

March 9, 2019

Dear Honourable Minister Miller:

I am writing in response to Northern Pulp's environmental assessment for their new effluent treatment facility that would discharge up to 85 million litres daily of treated pulp effluent daily and into the Northumberland Strait.

Our family has had cottages on Moodie Cove since the early 1900's, long before the mill compromised air quality and before its effluent hugged the shoreline along Lighthouse Beach. My deep appreciation for the Northumberland Strait's beauty and clear water is what keeps our family coming back.

As a police officer with 30 years of experience, the history of Northern Pulp's parent companies is of particular concern to me. Northern Pulp is owned by Paper Excellence a subsidiary of Indonesian conglomerate, Sinar Mas. Sinar Mas is owned by the Widjaya family, one of the wealthiest families in Indonesia. Their businesses are responsible for deforestation of the Indonesian rainforest; contributing to hazardous level of smog in Singapore and Malaysia; defaulting on a \$14 billion loan; greenwashing their companies; and bribing government officials.

As Northern Pulp wraps up 50 years of deceit and environmental racism with Pictou Landing First Nation, they say they are ready to start a new and improved environmental legacy in Nova Scotia. Sinar Mas does not have their own country's best interests at heart. How are we to believe that their environmental practices in Nova Scotia will ever be any better. Below are a number of examples of questionable practices and concerns by Sinar Mas, parent company of Northern Pulp.

1. Asia Pulp and Paper makes Corporate Criminal List top 10

<https://globalexchange.org/2018/11/23/ten-top-corporate-criminals-of-2018>

In 2018 Asia Pulp and Paper was listed in the top ten of corporate offenders on the Global Exchange list. Global exchange is an international human rights organization dedicated to promoting social, economic and environmental justice around the world. Each year it releases its top corporate criminal list too highlight some of the world's corporate worst-of-the-worst on issues like violations of human rights and workers' rights, environmental destruction, war profiteering, and tax evasion and other white-collar corporate crime, just to name a few.

Asia Pulp and Paper made Global Exchange's 2018 "10 Top Corporate Criminal" list for continued destruction of the Indonesian rainforest and peatlands and attempting to "greenwash" its image for the global market

2. Executives with Sinar Mas arrested in Bribery scandal in Indonesia

An October 2018 article in Mongabay (detahttps://news.mongabay.com/2018/10/palm-oil-executives-arrested-in-bribery-scandal-in-indonesia/ils the arrest) details the arrest of three Sinar Mas executives *after an employee was caught bribing politicians to kill an inquiry into water pollution and plantation licenses in Borneo*. Two of the executives were employed with a palm oil company which falls under Sinar Mas and according to the Mongabay article was located *near Lake Sembuluh in Seruyan district, in the Bornean province of Central Kalimantan. The lake is ringed by oil palm plantations and mills and has become severely polluted, with residents complaining of itchy skin after swimming in its waters and the collapse of fish stocks*.

PT Binasawit Abadi Pratama, was a smaller company the executives worked for operating near the lake. A tip was received by investigators about a *planned meeting in Jakarta between Binasawit representatives and provincial legislators, during which the bribery was supposed to take place*. Further

investigation revealed that there were problems with Binasawit permits and that *Sinar Mas wanted to pay off the legislators not only to kill the inquiry into water pollution but also to tell the media that Binasawit's permits were in order.* At the conclusion of the investigation two executives from Sinar Mas were charged.

3. Greenpeace Slams AP&P over links to Deforestation

<https://www.greenpeace.org/usa/news/greenpeace-slams-app-sinar-mas-links-deforestation-ends-engagement-company/>

An article by Greenpeace International in May of 2018 calls out Asia Pulp and Paper (AP&P) over its deforestation practices in Asia and indicated that Greenpeace has ended all engagement with the company. Through *mapping analysis by Greenpeace International* it has been revealed that *almost 8,000 ha of forest and peatland has been cleared since 2013 in two concessions which are, through ownership, linked to APP and its parent company the Sinar Mas Group.* Greenpeace has put these allegations to APP/Sinar Mas. *The group failed to provide a credible response or to take meaningful action. As a result, Greenpeace has ended all further engagement with APP/Sinar Mas.*

In 2013 APP had adopted a Forestry Conservation Policy (FCP) and had *committed to end forest clearance within its own and suppliers' concessions, protect remaining forests in these areas, improve management of peatland and work with communities to resolve social conflicts.* Greenpeace had been advising and inputting into the FCP, however when it was able to show the deforestation of nearly 8000 hectares through satellite imagery and company deeds, it ended its relationship with APP stating that *this new evidence tells us that APP/Sinar Mas is not genuinely serious about stopping deforestation in Indonesia.* Greenpeace further called upon customers of APP to demand they end their deforestation practices and that if *APP and the Sinar Mas Group do not immediately comply, then all customers should cancel contracts and walk away.*

4. Behind-the-scenes ties and significant influence over wood suppliers linked to fires and deforestation in Indonesia.

<https://www.seattletimes.com/business/ap-exclusive-pulp-giants-makeover-obscures-supplier-ties/>

According to an AP exclusive published in the Seattle Times, December 19, 2017, Sinar Mas, known by its international trade name, Asia Pulp and Paper, one of the world's largest paper producers was attempting to "Greenwash" its image for the global market. In the article it states that Asia Pulp and Paper (APP) *has insisted in company publications, public events and to the media that most of the companies that supply it with wood are "independent," not owned by it or in other ways affiliated with it.* The AP reviewed over 1000 pages of company records and determined that 10 individuals owned these "independent" wood suppliers, and *that six are employees of the Sinar Mas group and two are former employees, one with links to the Widjaja family, which owns Sinar Mas. Several work in the finance department of Sinar Mas Forestry.* According to the article, Sinar Mas had pledged in 2013 to stop deforestation however the investigation found that *a company owned by two employees of Sinar Mas Forestry has been cutting down tropical forest on the island of Borneo since 2014.*

The AP was able to find that 27 so called independent wood suppliers had links to Sinar Mas even though the company had told the outside world that they were independent. They were able to identify some by *matching biographical details in the documents, including birth dates, to information in social media profiles, news reports, forestry industry documents and other sources.*

The article goes on to describe that on top of its pledge to stop deforestation in 2013, that Sinar Mas made another *pledge to gain prior and informed consent of local communities for new plantations,* but in spite of this, *Sinar Mas is pressing ahead with plans to turn 66,000 hectares (163,000 acres) of state land in the Bangka Belitung island chain off Sumatra into industrial forestry plantations despite substantial*

opposition from locals. The move puts the company on a collision course with villages that farm on the land and which some 100,000 people call home.

5. Defaulted on \$14 billion worth of bonds and loans in 2001

In the mid-1990s Asia Pulp and Paper (APP) embarked on an aggressive expansion strategy to turn their pulp and paper operations into a global player. Billions of dollars were required to fund the intended expansion. According to the Bulls and Bears Blog, *the company commenced a global drive for funds and managed to issue billions of dollars' worth of bonds starting 1994, with the help of the eager Wall Street investment banks, and a story that sold with investors: an emerging market blue-chip, with competitive advantage in fast-growing Indonesian hardwood, and operating in low-cost Indonesia while collecting revenue in dependable US currency.* (<http://stocktaleslot.blogspot.com/2005/11/asia-pulp-paper-debt-default.html>).

Several years later, after a down turn in global paper prices , APP were unable to meet their debt payments on bonds , loans and trade payables and according to Wikipedia, *in 2001, Asia Pulp & Paper (APP), the subsidiary of Sinar Mas Group, called a standstill on \$14 billion worth of bonds and loans and stopped repaying its debt, including interest payments, in what is still the largest default to foreign investors in Asian market history.* This included *about US\$6.7 billion of dollar notes, the biggest missed bond obligation by an Asian company to date,* (The Strait Times, Published Apr 28, 2015, <https://www.straitstimes.com/business/worst-asian-default-forgiven-as-indonesia-billionaire-sells-debt>).

The consequences for the Widjaya family were limited and as the ultimate owners of APP, *there was no forced pledging of their personal assets, nor any injection of assets to prop up the company for debt restructuring. The family and their associates were still left as the operational managers after the whole debacle.* (Bulls and Bears Blog). The Widjaya family was also the owner of Bank Internasional Indonesia, *before it was taken over and bailed out by the government in 2001 because it was unable to force Sinar Mas and other borrowers to repay their debts, and that, more than half of the bank's loans were made to Sinar Mas companies, violating rules on inter-group lending.* (Bloomberg Billionaire Index, Overview Eka Widjaya)

The Widjaya family business went on to recover from this debt default and expanded their properties in Indonesia, Singapore and China and according to the Bloomberg Billionaires Index , Eka Widjaya , the founder of the family business was listed in 2017 with a net worth of \$ 8.1 Billion.

Minister Miller, our natural resources deserve better than Sinar Mas. Nova Scotia deserves better. Pictou County deserves better. I am asking you to reject Northern Pulp's EA proposal. Their EA does not prove that their project will not cause adverse effects to the environment, and given their parent company's history of deceit and environmental destruction, there is no evidence to show that Northern Pulp has any intention of starting an improved environmental legacy here in Nova Scotia.

Sincerely,

Sean Townsend
Upper Rawdown NS
(summer resident - Moodie Cove, Pictou Landing)