

26 June, 2023

Nippon Paper Industries, Co., Ltd.
President
Mr. Toru Nozawa

South East Region Conservation Alliance (SERCA)
Harriett Swift
Japan Tropical Forest Action Network (JATAN)
Akira Harada

We Request an Immediate Stop of Your Procurement of Native Forest-sourced Woodchips from ANWE

Dear Mr. Nozawa,

First of all, we welcome your company's wise decision to withdraw from Opal's graphic paper division in February this year.¹

As for native forest in Victoria that supplies Opal with raw materials for paper production, it is reported that more than 200 rare and endangered species of flora and fauna in the state lost more than half of their habitats due to the worst forest fires in Australian history, which occurred between 2019 and 2020.² The impact of native forest logging for pulpwood production will leave these distressed wild plants and animals in an even more desperate situation.

You cited as the reason for the withdrawal of Opal's graphic paper division the fact that it was no longer possible to procure raw materials for paper production. In a lawsuit filed by environmental groups, the Federal Court has ruled VicForests, a state forestry company, failed to protect two species of possum (Leadbeater's Possum and Greater Glider) in its logging coupes. The court found the Environment Protection and Biodiversity Conservation Act applied to VicForests' operation because logging at the coupes was in breach of the code of practice that governed forest management in Victoria, and that its operations at a further 41 coupes were unlikely to comply.³ The Victorian Government has decided to bring forward the cessation of native timber harvesting to 1 January 2024.⁴

This suggests that, at least in the case of Australia, native forest-dependent procurement for raw material would put the paper company's business at great risk. Needless to say, threatened possum and glider species have important habitat in the native forests of NSW, which still provide wood for Eden Chipmill.

In NSW, the recent bushfires have caused immeasurable damage to wildlife, impacting nearly 8,000 koalas.⁵

¹ Notice of Withdrawal from White Pulp and Paper (Graphic Paper) Business at Opal <https://www.nipponpapergroup.com/english/news/Notice%20of%20Withdrawal%20from%20White%20Pulp%20and%20Paper%20%28Graphic%20Paper%29%20Business%20at%20Opal%2C%20a%20Consolidated%20Overseas%20Subsidiary%20of%20the%20Company.pdf>

² Victoria's bushfire emergency: Biodiversity response and recovery <https://www.wildlife.vic.gov.au/home/biodiversity-bushfire-response-and-recovery>

³ VicForests' logging in Leadbeater's possum habitat breached environmental law, court rules <https://www.abc.net.au/news/2020-05-27/leadbeaters-possum-federal-court-rules-vicforests-logging-breach/12292046>

⁴ VicForests statement regarding native timber harvesting <https://www.vicforests.com.au/publications-media/latest-news/vicforests-statement-regarding-native-timber-harvesting>

⁵ WWF: 60,000 KOALAS IMPACTED BY BUSHFIRE CRISIS <https://wwf.org.au/news/2020/wwf-60000-koalas-impacted-by-bushfire-crisis/>

Eighty percent of the NSW state forests from which the timber transported to Eden Chipmill have been burned by the bushfires. Thus, for koalas, possums, and other wildlife, the ongoing logging is driving them to the brink of extinction. For the state forestry industry, woodchips for pulping are not just a byproduct of sawmill industry. In 2020, "96% of trees felled were turned into woodchips".⁶

Allied Natural Wood Enterprises (ANWE), the owner of Eden Chipmill, is inseparable from Pentarch Forestry, the largest native forest logging company in NSW.⁷ Pentarch Forestry applies its "Due Diligence System" for plantation timber⁸ and, until recently sold FSC-certified woodchips overseas. However, as local environmental groups have pointed out, the chipmill did not actually segregate native forest and plantation timber,⁹ and they were concerned that native forest-sourced chips were being sold under the FSC certified label¹⁰ (GMP-CW-104288). In September, 2022, "Pentarch Forestry ... has lost its Forest Stewardship Council (FSC) sustainability certification and has been required to remove the FSC logo from its website".¹¹

Not only Responsible Wood (mutually recognized with PEFC), whose member companies include VicForests and Forestry Corporation of NSW, but even FSC cannot fully protect the biodiversity of forests. Therefore, we believe that timber companies need to promote the procurement and management of raw materials on a higher standard.

We understand that your company has steadily reduced the volume of chip importing from Eden for domestic pulp mills since you sold SEFE in 2015. However, your company has remained an important customer for ANWE today.

It is no exaggeration to say that the global trend is to move away from dependence on natural forests. As long as you continue to purchase from ANWE, you will not be able to remove one of the last strongholds of globally important wildlife from your supply chain, and it is imperative that you terminate your purchase agreement with ANWE immediately in order to keep your business more sustainable. We hope that you will make another important decision.

We would be grateful if you could provide us with your company's views on the above matters. Please contact us at the following address.

Contact information:

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⁶ Logging Eden: NSW south coast forestry dominated by potentially illegal wood-chipping

<https://michaelwest.com.au/logging-eden-nsw-south-coast-forestry-dominated-by-potentially-illegal-wood-chipping/>

⁷ Timber processors under pressure as supply dwindles and prices rise <https://www.abc.net.au/news/rural/2021-07-30/timber-supply-shortage-drives-price-rise/100332880>

⁸ PENTARCH FORESTRY FSC CONTROLLED WOOD – DUE DILIGENCE SUMMARY

http://www.pentarch.com.au/pentarch_forestry/documents/2020/2020%20Pentarch%20Due%20Diligence%20System%20-%20Summary.pdf

⁹ Big logging company Pentarch pinged for shifty forestry practices <https://michaelwest.com.au/greenwashing-nsw-logging-behemoth-loses-certification/>

¹⁰ Pentarch Forestry. Consultation on management of high conservation values (HCVs) associated with its plantation wood supply activities for 2020 <https://www.serca.org.au/activism/submissions/2019/swift2.pdf>

¹¹ NSW biggest native forest logger loses sustainability certification <https://www.savetheforests.org.au/Pentarch-loses-FSC.htm>