
JOURNEY TOWARDS NDPE COMPLIANCE

CASE STUDIES OF SUCCESSFUL
SUPPLIER RE-ENGAGEMENT





GAMA PLANTATION

(SINCE OCTOBER 2019 KNOWN AS KPN PLANTATION)

INTRODUCTION

In June 2018, Greenpeace (GP) released a report in which a group of 63 companies, collectively termed as “GAMA Group”, were identified as some of the worst offenders in the oil palm industry. Three plantation companies in particular were implicated in deforestation and peat clearance activities. Wilmar has never sourced from the three plantation companies that were connected directly to deforestation in the report. Nevertheless we took the decision to suspend all 63 companies named under “GAMA Group” on 22 June 2018 while we investigated the allegations in the GP report. GAMA subsequently reached out to Wilmar and Aidenvironment Asia to find workable solutions that could address their stakeholders’ concerns. In view of satisfactory progress made including voluntary consolidation of 200,000 hectares of plantation area into a single group, in 2019 Wilmar welcomed GAMA Plantation back into the supply chain.

MILESTONES

STOP-WORK ORDER AND ADOPTION OF NDPE POLICY

Following the suspension of trade with Wilmar, one of the first measures taken by GAMA Plantation was an immediate stop-work order issued to all 25 plantation entities on 28 June 2018. On 10 August 2018, GAMA Plantation and Aidenvironment Asia signed a **statement** on their collaboration in developing and implementing a Sustainability Policy.

Later in 2018, GAMA Plantation voluntarily consolidated multiple companies into a "Group" under a single management in order to effectively implement its Sustainability Policy. GAMA Plantation currently operates 20 mills, spanning a total plantation area of nearly 200,000 hectares in Sumatra, Kalimantan, Sulawesi and Papua, including 34,592 hectares of plasma areas. The group was **renamed** KPN Plantation on 4 October 2019.

On 27 February 2019, the then GAMA Plantation published its **first progress report** detailing the implementation and progress of its **NDPE policy commitments**. This includes a specific commitment to recovery plans, with a focus on community livelihood improvement and assisting communities in recovering land rights. In November 2019, the group now known as KPN Plantation published its **second progress report** and a **60-month time-bound action plan** to publicly report the progress in implementing its NDPE policy at the group level.

The action plan aims to resolve outstanding issues related to the group consolidation by the second quarter of 2020. Through working with Aidenvironment Asia, KPN Plantation is detailing the upgrade of its operations towards full compliance with Wilmar's NDPE policy, while developing the first-ever Recovery Plans to address past violations. The work plan covers seven interventions, namely (1) forest protection, (2) peat management and protection, (3) social justice, (4) fire prevention, (5) legal compliance, (6) traceability, and (7) transparency and accountability.

The group's **NDPE policy** was launched on 18 September 2018 alongside the revision and development of Standard Operating Procedures (SOPs), which ensure that internal operations comply with the new policy. On 22 October 2019, the NDPE policy was re-launched under the name **KPN Plantation**.



TRANSPARENCY AND PUBLICATION OF BOUNDARY MAPS

In September 2018, as part of its commitment towards increased transparency, GAMA Plantation launched a new website to keep stakeholders updated on its progress towards **NDPE compliance**.

The standalone website (originally gamaplantation.com), details the group's NDPE policy along with the boundary maps of all estates in the group. Unfortunately, due to changes in Indonesian government policy in mid-2019, the maps had to be removed from the website. However, the monitoring of all sites continues via a subscribed webpage managed by Aidenvironment Asia (figure 1).

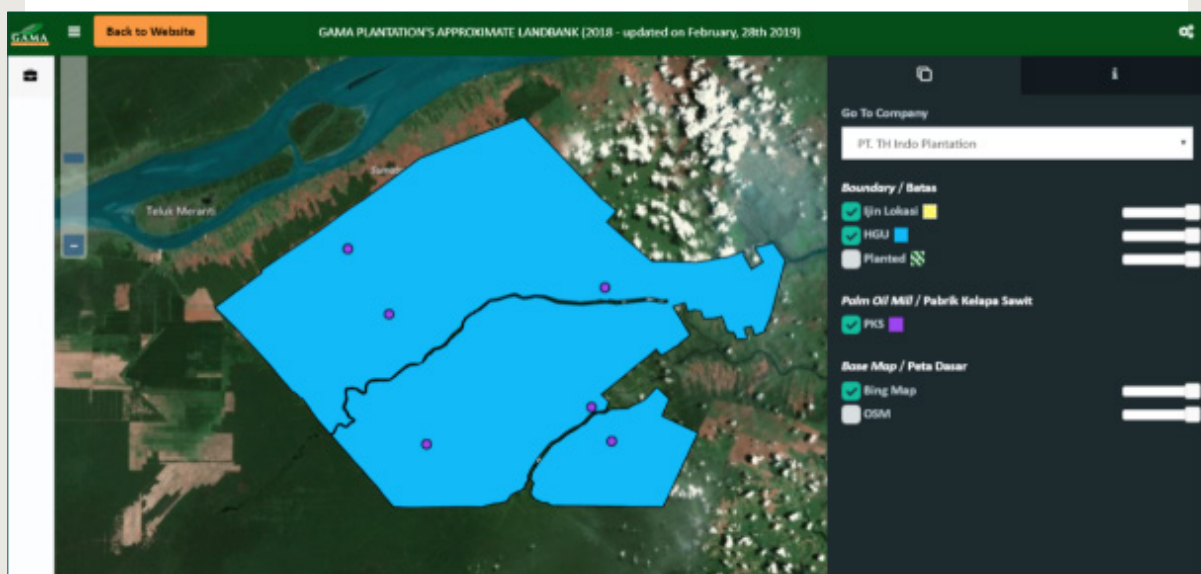


Figure 1: Example of an estate map from GAMA Plantation, which was previously published on its website.



Figure 2: Riparian area with visible signs of remedial action.

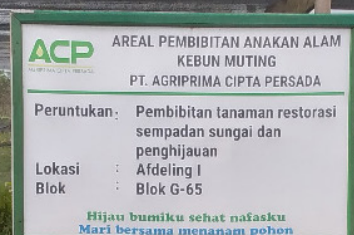
REMEDIATION ACTION IN PT AGRIPRIMA CIPTA PERSADA

One demonstrable example of success is the restoration undertaken in certain riparian areas. The progress of forest protection intervention, in the form of remediation action, can be viewed through satellite imagery. As observed in figure 2, the riparian belt was non-existent in July 2018 but clearly visible in October 2018 (after 3 months of rehabilitation), and is much more visible by September 2019. Figure 2 shows how the growth and progress of the forest remediation can be seen from July 2018 to September 2019.

DEVELOPMENT OF RECOVERY PLANS

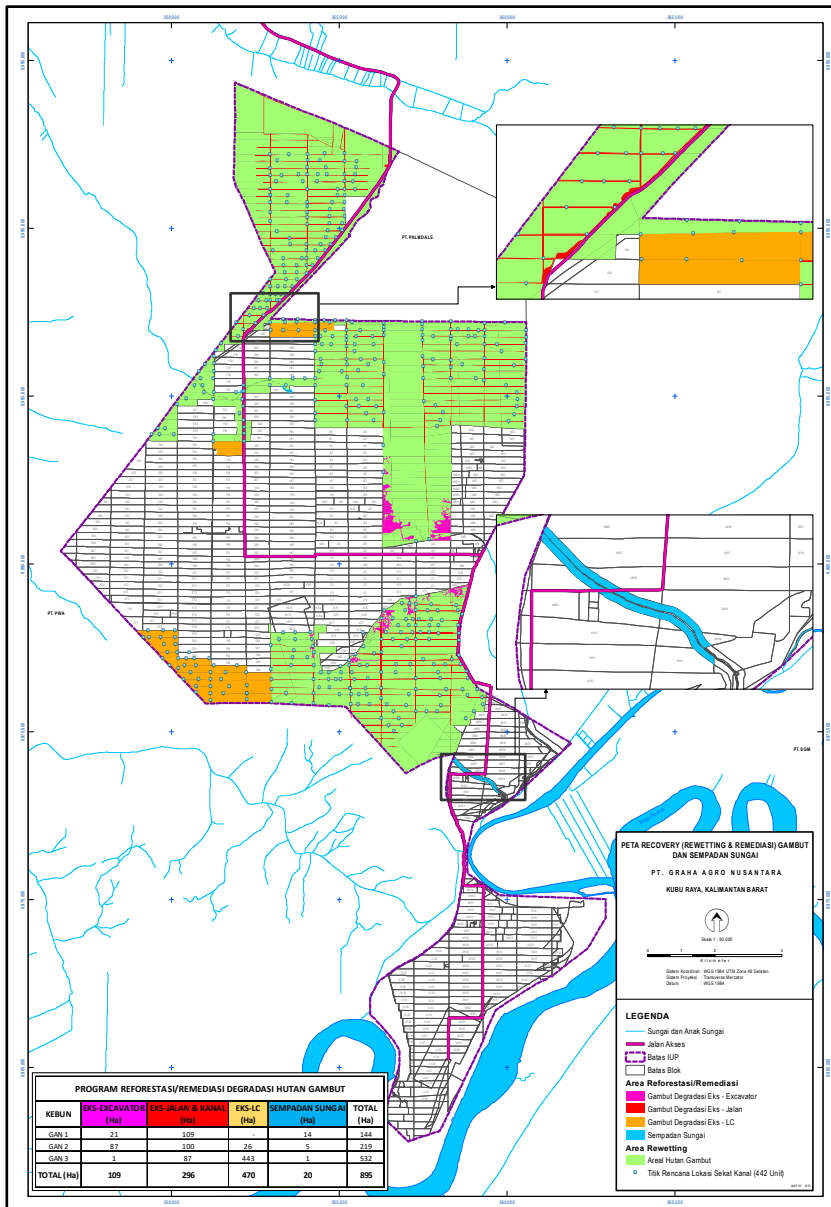
Aidenvironment Asia assessed that more than 11,719 hectares of forest and peat areas were cleared in breach of Wilmar's NDPE Policy after 31 December 2015. As part of an initiative to remediate past harm, Aidenvironment Asia is supporting the group in formulating recovery plans in four districts, namely Kubu Raya, Sambas, Jambi and Merauke. All recovery plan interventions will focus on social recovery, specifically supporting the development of *hutan desa* (community social forestry) programmes in the area to support community empowerment and improving livelihoods. The recovery plans also consider landscape recovery where feasible, such as creating wildlife corridors. To date, recovery plans for KPN Plantation in West Kalimantan and Papua have already been completed, and are expected to be published in April 2020.

Figure 3: Tree nursery in KPN Plantation, Merauke, Southwest Papua.



KUBU RAYA, WEST KALIMANTAN

The selected site for implementation of the group's recovery plan is within its existing PT Graha Agro Nusantara (PT GAN) concession area, situated on top of a peat dome in the Kubu Raya district. The total area for this concession is approximately 16,619 hectares, of which 9,350 hectares, –or about 56%, have been planted. The aim for this area's management is to protect and conserve the peat area for the benefit of the ecosystem and local communities. With their consent, interventions will include the closure of selected peat canals and patrols to reduce cases of illegal logging, along with tree restoration and harvesting. An example of canal blocking applied in peat forest can be seen in Figure 4. The facilitation of projects such as poultry farming, fish farming, bee-keeping, and lemongrass cultivation has already begun, with the intention of providing local communities with alternative sources of income in lieu of oil palm development.



Map 2: Recovery map of PT. GAN.



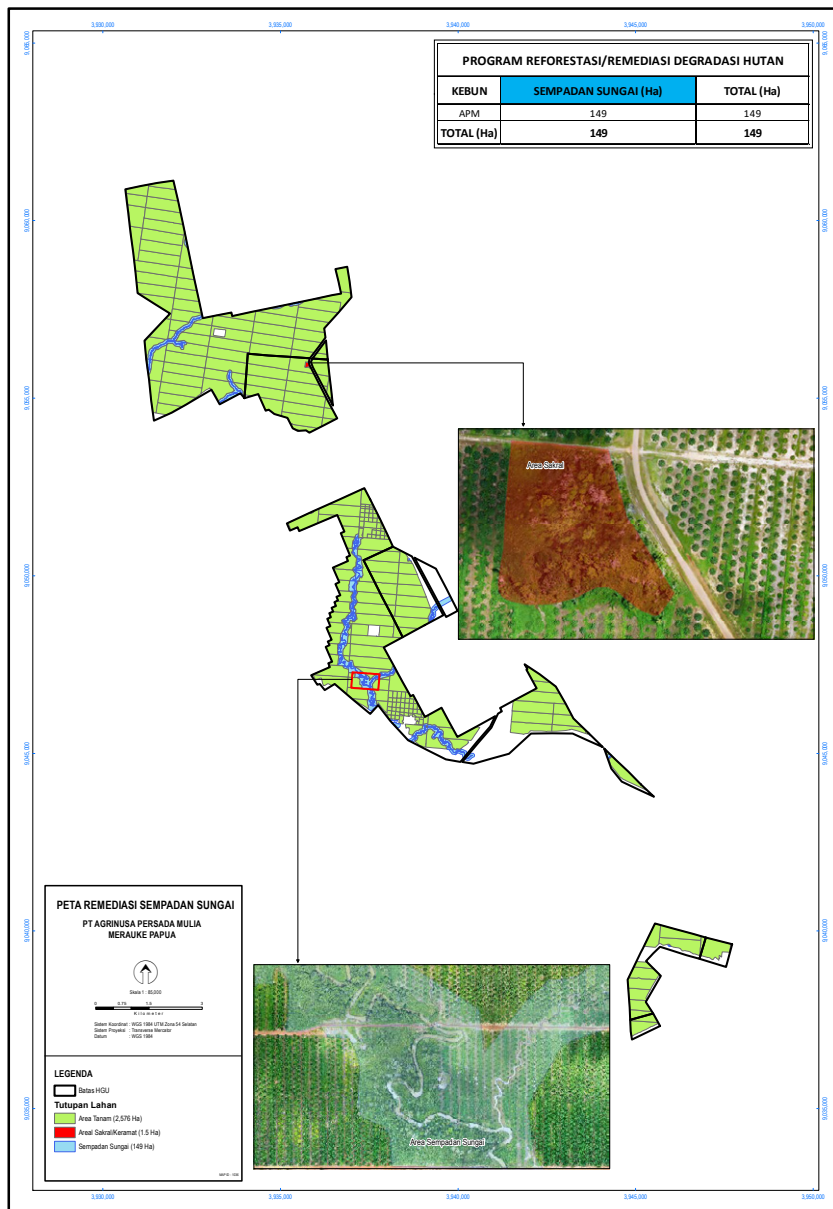
Figure 4: An example of canal blocking applied in peat forest.

MERAUKE, SOUTHWEST PAPUA

Between January 2016 and December 2018, the then GAMA Plantation cleared around 9,745 hectares of forest, which now requires a recovery plan. Recovery action plans will be implemented in its two concession areas, operated by PT Agrinusa Persada Mulia (PT APM) and PT Agriprima Cipta Persada (PT ACP), respectively. Planned interventions include fishing, semi-wild aquaculture and the development of fish-based industries downstream.

Currently already underway are cattle and oil palm integrated farming, and sago cultivation for foodstuff processing. Other options being explored are eco-tourism and the revitalisation of abandoned rubber plantations. In addition, the construction of tree nurseries is underway, in order to facilitate reforestation in the riparian zones.

In an attempt to better understand the challenges they were facing and the issues involved in policy implementation, Nestlé, together with Wilmar, visited the site in Papua in early 2019 to inspect the **NDPE implementation and the progress of its recovery plans**. Both organisations were satisfied with the findings and observations during field trip. With clear progress made on implementation of its sustainability policy, recovery of the areas developed, and regular public reporting, KPN Plantation has been reinstated as a supplier to Wilmar.



Map 3: Remediation Map.



Figure 5: Cattle and oil palm integrated farming.



Figure 6: Sago cultivation.



MOPOLI RAYA GROUP

(PT ALOER TIMUR)

INTRODUCTION

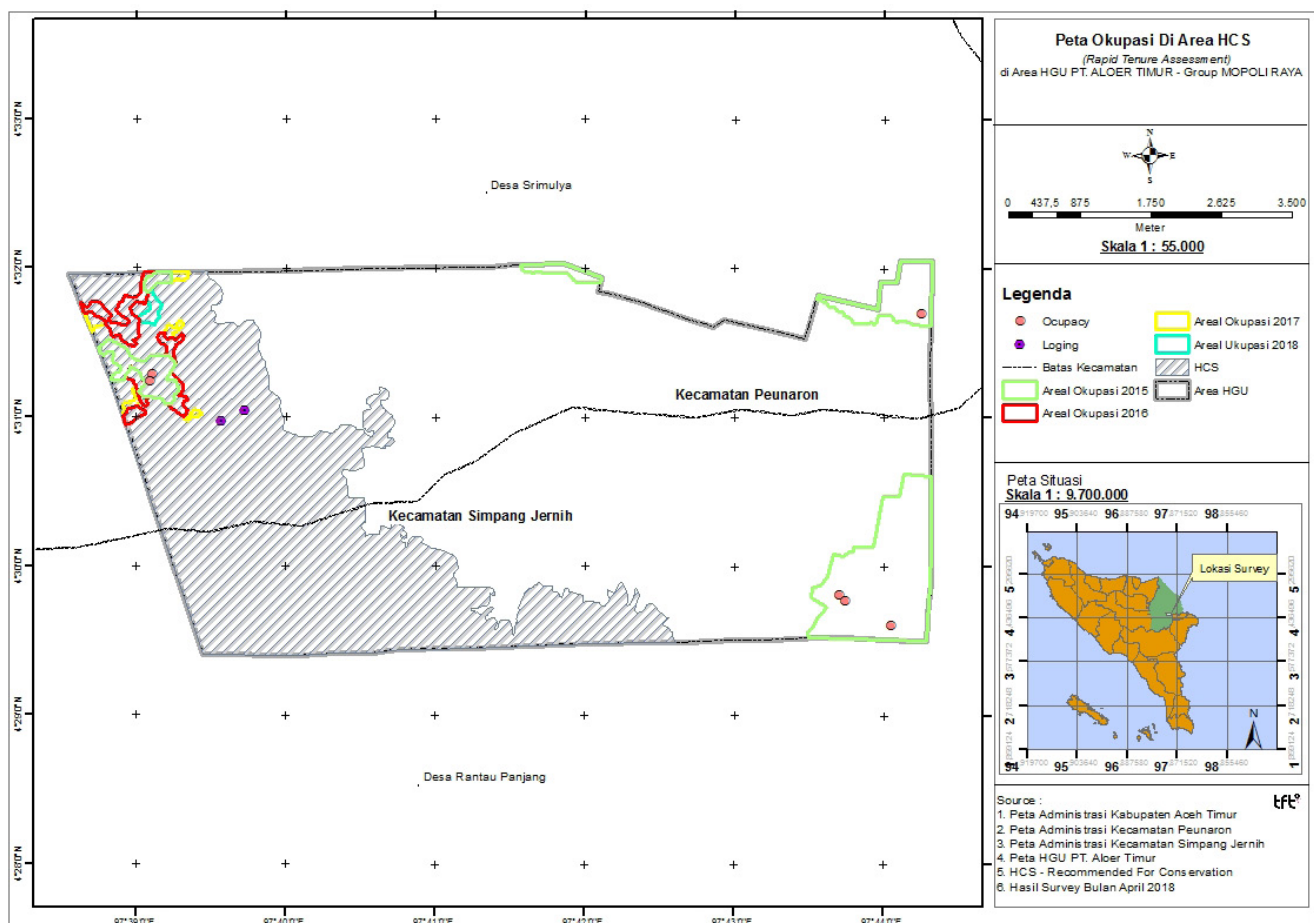
In May 2015, Wilmar received a Greenomics report alleging deforestation activities by PT Aloer Timur, part of Mopoli Raya Group, in the Leuser Ecosystem. Wilmar's sustainability team initiated contact with Mopoli Raya and suspended trade with them in July 2015, pending resolution of this matter to Wilmar's satisfaction. Thereafter, Mopoli Raya agreed to a moratorium on land clearance in compliance with Wilmar's NDPE policy and engaged the services of a registered assessor to conduct High Carbon Stock (HCS) assessment and High Conservation Value (HCV) pre-identification for PT Aloer Timur. The assessment report identified a total of 1,200 hectares as HCS and prohibited the clearance of this land for oil palm. Mopoli Raya committed to the moratorium in this area.

INTRODUCTION (cont'd)

Subsequent monitoring by Wilmar showed signs of land clearing in the HCS areas. Based on the patterns of this land clearance and information from PT Aloer Timur, these cases were attributed to encroachment by local communities in the land area. This issue was raised in our meetings with Mopoli Raya in March and July 2017. Subsequent field visits to PT Aloer Timur with Earthworm Foundation (EF) –formerly known as The Forest Trust (TFT)– in December 2017 and April 2018 set out to verify the situation on the ground.

Based on the results of these visits, it was confirmed that deforestation had been carried out by external parties, who were not members of the local community, since July 2015. The external parties had illegally occupied PT Aloer Timur's land permit area and were carrying out illegal logging (Map 1).

Wilmar provided assistance to PT Aloer Timur to address the issues of illegal occupation and deforestation, while a programme to facilitate solutions at PT Aloer Timur was carried out by EF with support from the Wilmar team. Through this programme, which began in November 2018, Wilmar and EF visited PT Aloer Timur four times over nine months. During each visit, Wilmar and EF helped to improve PT Aloer Timur's capacity and provided strategic and practical guidance for the implementation of the action plan.



Map 1: Encroachment within PT Aloer Timur's identified High Carbon Stock (HCS) areas.

MILESTONES

EARTHWORM FOUNDATION'S SUPPORT FOR TRANSFORMATION (SFT) PROGRAMME

In April 2018, in partnership with EF, Wilmar and Mopoli Raya conducted a rapid tenure assessment with the aim of providing an overview of the tenure situation on the ground. In response to Mopoli Raya's stated commitment to comply with the NDPE policy, Wilmar provided the necessary assistance through EF's Support for Transformation (SFT) programme.

Earthworm's team worked with PT Aloer Timur to implement a one-year programme of improvement in four phases. These are:

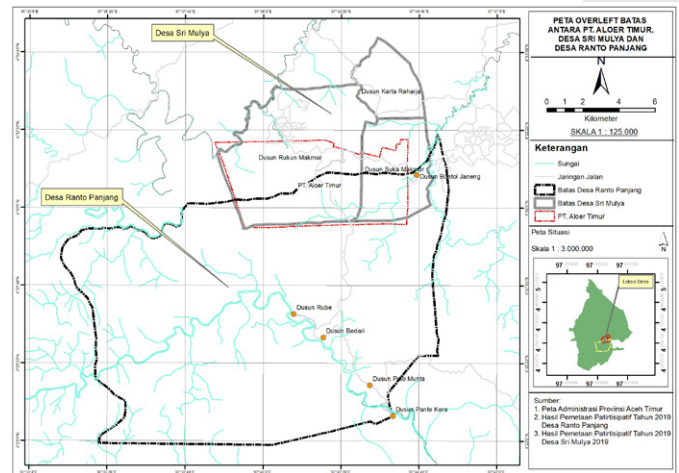
PHASE I NOVEMBER – DECEMBER 2018

- 1 Establish a system to execute the following tasks:
 - Develop a standard operating procedure (SOP) for Conflict Resolution and Social Impact Assessment.
 - Build capacity of PT Aloer Timur's staff to implement the following:
 - Community Development-Corporate Social Responsibility (CD-CSR), Free, Prior and Informed Consent (FPIC), management and monitoring of identified HCV and HCS areas;
 - A five-year action and an annual operational plan for the management of the HCV and HCS areas.

PHASE II MARCH 2019

- 2 Conduct a pre-Rapid Biodiversity Assessment in HCS areas within PT Aloer Timur:
 - Following the HCSA Toolkit, HCS forest patches below 10 hectares in core size will require a Rapid Biodiversity Assessment (RBA) to ascertain whether the patch area is to be conserved or may be planted.
 - The RBA was conducted in four patches that had core areas of below 10 hectares. It was decided that all these patches would need to be conserved, as each had remaining biodiversity value.
 - The plan for the management and monitoring of these patches will be incorporated into the larger HCS management and monitoring plan.

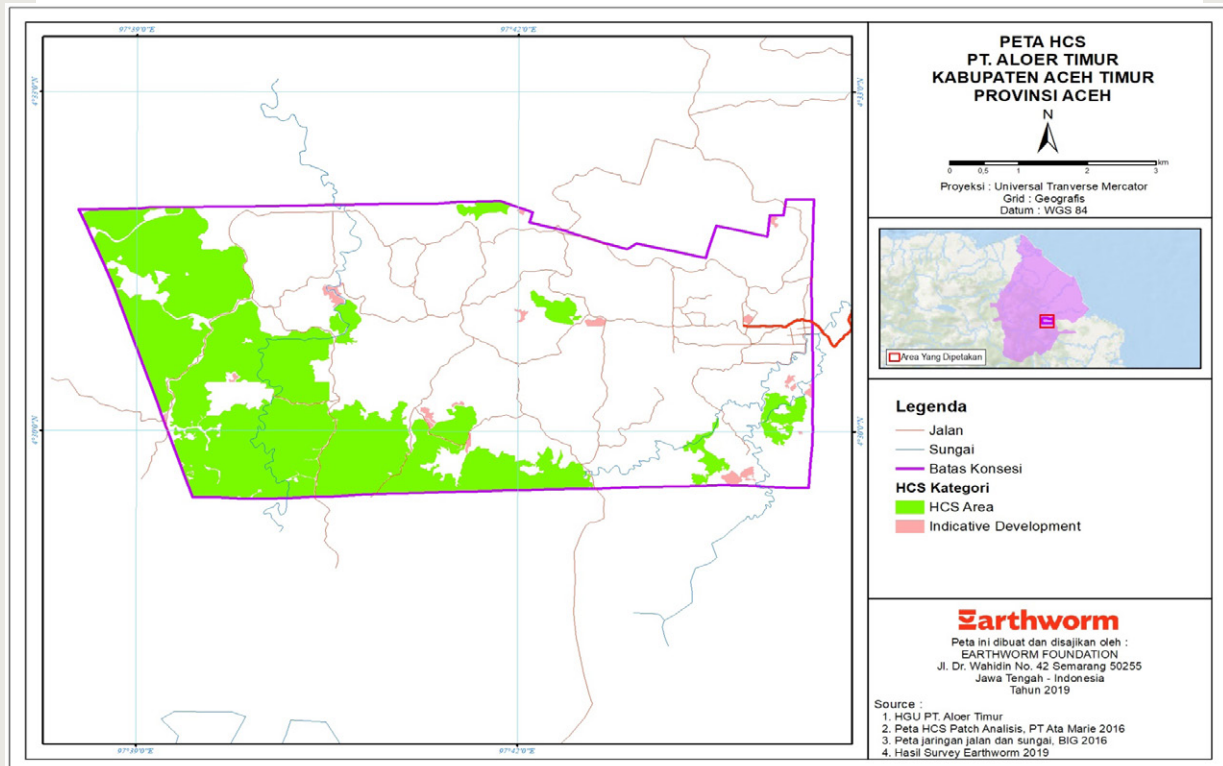
- 3** Undertake participatory mapping with two neighbouring villages, Sri Mulya and Rantau Panjang:
- Identified occupied areas within PT Aloer Timur HGU¹, other than the one in HCS area.
 - Collected data pertaining to the land occupants, i.e. name, tenure ownership status, total occupied area.
 - Clarified the boundaries between HGU and Sri Mulya and Rantau Panjang.



Map 2: Land occupation and overlapping boundaries between PT Aloer Timur HGU, Sri Mulya and Rantau Panjang.

PHASE III APRIL 2019

- 4** Conduct policy outreach and public consultation to present:
- Participatory mapping of the HCV and HCS area.
 - Implementation of a standard operating procedure (SOP) for management and monitoring plans for the HCV and HCS area which accounts for a total of 1,349 hectares of HCS areas.
 - Analysis of wildlife monitoring data.



Map 3: The total HCS area in PT Aloer Timur (after pre-RBA assessment).

¹ Hak Guna Usaha, also referred to as HGU, refers to the concession boundary of which a company is allowed to operate in Indonesia. The HGU is governed by the Badan Pertanahan Negara (BPN) or National Land Agency.

- 5** Organise a policy forum with the following government stakeholders:
- National Land Agency (*Badan Pertanahan Nasional, BPN*)
 - Forestry Agency (*Dinas Kehutanan*)
 - Transmigration Agency (*Dinas Transmigrasi*)
 - Natural Resources and Conservation Agency (*Balai Konservasi dan Sumber Daya Alam, BKSDA*)
 - Environmental Agency (*Badan Lingkungan Hidup, BLH*)
- 6** The aims of the forum are as follows:
- Find solutions to illegal occupation.
 - Resolve conflicts between different land users.
 - Discuss options of compensation for communities through community programmes as part of CSR efforts.
 - Clarify the overlapping boundaries between PT Aloer Timur HGU, Sri Mulya and Rantau Panjang villages with the relevant government officials.
- 7** Reduce the incidences of illegal logging in the HCS areas within PT Aloer Timur
- Achieved through a combination of improved enforcement and community outreach.

PHASE IV JUNE 2019

- 8** The EF team held another meeting to assess the evidence of changes since the first meeting. The fourth phase would be to finalise the intervention programmes, thus allowing PT Aloer Timur to continue to monitor and engage with the local communities to protect the HCS areas.



Figure 1:
Before photo: showing where external parties had occupied the encroached area.



Figure 2:
After photo: Showing encroachment occupants had vacated the area.

ADOPTION OF THE NDPE

Mopoli Raya Group announced its own **NDPE policy** in 2019, and has maintained a moratorium on land clearance. The Group has also established a sustainability team, tasked with ensuring the action plan is fully implemented for the Group. The SFT engagements have also provided the necessary capacity for the sustainability team to implement the suggested recommendations from EF.

STRENGTHENED COMMUNITY ENGAGEMENT



PT Aloer Timur also established trust between the company and the two communities living around their area, namely Desa Ranto Panjang and Desa Sri Mulya, through regular and constructive dialogue. Apart from maintaining good relations with neighbouring villages and communities, this supports the monitoring and management of the HCV and HCS areas.

RESTORATION OF ENCROACHED AREAS

PT Aloer Timur has also begun to restore the areas that were illegally occupied, particularly in the identified HCS area. They have built a nursery populated with local tree species to provide seedlings for the restoration process.



GRIEVANCE RESOLUTION AND REINSTATEMENT AS SUPPLIER

With the improvements put in place and effective implementation on the ground to ensure resolution of the grievance case, Wilmar reinstated Mopoli Raya as a supplier in 2019. Wilmar continues to engage with Mopoli Raya and provide support to their sustainability team where required. A video of Mopoli Raya's journey (in English) can be found [here](#).