seen the report in any form and your letter suggests that you are going to issue it without allowing us any review for accuracy. That is, of course, your choice but it does impede the efficiency of the communications.

Second, we appreciate your confirmation that your report will not contain any claims of legal violation in any jurisdiction. I am glad we can agree that – setting aside the control issues in dispute – we all agree that Paper Excellence is not alleged to have violated any laws or regulations, environmental or otherwise.

Third, we understand your interest in the process of correcting the records with StatsCan. Given that this is a governmental agency, however, this process will likely take some months. Accordingly, we have no additional progress to report in the week since our last communication. When we last spoke with StatsCan back in July 2021, they acknowledged that they did not have actual shares information and any such linkage determination were based on internet research, including media reports. Contrary to such determination, based as they are on StatsCan’s internet research of questionable veracity, neither APP nor the Sinar Mas Group have any ownership interest in Paper Excellence. To be clear, however, the point that we intend to clarify is that Paper Excellence is not owned or controlled by APP or Sinar Mas and that any assertion to that effect in the StatsCan database needs to be corrected.

Finally, we appreciate your clarification on the media reports. We have reviewed those articles and, as is so common these days, they are simply speculative and represent the social media echo chamber. None of them present any verified facts other than the incorrect assertion that Paper Excellence is, in some undisclosed fashion, controlled by Sinar Mas based on family relationship assumption. While such claims certainly bring drama to otherwise pedestrian reporting on the pulp and paper business, they bring neither light nor truth to the situation.

---

Paper Excellence Canada | T: 604.247.4400 | F: 604.247.0512 | [info@paperexcellence.com](mailto:info@paperexcellence.com)  
2nd Floor, 3600 Lysander Lane, Richmond, BC V7B 1C3 | [www.paperexcellence.com](http://www.paperexcellence.com)

In sum, I think it is very important to make clear in your report that any claim of such ownership or control is substantially in dispute.

I look forward to our continued engagement in the future and wish your organization all the best.

Sincerely,

A handwritten signature in black ink, appearing to read 'G. Kissack', with a horizontal line extending to the right.

Graham Kissack  
Vice President Environment, Health and  
Safety and Corporate Communication

## Appendix B. Asia Pulp & Paper's response to the main findings of this report

October 1, 2022

We have received your letter dated September 16, 2022. We have also received your "summary of main findings" of a report that is part of your letter. But as you have not sent us a copy of that full report, we are not able to offer our comments to address the context. Forwarding us the full report would help.

As you have insisted on a written reply, we offer these brief responses. Nevertheless, the offer of an open dialogue remains and in reference to your queries we would like to offer the following brief points:

1. Your suggestion that Paper Excellence is part of the same corporate group as Asia Pulp & Paper (APP) is not correct. There is no such company within the Asia Pulp & Paper (APP) group.
2. We note that you make references to deforestation and unresolved local conflicts. Since the promulgation of our Forest Conservation Policy, our supply chain has and is deforestation free and we have transparently reported the progress of the FCP's implementation, including addressing land disputes within our pulpwood supplier concessions. Of the conflicts, more than half have been resolved and this information has been shared transparently through our Stakeholders Advisory Forum. All this information is available in our Sustainability report ([https://asiapulppaper.com/documents/20123/0/APP+Sinar+Mas+SR2021\\_FINAL.pdf/73ae32ea-707c-  
ea27-b530-c8dcf5977504?t=1664420886920](https://asiapulppaper.com/documents/20123/0/APP+Sinar+Mas+SR2021_FINAL.pdf/73ae32ea-707c-<br/>ea27-b530-c8dcf5977504?t=1664420886920)) and website (<https://sustainability-dashboard.com/>).

We note that in raising these issues, you refer to reports that were not prepared by you and this date back as far as 2010. These are all pre-FCP.

3. You also refer to a financial default that dates back more than 20 years (it seems that the most recent date in your materials on this topic is 2008?). That default took place under extraordinary circumstances brought about by the Asian Financial Crisis. Since then, a restructuring has taken place with repayments to creditors accelerated. There have been no credit incidences since.

We invite you to an open dialogue to allow for a greater understanding of the concerns you have shared. We have stayed committed in our promise of no deforestation within our supply chain, but also seek continuous improvement.

Thank you for your attention.

Yours sincerely,

APP Sustainability Team

# Appendix C. Meadow Lake Mechanical Pulp Inc.: Press Release, Canadian Corporate Newswire, January 17, 2007

## Meadow Lake Mechanical Pulp Inc.: Press Release

Canadian Corporate Newswire

January 17, 2007 Wednesday 3:42 PM EST

Copyright 2007 PIMS Canada, Inc., doing business as CCNMatthews All Rights Reserved

**Length:** 1128 words

### Body

---

CALGARY, ALBERTA--(CCNMatthews - Jan. 17, 2007) - Meadow Lake Mechanical Pulp Inc. (the "Purchaser") is pleased to announce that the Court of Queen's Bench in the Province of Saskatchewan has provided court approval for the sale of the Meadow Lake Pulp Mill and other related assets by the Meadow Lake Pulp Limited Partnership to the Purchaser. The pulp mill and its related assets are located in Meadow Lake, Saskatchewan, Canada. The Purchaser anticipates moving forward to complete the transaction as soon as possible, subject to satisfaction of various closing conditions related to the transaction.

The Purchaser is indirectly related to the Sinar Mas companies. It is anticipated that the Sinar Mas Pulp and Paper Products division ("APP") will be providing technical expertise to the Purchaser in respect of future operations of the Meadow Lake Pulp Mill.

The Purchaser is excited about the opportunity of being able to expand its worldwide operations into Northern Saskatchewan and Canada. The Purchaser, with the help of APP and the Saskatchewan Government, believes that it has the operating expertise and available capital to successfully restore the economic viability of the Meadow Lake Pulp Mill operations.

#### ABOUT SINAR MAS

Sinar Mas was founded in 1960. It continually enhances its technical capabilities and expands its market globally through its ventures with companies in Japan, Korea, China, Taiwan, the Philippines, Thailand, Singapore, Australia, France, Germany, Belgium, the United Kingdom and the United States, and now Canada. The Group's dynamic growth is based on four core businesses: food and agribusiness, financial services, pulp and paper products; and real estate and property.

APP is one of the world's leading pulp and paper group of companies. The executive board of APP consists of experienced people in various fields and provides the backbone to its growth. APP has approximately 55,000 employees and currently markets its products to more than 65 countries and six continents. With current annual combined pulp, paper and packaging grades capacity of over 7,000,000 tons in Indonesia, it ranks number one in Asia, excluding Japan. In China, the company is considered as the largest pulp and paper producer, with 13 pulp and paper mills supported by more than 20,000 employees and 5 forestry holding companies with total assets of approximately \$4US billion. Gold Hai mill on Hainan Island, which began operating in 2004, is China's largest single line pulp mill.

Sinar Mas Forestry is the exclusive fiber supplier for APP's mills. As part of Sinar Mas, Sinar Mas Forestry manages sustainable fiber sources in Indonesia.

APP and its related entities are committed to purchasing wood fiber for pulp-making operations from sustainably-managed forestry sources, which conserve areas of outstanding habitat and operate in harmony with local communities. Key recent examples of these initiatives include:

## Meadow Lake Mechanical Pulp Inc.: Press Release

1. APP implements a strict documented Chain of Custody (CoC) system to ensure the legality of its wood fiber supply. The proper functioning of this system is independently verified on a periodic basis. In 2005, a third-party verification audit was conducted by SGS (Societe Generale de Surveillance) for all of APP's active fiber sources under Sinar Mas Forestry in Sumatra, Indonesia. APP's CoC system is improved continually based on the recommendations of its independent verification auditors. CoC audits within APP mills are conducted on a periodic and are based on per-product batch basis. The CoC and legal origin field audit for 2006 by SGS was completed in December.

It has been acknowledged that some interest groups have recently issued information concerning the development of natural, resources to ensure the sustainable supply of pulpwood for the pulp and paper industry in Indonesia. In response, a representative of the Government of Indonesia issued a statement:

"...Sinar Mas Forestry, one of the key players in forestry industry, has been conducting plantation forest development activities since 1983. The management of its plantation forest development incorporates the economic, social and environmental aspects in compliance with the laws and regulations of the Government of Indonesia, which are founded on sustainable forest management principles. To date, Sinar Mas Forestry, in collaboration with other stakeholders, has shown its strong commitment to developing the forest resources for the benefit of the nation."

The above statement was issued following a 'Sustainability Seminar', which was held in Tokyo, Japan on November 14th 2006. Further during the seminar, a representative of the Government of Indonesia also stated:

"...Having proactively fulfilled their legal commitment, APP and its fiber supplier have even gone beyond mere compliance, and have implemented dynamic conservation initiatives such as their collaborative efforts to develop the Sumatran Tiger Sanctuary and the Biosphere reserve in Riau Province. These initiatives demonstrate APP's extraordinary commitment to the long-term conservation of Indonesian forests, to the protection of our robust biodiversity for this and future generations and to sustainability as a whole."

In addition, APP has a formal policy that states it will respect the rights of indigenous communities. APP also recognizes that its commitment to sustainability in all operations is possible only if APP and Sinar Mas Forestry operations address improving the welfare of their employees and the local communities where they operate. In support of the policy of the Government of Indonesia, APP and Sinar Mas Forestry are focused on long-term community planning, economic empowerment of forest dwelling communities to increase welfare, education and employment opportunities.

To date, APP and Sinar Mas operations directly and indirectly support millions of families; most of whom live in remote villages and rural communities.

**CAUTIONARY STATEMENT:**

No regulatory authority has approved or disapproved the information contained herein. This news release may include certain "forward looking statements". All statements other than statements of historical fact included in this news release regarding forward-looking statements involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

**FOR FURTHER INFORMATION PLEASE CONTACT:**

Meadow Lake Mechanical Pulp Inc.  
(Formerly 6551017 Canada Inc.)  
Investor Relations  
(403) 232-9500  
(403) 266-1395 (FAX)  
100, 400 - 3rd Avenue S.W.  
Calgary, AB T2P 4H2

# Appendix D. Excerpts of letters from Meadow Lake Mechanical Pulp Mill to the Environmental Division of the Saskatchewan Government



**MEADOW LAKE MECHANICAL PULP**  
A DIVISION OF SINARMAS GROUP

May 30, 2008

Brent W. Bitter, M.Sc., Project Manager  
Environmental Assessment Branch  
4th Floor, 3211 Albert Street  
Regina, SK S4S 5W6

**RECEIVED**  
JUN 09 2008  
Environmental  
Assessment Branch

Re: Section 16 Application To Add Softwood In Pulping Process

Dear Sir;

In January 1990 an Environmental Impact Statement was submitted to the Environmental Assessment Branch under the name of Millar Western Pulp (Meadow Lake) Ltd. That same facility is now owned by Meadow Lake Mechanical Pulp Inc. The original application was based on the use of 100% aspen in the pulping process. At that time, the use of softwood had not been contemplated. It is now our intention to incorporate softwood in the pulping process.



**MEADOW LAKE MECHANICAL PULP**  
A DIVISION OF SINARMAS GROUP

## FAX TRANSMISSION

**DATE:** June 2, 2008

**TO:** Brent Bitter

**FROM:**

FOIP 2011

**FAX:** 787-0930

**FAX:** (306) 236-4880

Total number of pages including cover page: //

Brent,

I'm not sure what is wrong with the Email system, however the enclosed Fax is the information that was in the Email to you.

A hard copy will be sent by regular mail.

Phone me at 236-9620 if you have any questions.



## MEADOW LAKE MECHANICAL PULP

A DIVISION OF SINARMAS GROUP

October 15, 2009

Darren Letkeman  
Environmental Project Officer  
Saskatchewan Ministry of Environment  
Unit 1, 101 Railway Place  
Meadow Lake, Sk S9X 1X6

RE: MLMP Status Update on Olivine Decommissioning

Darren:

Below is a status update on the work completed by Meadow Lake Mechanical Pulp Inc on developing a plan to decommission the Olivine Incinerator by the end of 2012 as per <sup>FOIP 28(1)</sup> March 19, 2009 letter to the Ministry. A detailed alternate plan was requested in an August 18, 2009 letter from the Ministry of Environment.



## MEADOW LAKE MECHANICAL PULP

A DIVISION OF SINARMAS GROUP

March 26, 2010

Howard Delong  
Environmental Assessment Branch  
5<sup>th</sup> Floor, 3211 Albert Street  
Regina, SK  
S4S 5W6

RE: MLMP- LCR Project Overview

Howard:

As per our conversation on March 22, 2010 please accept this letter as a project overview of Meadow Lake Mechanical Pulp Inc.'s, Low Consistency Refining (LCR) Project. This purpose of this letter is to notify the Environmental Assessment Branch of the project and provide a short description so that the Assessment Branch can provide written feedback on whether the company's proposed change requires formal notice as per Section 16 of The Environmental Assessment Act.



## MEADOW LAKE MECHANICAL PULP

A DIVISION OF SINARMAS GROUP

April 16, 2010

Darren Letkeman  
Environmental Project Officer  
Saskatchewan Ministry of Environment  
Unit 1, 101 Railway Place  
Meadow Lake, Sk S9X 1X6

RE: MLMP Status Update on Olivine Decommissioning

Darren:

Below is a status update on the work completed by Meadow Lake Mechanical Pulp Inc on developing a plan to decommission the Olivine Incinerator by the end of 2012 as per discussions with Saskatchewan Ministry of Environment officials during a meeting on February 5, 2009 and <sup>FCMP 29611</sup> March 19, 2009 letter to the Ministry. The last status updated was provided to the Ministry of Environment on October 15, 2009 and the intent of this letter is to inform the ministry on the progress since then on developing a plan.



## MEADOW LAKE MECHANICAL PULP

A DIVISION OF SINARMAS GROUP

September 15, 2010

Rhonda Herzog  
Environmental Project Officer  
Saskatchewan Ministry of Environment  
Prince Albert, SK S6V 6G1

RE: MLMP Particulate Monitoring Report for August 2010

Rhonda:

Please accept this as MLMP's Particulate Monitoring Report for the period of August 2010. In October 2009 MLMP began collecting data and completing a monthly particulate monitoring report based on data collected using an ADR- 120S particulate monitoring station set up south of Highway 55 on mill property. This location of the monitor is to the south east of the main mill and olivine incinerator.

## Appendix E. Excerpts from Fibre Excellence SAS filing submitted to France corporate registry in 2010

**Fibre Excellence SAS**  
Société par actions simplifiée au capital de 1.000 euros  
Siège social : 26-28, rue de Londres, 75009 Paris  
521 794 610 RCS Paris

Déposé au greffe du tribunal de commerce  
de Toulouse le

17 AOUT 2010

enregistré sous le numéro  
N° de gestion.

U1732

DECISIONS DE L'ASSOCIE UNIQUE EN DATE DU 7 MAI 2010

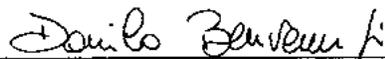
10B 23 22

### PROCES-VERBAL

L'an deux mille dix,  
le sept mai,  
à dix heures,

Paper Excellence BV, une société de droit néerlandais, dont le siège social est Beechavenue 5-80,  
1119 PW Schiphol - Rijk, Pays-Bas, et immatriculée sous le numéro 34297750,

De tout ce que dessus, il a été dressé le présent procès-verbal qui, après lecture, a été signé par  
l'Associé Unique.



La société Paper Excellence BV,  
Associé Unique,  
représentée par Hardi Wardhana et ANT Management (Netherlands) BV,  
ANT Management (Netherlands) BV étant elle-même représentée par  
Madame Marielle Clarissa Ruiz et Monsieur Petrus Hendrik Bosse