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Peugeot's Carbon Sink in the Amazon Forest Five-Year Progress Report and Outlook

Jean-Martin Folz, CEO of PSA Peugeot Citroën, and Pierre-Olivier Drège, Director of France's *Office National des Forêts* (ONF), traveled to the São Nicolau tree farm in Brazil on October 28 and 29 for a first milestone review of their experimental carbon sink project.

The €10 million project, fully financed by the Peugeot marque, is being carried out by ONF through subsidiary ONF International.

Peugeot had several objectives in creating the carbon sink.

To start, it wanted to take a comprehensive approach to controlling greenhouse gases from human activity.

In addition to devising technological innovations to reduce CO₂ emissions at the source, the carmaker is committed to making a positive contribution to the initiatives that came out of the Kyoto Protocol, which emphasizes the importance of fighting the man-made greenhouse effect. Thanks to its innovations, PSA Peugeot Citroën ranks among the world's leading manufacturers with the best performance in terms of fuel consumption and CO₂ emissions. As for its environmental contribution, Peugeot's carbon sink was created to study the relationship between reforestation, sequestration of atmospheric carbon and climate regulation through the development of a living, large-scale prototype over a 40-year period.

The project also fits in with the commitments of the Group's corporate citizenship responsibilities. The local population was involved in creating the sink from the very beginning to ensure that it was firmly anchored in the community. An environmental education program was set up in local schools and more than 1,500 students have discovered the usefulness of a growing forest by visiting the São Nicolau tree farm. In addition, some 80,000 saplings have been distributed to owners of small local farms since 2000.

Lastly, the Group wanted to promote biodiversity. Instead of selecting a single, fast-growing species that would be particularly productive and easy to plant, the project managers chose numerous species to create a forest with as many plant varieties as possible. This, in turn, should help diversify the area's fauna by bringing back a number of forest animals.

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The project began in 1999 with the acquisition of 24,710 acres of farmland in Mato Grosso State, in the Legal Amazon. Since then, two million trees have been reintroduced. The first plantings are now nearly ten meters high and the latest are already two meters high. The young forest has definitely taken root.

So far, 4,942 acres have been reforested with more than 50 native species, making this a unique project, unlike any other type of reforestation to sequester carbon.

The project is managed by a steering committee with equal representation from Peugeot and ONF. In 2000, a Scientific Committee of 14 multidisciplinary scientists—most of them Brazilian—was set up to promote the use of best practices and oversee research on Peugeot's carbon sink. The Committee met for the sixth time on October 26 and 27 at the São Nicolau tree farm.

The five-year planting phase is completed. This marks a new start for the project, which will now focus on sustainable development and scientific research through a number of key objectives:

- Serve as a laboratory for studying the relationship between reforestation, sequestration of atmospheric carbon and climate regulation.
- Develop benchmark carbon-tracking methods for forest planting projects.
- Develop a multidisciplinary research center at the São Nicolau tree farm.
- Make the site a model of sustainable planning by integrating the region's traditional activities of livestock farming and forestry, which includes reforestation and management of the natural forest.
- Firmly anchor the project in the local community, notably by pursuing and developing social and educational programs.

The partners are also committed to publishing high-quality scientific papers to share their findings with a broad range of scientists and researchers in Brazil and the rest of the world.