



# The journey to palm oil sustainability – a shared responsibility

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Internacional sobre  
20th International

**PALMA  
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Oil Palm Conference

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## About Golden Agri-Resources

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Golden Agri-Resources (GAR) is a leading seed-to-shelf agribusiness, growing oil palms with farmers to produce food and fuel for today and for the future.



Together with Sinar Mas Agribusiness and Food, our business operation in Indonesia, we manage our end-to-end production using sustainable practices.

Established in  
Indonesia in 1985 with  
**>30 years** of  
experience

Products sold in  
**±100 countries**  
worldwide

More than  
**30 consumer  
brands**

Around **536,000**  
**ha** of palm oil  
estates in Indonesia

Jobs for  
**>170,000 people**  
worldwide

**GAR Social and  
Environmental  
Policy (GSEP)**  
our roadmap  
for sustainability

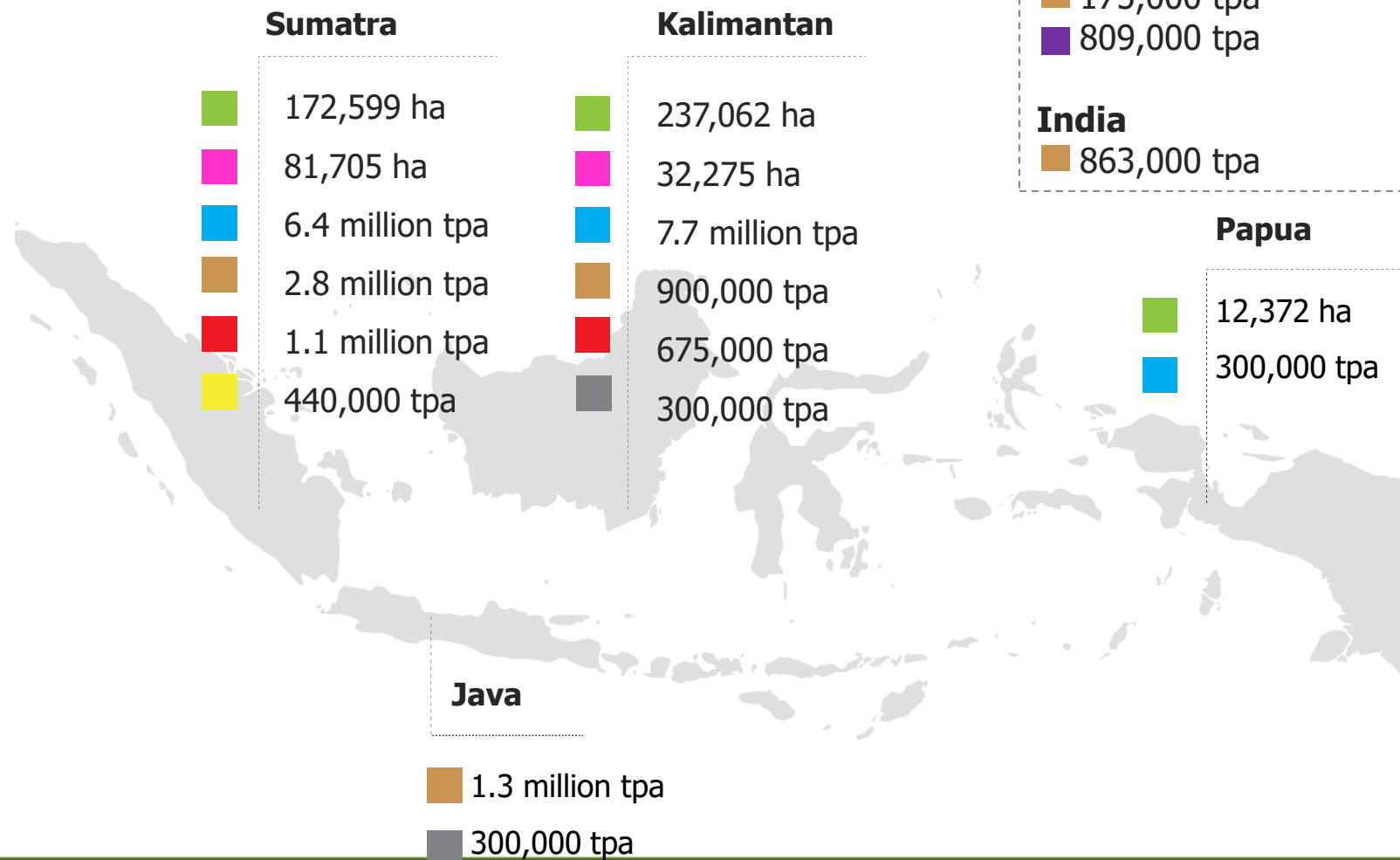
**95%** Traceability to  
the Plantation **as of  
end 2021**

Member of **RSPO**  
**since 2011**  
(2005 PT Smart TBK)

**79,900 ha** of  
conservation area  
set aside

- Nucleus planted area (in hectares)
- Plasma planted area (in hectares)
- CPO mills capacity (in tonnes per annum)
- Refinery (in tonnes per annum)
- Kernel crushing plant (in tonnes per annum)
- Oleochemical plant (in tonnes per annum) - including operations under JV
- Biodiesel plant (in tonnes per annum)
- Soybean crushing plant (in tonnes per annum)

## Indonesia



Figures correct as of 31 December 2021



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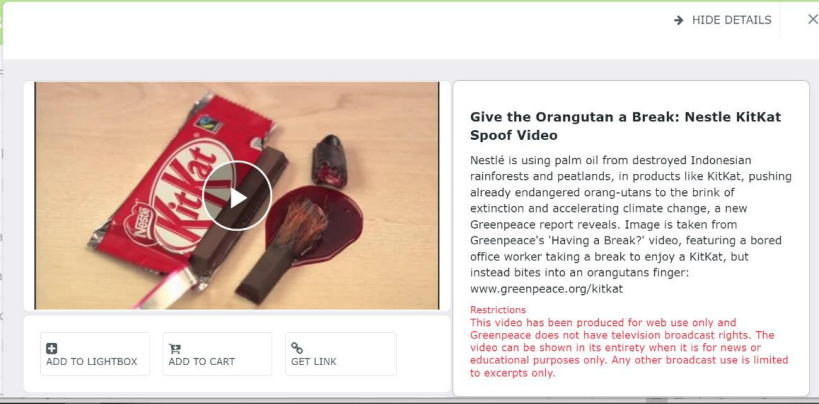
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## Triggers of Change

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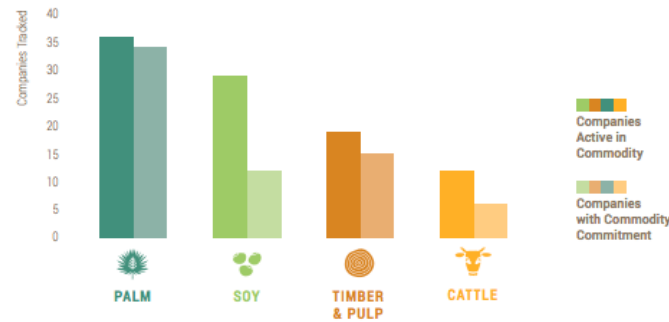
2010: Greenpeace Kit Kat Campaign



2014: New York Declaration on Forests



Figure 4: Commitments by Commodity vs. Companies Active in Commodity<sup>6</sup>



NOTES: Based on 41 tracked companies. Commitments for financial institutions not included.

2015: Forest Fires

Indonesia's forest fires

From October 20 to 27 (0700 GMT)  
Map shows fires that have a high confidence\* for being related to forest-clearing.



\*Classification employed by WRI. Identifies fires with a brightness value  $\geq 330$  Kelvin and a confidence value  $\geq 30\%$  using NASA's active fire data.

Sources: NASA; World Resources Institute  
J. Wang, 27/10/2015

REUTERS





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## Pathway to Change

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## Lesson: Do, then Share

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The **GAR Social and Environmental Policy** or **GSEP**

Four pillars contain **GAR's NDPE – No Deforestation, No Peat, No Exploitation** – commitments

Has provided the **roadmap for sustainable change** inside the business and externally **since 2015**



**Environmental Management**



**Social and Community Engagement**



**Work Environment and Industrial Relations**



**Marketplace and Supply Chain**

*Within each pillar is a set of actions. As a vertically integrated business **GAR has had to develop and then apply new methodologies** to meet the commitments.*

*This **“Do, then Share”** approach gives **GAR the advantage** in engaging suppliers in our shared sustainability journey.*



## Securing forests for conservation and carbon value



**79,900 ha**  
**CONSERVATION AREA (HCV/HCS);**  
Forest conservation helps store large amounts of carbon and maintains fresh water resources



**SUPPORTING SUPPLIER CONSERVATION COMMITMENTS of 117,000 ha** of forests



**PROTECTION PRODUCTION PARTNERSHIPS:**  
**43,000 hectares**  
under community conservation planning

As a pioneer of the **High Carbon Stock Approach** – working with Earthworm Foundation (formerly The Forest Trust) and Greenpeace – **GAR piloted the HCSA methodology** to determine what forests should be set aside for protection and what can be developed.

We now **share our experience of this methodology with suppliers and communities**, extending forest protection within and outside concession areas.



Creating sustainable supply chains

**2015:**

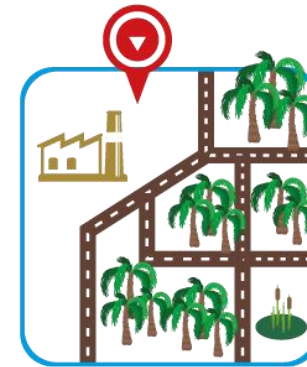
GAR sets out ambitious targets for 100% Traceability to Mill (TTM) by 2015 and **100% Traceability to Plantation (TTP) by 2020**

**Stepwise approach:**

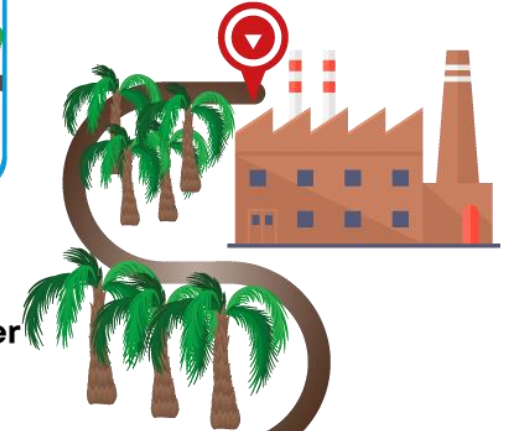
**Tested** methodologies and technologies **on our own operations first.**

Allows us to **teach suppliers based on our own experience.**

Message – **Do as we do, not just what we say** – **builds trust** with suppliers



**49**  
GAR-owned Mills



**353**  
3rd-party Supplier Mills



**95%**  
of Palm Oil Supply Chain Fully Traceable (GAR-owned Mills And 3Rd-party Mills) as of End 2021



Creating sustainable supply chains

GAR's Supplier Assessment 2021

New Suppliers in 2021:



**25 DIRECT** and **7 INDIRECT** Potential Suppliers Screened Based on Environmental and Social Criteria



**31** Qualified as Suppliers

Existing Supplier Assessment in 2021

**132 (37%)** 3rd-party suppliers Assessed Through Site Visits/Remote Assessments



**149 (42%)** 3rd-party Suppliers have Significant Impact Based on Desk Study, Site Visit/Remote Assessment And Grievances



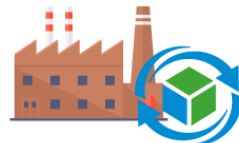
**225 (64%)** 3rd-party suppliers completed self-assessments

all **(100%)** suppliers assessed through spatial analysis and publicly reported information

**130 (37%)** 3rd-party Suppliers have Environmental Risks

**141 (40%)** 3rd-party Suppliers have Social and Labour Risks

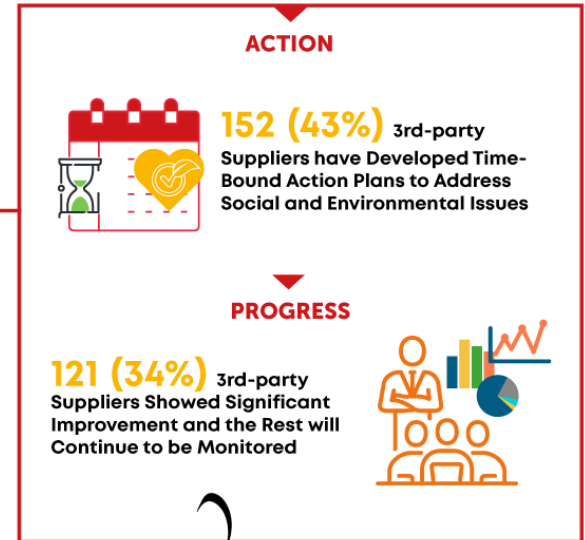
All Suppliers:  
 Low Risk: **178 mills (44%)**  
 Medium Risk: **148 mills (37%)**  
 High Risk: **76 mills (19%)**



Types of risk:

Environmental: potential deforestation, peat management, fire, GHG emissions, waste management

Social and labour: human rights, community development, land tenure, OHS, workplace diversity, grievance handling.






Significant improvement = if they become ISPO / RSPO certified; have NDPE policy; join Ksatria Sawit Program; and their grievance status is "closed" and/or "monitoring"

## Lesson: Multi-stakeholder Platforms Value

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**Certification** plays an essential role in **creating a shared set of expectations** and guidance **for what good looks like**

**Ecosystem of certification** – from national, mandated to international voluntary standards – **essential to lift the floor of industry as well as continue to innovate**

Certification	Certified areas
	<p>           &gt;282,900 hectares of plantations            246 mills, 11 bulking stations,            6 refineries, and 2 biodiesel plants         </p>
	<p>           &gt;265,800 hectares of plantations            31 mills, 9 kernel crushing plants, 7 bulking            stations,            6 refineries, and 1 oleochemical plant         </p>
	<p>           &gt;232,700 hectares of plantations            35 mills         </p>



**New collaborative forums are helping the industry define progress** in NDPE terms for the approximately 80% of production that sits outside of internationally recognised certification schemes



Implementation Reporting Framework  
 Active Working Group (IRF AWG)

The IRF AWG's role is to continue developing and advancing the IRF tool  
 Practitioners involved: Transitions, Earthworm, Daemeter



**Profiles and template**

Companies are actively requesting IRF profiles with common deadlines:

- Partial – 31<sup>st</sup> March
  - Full – Before end of May
  - Updated template – on the website, with option to include period of reporting
- Full review of the DF-P template – Q4 2021

**Social IRF**

- Scope: Land, IP and LC rights; Labour and worker rights
- Pilot 2 took place in November, with upstream companies only
- Follow up call in February
- Plan for roll out of the templates – end of Q3, beginning of Q4

**PKO**

- Universal Crusher List (UCL) under development
- Usage of current template for 2020 reporting
- Template revision to enable easier data entry for 2021 reporting
- Sub-working group is active

**Mill engagement conversation ongoing through the AWG**

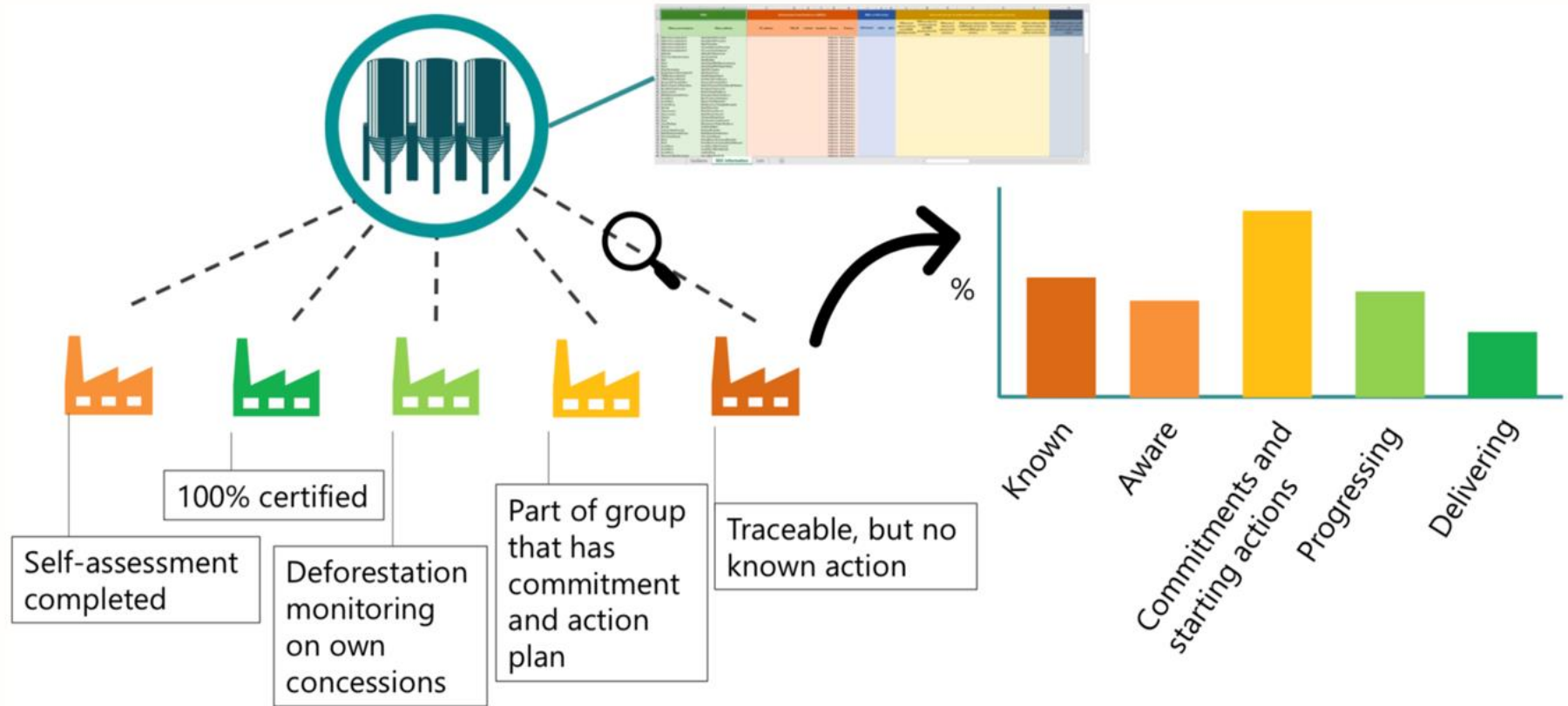
- Preliminary prioritization analysis to be done before end of Q2 (based on snapshot data)
- Sub-working group for strategy development

Future progress: Verification bodies interested to use the data verification protocol for DF and P (on the IRF website). To decide on capacity building needs and control system required to ensure credibility of the verification protocol.

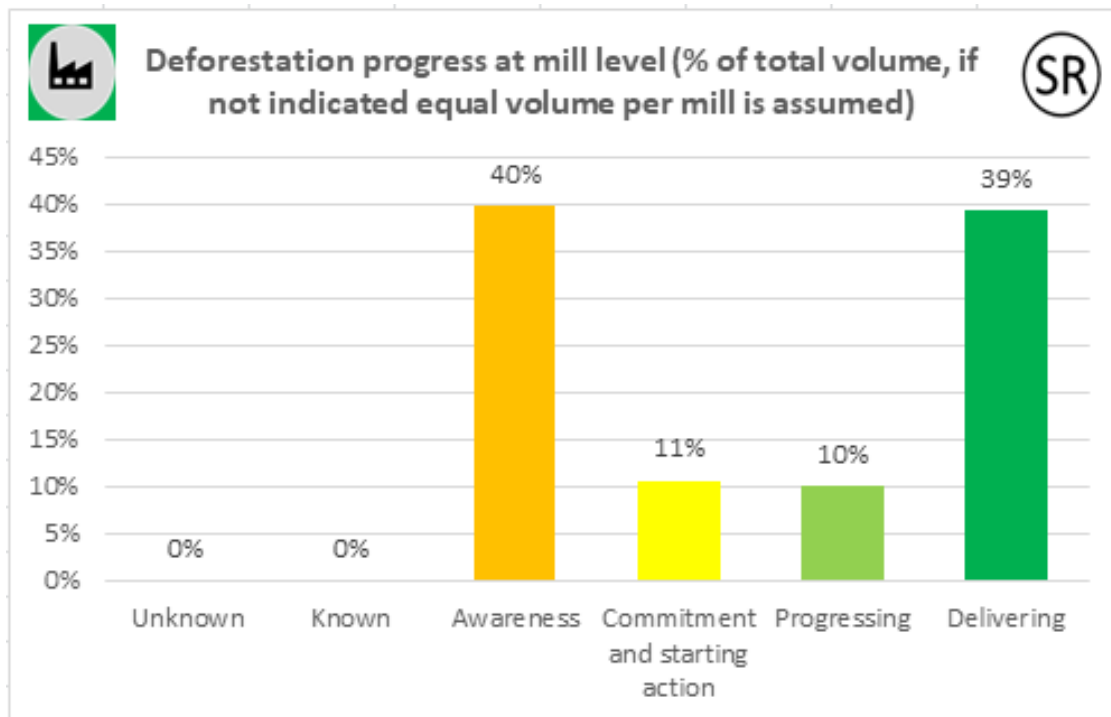
A mill's supply volume is allocated to **one of five categories to generate a refinery profile.**

**Refinery profiles are verified and published.**

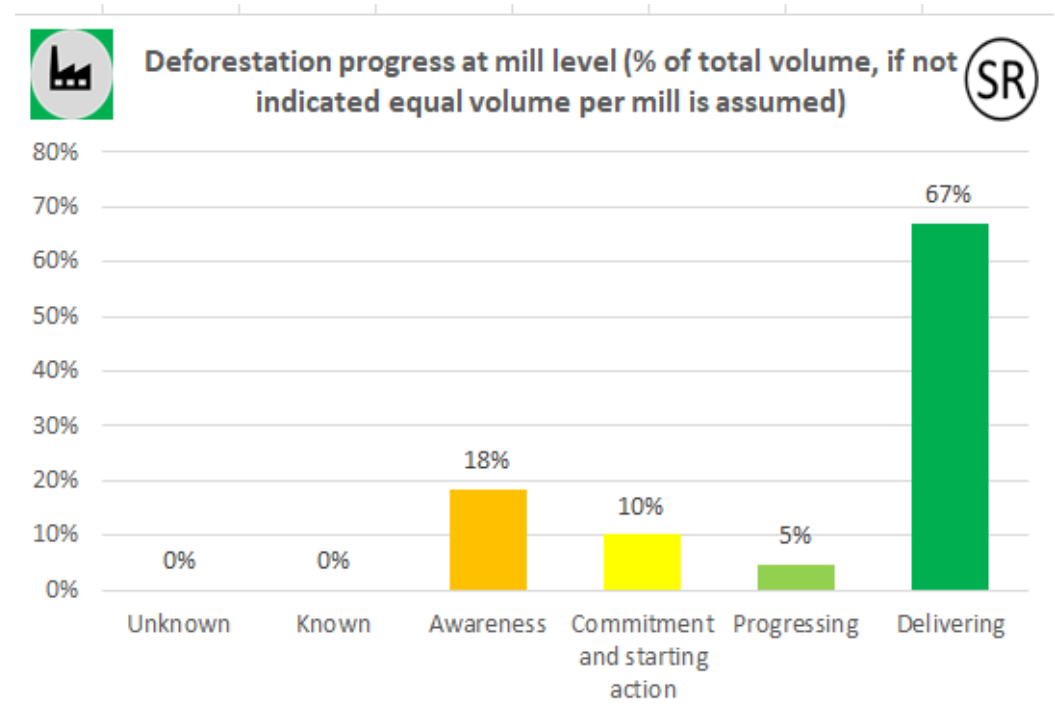
Customers can ask for detailed breakdowns as part of commercial agreements.



Example: Lubuk Gaung Refinery Profile in 2019 based on CPO sourcing from 161 mills vs 2020 after Supplier Engagement and new data collection



2019



2020

## Lesson: Importance of Partnerships

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## Improving biodiversity

We have rehabilitated and released over 100 orangutans **with Orangutan Foundation International** (target: 160 by 2022/2023).

With the **University of Cambridge**, we study ways to increase biodiversity levels in oil palm plantations.



## Fire prevention

Our **fire-free programme, Desa Makmur Peduli Api (DMPA)** works with **communities and indigenous groups** living in fire-prone areas to minimise forest fires and haze.

DMPA focuses on **three components – fire prevention, forest conservation, and food security.**

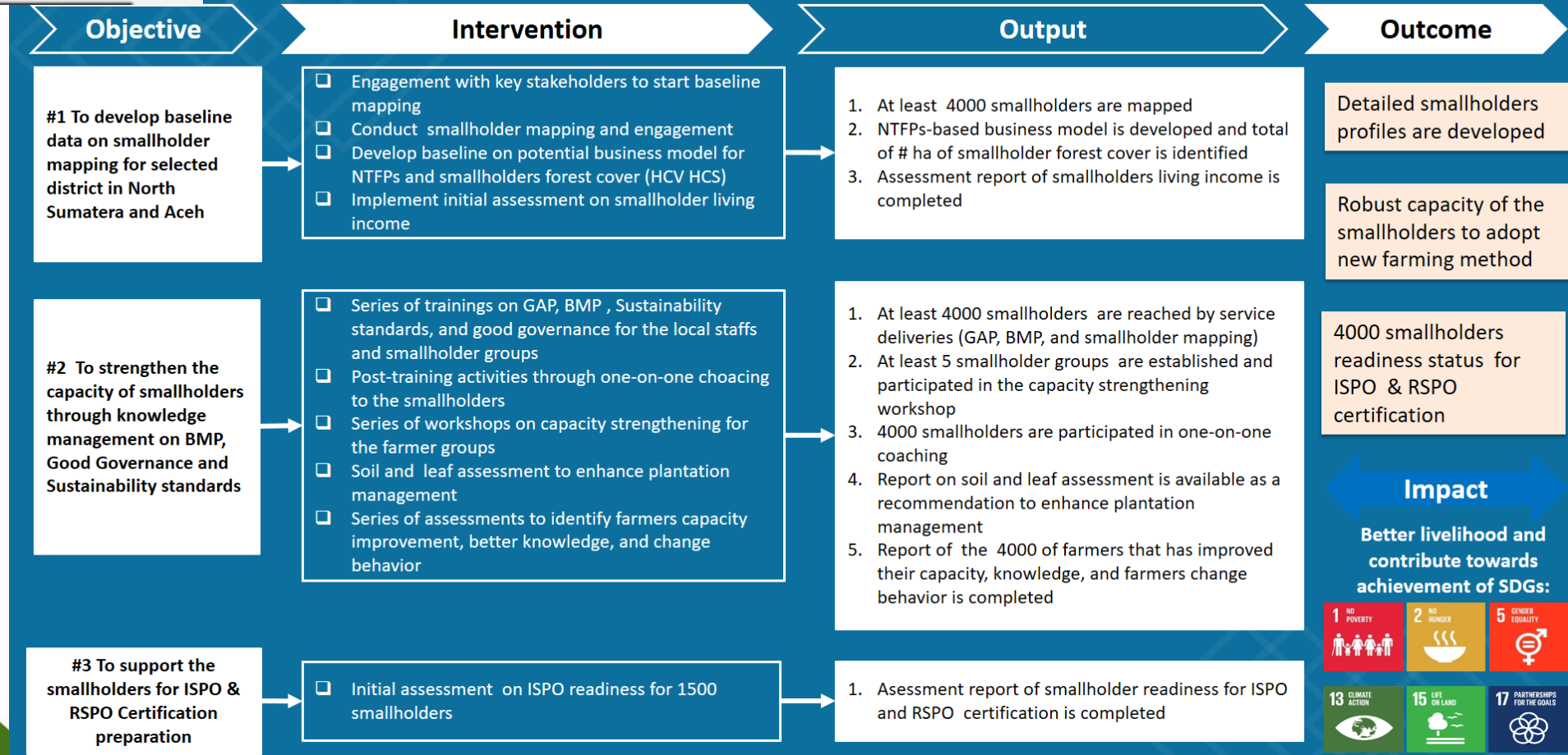


## Mapping our supply chain

**Koltiva** helps us verify **sustainably sourced commodities** from **independent smallholders** with leading web and mobile applications.

We have **registered over 100,000 smallholders** under the **Ksatria Sawit** programme to accelerate TTP.

PROJECT DESIGN





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**The Journey Continues**

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**Addressing Climate Change**

Business resilience imperative

Carbon as a business opportunity

Identifying our own net zero pathway

Sharing our experience with our supply chain to tackle Scope 3 emissions (Do, then Share)



**UN CLIMATE  
 CHANGE  
 CONFERENCE  
 UK 2021**

IN PARTNERSHIP WITH ITALY

GAR is a signatory of the **Agricultural Commodity Traders Statement of Purpose** at COP26 and is committed to a 1.5C trajectory

GHG EMISSIONS

	2019	2020	2021
Scope 1 emissions (tCO <sub>2</sub> e)	3,820,820	3,898,297	3,359,693
Scope 2 emissions (tCO <sub>2</sub> e)	287,227	285,248	324,565
Biogenic emissions (tCO <sub>2</sub> e)	2,465,726	2,411,070	2,042,722
Emissions intensity (tCO <sub>2</sub> e/tonne CPO produced)	0.82	0.88	0.67



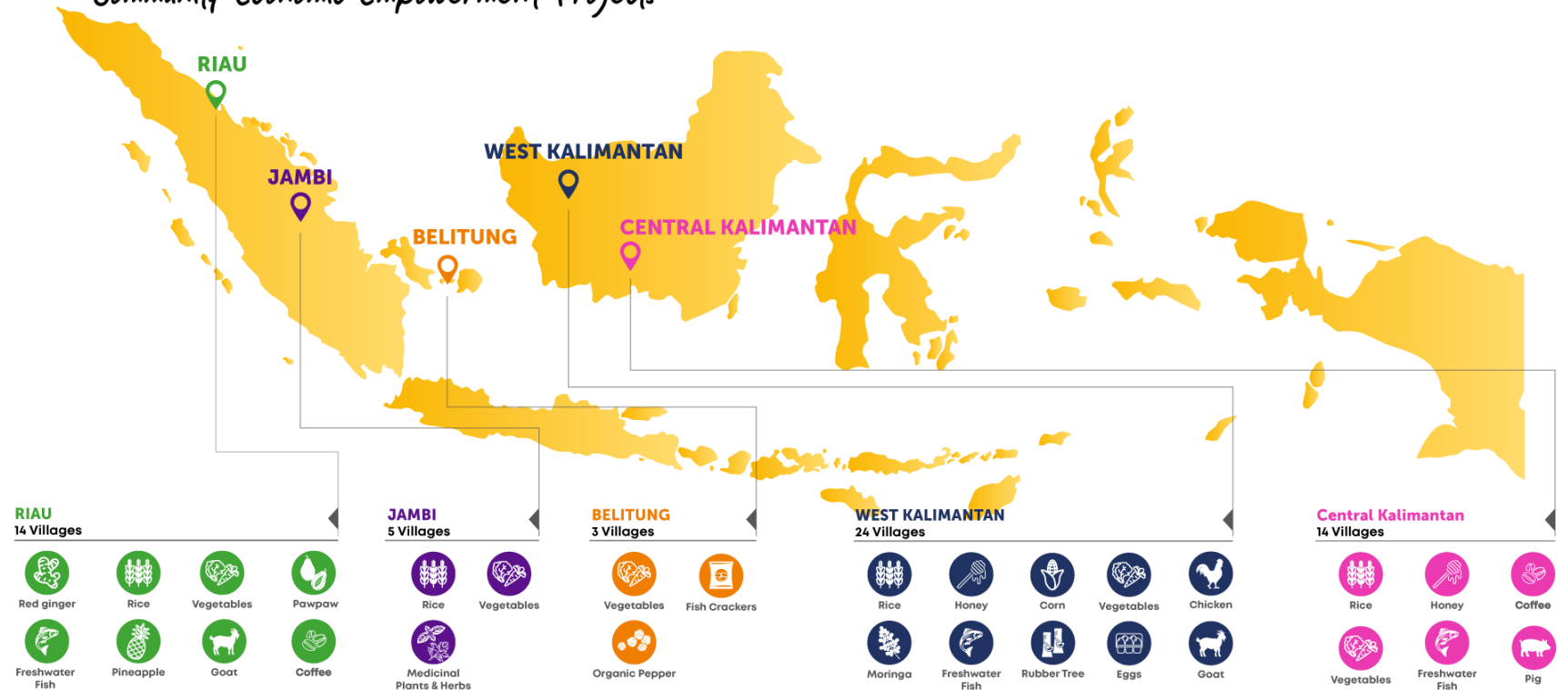
**Redesigning our Community Economic Empowerment Approach**

**Moving from Desa by Desa to regional approach**

**Establishing Community Learning Centres as incubators of rural enterprise**

**Building a community of practitioners to support rural entrepreneurship**

*Community Economic Empowerment Projects*







THE TRANSFORMATIVE  
POWER OF OIL PALM

# Thanks