

Case Study

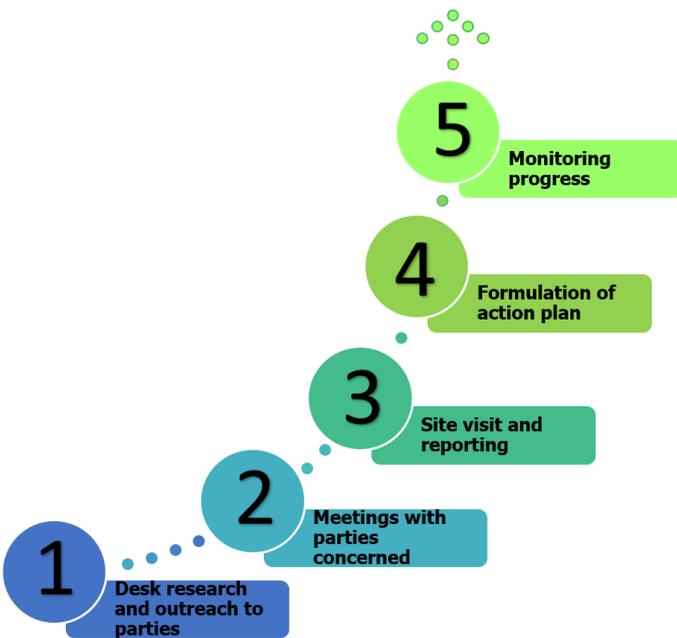
Helping our supplier strengthen forest conservation practices in Papua

Background

In June 2015 Greenomics Indonesia, a policy development institute, reported that a subsidiary belonging to a GAR supplier was involved in clearing High Carbon Stock (HCS) forests in Papua. Greenomics said that leading companies such as GAR, Cargill and Wilmar continued to source from the parent company, PT Eagle High Plantations Tbk. (Eagle High) even while deforestation was being carried out by its subsidiary Pt Varia Mitra Andalan (VMA) in Papua.

GAR does not buy any palm oil produced by third party suppliers in Papua. Nevertheless, we deepened our engagement with Eagle High as the parent company to ensure that the entire group was working towards compliance with our sustainability policy.

GAR's Deep Engagement Process



Action

In meetings with the senior management of Eagle High, we explained GAR's sustainability commitments which includes protection of HCS Forests.

Having worked on the HCS Approach together with The Forest Trust and Greenpeace, we were uniquely qualified to explain and clarify the concept to Eagle High. HCS is a scientific methodology that distinguishes forest areas containing more carbon stock from degraded lands. The latter may be developed while the former is earmarked for conservation.



Explaining HCS Approach to Eagle High

As a member of RSPO, Eagle High was already committed to environmental and social practices required by RSPO. In our discussions, we highlighted that they now had an opportunity to build on and strengthen these practices by adopting the HCS Approach and conducting HCS assessments in addition to High Conservation Value (HCV) and Social and Environmental Impact (SEIA) studies.

Subsequently, Eagle High announced they were suspending land clearance in VMA and commissioning a HCS study. Adopting the HCS Approach is an entirely voluntary step and one that not many small and medium-sized palm oil companies take as it incurs extra costs.

Over the following months, GAR continued to brief and support Eagle High's top management and sustainability teams.

Chronology of Deep Engagement Process with Eagle High



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In 2016, Eagle High announced a new sustainability policy in which they committed to carrying out HCS, HCV and SEIA studies prior to new development.

Eagle High was soon able to share the initial results of the HCS study in Papua with us, becoming one of the few companies to submit its study to the HCS Approach Steering Committee for peer review. As a sign of commitment to strengthening their forest conservation policy, Eagle High attended a HCS Approach meeting in Singapore for the first time to learn more about the approach and how to implement it.

GAR's commitment to help its suppliers has been a critical factor in helping us adopt higher sustainability standards. While we had taken some initial steps on forest conservation, we really benefited from GAR's support and guidance. It helps a lot to know how a company like GAR is tackling issues such as forest conservation and fortunately we are able to tap that knowledge.

Sebastian Sharp, Head of Investor Relation and Sustainability, Eagle High Plantations



Outcome

Today, Eagle High is implementing strengthened sustainability commitments at the group level in line with the GAR Social and Environmental Policy (GSEP). We continue to work closely with them, giving them further training on responsible palm oil production.

At GAR we believe that environmental protection and economic growth can go hand-in-hand. To achieve this within our industry, we are bringing our supply chain together with us on our sustainability journey through engagement, collaboration and cooperation. While we reserve the right to exclude suppliers who truly do not share our commitments to responsible palm oil, in our experience dialogue remains the most effective way to help our suppliers begin or strengthen their own sustainability practices. To learn more about how we support supplier sustainability visit www.goldenagri.com.sg and our [Sustainability Dashboard](#).



Eagle High HCS Study