

APP marks four-year anniversary of its Forest Conservation Policy

Report confirms “transformation process completely integrated into fabric of company”

Jakarta, March 10, 2017 -- Asia Pulp & Paper (APP) is now on the fourth year of a plan to transform its business model through its Forest Conservation Policy (FCP) and become a leader in responsible production. The company today highlighted its ongoing commitment to the four key principles of the FCP: halting all natural forest clearances; best practice in peatland management; partnership with local communities; and responsible global supply chain management. The report published today looks back at progress in 2016 and confirms the company is on track in implementing its zero-deforestation commitments.

Commenting on the progress report, APP’s Managing Director Aida Greenbury said: “APP’s transformation process is now integrated into the fabric of the company. The report that we publish today and the verification that has been undertaken to review our FCP in the past 12 months confirms that as a business we remain on the right path. We are now entering the fifth year of relying exclusively on fibre sourced from responsibly managed plantations throughout our supply chain. This is a journey which has no end, because no one is perfect and we will constantly seek to improve and protect the landscapes on which we depend, while improving the livelihood of the communities who depend on us.”

“We have learnt a great deal over the past four years,” Ms. Greenbury added. “We always knew the journey would be challenging but we continue to invest our time and resources, together with our stakeholders, into finding the right solutions to this challenge for our company, our industry and beyond.”

APP wants to use its own experience in the last four years of implementing the FCP to contribute to finding solutions for how businesses can help to address climate change. The report highlights the following areas of progress over the past year:

Policy Commitment 1: Protecting National Forests

APP has completed the Integrated Sustainable Forest Management Plan (ISFMP) as one of the key components in achieving the FCP, consolidating data and recommendations gathered through various assessments (High Conservation Value, High Carbon Stock, Peat (in stages) and Social) as well as inputs from stakeholders. In 2016, spatial plans for all 38 pulpwood suppliers have been completed and currently being developed into manuals as a guideline for implementation. So far ISFMP manuals for 24 suppliers have been finalised; the remainder will be completed in Q2 2017.

Policy Commitment 2: Peatland Best Management Practices

Continuing the first LiDAR (Light Detection and Ranging) mapping in 2015, in 2016 APP commenced the second LiDAR mapping exercise to expand the coverage area, increasing the resolution of critical peat areas, improving the analysis of the water management recommendations with a view to exploring the potential of using LiDAR as a monitoring tool. The second LiDAR mapping has been completed in Riau and Jambi, while the works in Musi Banyuasin (Muba), Ogan Komering Ilir (OKI) and West Kalimantan is scheduled in Q1 2017.

Policy Commitment 3: Social Engagement & Resolutions

Land conflicts continue to pose a major challenge to the agriculture and forestry sectors in Indonesia, which is why APP remains focused on managing and resolving them to the best of our ability and with the support and involvement from stakeholders, including government agencies and civil society. As of December 2016, more than 40% of mapped conflicts are considered as resolved, meaning an agreement was reached and in many cases already in the process of being implemented. APP also engaged The Forest Trust (TFT) to conduct due diligence to provide further verification on the status of our Social Conflicts Resolution processes.

Policy Commitment 4: Sustainable Fibre Supply & Sourcing

All existing and potential suppliers are evaluated against the Supplier Evaluation & Risk Assessment (SERA) to ensure continued compliance to the FCP as well as to evaluate risks based on their operations. This will include also small scale suppliers, consisting mostly of community forest groups that APP is currently assessing for inclusion in our supply chain.

The report also flags new approaches and initiatives APP is exploring to further embed the FCP across the company's concessions. This includes plans to undertake a broad natural capital assessment to better integrate environmental management with economic development.

The full report is available [here](#).

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, with an annual combined pulp, paper, packaging product and converting capacity of over 19 million tons per annum. On any given day, APP's products find their way into the hands of consumers in various branded forms from all over the world.

Ensuring supply chain integrity and commitment to the Sustainable Roadmap Vision 2020 are crucial to APP's operations. Learn more about APP's path to operational excellence by reading our Sustainability Reports and Forest Conservation Policy at www.asiapulppaper.com.