

GAMA Plantations and Aidenvironment Asia Enter into Collaborative Agreement to Develop and Implement NDPE Policy

Jakarta, 10 August 2018

GAMA Plantations and Aidenvironment Asia have entered into a three-year Collaborative Agreement on 20 July 2018 to break the link between oil palm development and deforestation.

GAMA Plantations is an emerging company group with Mr. Ganda and Mr. Martua Sitorus at its origins. Following Greenpeace's recent publication "Keeping Deforestation In The Family" (25 June 2018), the need to consolidate the family business under a single corporate holding, subject to an ambitious and viable sustainability policy became painfully clear.

Over the past weeks, family members, relatives and joint venture partners agreed to consolidate 25 corporate entities. They acknowledge responsibility to ensure that sustainability policy and practice is in line with common standards, notably No Deforestation, No Peat, No Exploitation (NDPE) policy. Due to specific circumstances, the status of two entities has yet to be fully agreed (see Annex 1).

GAMA Plantations corporate consolidation and NDPE policy implementation will be led by Mr. Andy Indigo with support from Mr. Ganda, Mr. Martua Sitorus.

Stop Work Orders (SWO) have been issued to the management all 25 entities, meaning that – where relevant - no new plantation development shall take place until NDPE policy is in place/for the period of minimally one year. Replanting will be limited to areas that are demonstrably vulnerable to Pest and Disease. Replanting on peat will be subject to consultations with the appropriate Indonesian authority.

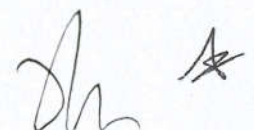
Aidenvironment will assist GAMA Plantations to develop and implement a sustainability policy framework which will be enforced throughout the Group's confirmed subsidiaries and affiliates.

The scope of the work includes:

- Enforcement and bi-weekly monitoring of the Stop Work Order (SWO)
- Gap and Opportunity Analysis for all estate companies
- Formulation and public launch of the NDPE policy
- Time Bound Plan for implementation
- Scoping and review of HCV-HCS assessments
- Grievance mechanism and complaint handling
- Development of a Remediation and Compensation Programme
- Assistance sustainability team development

Parties are aware of the scale of challenges ahead. GAMA and Aidenvironment welcome stakeholders' comments, suggestions and other support.

GAMA Plantations has commissioned the creation of a website which is expected to go online in September / October 2018. We will post regular updates on progress made with aforementioned work.

Two handwritten signatures in black ink are located at the bottom right of the page. The first signature is a stylized cursive 'Jh' and the second is a stylized 'A'.

GAMA Plantations is an emerging new plantation company group in Indonesia. Founded by the brothers Mr. Ganda and Mr. Martua Sitorus, GAMA currently remains a family business that commenced the process of corporate consolidation of its plantation businesses, including the development and implementation of a group level sustainability policy.

Aidenvironment Asia represents Foundation Aidenvironment in Indonesia from November 2009 onward. We collaborate with a variety of organizations and companies who share the common goal to transform the palm oil industry towards greater transparency, accountability and sustainability. Our team unites decades of experience with the industry transformation, including accreditation for conservation and carbon assessments and conflict mediation.

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Andy Indigo
GAMA Plantations

A handwritten signature in black ink, featuring a large, stylized 'A' followed by a series of connected, flowing lines.

Adriani
Aidenvironment Asia

ANNEX 1: GAMA Plantations Consolidation status:

A. Currently subject to the sustainability program :

1. PT Jatimjaya Perkasa
2. PT TH Indo Plantation
3. PT Swadaya Indopalma
4. PT Graha Agro Nusantara
5. PT Sumatera Unggul Makmur
6. PT Putralirik Domas
7. PT Bumi Alam Sentosa
8. PT Nusa Jaya Persada
9. PT Patiware
10. PT Wawasan Kebun Nusantara
11. PT Intitama Berlian Perkebunan
12. PT Citra Mahkota
13. PT Sentosa Asih Makmur
14. PT Alam Jaya Persada
15. PT Berkat Sawit Utama
16. PT Citra Riau Sarana
17. PT Wahana Karya Sejahtera Mandiri
18. PT Tritunggal Sentra Buana
19. PT Ganda Sawit Utama
20. PT Sawit Unggul Agro Niaga
21. PT Agri Sentosa Gandadigo
22. PT Indo Kebun Unggul
23. PT Karya Agung Megah Utama
24. PT Agro Alam Nusantara
25. PT Perkebunan Anak Negeri Pasaman

B. Under discussion with target to be included in the policy programme :

1. PT Agrinusa Persada Mulia
2. PT Agriprima Cipta Persada

Note :

The participation of two entities remains under review. Two investments in Papua, in PT Agrinusa Persada Mulia and PT Agriprima Cipta Persada, have been subject to a Conditional Sale and Purchase Agreement (CSPA) with a third party since 31st March 2017. Approval from relevant authorities for the final closing remains pending at this time. Given our recent commitment, we will attempt to persuade the buyer to immediately stop land clearing activities and to comply with the NDPE policy.

As of 16 January 2017, the plantation estate of PT Agro Lintas Nusantara had been acquired by KP USU (Koperasi Pengembangan Universitas Sumatera Utara).

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