

## INTRODUCING OUR FOREST CONSERVATION POLICY

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## AS A LEADING GLOBAL PULP & PAPER COMPANY, WE COMMIT TO PROVIDE SUPERIOR VALUE TO OUR CUSTOMERS, SUSTAINABLY AND RESPONSIBLY.

(FPIC) as part of our operations.

We have launched a new **Forest Conservation Policy** on February 5th, 2013 as part of our vision to be a leading and respected global pulp and paper company and to set a new benchmark of sustainability in the industry



#### WE ARE COMMITTED TO A "NO DEFORESTATION POLICY

- We halted all natural forest clearance on January 31st, 2013.
- Independent assessments on our stock and concessions are currently being carried out by satellite analysis and field work to determine areas of High Conservation Value Forests (HCVF) and High Carbon Stock (HCS) forests to be protected.



#### WE ARE COMMITTED TO PROTECT FORESTED PEATLANDS

Our policy includes ensuring forested peatland is protected as part of our commitment to maintain HCVF and HCS forests and best practice management to reduce and avoid greenhouse gas emissions.



WE ARE COMMITTED TO PROTECT AND RESPECT THE RIGHTS OF INDIGENOUS PEOPLE AND COMMUNITIES WHERE WE OPERATE We are introducing a policy of free, prior and informed consent



## WE ALSO EXPECT AND ENCOURAGE OUR GLOBAL SUPPLIERS TO ADOPT OUR FOREST CONSERVATION POLICY STANDARDS

Our policy focuses on our supplier's compliance to HCVF and FPIC principles to support responsible forest management



#### WE ARE COMMITTED TO TRANSPARENCY

- These commitments are being monitored by The Forest Trust (TFT), an independent non-profit specialist
- We also welcome other third party observers

### THE FACTS

## Progamme for the Endorsement Of Forest Certification (PEFC)

- Founded in 1999, in Geneva, PEFC is the largest not for profit, independent certification body
- PEFC is a global umbrella organisation for the assessment and mutual endorsement of national forest certification schemes, including the Finnish, Norwegian, Barzillian and Malaysian Forest Certification Schemes
- PEFC has a decentralised general approach based on general rules which is adapted to local circumtances
- As of 2009 about 225 million hectares of forest area (or 50 million acres) are managed in compliance with PEFC's internationally accepted standards
- PEFC promotes forest certification through independent third party verification and provides an assurance mechanism to purchasers of wood and paper products that they are promoting responsbly managed forest
- 34 national members and 28 endorsed national certification systems have joined forces under the PEFC umbrella to collaboratively promote sustainable forest management, including SFM (Canada), SFI (USA), CERFLOR (Brazil) and AFCS (Australia)
- Two-thirds of all certified forests globally are PEFC certified

#### Forest Stewardship Council (FSC)

- Founded in 1993, by a combination of business groups, social groups and environmental NGOs WWF, Greenpeace, and FERN
- FSC takes a more centralised approach.
   FSC standards evolve regularly, and are reviewed at periodic general assemblies.
- FSC is based on 10 fixed principles and 58 criteria for the world's forests and plantations. FSC also operates a 'controlled wood' standard, which focuses on legality and avoiding wood harvested from High Conservation Value Forests or those with social conflicts, among other issues.
- As of 2009, FSC has certified 100 million hectares of forest
- Less than 1% of forests in Australia are FSC certified
- Less than 1% of forests in Indonesia are FSC certified, none are pulpwood plantations. FSC has a 1994 cut-off date for forest conversion
- Collectively, Asia and Oceania contain less than 3.5% of all FSC certified
- Nearly 85% of all FSC certified forests are in Europe and North America
- FSC is regarded by some customers and NGOs as the 'gold standard' forest certification tool

APP supports certification as a market mechanism to promote the responsible management of the world's working forests and to prevent the entry of illegal wood into the global market. [insert detail of which APP produts/supply is PEFC certified]. APP's strategy is to seek formal association with the FSC system (minus the 1994 rule) and abide by its core principles. Our Sustainability Roadmap incorporates this as a core strategic goal.