

Paper Force supports Asia Pulp & Paper's commitment to the first-ever retirement of commercial plantations on tropical peatland to cut carbon emissions

- *APP partners with Deltares to develop peatland best management practice model – Greenpeace is monitoring its development*
- *In the largest exercise of its kind, a quarter of Indonesian peat landscapes is mapped with LiDAR technology*
- *APP builds on FCP commitment of a moratorium on all peatland development since 2013*

Sydney, 13 August 2015 – Paper Force has today welcomed the news that Asia Pulp & Paper Group (APP) is committing to retire around 7,000 hectares of commercial plantation areas to protect threatened carbon-rich peatlands, the first time that plantations on tropical peatland have been retired for conservation purposes worldwide.

Peatland development in Indonesia represents one of the single largest terrestrial sources of greenhouse gas emissions (GHG) in the world¹. Retiring these plantation areas will help support the Government of Indonesia's target of a 26 per cent reduction in emissions by 2020.

The land marked for retirement is spread across five individual acacia plantation areas in Riau and South Sumatra which have been identified as requiring immediate rehabilitation following recommendations from the applied research institute Deltares. In line with APP's Forest Conservation Policy (FCP), a Free and Prior Informed Consent (FPIC) process will be conducted for the five areas, before any retirement proceeds.

APP's announcement is part of its commitment to establish a science-based landscape approach for best practice peatland management that can be used by the Indonesian Government and plantation companies. It builds on the conservation pledges in the company's FCP, which placed an immediate moratorium on all natural forests and new peatland development in February 2013.

As part of this approach, Deltares is working with APP to carry out the largest mapping exercise ever carried out on tropical peatland areas using LiDAR remote sensing technology. LiDAR, deployed from aircraft, allows Deltares to map around one quarter of all Indonesian peatland where APP's suppliers are located. The area totals 4.5 million hectares, which compares to an area the size of Switzerland or the State of Pennsylvania. The resulting maps will be finalised in 2016.

The mapping will provide unprecedented insight into the hydrology and environmental conditions of a number of critically important peat landscapes. Analysis of the data will enable Deltares to provide further recommendations on how APP can minimise the impact of drainage in peat landscapes, making a significant contribution not only to reducing forest loss but also to reducing greenhouse gas emissions that lead to climate change.

Larry Jackson, Managing Director, Paper Force said:

"APP's commitment to protect threatened carbon-rich peatlands can only be good news for the paper and packaging industry. With climate change at the top of the agenda for both business and

government, especially with COP21 this year and the UN Climate Summit last year, we welcome APP's commitment to reduce carbon emissions through best practice management of peatland.

"Sustainable products are of utmost importance to us and our customers. It is great to see our supplier developing best practices to manage forests. This will go some way in making our entire industry more sustainable."

Aida Greenbury, Managing Director Sustainability, APP said:

"APP's decision to retire these areas of commercial plantation is an important milestone in the delivery of our Forest Conservation Policy and we believe it is an unprecedented commitment. The retirement of active plantations is not an easy decision for any business to take, but we believe that taking urgent steps to protect remaining areas of peatland forest, as well as reducing and avoiding climate emissions from peatlands, must be a priority. While there is still a long way to go, and we have much to learn, this announcement today represents a major breakthrough.

"However, the reality of protecting peat landscapes is that no one company like APP can do it alone. APP's goal of supporting the conservation of forest and peat landscapes needs to be a shared objective, and one supported by meaningful actions from both the Government and other plantation companies. This should include addressing the systemic barriers to forest and peatland protection, supporting forest restoration and ensuring development opportunities for communities."

Dr Aljosja Hooijer, programme leader at Deltares, said:

"APP has a unique opportunity to support peatland forest conservation and emission reduction. The progress announced today is a first step in a process towards the development of a new model to define best management practices in peatlands. The pioneering approach to collecting LiDAR data has allowed the technology to be deployed at an unprecedented scale economically, and will advance the science of peat and peat management not only in Indonesia, but also globally."

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¹ CO₂ emissions from peatland drainage in Southeast Asia contribute the equivalent of 1.3% to 3.1% of the global CO₂ emissions from burning fossil fuels

Notes to editor

About Asia Pulp & Paper

Asia Pulp & Paper Group (APP) is a trade name for a group of pulp and paper manufacturing companies in Indonesia and China. APP is responsible for delivering quality products to meet the growing global demand for tissue, packaging and paper. On any given day, our products find their way into the hands of consumers in various branded forms from all over the world.

Started in 1972 with Tjiwi Kimia producing caustic soda, now we run operations across Indonesia and China with an annual combined pulp, paper, packaging product and converting capacity of over 19 million tons per annum. Today, APP markets its products in more than 120 countries across six continents.

Over the years, we have expanded our operations significantly through the acquisition and expansion of several of our pulp and paper mills. It's our commitment to customer satisfaction that enables us to grow our share in paper sales worldwide and broaden our presence through offices in many countries. We believe 'tradition and modernity go hand in hand' which means we value long term relationships as part of our Eastern traditions, while we also are eager to embrace the modern values of innovation and efficiency.

Maintaining the integrity of our supply chain is also crucial to APP's operations as well as our commitment to our Sustainability Roadmap Vision 2020. Learn more about APP's path to operational excellence by reading our Sustainability Reports and Forest Conservation Policy.

About Deltares

Deltares is an independent institute for applied research in the field of water, subsurface and infrastructure. Throughout the world, we work on smart solutions, innovations and applications for people, environment and society. Our main focus is on deltas, coastal regions and river basins. Managing these densely populated and vulnerable areas is complex, which is why we work closely with governments, businesses, other research institutes and universities at home and abroad. Our motto is Enabling Delta Life. As an applied research institute, the success of Deltares can be measured in the extent to which our expert knowledge can be used in and for society. For Deltares the quality of our expertise and advice is foremost. Knowledge is our core business.

Deltares has executed hundreds of advisory projects in South-East Asia, for bilateral financing agencies, international development Banks, local Governments, NGOs and private industry. In Indonesia we are a well established consultancy in the area of water and soils management, with over 40 years of local experience. In recent years, a growing component of our work has been in the area of peatland management support, with over 20 projects in the last 10 years. We publish frequently on the impacts of peatland drainage in terms of carbon emissions, land subsidence and future flooding, and on mitigation options.

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