

High Carbon Stock Convergence Process Public Statement from March 29, 2016 Working Group Meeting

On March 29, 2016, the HCS Convergence Working Group met in Singapore to commit to goals, process, and high-level work plan for 2016. This meeting followed up on a first session in October 2015. The HCS Convergence Working Group consists of members of the High Carbon Stock Approach Executive Committee and additional companies that participated in development of the HCS+ methodology. Specifically, the participants in this group include: Asian Agri, Cargill, Forest Peoples Programme, Golden Agri Resources (GAR), Greenpeace, IOI Group, Kuala Lumpur Kepong (KLK), Musim Mas, Rainforest Action Network, Sime Darby, The Forest Trust, Union of Concerned Scientists, Unilever, Wilmar, and WWF, and the chairs of the HCS Approach Steering Group and the HCS Science Study. All participants except Union of Concerned Scientists were present at this meeting. The HCS Convergence Working Group is chaired and facilitated by Jim Leape with support from Meridian Institute and Proforest.

Members of the HCS Convergence Working Group confirmed their commitment to working together to develop a single, coherent set of rules for implementation of companies' commitments to "no deforestation" in their palm oil operations and supply chains. The Group reviewed the results of a desk study that provided a first look at how these two methodologies compare on the ground. The Group then agreed to a process and high-level work plan with the following goals for 2016:

- Consensus on the fundamental elements of an HCS methodology, including forest thresholds and below-ground carbon, decision-making in "young regenerating forest," and social safeguards;
- A pathway for institutional integration of HCS with existing systems, with appropriate governance; and
- A roadmap for resolving outstanding issues through collaborative process and, as needed, field trials, including:
 - Approaches to estimating and managing the overall carbon impacts of land-use decisions;
 - Rules for applying HCS methodology in high forest regions;
 - Application of HCS methodology to small producers; and
 - Assuring protection of HCS lands and other set-asides.

The HCS Convergence Working Group agreed to meet two more times in 2016, likely in June or July and in November. Prior to the next meeting, a subset of the group will advance recommendations related to socio-economic elements of the HCS methodology. A second subset of the group will develop analyses and options for addressing the key outstanding issues and will develop a plan for field trials. Members

Final, April 7, 2016

of the HCS Convergence Working Group also committed to participating actively in the working groups established under the HCSA Steering Group. These groups are addressing issues of common concern such as how to approach integration of HCS with systems for identifying High Conservation Value (HCV), and for assuring the Free Prior Informed Consent of local communities (FPIC), and how to incorporate into the HCS methodology high forest cover regions, smallholders, and ongoing protection of lands set aside for conservation.