



New Forests wins Environmental Finance Award for Sustainable Forestry Deal of the Year

Indonesian Rubber Plantation Investment Emphasizes Key Social and Environmental Outcomes

24 March 2016 – New Forests is proud to receive the Environmental Finance award for Sustainable Forestry Deal of the Year 2016 on behalf of the New Forests Tropical Asia Forest Fund (TAFF) for its equity investment into PT Hutan Ketapang Industri (HKI) in West Kalimantan, Indonesia. The award highlights the integrated landscape approach New Forests and TAFF have applied to this large-scale rubber plantation investment, which involves a joint venture with Indonesia's Sampoerna Agro (SGRO).

"We are honoured to receive this award from Environmental Finance, which I believe is a recognition of the growing need for large-scale demonstrations of plantation development projects that deliver both sound returns and positive community and environmental outcomes," said New Forests' CEO David Brand.

New Forests completed the HKI transaction in December 2015. TAFF is a USD 170 million fund, which has taken a 35% stake in HKI. TAFF is backed by institutional investors, including European pension funds, development banks, and European and American funds of funds.

Brand continued, "As New Forests worked to complete this investment, we saw major international milestones like the inclusion of forestry and agriculture in the updated UN Sustainable Development Goals and the explicit recognition of the role of forestry and land use in meeting climate goals from the Paris Agreement. New Forests believes forestry investment should be aligned with these objectives, and we aim for the Hutan Ketapang Industri business to help demonstrate a successful model not only for sustainable rubber production but also for the shared value that can be created through effective investment partnerships."

The investment in HKI is believed to be the first institutional investment in large-scale forestry in Indonesia, and the strong environmental and social criteria of TAFF's investment program have been incorporated into the partnership with Sampoerna Agro and the management of HKI. The HKI business will apply the IFC Environmental and Social Performance Standards as well as be managed in accordance with the Principles & Criteria of the Forest Stewardship Council.

With a concession area in excess of 100,000 hectares in the Ketapang regency, HKI aims to establish a sustainable rubber plantation of more than 30,000 hectares while applying an integrated landscape approach that includes rubber plantation, conservation management areas, community forestry, and ecosystem restoration.

"New Forests has developed a model for Sustainable Landscape Investment that looks to deliver investment performance through the management of economic, environmental, and business factors," added Brand. "HKI is a terrific example of the type of investment we believe demonstrates this Sustainable Landscape Investment approach and we look forward to working with HKI and Sampoerna Agro to deliver both investment returns and positive community impact."

Learn more about the Environmental Finance Sustainable Forestry Deal of the Year 2016: <https://www.environmental-finance.com/content/deals-of-the-year/sustainable-forestry-2016-new-forests-and-sampoerna-agro.html>

**About New Forests**

New Forests (www.newforests.com.au) is a sustainable real assets investment manager offering leading-edge strategies in forestry, timber processing, infrastructure, land management, and conservation. Founded in 2005, the company offers institutional investors targeted opportunities in the Asia-Pacific region and the United States and has more than AUD 2.8 billion in assets under management. New Forests' clients include pension funds, superannuation funds, and other institutional investors. The company is headquartered in Sydney, Australia with offices in Singapore and San Francisco.

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