



Wilmar Welcomes Government of Indonesia's Lead in Palm Oil Sector Transformation

Singapore, 1 July 2016 – Wilmar International Limited (Wilmar) welcomes the Government of Indonesia's initiative to lead the country's palm oil industry towards sustainable development.

In the past year, the Government of Indonesia (GOI) has shown much leadership in strengthening its sustainability policies. These include the moratorium on peatland development and the creation of the National Peat Restoration Agency (BRG), the moratorium on new permits for oil palm plantations, as well as progress on the legal protection of High Conservation Value (HCV) areas. All these actions are clear indications of the GOI's resolve to progress towards a sustainable palm oil sector.

The Indonesian Palm Oil Pledge (IPOP) was created in September 2014 to facilitate the transformation of Indonesia's palm oil sector towards more sustainable practices. With positive developments from the government that resonate with IPOP's goals and commitments, IPOP as an entity is no longer required (see Appendix). Wilmar will continue to support the GOI's policies and endeavour to transform Indonesia's palm oil sector and increase its competitiveness in the global realm.

Wilmar's [No Deforestation, No Peat, No Exploitation integrated policy](#) was announced in December 2013, before the formation of IPOP. We remain firmly committed to our integrated policy, and will continue our efforts on supply chain sustainability, focusing on supplier compliance, smallholder empowerment, labour condition improvement, amongst others.



PRESS RELEASE

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IPOP Signatories Support Government of Indonesia's Efforts to Transform Palm Oil Sector Towards Sustainability

Jakarta, 1 July 2016 –The signatories of the Indonesia Palm Oil Pledge (IPOP) support the Government of Indonesia's efforts to transform the palm oil sector and strengthen the Indonesia Sustainable Palm Oil (ISPO) standard with the phasing out of IPOP as an entity.

IPOP signatories have decided that recent groundbreaking policy developments in Indonesia have fulfilled the purpose of IPOP to help accelerate and promote this transformation toward sustainability and therefore its presence can be dissolved. The Signatories will continue to implement their sustainability commitments independently.

The Government of Indonesia recently issued a number of related policies such as the moratorium on peat development, the formation of Peat Restoration Agency (BRG), and the moratorium on expansion of palm oil licenses as announced by President Joko Widodo in April 2016.

"All stakeholders of Indonesia's palm oil industry consider it necessary to enhance the commitment for sustainability for palm oil to maintain palm oil's strategic position in the international market," said Coordinating Minister for the Economy Darmin Nasution in a [press release](#) two days ago (29/6/2016). The statement was made after a meeting with IPOP signatories, which was attended by other relevant ministries. IPOP signatories in the meeting agreed to further collaborate with the government on merging into a platform on sustainable palm oil, particularly to strengthen ISPO, which can be accepted by all stakeholders.

Prior to joining as IPOP, each signatory had developed individual sustainability policies to uphold their commitments to sustainable practices, which are essential for the long-term viability of the palm oil sector and to maintain the competitiveness of Indonesia's palm oil in the global market. Building on these individual commitments, IPOP was signed on 24 September 2014 by KADIN and four leading palm oil companies, namely Wilmar, Golden Agri Resources (GAR), Cargill, and Asian Agri. In March 2015, Musim Mas joined as a signatory, followed by Astra Agro Lestari in early 2016.

Agus Purnomo, Managing Director for Sustainability & Strategic Stakeholders Engagement at Golden Agri Resources, an IPOP signatory, stated, "GAR supports the Government of Indonesia's efforts to create a sustainable palm oil industry and we will continue to deepen the implementation of the GAR Social and Environmental Policy. We believe economic growth and environmental protection can go hand-in-hand and we are also focused on helping smallholders achieve higher yields, better incomes, and to adopt more sustainable practices."

Jeremy Goon, Chief Sustainability Officer of Wilmar International Limited, also reaffirmed that "Wilmar will follow through with all our sustainability commitments as stipulated in our No Deforestation, No Peat and No Exploitation Policy; we will continue to support the Government of Indonesia in accelerating the transformation of the palm oil industry in Indonesia."



Freddy Widjaya, Director of Asian Agri, stated, “Asian Agri works closely with the Government, industry, and communities to strengthen and contribute positively towards Indonesia’s sustainable palm oil transformation. This is a commitment that we will continue to uphold even as we stay focused on implementing our Sustainability Policy to protect and preserve the environment, to empower plasma and independent smallholders, and to achieve 100% of traceability.”

“With the affirmative action by Indonesia towards a more sustainable palm oil sector, Cargill supports the dissolution of IPOP,” said Colin Lee, Director of Corporate Affairs of Cargill. He added, “Cargill is firmly committed to building a traceable and transparent palm oil supply chain, and will continue improving the sustainability of the palm oil industry, both on our own plantations, those of third-party suppliers, and the smallholders we support.”

Togar Sitanggang, Senior Corporate Affairs Manager of the Musim Mas Group, said that “Musim Mas supports the Government’s goal of achieving development that is environmentally sound and socially just. We remain committed to our vision of a sustainable palm oil industry, by upholding smallholders inclusion, developing a traceable and transparent supply chain and ensuring positive impacts on the environment.”

Related to Government of Indonesia’s commitment to strengthen ISPO, Shinta Kamdani, Vice Chairman of International Relations at Indonesia Chamber of Commerce and Industry (KADIN), stated, “IPOP signatories are committed to support efforts to strengthen and improve ISPO as the standard that is to be accepted and recognized by the international market.”

“We hope to have better coordination between the government and the private sector in transforming our palm oil sector to become a sustainable sector and maintain our oil palm as one of our nation’s strategic commodities,” Shinta said.

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