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 President & Chief Executive Officer of Nippon Paper Industries Co. Ltd

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Shareholders attending the Nippon Paper Industries Co., Ltd Open Meeting of Shareholders

Nippon Paper Industries Co., Ltd.
 4-6 Kandasurugadai
 Chiyoda-ku, Tokyo, Japan 101-0062

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To the Honorable Executives and Shareholders of Nippon Paper Industries,

Australia's 2019-2020 bushfire season was of an unprecedented scale, burning over 18 million hectares, destroying over 3,500 homes, and claiming the lives of 33 people and an estimated 1.25 billion animals. This devastation occurred at a time when Australia's unique wildlife and forest ecosystems were already in crisis. Australia is one of the world's most biodiverse countries and most of the animals found in Australia are only found in Australia. Sadly, even before the 2019-2020 fires, Australia had the fourth worst rate of extinction on the planetⁱ, and the highest rate of mammal extinctionⁱⁱ. Three unique Australian animals have already become extinct since the turn of the century.ⁱⁱⁱ

We, the undersigned organisations, call on Nippon Paper Group to rapidly transition out of native forests into plantations and recycled fibre, and immediately remove any non-Forest Stewardship Council (FSC) Full Forest Management certified Australian native forest wood and woodfibre from its supply chains in Australia and Japan, as part of this transition.

The logging of Australia's native forests, which Nippon Paper Group has a direct stake in, is a major driver of this crisis. Australians are increasingly concerned about native forest logging^{iv}, and its devastating environmental impacts on forests and wildlife. Due to the unprecedented and catastrophic fires, native flora and fauna, and forest ecosystems are under immense stress, and many animals have been pushed closer to extinction as a result of the fires. Post the 2019-20 bushfires, there is growing support for the protection of Australia's native forests from logging.

A leaked Australian Government report estimates that 31 percent of the state of Victoria's rainforests have been burnt, as well as 24 percent of wet or damp forests, and 34 percent of lowland forests^v. Eighty percent of forest in the Eden Management Area in New South Wales has been burnt^{vi}. In Victoria, where logging is focused towards supplying Nippon Paper Group owned Opal, the government has identified nearly 200 rare or threatened listed species that have had over 50 percent of their known habitat burnt^{vii}. One third of the New South Wales koala population is estimated to have perished in the fires^{viii}.

The Australian forestry industry, AFPA (of which we note Opal Australian Paper is a member) and CFMMEU are calling for dangerous and wide-spread salvage logging of burnt areas as well as logging in formal protected areas (national parks)^{ix}. Clearfelling and other methods of logging have already resumed in some areas despite lack of Free, Prior and Informed Consent of First Nations Peoples and opposition from local communities. It is very concerning that the industry is failing to accept evidence presented by scientists that logging and poor land management practices contributed to the catastrophic 2019-20 fires^{x,xi}.

The forestry industry's call for an increase to native forest logging is opposed by the undersigned organisations. The effects of 'salvage logging' will further impact areas that have been subject to devastating environmental disruption, and wildlife which have survived the fires will die if unburnt forest areas are logged. Australia's fire-affected native forests are living forests, and have not been killed by the 2019-20 bushfires. There is no need to 'salvage log' them. While severe fire kills plantation trees and salvage logging is required in order to be able to utilise plantation wood, this is not the case for the native forest types burnt in the recent fires. It would be extremely irresponsible to respond to environmental catastrophe with further destruction and Australia's forests must instead be protected.

Further to our concerns around the ecological ramifications of intensive logging practices in burnt forests, there is also substantial evidence that Nippon Paper Group's subsidiary Opal is both receiving illegally harvested logs from its supplier VicForests, and is also itself breaching Australia's illegal logging laws. Illegal harvesting and associated practices by VicForests has been well reported by media, government agencies, state audits, citizen scientists, NGOs, court cases and academia. In a recent post^{xii} to its website, VicForests admitted in its most recent audit by the Victorian state government of its logging operations, that an overall noncompliance rate of 16 percent was detected.

In May 2020, the Federal Court of Australia ruled that VicForests had breached state and federal law while logging Leadbeater's Possum and Greater Glider habitat.^{xiii} As such, the presence of VicForests' harvested wood from native forests within a Nippon Paper Group-owned entity's supply chain is in breach of Nippon Paper Group's Action Plan for Wood-based Raw Material Procurement^{xiv}, which states that steps will be taken to ensure that *'wood was harvested and the supplier of the wood are in compliance with relevant laws, and that no illegally harvested wood is included'*. This Action Plan also requires suppliers to report on *'applicable laws and regulations, and the suppliers' compliance with those laws*

and regulations'. Use of VicForests' harvested wood from native forests is clearly in breach of these requirements.

Opal itself is also in breach of Australia's *Illegal Logging Prohibition Act (2012)*, which, as it is a processor of domestic raw logs, regulates Opal's activities. The Act prohibits the processing of illegally harvested logs, and requires that Opal conduct due diligence to identify and mitigate any risks of illegality within its supply chain. Where such risks cannot be mitigated to a negligible level, the logs cannot be legally processed. Recent analysis^{xv} in Australia has concluded that successful risk mitigation is not possible for VicForests' logs and, as a result, Opal's operations have been referred to the Australian government for investigation.

Nippon Paper Group is a major driver of the crisis facing Australia's native forests, wildlife and communities affected by catastrophic bushfires. Nippon Paper Group is complicit with the breaches of Australia's *Illegal Logging Prohibition Act (2012)* and must take swift action to address the association of its products with the destruction of Australia's native forests and extinction of our unique wildlife.

We urge the Executive Officers and Shareholders of Nippon Paper Group to ensure the rapid removal of any non-FSC Full Forest Management certified Australian native forest wood and woodfibre from its supply chains in Australian and Japan. Wood sources certified by Responsible Wood, Programme for Endorsement of Forestry Certification (PEFC) and FSC Controlled Wood are not accepted as sustainably managed sources. Responsible Wood standards are not endorsed by any credible environmental NGOs in Australia as the scheme is underpinned by Australian Standards – Sustainable Forest Management (AS 4780) which permits the certification of unsustainable status quo forestry operations by private and state government agencies conducting salvage logging in national parks and areas needing to recover from fires, and logging of remaining remnants of koala habitat. FSC Controlled Wood certification is not supported across the environment movement in Australia. This is in part due to a failure to ensure that wood and wood fibre is being sourced responsibly in West Australia, where ancient Karri forests and High Conservation Values are being destroyed by certified logging operations. FSC Controlled Wood should not form part of Nippon Paper Group's transition to alternative sources of fibre supply.

Please contact representatives of Rainforest Action Network and the Wilderness Society in Australia via the email addresses below to confirm a meeting with senior-level decision makers to discuss our concerns.

Sincerely,

Rainforest Action Network, Gemma Tillack, Forest Policy Director, gemma@ran.org

Rainforest Action Network, Dr. Toyo Kawakawi, Japan Representative, toyo@ran.org

The Wilderness Society, Peter Cooper, Market Campaigner,

peter.cooper@wilderness.org.au

Cairns and Far North Environment Centre, Lucy Graham, Director, director@caf nec.org.au

Canberra Forest Alliance, Rebecca Horridge, rebeccahorridge@hotmail.com

Canopy, Nicole Rycroft, Executive Director, nicole@canopyplanet.org

Catalyst Conservation Foundation, Shayne McGrath, Executive Director

Environment East Gippsland, Jill Redwood, Coordinator, eeg@eastgippsland.net.au

Environment Tasmania, Laura Kelly, laura.kelly@et.org.au
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Friends of Jackeys Marsh, Kim Clark, Vice-President, delartyco@hotmail.com
Friends of Kalang Headwaters, Caroline Joseph, caroj2@bigpond.com
Friends of Leadbeater's Possum Inc, Steve Meacher, President,
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Friends of Bats and Habitat Gippsland, Lisa Roberts, friendsofbatsgippsland@gmail.com
Friends of the Earth (FOE) Australia, Cam Walker, Campaigns co-ordinator,
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Friends of the Great Western Tiers, Kristina Nicklason, kristinakm@bordnet.com.au
Gippsland Environment Group, John Hermans, President, john.g.hermans@gmail.com
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Healesville Environment Watch Inc., Maureen Bond, Secretary, hewisec@bigpond.com
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Lake Tyers Coast Action, Liz Allender, President, LakeTyersCoastAction@gmail.com
Lakes Entrance Community Landcare, Bumpy Favell, President, favellb@gmail.com
MyEnvironment, Sarah Rees, Director, sarah@myenvironment.org.au
Nature Conservation Council, Chris Gambian, Chief Executive, bsmith@nature.org.au
Newlands Friends of the Forest, Cath Rouse, catherine_rouse@yahoo.com
North Coast Environment Council, Jim Morrison, President, pactec@harboursat.com.au
Rainforest Foundation, Kelvin Davies, Founder, info@rainforest4.org
Rubicon Forest Protection Group (RFPG), Ken Deacon, Convenor,
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Save Our Strathbogie Forest, Bertram Lobert, bertram.lobert@activ8.net.au
The Coastwatchers Association, Reina Hill, President, contact@coastwatchers.org.au
The Friends of Mallacoota, Max Elliott, Secretary, maxelliott555@gmail.com
The Tree Projects, Dr Jennifer Sanger, Co-founder, thetreeprojects@gmail.com
Total Environment Centre, Jeff Angel, Director, jeff.angel@tec.org.au
Victorian National Parks Association, Matt Ruchel, Executive Director,
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Warburton Environment, Nic Fox, President, nicfox21@gmail.com

Wildlife of the Central Highlands (WOTCH), Hayley Forster, President,
h.s.forster@hotmail.com

Wildlife Victoria Inc. Dr Megan Davidson, CEO, megan.davidson@wildlifelifevictoria.org.au

XR Forests, Siena Hyland, Representative, sienalily97@gmail.com

350.org Japan, Takayoshi Yokoyama, representative, japan@350.org

- i ABC News. 20 July 2018. [Australia named as fourth-worst country for animal extinctions](#)
- ii The Conversation. May 9 2019. [Invasive species are Australia's number-one extinction threat](#)
- iii The Conversation. December 1 2019. [Scientists re-counted Australia's extinct species, and the result is devastating](#)
- iv Native forest harvesting was found to be considered unacceptable by 65% of rural/regional and 70% of urban residents across Australia in a 2018 University of Canberra study, commissioned by Forest & Wood Products Australia - Community perceptions of Australia's forest, wood and paper industries: implications for social license to operate - August 2018. Jacki Schirmer, Lain Dare, Mel Mylek.
- v The Age. 10th January 2020. [Leaked report lays bare environmental devastation of Victorian fires](#)
- vi Forestry Corporation. [Impact of Fires 2019-20](#)
- vii Victoria State Government. [Victoria's bushfire emergency: Biodiversity response and recovery.](#)
- viii Australian Broadcast Corporation. 18th February 2020. [Ten thousand koalas may have died in NSW bushfires, inquiry hears.](#)
- ix <https://www.theaustralian.com.au/nation/forestry-industry-cfmeu-united-on-logging-burns-to-take-fight-to-bushfires/news-story/f890944893a1135a8896f9fcbb8cc0bc>
- x The Guardian. 6th May 2020. [Compelling evidence logging native forests worsened Australian bushfires, scientists warn.](#)
- xi The Guardian. 26th February 2020. ["Call to end logging of 'protective' native forests in wake of bushfire crisis.](#)
- xii VicForests. [VicForest rejects Wilderness Society claims.](#)
- xiii ABC News. 27 May 2020. ['VicForests' logging in Leadbeater's possum habitat breached environmental law, court rules.](#)
- xiv Nippon Paper Group. [Action Plan for Wood-based Raw Material procurement.](#)
- xv The Wilderness Society. [Illegal logging in Australia – are you buying it?](#)