



New conservation assessment shines light on Sumatra's rainforests

Jakarta, October 12, 2004 — A report released today by Rainforest Alliance, a leading non-profit international conservation organization, is destined to set a new standard for the way in which the Indonesian pulpwood industry assesses its forests for conservation values. The biodiversity conservation assessment, commissioned by Asia Pulp & Paper Co. Ltd. (APP), was based on the 'High Conservation Value Forest' Toolkit developed in 2003 for Indonesia and provides a scientific platform for the management of conservation forests within plantation concession areas.

SmartWood, a sustainable forestry program of the New York-based Rainforest Alliance, developed a methodology by adopting existing criteria for use in the unique natural environment of the Pulau Muda area of Riau in Sumatra, where APP has now agreed to set aside more than 85,000 acres (34,000 ha) of forest for conservation.

SmartWood's Asia Pacific Regional Manager, Jeffrey Hayward, explained that the 'Indonesian HCVF Toolkit' has great potential for further use in Indonesia. He added, "The Toolkit enabled our team of ecological and social scientists to systematically identify and map the forest areas of greatest conservation value within the concession. As a result of this approach, our international team has been able to indicate the forest areas that APP should protect from harvesting. APP has stated that they will accept the results of the assessment and will protect and manage the HCVF that has been identified. We believe that it is critical for good conservation management that they do so."

APP appointed SmartWood in May 2004 following an agreement reached with the export credit agencies of Germany, Japan, France, Austria, Sweden, Finland, Italy, Spain and Denmark on environmental covenants in the master restructuring agreements of the company's principal Indonesian operating companies. Earlier in the year, APP had launched its Sustainability Action Plan, which included putting over 175,000 acres (72,000 ha) of Sumatra's natural peat swamp forest into conservation. This was based on studies APP commissioned in 2003 to assess the forests' ability to provide long-term habitats to species, safe from human disturbance.

This latest assessment found evidence that the Pulau Muda area is home to the white-winged duck (*Cairina scutulata*). With a remaining population of only 450, it is even more endangered than the Sumatran tiger. The scientists also saw 11 examples of the world's most endangered stork, the Storm's stork (*Ciconia stormi*), and local villagers interviewed during the study confirmed that the swamp rivers are also home to the False Gharial crocodile (*Tomistoma schlegelii*).

Michael Black, APP's Deputy CEO, said, "We think that this is a very professional assessment. We accept the results and recommendations and have begun altering our operations accordingly. This report gives us a scientific basis for the sustainable development of our plantations and the management of our conservation areas. We believe that APP's approach to conservation is working and this assessment is yet another demonstration that real 'on the ground' progress is being made. The 'Indonesian HCVF Toolkit' and its commercial application is a first for the pulp and paper industry in Indonesia."

Previous assessments by APP had identified the areas in Pulau Muda that should be set aside for conservation, local tree species development and community use. Now, the SmartWood assessment team, which includes leading international forestry, wildlife, community and mapping experts have

been into APP's Pulau Muda concession areas and assessed which ones contain High Conservation Values and provided preliminary recommendations for how these should be managed.

Black continues, "The SmartWood experts have identified that some adjustments and additions to our conservation boundaries are needed and we fully accept this as part of their assessment. Importantly for us, the SmartWood assessment has deepened our understanding of the biodiversity values in our concessions and given us practical information on what we must do to protect them."

The Rainforest Alliance, an international conservation organization, is a leader in developing best management practices for sustainable land use and offers third-party certification and ecolabelling services to forests and farms that are managed in ways that reduce environmental impacts and increase social benefits. As the first organization in the world to utilize market forces to conserve tropical forests, launching a sustainable forestry division in 1989 and a sustainable agriculture division in 1991, the Rainforest Alliance pioneered a worldwide certification movement. Over 30 million acres (12 million ha) are now managed according to the highest standards through the Rainforest Alliance's SmartWood program. The Rainforest Alliance has recruited over 1,000 companies in this effort and improved the quality of life of some tens of thousands workers and their families. The Rainforest Alliance's sustainable agriculture certification program has certified more than 1,000 farms and cooperatives and has benefited over 125,000 farm families in the tropics.

Asia Pulp & Paper Co. Ltd. is one of the world's leading pulp and paper companies. With current combined pulp, paper and packaging grades capacity of 6.9 million tonnes in Indonesia, it ranks number one in non-Japan Asia. Headquartered in Singapore, APP currently has multi-locational manufacturing facilities in Indonesia and markets its products in more than 65 countries on six continents.

To read SmartWood's report on its HCVF assessment of APP's Pulau Muda district, please go to: www.rainforest-alliance.org/programs/forestry/smartwood/app.html

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For further information, photographs or maps, please contact:

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