

A photograph of a paper mill interior. Large rolls of white paper are being processed by machinery. The rolls are supported by a complex system of metal frames and rollers. A blue tarp is draped over the top of the machinery. The floor is a light-colored concrete.

Asia Pulp & Paper: sustainability strategy in a changing global landscape

Who are we?



Asia's largest
pulp & paper manufacturer
and one of the largest
in the world

- 15 production companies across China and Indonesia, with 19 million tonnes annual combined capacity
- Sales of paper, tissue and card in more than 120 countries
- 2.6 million ha (10,000 sq mile) of forest supply chain in Indonesia
Equivalent to the surface of the French region Auvergne or the peninsula of Crimea
- 79,300 employees worldwide & global revenues of over \$11.3bn

Sustainability strategy

- On June 5th 2012, APP announced its **Sustainability Roadmap Vision 2020** that outlined its sustainability targets for the next decade and beyond
- In February 2013, APP launched its Forest Conservation Policy (FCP) **ending all natural forest clearance throughout its entire supply chain**
- Implementation of **a strict zero deforestation policy** from February 2013

What are we doing?



No Deforestation & Sustainable Forest Management

Natural forest moratorium was implemented to allow assessments which will determine natural forest areas to be protected, and to provide recommendations for the Sustainable Forest Management of APP suppliers.

HCV Study

Areas with outstandingly significant or critically important ecological, social or cultural value.

HCS Study

Areas that contain high above-ground biomass/vegetation cover, meaning it stores a large amount of carbon.

Peatland Management

Peat experts assessment and recommendations for best practice management

Social issues

FPIC for new developments, social mapping for responsible conflict resolution.

Growth & Yield Study

Assessing current & potential plantation yield across all suppliers area

Integrated Sustainable Forest Management Plan

APP

New partnerships and stakeholders involved

- **Solutions Working Group**

A consortium of key international & national NGOs which provides monitoring, input and solutions to APP on FCP implementation & progress: Greenpeace, WWF, EPN, RAN & WBH.

- **Peat Expert Team**

Led by Wageningen UR and including experts from Deltares and Euroconsult Mott MacDonald.

- **The Forest Trust – TFT**



Responsible for monitoring and reporting APP's compliance with its FCP commitments. Working with APP team on the ground for High Carbon Stock assessments.

- **Asia Pacific Consulting Solutions – APCS**



Managing High Conservation Value assessment (HCV) of 11 concessions (Phase I).

- **Ekologika**



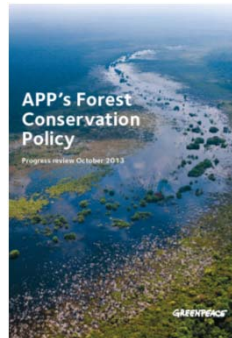
Managing High Conservation Value assessment (HCV) of 27 concessions (Phase II) and coordinating expert team for ISFMP development for all 38 suppliers' concessions.



Global experts for scrutiny and evaluation



- A balanced appraisal of our progress
- Recognised the commitment of APP's senior management, and progress in transparency and self-disclosure
- Affirmed that returning customers should require continued oversight of FCP delivery
- Acknowledged challenges ahead and made useful recommendations



Rainforest Alliance is conducting an external evaluation of the progress APP has made in implementing the commitments in its Forest Conservation Policy (FCP), through an independent audit.

"This is a challenging assignment. [...] the delivery on the ground is what matters"

Richard Donovan, Rainforest Alliance
Senior Vice President
and Vice President of Forestry



Locations:

- T Arara Abadi 9.2 - Pusa
- T Arara Abadi 9.1 - Berbi
- T Arara Abadi 8.0 - Melib
- T Arara Abadi 7.0 - Rasa
- T Arara Abadi 6.0 - Gelombang 1**
- T Arara Abadi 5.0 - Nilo
- T Arara Abadi 4.0 - Seba
- T Arara Abadi 3.0 - Mera
- T Arara Abadi 2.0 - Bukit
- T Arara Abadi 1.2 - Mala
- T Arara Abadi 1.1 - Sore
- T Sumalindo Hutani Jaya
- T Sumalindo Hutani Jaya
- T Surya Hutani Jaya
- T Finnantara Intiga (1)
- T Finnantara Intiga (2)
- T Finnantara Intiga (3)
- T Finnantara Intiga (4)
- T Asia Tani Persada
- T Tripupa Jaya
- T Bumi Mekar Hijau (1)
- T Bumi Mekar Hijau (2)
- T Bumi Mekar Hijau (3)
- T Bumi Andalas Permai (1)
- T Bumi Andalas Permai (2)

Map Details:

- Name:** PT Arara Abadi 6.0 - Gelombang 1
- Region:** Riau
- License number:** 743/kpts-II/1996
- License date:** 25-11-1996
- Environmental & Social credentials:** LEI COC/LOV; TLTV-VLO; TLTV-VLC; ISO 14001
- Overall size (ha):** 33967
- HCS Status:** Stratification
- HCV Status:** Full Assessment in Progress
- HCS Assessor:** TFT
- HCV Assessor:** APCS



The system, which is based on TFT's SURE Technology™, was launched in January 2013

Landscape Level Conservation & Restoration



- 28th April 2014, APP announced a new program to **support the conservation of one million hectare of rainforest** across Indonesia, strengthening our FCP commitment.
- The initiative has been developed with **input from many key stakeholders**, including **Greenpeace & WWF**.
- Together with these stakeholders, APP has **identified key landscapes** where conservation and restoration support is critically needed.
- **A multi-stakeholder platform** will be created, include a wide range of national and international NGOs and other institutions, to guide the implementation.

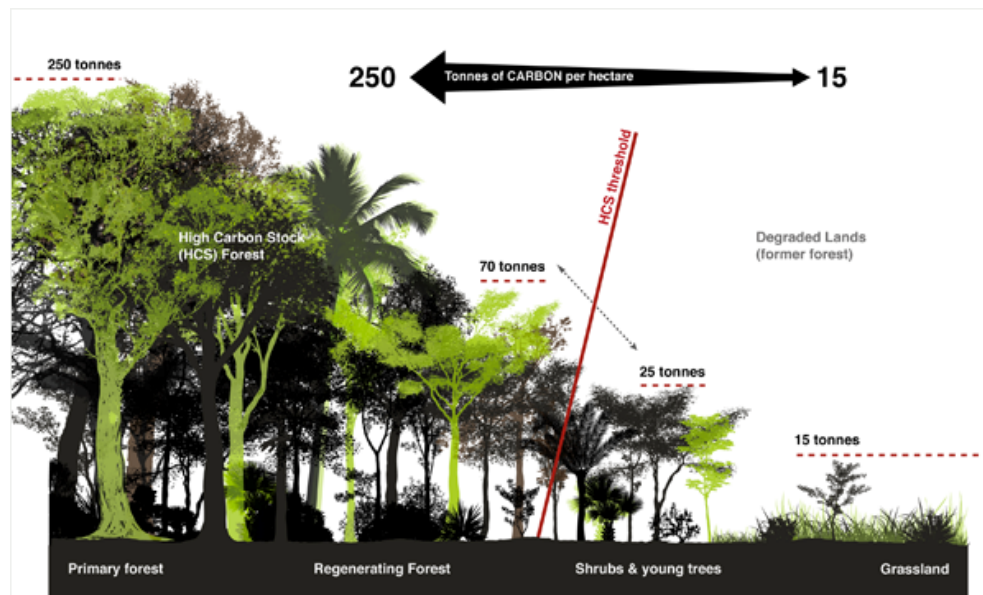
Summary and challenges for the future

- The world of global timber trade is being transformed by technology, public awareness, customer expectations and policy makers. It is changing for the better.
- Going beyond government's regulation is vital – and the market forces of the supply chains is required for a domino effect.
- APP's Forest Conservation Policy (FCP) aims to raise the bar in tropical forestry management globally with its zero deforestation commitment.
- Implementing conservation and restoration plans rely on local and international multi stakeholders cooperation.

We have made
solid progress,
but there is
much more
work to do

ANNEX

High Carbon Stock 6 different levels in tropical forests



High Conservation Value categories

HCV1

Biodiversity

HCV2

Natural landscape and dynamics

HCV3

Rares or endangered ecosystems

HCV4

Environmental services

HCV5

Basic need of local people

HCV6

Cultural identity of local communities