



For Immediate Release

## **Asia Pulp & Paper Group Partners with Carbon Conservation on Vision 2020: A Roadmap to Global Leadership in Sustainable Pulp and Paper Production**

**Jakarta, April 5, 2011:** Asia Pulp & Paper Group (APP) announced today it is expanding its partnership with [Carbon Conservation](#) by engaging the environmental and sustainability consulting firm to help craft Vision 2020, a roadmap to guide sustainability principles, goals and program execution across all aspects of the company's Indonesian operations from today to the year 2020.

Vision 2020 will assess three layers of business operations where APP has direct and indirect influence over sustainability programs and practices. The layers are structured according to a set of boundaries, based on APP's level of control and influence within its operations and supply chains. The Vision 2020 roadmap will encompass a broad range of critical issues integral to the Indonesian pulp and paper industry and forestry, and plot a course of action that will help APP achieve its goal of becoming the world leader in sustainable pulp and paper manufacturing.

Layer one of Vision 2020 will focus on the objective of creating a cleaner pulp and paper production process. It will address the impact of APP's manufacturing processes on air, water and soil, including among others: APP's initiatives to support the Government of Indonesia's greenhouse gas emission reduction targets as well as clean water and water conservation issues. Layer two will expand beyond APP's manufacturing operations into aspects of the supply chain where APP has direct influence with exclusive suppliers and partners. This area will cover goals and programs related to sustainable forestry, land conversion, peat management, national and international certification schemes, conservation of biodiversity and wildlife protection, and energy supply. The third layer will expand further into the supply chain to non-exclusive suppliers where APP has indirect influence over their sustainability practices. Each layer will factor in and address APP and its supplier's impact on economic, social and human rights needs of employees and people in the communities where APP and its suppliers operate.

"Pulp and paper is already a highly complex industry touched by so many environmental, economic and social issues. The challenges cover such a wide spectrum of issues that are all interrelated, from climate change to endangered wildlife protection to programs dealing with infant mortality. Add to that the sheer size of APP Group and the unique aspects of navigating these challenges in such a rapidly changing and industrializing country as Indonesia and you can see why it's so critical we have a clearly defined roadmap guiding our organization's overall sustainability programs," said Aida Greenbury, APP Managing Director.

Dorjee Sun, CEO and founding partner of Carbon Conservation, said that in addition to assessing APP's operations, the group will look at relevant best-in-class case studies from companies across the globe to

help model and benchmark APP's programs. Carbon Conservation will also engage a range of third-party experts to participate in the process, initially validating elements of the roadmap and later advising and potentially partnering with APP on execution.

"The sustainability challenges facing the pulp and paper industry are just too diverse and far-reaching for any single person or organization to say they are truly an expert. You may be considered a world leader in carbon sequestration and water management, but more than likely you aren't going to have the same level of experience in conservation and community development. To truly lay out a path to be a world leader in sustainability covering all aspects of such a complex organization demands that we engage credible experts throughout each stage of the process," said Mr. Sun.

APP selected Carbon Conservation as its Vision 2020 partner based on its experience with the company developing the [Kampar Carbon Reserve](#). Located on 15,000 hectares in Riau Province in Sumatra, the Kampar Carbon Reserve is being developed as the world's first privately funded project turning pulpwood plantation concessions into a carbon reserve.

"The group at Carbon Conservation understands the delicate balance we have to maintain developing our sustainability programs within the truly unique context of the social and economic challenges we face in Indonesia. At the same time the group understands the perspective and expectations of customers and stakeholders around the world that their partners exhibit a genuine respect for and commitment to the highest standards of sustainable business management," Ms. Greenbury said.

"Working inside APP as a partner for the past six months has given us unique first-hand insight into the path the sustainability program has been on over the past six years. We've also had the opportunity to see the depth of aggressive and ambitious research and development programs taking place today," said Mr. Sun. "The challenge APP faces is pulling all of these programs and activities into a single integrated vision with a clear path to execution. We can help ensure the individual aspects of the APP sustainability program within the mills, pulpwood concessions and surrounding communities integrate seamlessly together to maximize the cumulative positive impact across the organization."

In recent months APP has announced several specific goals and research and development initiatives that will roll up into the Vision 2020 roadmap. Three core pillars for sustainable forest management announced by APP include:

- 1) To source 100 percent of its pulpwood supply from sustainable plantation stock by the end of 2015
- 2) To achieve the government of Indonesia's mandatory Sustainable Forest Management certification for APP's pulpwood suppliers by the end of 2015
- 3) To have all exclusive pulpwood suppliers achieve the comprehensive and voluntary-based LEI ([Indonesian Ecolabelling Institute](#)) certification standard by the end of 2020

APP also recently laid out a series of research and development programs the company will undertake during the current two-year moratorium on the granting of new forest and peat licenses as part of Indonesia's commitment on Reducing Deforestation and Forest Degradation (REDD). Programs planned over the coming two years include:

- An ambitious independent study on the impact of plantation development and [greenhouse gas emissions on all soil types](#);
- A commitment to the principles of the UN Global Compact CEO Water Mandate as well as a partnership with Nalco to map out the company's overall [water footprint](#) across all aspects of its Indonesia and China operations;
- Enhancing key conservation areas, including creation of valuable [wildlife corridors](#);
- Research and pilot programs involving the protection of key [Indonesian endangered species](#), including the [Sumatran Tiger](#), Javan Rhino and Orangutan;
- A pilot program to develop a bio-village in the Giam Siak Kecil Biosphere reserve in Riau Province;
- Developing a verifiable carbon conservation model at [Kampar Carbon Reserve](#), the world's first pulpwood plantation REDD+ project;
- [Development of eco-friendly housing](#) with Habitat for Humanity Indonesia for a poverty stricken [community in Central Java](#);
- [Expansion of legality, Chain of Custody and sustainable forest certification management](#) programs to meet 2020 vision;
- Expansion of CDM programs;
- And a commitment by APP and its pulpwood suppliers to plant 1 million trees a day as part of its afforestation program.

"We take great pride in our efforts to apply world-class sustainability principles across all aspects of our organization. But we also realize that this is an area that is constantly evolving through research and the development of new technologies. To be a true world leader in sustainable pulp and paper manufacturing we have to keep pushing ourselves every day to seek out improvements in every part of our business. Vision 2020 will help give us the roadmap and the discipline to stay on the course of continuous improvement in our sustainability programs," Ms. Greenbury said.

#### **ABOUT APP**

Asia Pulp & Paper Group (APP) is brand umbrella for paper products manufactured by a number of mills in Indonesia, inter alia PT. Indah Kiat Pulp & Paper Tbk, PT. Pindo Deli Pulp and Paper Mills, PT. Pabrik Kertas Tjiwi Kimia Tbk, PT. Lontar Papyrus Pulp & Paper Industries, PT. Ekamas Fortuna and PT. The Univenus. APP is headquartered in Indonesia and markets its products to over 120 countries. The majority of APP's production facilities hold Chain-of-Custody certification from LEI and PEFC.

#### **ABOUT CARBON CONSERVATION**

Carbon Conservation is a pioneering Asian Australian company based in Singapore and a world leader in deforestation carbon credits. As a pioneer in the commercialization of forest-based carbon offsets, Carbon Conservation has had numerous successes in the generation of positive marketing rewards for supporters and participants in our projects. Carbon Conservation's high profile carbon finance projects have been well documented in the media via various articles in the Wall Street Journal, Fortune Magazine and others. Some of these achievements include Carbon Conservation's deal with Merrill Lynch on the Aceh Ulu Masen Project clinching the Carbon Finance Deal of the Year in 2008. CC's CEO, Dorjee Sun, has also been named one of TIME magazine's Environmental Heroes of the Year 2009 as well as was featured in the National Geographic documentary The Burning Season narrated by Hugh Jackman, which has aired in cinemas and on global TV.

**Media Contacts:**

Tashi Dorjee  
Sustainability Executive, Carbon Conservation  
E-mail: [tashi.dorjee@carbonconservation.com](mailto:tashi.dorjee@carbonconservation.com)  
Phone: +65 8141 6521

Stephan Irmea Sinisuka, Stakeholder Relations, Sustainability & Stakeholder Engagement, APP Indonesia  
E-mail: [Stephan I Sinisuka@app.co.id](mailto:Stephan_I_Sinisuka@app.co.id)  
Phone: +62-21-392-9266  
Fax: +62-21-316-2617  
Mobile: +62-81-510-541-547

Ian Lifshitz, Sustainability & Public Outreach Manager, APP the Americas  
E-mail: [ian@appcanada.com](mailto:ian@appcanada.com)  
Phone: 905-450-2100 ext. 297  
Mobile: 1-416-824-9429

###