

Response to NGO Report

“Deceased Estate: Illegal Palm Oil Wiping Out Indonesia’s National Forest”

A report by Greenpeace in October 2021 alleged that almost one-fifth of land used for palm oil plantations overlaps with forest areas in Indonesia.

Wilmar, together with other Indonesian palm oil plantation companies, issued a joint response¹ in March 2021 to provide clarification on the land overlap issue raised by Greenpeace. The joint response, supported by the Indonesian Grower Caucus (IGC) and the Indonesian Palm Oil Association (GAPKI), highlights many circumstantial concerns raised by Greenpeace is an issue that is not unique to Wilmar alone.

The joint response provides clarity that oil palm companies operating in Indonesia have and continue to comply with prevailing laws and regulations on land permit usage for oil palm plantations. This relates to the varying levels of land licenses, comprising of the *Izin Lokasi*², *Izin Usaha Perkebunan*³ (IUP) and the *Hak Guna Usaha*⁴ (HGU), all of which are consistent with the *Rencana Tata Ruang Wilayah* (RTRW)⁵ as granted by the Government of the Republic of Indonesia.

Oil palm companies have fully complied with the stipulated process to obtain the relevant operating licenses and have not deliberately planted in forest areas, as alleged by Greenpeace. Furthermore, the Government of the Republic of Indonesia enacted regulations to address the concerns of oil palm plantations potentially located in forest areas, which companies have been strictly adhering to since 2012.

Greenpeace however have neither been able to substantiate their allegations nor verify the data presented in the report. To begin with, companies were unable to verify the data as the Government of the Republic of Indonesia is still in the process of verifying the oil palm plantations, which also takes into account the linkage and activities of smallholders, that overlap with forest areas.

Wilmar advocates constructive engagement and collaboration with all its stakeholders. We firmly believe this is an efficient and progressive means of improving our own business and moving the industry towards becoming more sustainable and responsible.

At Wilmar, we are committed to putting sustainable practices at the heart of our business. In collaboration with other industry players, consumer goods companies and non- governmental organisations (NGOs), we are working to ensure our supply chain is geared towards the sustainable production and sourcing of palm oil, in line with our No Deforestation, No Peat, No Exploitation (NDPE) policy.

¹ <https://www.indonesiapalmoilfacts.com/wp-content/uploads/2021/03/20210310-Growers-Responses-to-GP-Letter.pdf>

² *Izin Lokasi*: Initial Permit of Location

³ *Izin Usaha Perkebunan (IUP)*: Permit to Establish Plantation

⁴ *Hak Guna Usaha (HGU)*: Final Land Use Title

⁵ *Rencana Tata Ruang Wilayah (RTRW)*: Territorial Spatial Plans