



New Forests Announces Forest Stewardship Council® Certification for Indonesian Investment in Large-scale Rubber Project

SINGAPORE – 10 April 2020 – International sustainable forestry investor New Forests announced today that PT Hutan Ketapang Industri (HKI) achieved certification against the Forest Stewardship Council® (FSC®) forest management standards. HKI is the first large-scale rubber plantation to operate with FSC certification for latex.

FSC certification is a requirement of New Forests' investment policy for its Tropical Asia Forest Fund (TAFF), which invested in HKI in December 2015. The investment supports the development of a 30,000+ hectare rubber plantation on degraded land across HKI's 100,000-hectare estate in the Ketapang Regency of West Kalimantan, Indonesia. The estate currently includes around 21,000 hectares of planted rubber (*Hevea brasiliensis*).

"HKI is proud to be an early mover on using the internationally recognised FSC certification to verify that our operations respect the environment, local communities, and our workers," explained James Simatupang, Environmental Manager at HKI. Natural rubber faces increasing scrutiny as corporations and consumers demand responsible rubber sourcing. FSC certification provides assurance that environmental and social practices meet high standards, including ensuring against deforestation and exploitation in the supply chain.

"With rubber buyers seeking more sustainable sources, FSC certification will help HKI demonstrate that we can provide a steady supply of sustainable natural rubber as we launch implementation of the tapping program later this year," said Hero Djajakusumah, CEO of HKI.

Another initiative, the SPOTT Natural Rubber Transparency Ratings, supports investor awareness of rubber sustainability issues and transparency in the supply chain. In the inaugural 2019 SPOTT Natural Rubber Assessment, HKI achieved the highest rating of companies assessed.

"New Forests is proud to see HKI perform well against international standards that cover the full range of environmental and social best practices," explained Geoffrey Seeto, Managing Director for New Forests Asia. "The HKI team has developed leading environmental and social management systems and taken to heart the mission to embed a sustainable plantation model at the centre of their business."

Seeto continued, "Moreover, the New Forests TAFF investment in HKI shows that active engagement with portfolio companies can deliver the sustainability management and track record that international capital markets now demand. Sustainable land use and forestry receive only a small fraction of global funding, even of that dedicated to climate action and sustainable development. New Forests looks to change this by showing the market that sustainable forestry is not only better for development but also is commercially attractive and investible."

About New Forests

New Forests is a sustainable real assets manager offering leading-edge strategies in responsible forestry with approximately AUD 5.6 billion in AUM across a global portfolio of nearly 1 million hectares of forestry and conservation investments. As global demand for resources grows, there is a need to increase productivity while ensuring the conservation of the world's remaining natural forests. New Forests seeks to create investment strategies that provide lasting solutions to this challenge. Through responsible management of forests and other real assets, we create shared benefit for investors and local communities alike. New Forests has international reach, with offices and assets in Australia, New Zealand, Southeast Asia, and the US. This gives us a global perspective combined with local expertise that allows us to understand and manage our assets more effectively.

To learn more, visit www.newforests.com.au. New Forests is part of the Certified B Corp™ community, a global movement of people using business as a force for good.

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