

Sustainable Palm Oil

Multi-stakeholder Collaboration



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Multi-stakeholder collaboration

GAR believes that multi-stakeholder collaboration is the only way to achieving solutions for sustainable palm oil production.



Milestones

1997

First palm oil producer to establish a zero burning policy

November 2007

Greenpeace releases a report titled: 'Cooking the Climate' and begins campaign against the palm oil industry

December 2009

Unilever decides to suspend all future purchases of palm oil from SMART

February 2010

No development on peat land regardless of depth

April 2010

Nestlé stops all purchase of palm oil from SMART

August 2010

SMART presents Independent Verification Exercise (IVEX) report in an open and transparent manner

Q4 2010

GAR formalises collaboration with The Forest Trust (TFT)

February 2011

GAR initiates industry engagement for forest conservation through a Forest Conservation Policy

April 2011

GAR receives RSPO membership

May 2011

GAR publishes inaugural sustainability report

June 2011

GAR invited to present at Oslo REDD+ Exchange 2011

September 2011

Nestlé resumes palm oil purchases from SMART

September 2011

SMART receives RSPO certification

October 2011

Unilever returns to SMART

November 2011

GAR invited to present at TFT's Responsible Palm Oil Conference held in Paris

November 2011

GAR launches Social and Community Engagement Policy

November 2011

GAR invited to present at the 9th Annual Roundtable Meeting on Sustainable Palm Oil

January 2012

GAR's subsidiaries receive RSPO certification

February 2012

GAR and SMART launch Yield Improvement Policy

February 2012

GAR's subsidiary IMT and its subsidiaries received International Sustainability and Carbon Certification (ISCC)

April 2012

GAR invited to present at TFT's Responsible Palm Oil Conference held in London

June 2012

GAR and SMART collaborate with TFT and Greenpeace (the Team) to publish the HCS Forest Study Report

June 2012

The Team presented HCS Forest Study findings at the Indonesia REDD+ Task Force Seminar in Jakarta

June 2012

GAR invited to present at "The Path to Zero Deforestation", a workshop organised by Greenpeace prior to Rio+20 Conference

June 2012

GAR publishes second sustainability report

July 2012

GAR invited to present at the "World Sustainable Agriculture Congress"

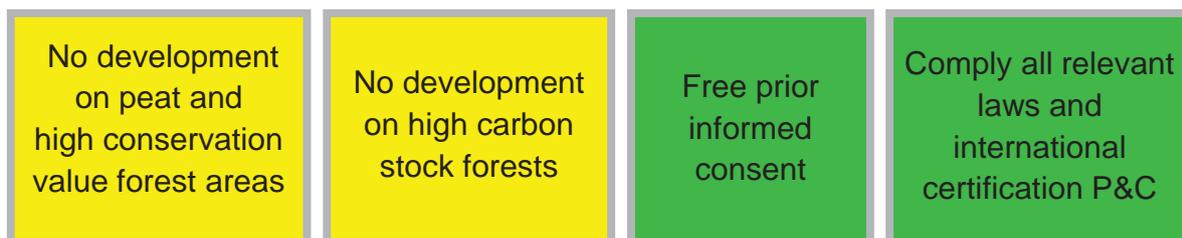


From conflict to collaboration: Multi-stakeholder engagement



GAR Forest Conservation Policy

- Builds on GAR's pre-existing commitments.
- GAR's Forest Conservation Policy is developed in collaboration with The Forest Trust (TFT) to ensure that GAR has no deforestation footprint. Various stakeholders including Greenpeace have provided inputs.
- FCP focuses on



GAR Forest Conservation Policy

- Holistic approach: Implemented Social and Community Engagement Policy (SCEP) and Yield Improvement Policy (YIP) in collaboration with TFT and other stakeholders.
- Ultimately, the conserved High Carbon Stock (HCS) area can revert to its natural ecological function as a forest.
- Applicable to all the plantations that GAR owns, manages or invests in regardless of the stake.



7

Support from stakeholders

"The Government of Indonesia welcomes the cooperation between GAR and TFT on sustainable palm oil development that embraces the environmental conservation and social concerns in promoting economic growth. This initiative is an example to find concrete solutions and model for resource-based sectors which is very key to Indonesia's sustainable development. We are supportive of this 'lead by example' partnership that would encourage all players to participate in this process, at this stage and beyond."

Mahendra Siregar, current Vice Minister of Finance and former Vice Minister of Trade of Indonesia

Press conference for the launch of GAR's Forest Conservation Policy
9 February 2011



8

Support from stakeholders

'There are pioneers within the business community too, but we need more. Businesses must look forward, be innovative and look for sustainable solutions. In Indonesia, Golden Agri-Resources has engaged with the NGO Forest Trust to improve the sustainability of their land use by committing to steer clear of carbon-rich forests and peatlands, and respect indigenous peoples' land rights. International companies like Nestle and others have committed to buy only sustainably produced palm oil. I sincerely hope that these companies will prove to be true pioneers, and inspire other businesses to follow.'

Erik Solheim, former Norwegian Minister for the Environment and International Development

Forests Indonesia Conference 2011, organised by CIFOR
27 September 2011



9

Support from stakeholders

'Last year Nestlé resumed purchases from a palm oil mill in Indonesia run by PT SMART, after the latter set out a commitment to having a "no deforestation footprint".

Working with The Forest Trust, the company has put in place supply chain controls so the oil is fully traceable as legally, sustainably and socially sound, starting from its supplying palm plantations through processing and transport to the Nestlé factory.

This is an example for us all to follow.

Stephen O'Brien, DFID

Responsible Palm Oil Conference, organised by TFT
19 April 2012



10

HCS Forest Study Report



- The HCS Forest Study Report was published following the completion of the HCS forest fieldwork conducted under GAR's Forest Conservation Policy.
- The report was presented at the REDD+ Task Force Seminar on 5 June 2012 in Jakarta

http://www.goldenagri.com.sg/pdfs/misc/High_Carbon_Stock_Forest_Study_Report.pdf.



11

Summary of HCS Forest Study findings

The findings of HCS forest study indicate that vegetation cover can be used to:

- Estimate the level of carbon stocks
- Stratify into different classes to broadly represent different carbon stocks

They also indicate that:

- This is a practical and robust method to identify HCS in GAR's concessions in Kalimantan
- However, it needs further testing and field work as a reliable predictive tool for HCS forest across Indonesia



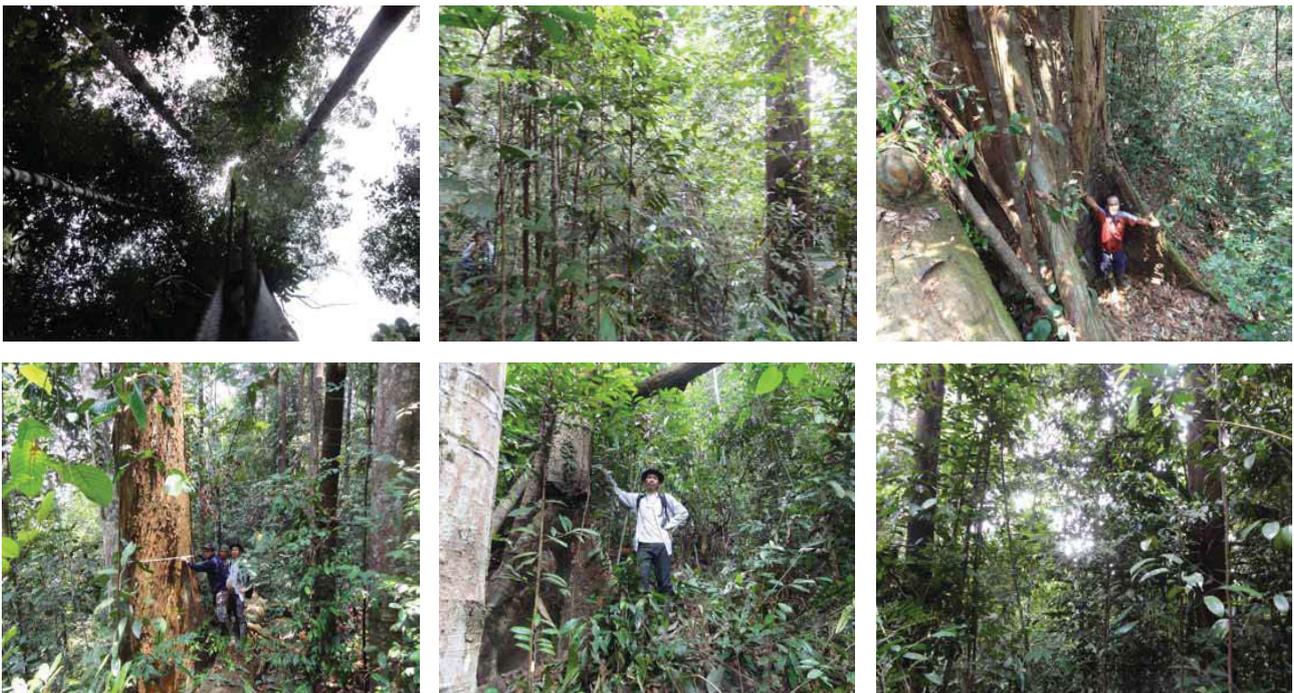
12

Summary of HCS Forest Study findings

Six strata can be identified:

- **HK3** – Remnant forest or advanced secondary forest close to primary condition;
- **HK2** – Remnant forest but more disturbed than High Density Forest;
- **HK1** – Appears to be remnant forest but highly disturbed and recovering (may contain plantation/mixed garden);
- **BT** – Mostly young re-growth forest, but with occasional patches of older forest within the stratum;
- **BM** – Recently cleared areas, some woody re-growth and grass-like ground cover;
- **LT** – Very recently cleared land with mostly grass or crops, few woody plants.

High Density Forest: HK3



Medium Density Forest: HK2



Low Density Forest: HK1



Old Scrub: BT



Young Scrub: BM



Cleared/Open Land: LT



19

Greenpeace blog



GAR sets the bar high in Indonesian deforestation

Blogpost by **Bustar Maitar** - June 6, 2012 at 17:04

1 comment

What seemed unthinkable for some people two years ago is now happening Golden Agri-Resources (GAR) is leading the way in what could be the starting point for the palm oil industry to phase out deforestation. And instead of hanging banners at its offices, we are collaborating with the company in what is an unprecedented, serious effort towards what GAR describes as a "no deforestation footprint" for palm oil.

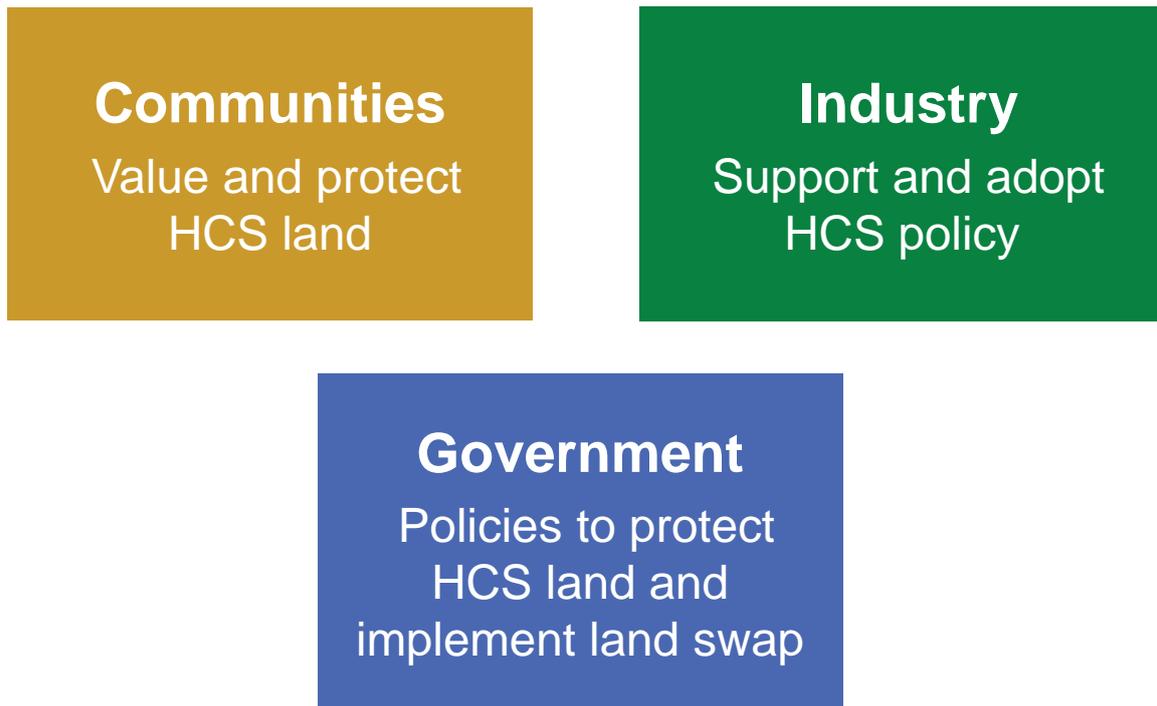
Right now, lets take some time to say 'great work'. It doesn't happen every day that such an **unconventional partnership bears fruit**. GAR's commitment and their progress so far clearly shows **that industry and civil society can work together to implement solutions** that safeguard the environment, the livelihoods of communities and continued economic growth.

<http://www.greenpeace.org/international/en/news/Blogs/makingwaves/gar-sets-the-bar-high-in-indonesian-deforesta/blog/40823/>



20

Achieving success: Multi-stakeholder collaboration



Next steps

1. The Team (GAR, Smart, TFT and Greenpeace)
 - Presenting the findings.
 - Holding wider discussions.
 - Gathering feedback on study and outcomes.
2. GAR's action plan
 - Upon gathering the required input and feedback from all stakeholders, GAR intends to develop its action plans for how it will proceed further with this methodology and will announce this in due course.
3. To be successful, all stakeholders must work together:
 - Local communities - Multi-stakeholder collaboration to find solutions to convince local communities on value of conservation.
 - Government - Support to establish and implement land swap process.
 - Industry - Support of key industry players.

Thank you

