

HCS Convergence Process Concludes:

Agreement on Unified Approach to Implementing No Deforestation Commitments

**8 November 2016
Bangkok, Thailand**

Following a year of intensive work, the HCS Convergence Working Group announced in Bangkok that they have reached agreement on convergence between the HCSA and HCS+ approaches (see attached). The Group has agreed on a single, coherent set of principles for implementation of companies' commitments to "no deforestation" in their palm oil operations and supply chains. The members of the Group worked together constructively to develop recommendations that provide a roadmap forward for addressing the issues that remain in a collaborative and integrated way.

The agreement outlines:

- Fundamental elements of the converged methodology that protects HCS forests, HCV areas and peatlands, including forest stratification and decision-making in "young regenerating forest" within fragmented landscapes, the role of carbon and robust implementation of FPIC and other social requirements;
- The intention for functional and institutional integration of HCS with the HCV Resource Network; and
- A roadmap for resolving outstanding issues through a collaborative process.

The recommendations will be incorporated into the revised HCSA Toolkit and the members of the Group are committed to further the implementation of these recommendations and to address the important remaining issues through their engagement in the HCSA Steering Group. In addition, the agreement will be reflected in the policies and positions of the organizations endorsing this agreement and the revised HCSA toolkit will be implemented by the companies when it is issued in early 2017.

Organizations reaching agreement are:

Asian Agri
Cargill
Forest Peoples Programme
Golden Agri-Resources
Greenpeace
IOI Corporation Berhad
KLK
Musim Mas

Rainforest Action Network
Sime Darby
TFT
Unilever
Union of Concerned Scientists
Wilmar International
WWF

This agreement has also been received and endorsed by Executive Committee of the HCSA.

Quotes from a number of the participating organizations:

“This is a significant milestone for the palm oil industry to enable us to meet our "no deforestation" commitments. This initiative is a clear demonstration of what is possible when all parties collaborate openly. While we recognise there are issues that need to be further addressed, such as balancing the socio-economic development needs in highly forested landscapes, we are committed to working through these with the other members of the HCS Steering Group,” said Datuk Franki Anthony Dass, Managing Director, Sime Darby Plantation.

"Agreeing a single approach to put No Deforestation into practice is a huge step forward for the palm oil sector and the environment. HCS convergence has not been an easy road but we got there in the end - this is a game changer for the forests and communities where oil palm is expanding in Asia and Africa," said Kiki Taufik, Global Head of Indonesian Forests, Greenpeace.

"The Agreement is a significant step in uniting the palm oil industry and all its stakeholders toward a common understanding about how to protect forests and peatlands. More importantly, it will lead to collaborative and concrete actions on the ground toward achieving this goal” said Dato' Lee's Yeow Chor, Group CEO, IOI Corporation Berhad.

Jeremy Goon, Chief Sustainability Officer, Wilmar said, “Recognising the importance of having a unified HCS methodology, in 2014 – 2015 Wilmar joined the HCS+ scientific study despite not being a signatory to the Palm Oil Manifesto (SPOM). Wilmar was already a member of the HCS Approach (HCSA) Steering Committee. With the intent of bridging the differences between the HCSA and HCS+, we actively contributed to the convergence process. Wilmar is very pleased that the efforts of stakeholders representing these two groups have now resulted in agreement and a unified approach to the application of No Deforestation commitments by palm oil companies. We look forward to having more plantation companies commit to zero deforestation and join us in making palm oil a sustainable, globally acceptable and competitive product.”

“Rainforest Action Network supports this foundation-laying agreement between the major players in the industry to finally break the link between palm oil and deforestation in Southeast Asia,” said Gemma Tillack, Agribusiness Campaign Director, Rainforest Action Network (RAN). “This new found consensus is a recognition by all parties of the urgent need to protect forests and peatlands while upholding community land rights. It’s now critical no more time is wasted turning these words into action.”

“As an early adopter of the HCS Approach Golden Agri-Resources is delighted to support this HCS convergence agreement and the development of a single pathway for the identification and protection of forests,” said Götz Martin, Head of Sustainability Implementation, Sinarmas Agribusiness.

Dhaval Buch, Chief Procurement Officer, Unilever said “Unilever supports the foundation work laid out in the HCS convergence agreement. We encourage all growers and users of palm oil to adopt this methodology and move to implementation. Unilever recognizes the next big challenges would be to ensure the application of HCS in high forest landscapes and with smallholders and support the industry to move swiftly to find a pathway forward for these issues.”

“It’s a historic day for forests, communities and for businesses”, says Bastien Sachet, CEO, TFT. “This agreement means there is now a single common practical tool that brings together those who want to conserve forests and develop responsibly, maximizing benefits for Nature and People”. “It’s the kind of win-win achievement that only high level mutual trust can bring and that we all need today to face climate change and a rising population.”

We welcome the agreement that the converged High Carbon Stock method will include Social Requirements to ensure that the rights and livelihoods of indigenous peoples, local communities, smallholders and workers are properly accommodated. Respect for customary rights, food security, community involvement in land use planning and free, prior and informed consent are critical building blocks to ensure sound development outcomes, alongside incentives and support, for both communities and planters, to maintain forests and high conservation values, said Marcus Colchester of the Forest Peoples Programme. Our next challenge is to develop credible systems to ensure high quality assessments, independent verification and means of redress, he added.

Dr. Petra Meekers, Director of Sustainable Development and CSR, Musim Mas said, “Musim Mas is pleased with the outcome of this important process. We believe that this outcome can be supported by the Roundtable on Sustainable Palm Oil (RSPO) as the HCS tool. It is also our aspiration to look at an inclusive pathway that will address the aspirations of local communities and the smallholders too.”

“This agreement is an important step towards defining what zero deforestation actually means on the ground. We need to make sure it is adopted far beyond the palm oil industry by the other sectors that have been driving deforestation around the world,” said Aditya Bayunanda, Forest Commodity Leader, WWF-Indonesia. “Now we have to fully integrate HCS and HCV and clearly define how they are applied beyond the fragmented moist tropical landscapes for which the approach was developed.”