

Palm Oil Sourcing Policy

As one of Indonesia's largest producers and processors of palm oil derivative products, we are committed to conduct our business with the objectives of maximising our economic contributions to the society while minimising our impact on the environment and local communities.

Since 2009, we have been auditing our plantations against the RSPO guidelines. We are committed to have all our mills and plantations including smallholders RSPO-certified by 2019. We are currently developing a fully traceable value chain by including our CPO suppliers to our refineries in our sustainability practices. We are working closely with our suppliers to achieve compliance as soon as reasonably practical.

IndoAgri is committed to buying palm oil that is:

1. Produced from plantations and mills that comply with all relevant Indonesian laws and regulations
2. Not originating from areas cleared of primary forest since 2011
3. Not from HCV areas
4. Not from peat land with peat soil deeper than 3 metres planted after February 2009 in line with Indonesian government regulations
5. From suppliers who support rural development and plasma farmers in Indonesia in line with Indonesian government regulations

We encourage our suppliers to practice free, prior informed consent. We will discuss with our suppliers a mechanism to verify this practice. We further encourage our suppliers to stop planting on peatland regardless of depth and involve their value chains to follow this policy.

To achieve these goals, IndoAgri will meet and engage its suppliers to:

1. Ensure all our suppliers understand and accept our Palm Oil Sourcing Policy, along with our Responsible Supplier Guidelines.
2. Actively encourage our suppliers to adopt best practice and work towards certifications by ISPO and additionally RSPO.
3. Set a baseline with our suppliers by completing our questionnaire regarding the scope and nature of their operations, and affirm their commitments to the Palm Oil Sourcing Policy and Responsible Palm Oil Supplier Guidelines by December 2014.
4. Perform audits of our suppliers based on the results of the questionnaire, and work with them on resolving areas of concerns identified. We will also develop an audit process together with our suppliers who have not been audited against the Indonesian guideline of ISPO and International guideline of RSPO but are committed to either of these supplier codes.

IndoAgri strives to achieve full traceability in its value chain. In situations where our efforts to procure sustainable products are constrained, we are confident that our plantations, smallholders, supporting multi-stakeholder initiatives and supplier network will enable us to overcome these limitations.

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