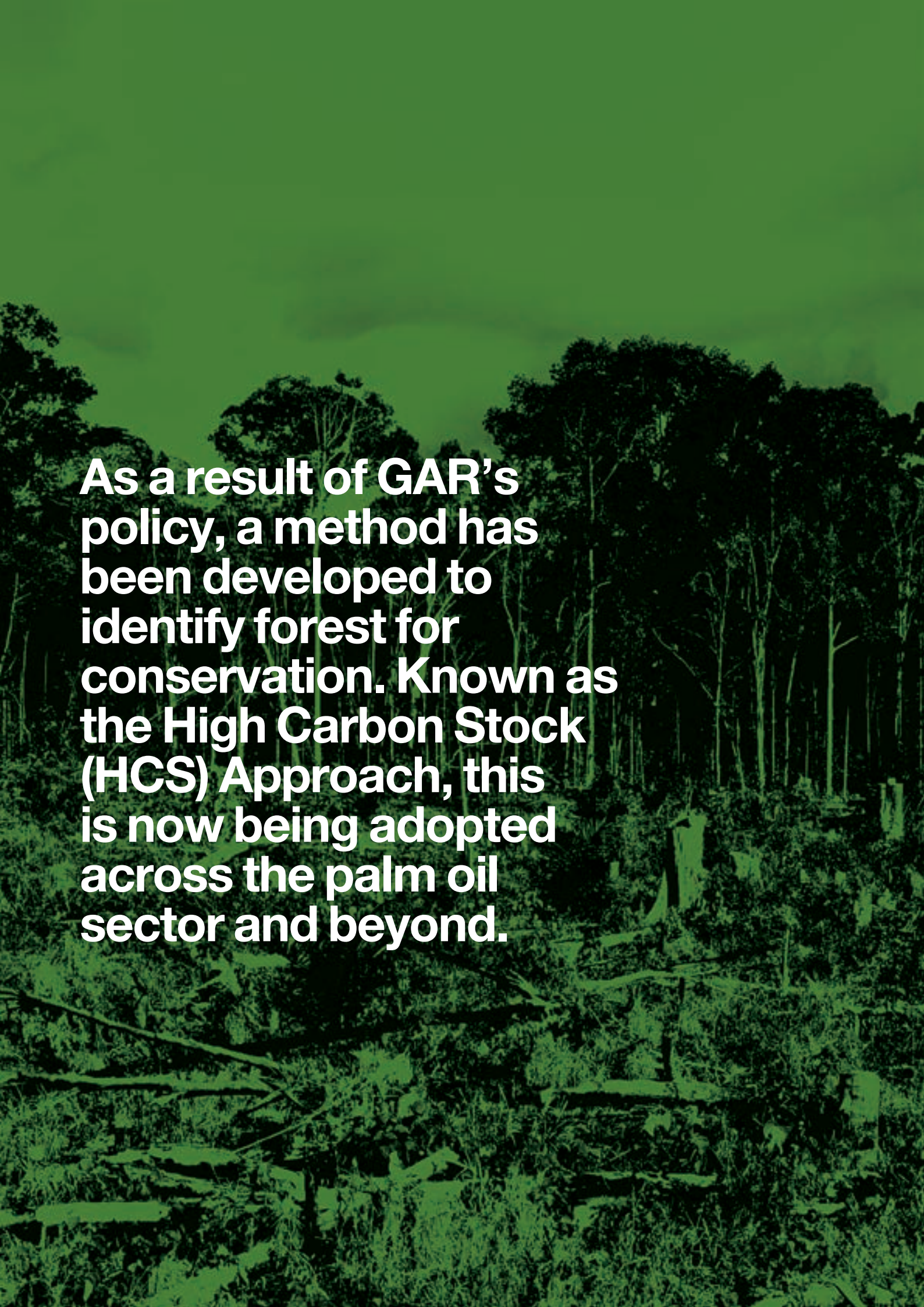
GREENPEACE

Golden Agri Resources
A progress report

December 2014



As a result of GAR's policy, a method has been developed to identify forest for conservation. Known as the High Carbon Stock (HCS) Approach, this is now being adopted across the palm oil sector and beyond.

Executive Summary

The road to good oil

Key findings on progress by GAR towards responsible palm oil

When Golden Agri-Resources (GAR) announced its ambitious Forest Conservation Policy (FCP) in early 2011, it aimed to position the company as an industry leader. GAR has collaborated with The Forest Trust to implement its FCP and to move towards responsible palm oil practices. Greenpeace has helped to develop the methodology used and to monitor progress. To support transparency, the findings from Greenpeace's assessment of GAR's progress to date are presented here.

After three and half years, the record in Indonesia and Liberia is mixed. Nonetheless, important progress has been made to end deforestation within GAR's supply chain. As a result of the company's policy, a method has been developed to identify forest for conservation. Known as the High Carbon Stock (HCS) Approach, this is now being adopted across the palm oil sector and beyond. However, GAR still has much work to do if it is to ensure that its palm oil is truly responsible. This must include urgent action to improve social performance – ensuring Free, Prior and Informed Consent (FPIC) and conflict resolution in dealings with local communities. There is also a need to make additional progress in the quality of HCV assessment, in transparency, and in the application of responsible practices across its supply chain.

Strong progress

Forest protection

- Development, trialling and the start of full-scale deployment of a methodology to map potential high carbon stock (HCS) forests has taken place in Indonesia and Liberia. There has been good support for the HCS Approach Steering Group, an initiative that will provide global governance and standardisation.

- GAR has proposed plans for forest conservation and management for several concessions in Indonesia and Liberia. These integrate areas of HCS, High Conservation Value (HCV), peatland, community land and other protected sectors into one conservation plan.

Political and industry pressure for reform

- Through its strong high-level support for the recent joint industry-KADIN (Indonesian Chamber of Commerce) Indonesian Palm Oil Pledge to prevent deforestation, GAR has pressed for government reforms to increase forest protection.

Mixed progress

Forest protection

- While 30,000 hectares of potential HSC forest in Indonesia have been excluded from planned developments, it remains uncertain how forest conservation will be achieved inside palm oil concession areas, and both inside and outside concessions in Liberia.

- Serious weaknesses have been observed in the HCV assessments carried out before introduction of the HCS process, but GAR has agreed to revise its assessments and develop stronger guidelines.

- There has been slow implementation of the HCS methodology across all concessions in Indonesia.

- Although there have been breaches of GAR's policy in some of its concessions, GAR has agreed to restore an equivalent area of HCS forest and peatland.

Social

- Application of Free, Prior and Informed Consent (FPIC) has been very poor, but more recently there has been some progress.

Transparency

- Having had a poor record on openly sharing information and on consultation, GAR's recent move to increase transparency is positive progress.

Policy ambition

- Although GAR announced in February 2014 that its FCP will also apply to all oil it buys for refining or to sell onwards, there is currently no clear timetable covering all its supply chains. We encourage GAR to announce publicly how its commitments will apply to all its operations, including trade.

- GAR has applied to be a member of the Palm Oil Innovation Group (POIG). In order to meet POIG requirements, it needs to address outstanding complaints concerning its RSPO New Planting Procedure submissions.

- GAR has yet to put its commitments for traded oil into a public policy that matches the ambitious policies laid down by other businesses.

Weak/poor progress

Forest protection

- Approximately 1000 hectares of HCS forest have been cleared.

- Small areas of peatland have been developed in breach of the company's own policy.

- There have been indirect incentives for communities to clear HCS forest and a failure by GAR to effectively counter this by providing incentives for conservation, or proposing some form of environmental redress.

Social

- GAR's implementation of FPIC with communities in Indonesia has been very poor. This is most notably in relation to participatory land-use mapping, which should be a cornerstone of any oil palm development that is intended to respect local community rights. Recently there has been some progress.

- Some conflicts remain unresolved.

- In Liberia, there has been a refusal to consistently suspend operations on land where local communities have raised valid objections; this is unacceptable.

Transparency

- GAR and The Forest Trust failed to reveal five concessions under development that contained HCS forest; GAR has also concealed the size of its current land bank.

Third-party supplies

- GAR is working toward traceability of the palm fruit it buys from third-parties and the palm oil it buys from other companies, and on making its suppliers conform with its FCP. Despite this, it is still trading with groups involved in deforestation and the development of peatland.

Next steps

GAR has played a pioneering role in developing a 'No Deforestation' policy. All the same, it still has much work to do in putting environmentally responsible palm oil practices into action. Other companies – including sister company APP, along with Wilmar, Cargill, and Asian Agri – have followed GAR's lead and built on its FCP with their own recent policies. These need to be effectively implemented, learning from GAR's experience. For its part, GAR should join other companies in pressing for the transformation of the industry through the introduction of appropriate legislation. Specifically, and in line with its recent KADIN pledge, GAR and the other signatories need to urge full legal protection for peatlands and HCS/ HCV forests. Finally, the company must transform its relationship with local communities. Their rights and livelihoods have to be respected, as part of a process of incentives and partnerships intended to achieve the long-term conservation of HCS forests.

GAR/GVL concessions where the HCS process has been initiated

BRUNEI
MALAYSIA
MALAYSIA
SINGAPORE
Kalimantan
Sumatra
INDONESIA
Java

1. PT Aditunggal Mahajaya
2. PT Agrokarya Prima Lestari
3. PT Agrolestari Mandiri
4. PT Mitrakarya Agroindo
5. PT Agrolestari Sentosa
6. PT Bangun Nusa Mandiri
7. PT Paramitra Internusa Pratama
8. PT Buana Adhitama
9. PT Persada Graha Mandiri
10. PT Tapian Nadenggan
11. PT Binasawit Abadi Pratama
12. PT Buana Artha Sejahtera
13. PT Bumi Sawit Permai
14. PT Kartika Prima Cipta
15. PT Kencana Graha Permai
16. PT Kresna Duta Agroindo
17. PT Satya Kisma Usaha
18. PT Cahaya Nusa Gemilang

Introduction

In February 2011, Indonesia's largest producer of palm oil, Golden Agri-Resources (GAR), committed to an ambitious Forest Conservation Policy (FCP) to stop deforestation in its palm oil operations. This was in response to Greenpeace's campaign against deforestation and peatland clearance for oil palm, and to pressure from consumer companies and the public. GAR's FCP set an initial benchmark for the sector and for other industries. This was at a time when there was little acknowledgement of the need to go beyond RSPO or existing legal requirements and address deforestation in a more ambitious manner.

Nearly four years on from the announcement of the company's original policy, the industry's other leading producers and traders – including Wilmar, Cargill, and Asian Agri – have followed and built on GAR's original lead, with policies that cover third-party suppliers as well as their own operations. Some companies, notably Asia Pulp & Paper (APP) – GAR's sister pulp company in the Sinar Mas group – are now going beyond supply-chain policies with their conservation programmes. Since APP announced its plan in 2013, it has made additional pledges. The company has also sought to address its legacy of deforestation by pledging to protect and restore one million hectares, an area equivalent to its plantation development in the past.

Such progress in terms of policy has yet to be reflected by GAR. That said, APP and the other major players in the palm oil sector are still in the very earliest stages of implementation and have many challenges yet to face. GAR deserves credit for being the first to issue a policy and begin implementing it, thereby paving the way for others. Having been a pioneer in this way, it is inevitable that there are important lessons to be learnt, and that companies following in GAR's wake have the opportunity to study its progress and attempt to do better.

GAR's policy is grounded in a commitment not to develop areas having High Conservation Values (HCV), containing peat regardless of depth, or constituting High Carbon Stock (HCS) forest. Another important undertaking has been to observe the practice of Free, Prior and Informed Consent (FPIC) with regard to local communities. GAR agreed to this programme for all its operations. Consequently its commitments also apply to its Indonesian subsidiary, Sinar Mas Agro Resources and Technology (SMART), and its Liberian venture, Golden Veroleum Liberia (GVL), which began implementing the Forest Conservation Policy across its concessions since January 2013.

Key elements of the policy such as HCV protection and FPIC are already to be found in the requirements of the Roundtable on Sustainable Palm Oil (RSPO), and there are recognised processes for assessing and implementing them. However, this evaluation has revealed that GAR's procedures and performance are weak both for the assessment of HCV and when it comes to achieving FPIC. GAR's response both in Indonesia and in Liberia has generally been positive. HCV assessments are being re-appraised and revised, and the foundations for FPIC are beginning to be put in place – with, for example, the participatory mapping of land designated for community use.

Identifying and conserving forests has required the development of an innovative, practical and robust methodology, and GAR has been a pioneer amongst growers in developing this methodology. Known as the 'HCS Approach', this has been evolved by GAR in collaboration with Greenpeace and The Forest Trust (TFT), a global not-for-profit organisation. It was trialled by GAR in 2011 and 2012 and then piloted for a year, from March 2013, in Kartika Prima Cipta (KPC) in West Kalimantan and subsequently in seven other active concessions. Part of the process has involved working with local communities and local and national government, and the framework of the 'HCS Approach' has proved a major help in flagging up any weaknesses in the quality of HCV and FPIC.

Making a commitment is one thing. Implementing it is another, as other producers and traders who have now made similar commitments will recognise. This report seeks to be even-handed. It has detailed key areas where genuine progress has been made, to the credit of those concerned. But it has also identified aspects of GAR/GVL operations where progress has been limited, or indeed where no discernible progress is apparent. One thing is clear, however: if GAR's FCP is successfully implemented it will set a strong example for oil palm development around the world. In this connection, it needs to be pointed out that an important element of credible implementation is third-party verification. While Greenpeace alone has produced this document, we hope that the next progress report will include information from a third-party audit of GAR operations. We welcome GAR's application for membership of the Palm Oil Innovation Group (POIG), as this requires third-party verification to the highest current industry standards.

It should be stated, finally, that our findings are not directed solely at GAR, and at those NGOs, governments and other bodies who have been following the company's progress. It is hoped that, with the support and input of NGOs, and of local communities and other stakeholders, other businesses in the sector who have begun to implement similar and stronger programmes will draw useful lessons from what is outlined here, making their own initiatives more effective from the outset.

The report provides an overview of actions taken, or not taken, under the headings of No Deforestation and Peatland Development, Social and Community, Responsible Plantation Management, and Supply Chain. This is divided between the Indonesian and Liberian operations, with a focus on comprehensive assessment of GAR Indonesian operations (PT SMART) and with only indicative or preliminary information on GVL. This section also outlines 'Next Steps' that we recommend as a way of moving forward each of the issues under examination; in some instances the company is already in agreement, and tackling these aspects of its operations. We end with a brief conclusion that summarises GAR/GVL performance.

The table forming the Annexe expands on this information, and assesses in more detail how the company has

No deforestation and peatland development

performed.

1. No conversion of HCS areas into plantations

Expected outcome: Verification that there has been no clearing of mapped HCS areas in all active GAR concessions.

Indonesia

Since 2011, more than 1000 hectares of potential HCS forest has been cleared, in eight Kalimantan concessions. There has also been clearance work in other concessions. Some of this can be attributed to errors in identification of HCS forest areas, to lack of delineation of community garden areas, and to poor on-site control. Possibly there has also been a lack of commitment to the FCP. There have also been cases where communities have cleared HCS forest to obtain the higher compensation offered for land that has already been cleared.

Next steps: GAR has committed to restoring an equivalent area of forest to that which it has cleared. The issue of community clearance of HCS forest needs to be urgently addressed.

Liberia

In 2013 GVL halted forest clearance and implemented a moratorium on land clearing. This was to allow assessment of HCS and HCV areas, and to undertake a significant upgrading of internal procedures to ensure affected communities can give Free, Prior and Informed Consent. By October 2014 the company had prepared HCS stratification maps for areas with current or planned development. GVL is innovatively using preliminary HCS maps to identify areas of low forest cover for potential development.

Next steps: Independent verification of all active developments.

2. HCS stratification

Expected outcome: Completed 'ground-truthed' vegetation stratification of all concessions under active development.

Indonesia

Vegetation stratification is the analysis of layers of vegetation, using satellite imagery. It enables a correlation to be established between how dense the trees and plants are and the level of carbon stocks likely to be held in the forest. It is thus a valuable tool in determining which areas need to be protected as forest and which are potentially available for development. There has been good initial progress on developing stratification methodology and on-site fieldwork ('ground truthing') at the KPC concession, along with publication of the HCS Study Report in 2012. But there has been relatively slow progress with the other concessions, including a lack of sufficient sample areas ('field plots') to calibrate and finalise the stratification. Only eight have completed the full stratification process, and work on stratification has slowed down in all 19 of the company's plantations currently under development.

Next steps: Several SMART concessions have potential HCS forest areas, and these need to be stratified as a priority. More field plots urgently need to be established to complete the stratification of all concessions.

Liberia

GVL has rapidly undertaken HCS stratification using satellite images. Results have been correlated with data from field plots, after on-site study of vegetation stratification ('ground truthing').

Next steps: Review and verification of the HCS stratification maps that have been prepared for development areas, including ensuring there is sufficient field plot data. Finalising the stratification method to address variations in the strata results, as was the case for Tarjuowon.

3. HCV

Expected outcome: Rigorous HCV assessments completed, and identified HCV areas protected or restored.

Indonesia

GAR was new to these procedures in 2010 and did what it thought sufficient, using RSPO-accredited assessors. However, basic quality control and monitoring, as well as proper stakeholder consultation, would have identified the serious weaknesses subsequently found. GAR has acknowledged these failings, which are part of a pattern of inadequate HCV assessment across Indonesia.

Next steps: GAR has undertaken to revise its HCV assessments and develop clearer and more rigorous guidelines.

Liberia

GVL's first HCV assessments were unacceptably weak in terms of ecological, social and cultural values. In one area the presence of chimpanzees was not identified and some clearance of chimpanzee habitat occurred. GVL has responded by bringing in international experts to carry out a comprehensive assessment of chimpanzee range, and to advise on the required protection measures. Subsequent HCV assessments have had the involvement of recognised HCV experts Proforest and Daemeter.

Next steps: The company must implement the recommendations of these reviewers, including adhering to a no-go area to protect remaining chimpanzee and other mammal habitats in Kpayan area. It must also ensure that new assessments are rigorous and subject to full public consultation and peer review, including feedback to the communities concerned.

4. Industry and other stakeholder support

Expected outcome: FCP/'No Deforestation'/HCS Approach adopted by at least five other palm oil producers and supported by consumer companies, governments and other stakeholders.

Indonesia

GAR has made a reasonable effort to persuade the broader industry to adopt the HCS Approach, but has tended to concentrate more on middle management and technical staff. There have been several workshops and presentations at different fora, but with little success to date. The recent KADIN (Indonesian Chamber of Commerce) pledge is a good step towards engaging the Indonesian government on HCS, and GAR deserves credit for this.

Next steps: More high-level engagement with other producers and with the Indonesian government.

Liberia

GVL has assisted Liberia's Forest Development Authority (FDA) on a field visit to assess land in Butaw and Kpayan according to the FDA's own stratification methodology, and has worked to reconcile the development areas approved by the FDA and the Government of Liberia (GOL) with the overall GAR/GVL approach to HCS forest conservation. Other palm oil producers and stakeholders have not yet joined the scheme. GVL has publicly welcomed the recent Liberia-Norway agreement establishing 'No Deforestation' safeguards in the palm oil industry, an initiative based on Wilmar's HCS-based 'No Deforestation, No Expoitation' policy.

Next steps: GVL to actively support the implementation of the Liberia-Norway agreement. This should include promoting the use of the HCS Approach, the creation of a national regulatory framework, funding for community-based management of HCS, and an FCP-consistent smallholder scheme.

5. HCS patch analysis

Expected outcome: In all active concessions, HCS patches to have been analysed using the Decision Tree, and where necessary Rapid Biodiversity Assessments (RBAs) and community verification carried out.

Indonesia

Analysis of the carbon stock in isolated fragments of forested land outside contiguous forests ('HCS patch analysis') has been completed for KPC and the other seven concessions in the HCS trial – with the exception of Rapid Biodiversity Assessments (RBAs) and final conservation planning. However this programme has yet to be implemented across all the company's concessions under active development.

Next steps: Full implementation of patch analysis across all active concessions.

Liberia

There has been good cooperation and support from GVL in carrying out the HCS patch analysis. This has been completed for Tarjuowon, Kpayan, and parts of Grand Kru county. HCS patch analysis is now being used to exclude any major HCS forest from the concession area. However, this now raises the question of how GVL will achieve the conservation of HCV and HCS forest areas, including HCS forests outside the actual concessions.

Next steps: To carry out an independent review of recent HCS patch analysis; to develop conservation plans with communities and other stakeholders; to include conservation approaches in Memoranda of Understanding (MoU) with local communities.

6. Legal protection of HCS Forest Areas

Expected outcome: GAR strives to ensure that land-swaps and proposed changes in laws and regulations are developed and approved by government to allow legal protection of HCS areas, including respect of indigenous rights.

Indonesia

The legal protection of HCS forest areas is very much a work in progress, and greater efforts are needed to put the necessary legislation in place.

Next steps: A clear commitment to maintaining a moratorium on forest clearance in these areas and to negotiating with the communities for their conservation as part of any palm oil developments; broader engagement with local and central government on these issues.

Liberia

There is good potential for government support, with a Forest Development Authority field report recommending setting up a regulatory framework for community conservation management and most recently a government commitment to adopt a 'No Deforestation' policy in the agricultural sector. GVL had previously initiated discussions with the government; at the time the subject was not on the political agenda, but it is hoped it soon will be.

Next steps: GVL needs actively to promote the issue and provide feedback to the Liberian government on implementation of the HCS Approach. Any formal MoU with local communities need to incorporate clauses on HCS conservation.

7. Peatland protection

All peatland areas are mapped and protected, whether not yet opened (cleared and drained) or opened but not yet planted. Restoration of peatland in KPC as required by RSPO. Maintenance of peat in existing concessions to minimise emissions and subsidence, with opportunities for restoration considered.

Indonesia

After initial poor implementation of GAR's commitment to no development of peat 'regardless of depth', there has been steady progress to ensure peatland protection via a revised Standard Operating Procedure (SOP).

Next steps: GAR needs to continue liaising with experts, such as the Asia Pulp & Paper (APP) working group on peat, and to complete any required restoration of cleared and developed peatland.

Liberia

It is claimed by GVL that there is no peatland in its areas of operation. However, experts say there is peatland in Liberia.

Next Steps: GVL needs to ensure that it has procedures in place to identify and protect peatland.

8. Integrated forest conservation plan

Expected outcome: Integration of HCS/HCV and peatland areas, riparian zones, and any other protected sectors into one conservation plan, following input from conservation scientists and after boundary rationalisation.

Indonesia

While there is a near-final HCS forest conservation plan in place for KPC – subject to community mapping and Free, Prior Informed Consent (FPIC) – there is a considerable way to go in most other concessions. Resistance from local communities is compounded by confusion over what constitutes HCS, and this is a brake on FPIC.

Next steps: Clarity in communication with local communities must improve. There is also a need for identification and protection of riparian zones (see Point 19). GAR needs to employ staff with expertise in forest conservation planning as well as ensuring that there is an independent review by a conservation expert of its integrated forest conservation plans.

Liberia

GVL has completed an integrated forest conservation plan for two locations, and is seeking government approval and the FPIC of local communities for protection of key areas outside these two concessions.

Next steps: To achieve adequate FPIC from concerned communities, and secure support from national government; to arrange an independent review of the company's integrated forest conservation plans.

Social and community

9. Participatory land-use planning/community mapping

Expected outcome: A proper participatory process, carried out with communities, with their lands mapped and boundaries marked with land-use categories.

Indonesia

There has been poor performance on participatory land-use planning with local communities. However, some participatory mapping is now underway in KPC, and operating procedures are being revised to incorporate this.

Next steps: Participatory mapping in other concessions needs to be rolled out with urgency, with mapping of community lands outside the concession to allow proper assessment of garden lands.

Liberia

GVL now conducts participatory land-use mapping and placing of boundary markers, but implementation has been criticised by some community members and NGOs. The company sometimes fails to explain the operation successfully, and some observers consider that the process hasn't been inclusive enough, increasing the risk of conflict.

Next steps: Participatory mapping processes need to address reported shortcomings and take better account of Environmental and Social Impact Assessments (ESIA) and HCV assessments; HCS forest areas and their conservation must be integrated into the community mapping process. This should also take place in areas adjacent to the concession (both farmland and HCS), to avoid simply pushing forest conversion outside the concession boundary.

10. Community FPIC and subsequent involvement in the development and management of conservation areas (including HCS)

Expected outcome: Communities give consent to the conservation plan and conservation agreements and participate in the management/ protection of these areas.

Indonesia

In terms of gaining the support and FPIC of customary rights holders for HCS forest conservation there has been initial resistance from some communities, not least as a result of confusion about the nature of HCS, as mentioned above.

Next steps: Considerable additional effort to communicate effectively is needed, along with new and innovative strategies.

Liberia

Conservation plans are now included in FPIC processes. It is too soon, however, to judge if there has been genuine community consent.

Next steps: The process needs to take in conservation sites outside concessions.

11. Overall FPIC for concession areas

Expected outcome: FPIC is completed for all active and new concessions.

Indonesia

GAR's approach to FPIC has until recently been very weak, although it is acknowledged that achieving FPIC is a challenging and relatively new undertaking for Indonesian palm oil companies. The company is now working with The Forest Trust (TFT) to address the issue.

Next steps: To continue working with TFT and other stakeholders to ensure proper FPIC and to implement an action plan.

Liberia

Despite progress over the last 18 months, GVL's implementation of FPIC has been challenged by NGOs. In particular, the balanced presentation of information (ie the 'pros' and 'cons' relating to plantation development) is claimed to be flawed. There are also allegations by NGOs of intimidation and pressure from company employees and local authorities. GVL claims that its FPIC implementation exceeds current RSPO guidance and is achieving consent by the communities, but that it takes 12–24 months in many areas.

Next steps: To achieve FPIC in a comprehensive and open way, without feelings of pressure or intimidation among local communities, their representative groups, or NGOs; to carry out independent monitoring of the FPIC process.

12. Engagement with NGOs and civil society

Expected outcome: NGOs and civil society are aware of GAR's policy implementation, and regularly updated on it, with GAR/SMART/GVL being open to feedback.

Indonesia

It has taken some time for GAR to adjust to the requirement to consult NGOs and civil society. At a national level, some NGOs are invited to FCP events and presentations, but at local/regional level many NGOs are reluctant to engage with GAR. In the pilot concession, KPC, there have been some recent efforts by GAR and TFT to reach out to local NGOs.

Next steps: The establishment of a formal working group to liaise with international and local NGOs needs to be encouraged. The launch of a web-based information portal known as the 'dashboard' is a further aid to communication, along with an associated commitment to quarterly reporting.

Liberia

GVL has generally improved its communication, but some NGOs remain concerned over GVL's approach to FPIC. Serious incidents involving denial of access and intimidation by proxies have been reported. There has been one reported case of assault on an NGO worker in mid 2014. GVL claims it is striving for closer dialogue with NGOs.

Next steps: To ensure that NGOs can support communities as appropriate, in order to improve the FPIC process; closer engagement of GVL with NGOs and better information sharing.

13. Addressing community forest conversion within plantations

Expected outcome: GAR/GVL acknowledges the practice and takes action to prevent it happening.

Indonesia

Community conversion of HCS forest for gardens or short-term crops before giving the land over for oil palm is a significant issue. There is open acknowledgement of how this threatens the protection of HCS forest. However, GAR has done little to counter these practices, other than agreeing to 'compensate' communities for areas of HCS forest that are conserved – in the same way that areas that are planted attract a 'compensation' payment.

Next steps: Before undertaking any development, GAR has agreed to carry out participatory mapping of community lands, especially food gardens and areas to be reserved for basic food needs. GAR needs to offer financial incentives for communities to conserve HCS forest. It should inform communities that it will not plant or pay compensation for cleared HCS forest areas, or buy palm fruit grown in them. The smallholder scheme needs to run in parallel with plantation development and have sufficient land allocated to it to ensure that demand for smallholdings does not lead to encroachment on garden land or encourage clearance of HCS areas.

Liberia

GVL's participatory mapping aims to set aside farmland for the present and future needs of communities. However the delineations may underestimate requirements, as a result of the difficulties communities have in accurately assessing their future land needs and then projecting them onto maps. At present oil palm smallholder areas are part of the overall development plan, and no separate area has yet been identified and set aside for development of an oil palm smallholder scheme. These are key issues to address in order to prevent future conversion of community forest.

Next steps: HCS forest conservation proposals to create reserves need to be finalised with communities, along with areas for maintaining HCV values. GVL needs to address community needs in collaboration not just with the community but also with the government and other stakeholders, in order to prevent HCS forest conversion. The smallholder pilot scheme now being developed needs to ensure that sufficient land is allocated within planned development areas. The current practice of trading employment prospects for surrender of land can lead to a damaging underestimation of future farmland needs: GVL should ensure that the social benefits expected from palm development (jobs, improved access to education and heath services) are not tied to the area of land given up by communities.

14. Community conflict in plantation areas

Expected outcome: Community conflicts are mapped, so they can be given priority and resolved equitably, with compensation if necessary.

Indonesia

Conflict mapping has not been completed, but TFT has been engaged to help resolve complaints. Overall progress is slow, in part due to difficulties determining if a complaint is valid or not.

Next steps: Clear and timetabled plans should be in place to resolve all active conflicts and underlying low-level conflicts, using independent arbitration as appropriate. GAR should set up an independent grievance mechanism.

Liberia

GVL has improved its complaints procedures over the past 18 months. However, refusal to suspend operations on lands where there is a valid dispute is unacceptable. Where a community is divided, GVL should proceed with caution, whilst trying to bring the parties together, or alternatively suspend development plans pending a resolution of the problem. FPIC cannot be achieved if communities feel they are being pressured into releasing land.

Next steps: Recent complaints must be addressed, in line with RSPO and Palm Oil Innovation Group requirements.

15. Transparency

Expected outcome: Sharing of information, documentation and progress reports.

Indonesia

It has taken some time for GAR to adjust to the open sharing of information and data, but data-sharing for HCS is now acceptable, although HCV reports are not yet publicly available. Public consultation was recently held with local stakeholders on the revised draft HCV assessment report for KPC, and peatland maps have been shared with Greenpeace and TFT. The SMART Research Institute has been open and transparent.

GAR has failed to be transparent with Greenpeace about the full extent of new development within its concessions over the last three years and has concealed the area of its current land bank. The evidence that development was taking place in additional concessions was obtained through the RSPO.

Next steps: GAR to carry out an independent audit of its operations with reference to its FCP, with the results being published. Meanwhile, GAR and TFT need to build on the recent improvements in transparency by posting all information on the 'dashboard' so it can be shared. GAR should be fully transparent regarding active concessions where palm oil development is taking place, on the extent of its current land bank, and on new purchases.

Liberia

GVL has made information available to NGOs. This includes documentation on SOPs, full ESIA and HCV reports, community engagement information and maps. There is however a lack of detail on planned FPIC processes, on mapping, and on plantation development. With the current Ebola epidemic, most NGOs are focused on matters other than palm oil development.

Next steps: To ensure greater participation, the company could usefully provide more information on planned activities, to encourage feedback from communities and stakeholders.

Responsible plantation management

16. Chemical pesticides and fertilisers

Expected outcome: Collaborative research on the phasing-out of chemical pesticides and fertilisers.

Indonesia

GAR has carried out good work on researching the phasing-out of chemical pesticides and fertilisers.

Next steps: Phasing-out of the herbicide paraquat to be completed as soon as possible. Additionally, GAR needs to continue to implement its Yield Improvement Policy by taking up new developments that can reduce the use of chemical pesticides and fertilisers.

Liberia

GVL has committed to eliminating use of paraquat. However, the extent of research on the phasing-out of chemical pesticides and fertilisers is not known.

Next steps: To achieve the phasing-out of paraquat, and to move on to the elimination of all highly hazardous chemical pesticides and fertilisers.

17. Smallholder support

Expected outcome: To see smallholder productivity increase to near that of the company.

Indonesia

A so-called 'plasma' scheme exists, to enable smallholders to operate small plantation areas under company management, connected to the company's 'nucleus' plantation. GAR complies with the legal requirement for supporting 'plasma' smallholder schemes surrounding its concessions. It claims to have supported the development of 90,000 ha of 'plasma' plantations over the last 20 years. For independent ('non-plasma') smallholders, GAR has started to implement an innovative financing scheme for replanting. Beyond this, we are not aware of any particular support.

Next steps: Further support to independent smallholders to improve their environmental performance as well as their profitability, including ensuring appropriate labour conditions.

Liberia

Support for smallholders is a legal requirement attached to the concession. GVL is working on a scheme, but it clearly ranks behind the company's own planting. In its concession agreement GVL says it expects smallholder schemes to be developed in the three years after a company plantation has begun operation.

Next steps: Nomination of areas for smallholder planting must be included in mapping and FPIC processes, to avoid later conversion of conservation areas. Following on from this, the smallholder scheme needs to be finalised, with government input, and put into operation.

18. Palm Oil Innovation Group (POIG)

Expected outcome: For GAR/ SMART/GVL to support a strong POIG charter and publicly promote it.

Indonesia

While GAR initially supported the Palm Oil Innovation Group (POIG) and gained some credibility for doing so, it pulled back from becoming a member when the POIG Charter was launched in November 2013. However, GAR has recently applied to become a member of POIG.

Next steps: GAR should move swiftly to meet POIG membership requirements.

Liberia

With GAR as the major shareholder in GVL, GAR membership of POIG will include GVL.

19. Protection of riparian zones

Expected outcome: All watercourses over 3 metres wide identified and mapped, and protected with adequate natural-vegetation buffer zones.

Indonesia

During the HCV assessment in KPC and elsewhere, vulnerable riparian (ie riverside) zones were not fully identified and protected. The excavation of small watercourses for drainage canals is a further unresolved problem. In general, there has been very slow progress in implementing responsible management of riparian zones.

Next steps: GAR has agreed to go beyond the Indonesian legal requirement of only protecting riparian zones along mapped and named rivers. The company needs to put into action clearly formulated requirements on riparian zones.

Liberia

GVL is acting to protect watercourses over 3 metres wide, and smaller waterways if identified as important by the community concerned.

Next steps: The large river buffer in the north of Tarjuowon is currently unprotected. GVL claims it is already heavily degraded; this question needs to be addressed.

20. Responsible road building and road maintenance

Expected outcome: To have road building and maintenance of roads minimise environmental impact and in particular to avoid sedimentation of waterways.

Indonesia

The standard of road building – while probably the industry norm – is very poor. There is use of log culverts, sediment traps are not employed to prevent silting of watercourses, and there is inadequate drainage of roads. So far there has been a weak response by GAR to improving this.

Next steps: GAR to implement a high standard of road construction and maintenance.

Liberia

GVL has a satisfactory record on internal road building; furthermore, it claims that it also invests a considerable amount in non-company road maintenance.

Next steps: While not a legal obligation, we suggest GVL could usefully maintain and increase any contribution it currently makes to the repair of public roads.

1.

Supply chain

21. Third-party fresh fruit bunches (FFBs)

Expected outcome: To track all FFBs purchased by GAR and see that they meet the same requirements as apply to GAR plantations.

Indonesia

GAR is working towards traceability of all the FFBs entering its mills. It has been mapping all FFBs and assessing whether they are in compliance with its FCP.

Next steps: **An action plan needs to be developed to deal with the risks identified, including how these third-party suppliers will meet the 'No Deforestation' and 'No Peatland' requirements.**

Liberia

Not yet applicable.

22. Palm oil trading

Expected outcome: To ensure that all downstream-traded oil is both traceable and meets FCP requirements.

Indonesia

GAR has recently announced it will apply the FCP to all its operations, including downstream and trade. Discussion on implementation has started.

Next steps: To establish a clear policy and a schedule for action. Key issues include creating a transparent system to deal with suppliers not in compliance with the policy.

Liberia

Not applicable.

Conclusion

GAR's ambitious Forest Conservation Policy announced in early 2011 aimed to position the company as an industry leader. As can be seen from the assessment above, after some three and half years the record is mixed. It is positive that progress in both Indonesia and Liberia on vegetation stratification and patch analysis of High Carbon Stock forest has progressed well: these are critical for achieving a 'No Deforestation' footprint. Interestingly the HCS Approach has identified major failures and weaknesses in HCV assessments and in the Free, Prior and Informed Consent process – both of which are essential to a 'No Deforestation' policy. However, while GAR's performance was initially very poor in HCV assessment and FPIC, in both areas some improvement is now evident, as steps are slowly taken to address acknowledged weaknesses. But the company needs to show more urgency and ambition. There is a pressing need to seek the support of local and national government for legal and regulatory changes to support the conservation of HCS forest areas.

GAR has been on a steep learning curve as far as transparency and accountability are concerned. It has made a very public policy commitment, and as a sector leader it is in an exposed position. Unfortunately there have been instances of key information being withheld, causing the trustworthiness of the company to be questioned. There needs to be much more open communication, with greater participation from stakeholders, increased consultation, and better dissemination of information to the public. Liaison with NGOs needs to improve, too, if old suspicions are to be overcome. The next major step should be regular independent audits of progress on implementing the FCP; joining the Palm Oil Innovation Group will also bring benefits in transparency and accountability.

GAR's poor relationship with many communities is apparent. Projects have been inadequately explained, and as a consequence not understood; some conflicts remain unresolved; participatory community mapping, including identifying areas for growing food, has not been completed. This has hindered the achievement of FPIC, a cornerstone of respect for local community rights. A renewed relationship with communities is needed, one where they are seen as equal partners in conservation and development, and where they are offered incentives and adequate compensation for conservation of HCS forest areas.

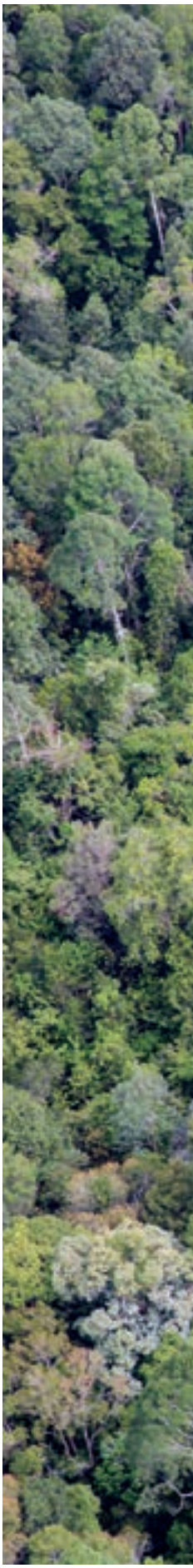
In preparing this report we have paid particular attention to progress made over the last year. We have taken into account that moving a company from a global policy commitment through to the implementation of changes in the field is not easy in Indonesia and Liberia, and takes time. Greenpeace did not have the opportunity to field-check every location and every aspect of the company's implementation of its Forest Conservation Policy; some issues in any case go beyond the FCP itself. But we believe our findings are a fair appraisal of the company's performance.

This review has identified many issues that require attention, some urgently. The overall picture is of mixed progress, and the amount of unfinished work leaves absolutely no grounds for complacency. GAR/SMART/GVL took a bold step in establishing its Forest Conservation Policy. Implementation has begun well, but has faltered in places and needs to be carried through in its entirety. While GAR has played a critical role in pioneering forest and peatland conservation policies, other companies have now adopted more ambitious programmes. A high priority is to ensure the translation of these forest conservation initiatives into permanent forest protection. GAR, APP, Wilmar and others with FCPs will need to play their part in pressing for industrial and political reform. A recent pledge signed between several of these companies and KADIN (the Indonesian Chamber of Commerce and Industry) calls for regulatory action by the Indonesian government. Critically, this includes support for full legal protection for peatlands and HCS/HCV landscapes.

PT Paramitra Internusa Pratama, Indonesia
14 November 2013
0°27'36.92"N 111°52'1.88"E
Drainage canals show new peatland development for an oil palm plantation in PT Paramitra Internusa Pratama (PIP). Located in West Kalimantan, PT PIP is a subsidiary of GAR. Such development is in breach of GAR's FCP. ©Jufri/Greenpeace

PT Buana Adhitama, Indonesia , 13 November 2013
1°46'9.47"S 112°31'11.71"E
New oil palm plantation development amid evidence of recent forest clearance in PT Buana Adhitama (BAT). The area had been identified as HCS forest and as belonging to the local community. PT BAT is a GAR subsidiary in Central Kalimantan. ©Jufri/Greenpeace

Aditunggal Mahajaya, Indonesia, 5 June 2014
2°5' 0,476"S 112°11' 53.758"S
New oil palm plantation development amid signs of recent forest clearance in PT Aditunggal Mahajaya (ATM), a GAR subsidiary in Central Kalimantan. The area had been identified as HCS, and the clearance represents a breach of the company's FCP. ©Greenpeace

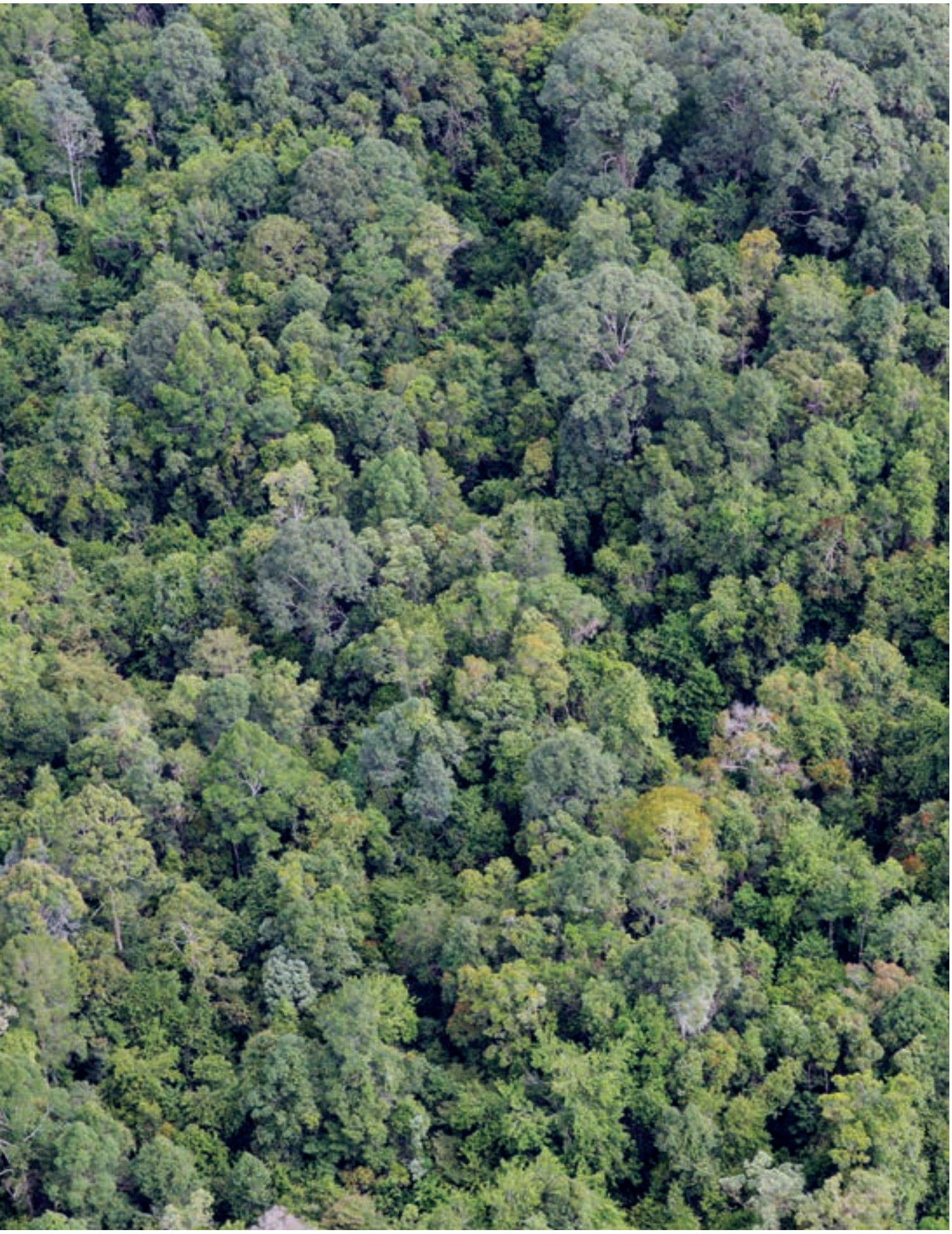


PT Buana Adhitama, Indonesia , 10 June 2014
1° 53' 25.649"S 112° 31' 40.709"E
Recent forest clearance in another area of the PT Buana Adhitama (BAT) concession that is owned by the local community, and has been identified as HCS. Young oil palms and rubber trees can be seen in the background. The community forest had been identified as HCS. PT BAT, in Central Kalimantan, is a subsidiary of GAR. ©Greenpeace

PT Paramitra Internusa Pratama, Indonesia, 14 November 2013
0°33'17.14"N 111°43'24.14"E
Recent community slash-and-burn clearance of identified HCS forest in PT Paramitra Internusa Pratama (PIP). ©Jufri/Greenpeace

PT Aditunggal Mahajaya, Indonesia, 7 June 2014
2°0'56.550"S 112°13'43.284"E
Commercial tree felling by the local community inside an identified area of HCS forest in the PT Aditunggal Mahajaya (ATM) concession. For HCS forest conservation to be successful, GAR will need to carry out FPIC on these areas and negotiate conservation and co-management agreements that protect such forest. PT ATM, in Central Kalimantan, is a GAR subsidiary. ©Greenpeace

PT. Paramitra Internusa Pratama, Indonesia, 12 July 2014
0°30'46.4"N 111°48'51.0"E
Commercial tree felling by the local community inside an identified area of HCS forest in the PT. Paramitra Internusa Pratama (PIP) concession. PT PIP, in Central Kalimantan, is a GAR subsidiary. (c)Greenpeace



PT Paramitra Internusa Pratama, Indonesia
14 November 2013
0°33'01.66"N 111°48'33.35"E
Identified HCS forest in PT Paramitra Internusa Pratama (PIP). ©Jufri/Greenpeace

GVL Tarjuowon concession, Sinoe County, Liberia
December 2013
Local people 'ground truthing' HCS forest patches.
©Rosoman/Greenpeace

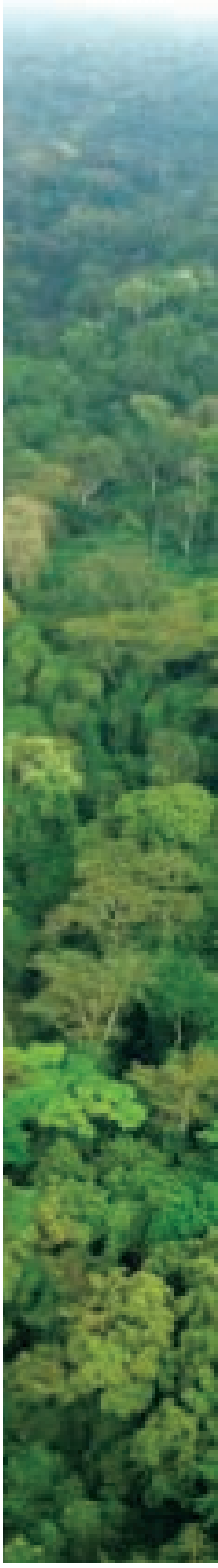
GVL development, Grand Kru County, Liberia
December 2013
Following HCS and HCV assessments, this degraded former forest land is being developed for an oil palm plantation. The assessments determined that these areas were not HCS forest. ©Rosoman/Greenpeace

GVL Butaw concession, Sinoe County, Liberia
December 2013
In January 2013, GVL agreed to a moratorium on development, and all conversion of forest was halted. The remaining forest shown here has been proposed for conservation as a result. ©Rosoman/Greenpeace

GVL Butaw concession, Sinoe County, Liberia
December 2013
GVL agreed in January 2013 to a moratorium on development; shown is where forest conversion was halted, with the forest proposed for conservation as a result. ©Rosoman/Greenpeace

GVL Kpayan concession, Sinoe County, Liberia
December 2013
Patches of HCS forest that have been conserved on the edge of chimpanzee range, where adjacent non-HCS land has been cleared for the establishment of an oil palm plantation. ©Rosoman/Greenpeace

Local settlement adjacent to GVL Tarjuowon concession, Sinoe County, Liberia
December 2013
A key issue where GVL has made good progress is in enclaving sufficient farmlands for communities such as this small settlement. ©Rosoman/Greenpeace



Forest adjacent to GVL Tarjuowon concession, Sinoe County, Liberia
December 2013
Adjacent to a GVL concession, this HCS forest is required as a corridor to maintain the ecological integrity of the landscape. ©Rosoman/Greenpeace

Annexe

Key Performance issue	Expected Outcome	GAR/SMART – Indonesia Actual Progress (November 2014)	Golden Verolium Liberia - Liberia Actual Progress (June 2014)
No deforestation and peatland development			
1. No conversion of HCS areas into plantations	Verification that there has been no conversion of mapped HCS areas in all active GAR concessions	The June 2012 maps of potential high carbon stock (HCS) for the eight concessions in Kalimantan were completed, to assess compliance with the 'No Deforestation' footprint incorporated in GAR's FCP. Since a last flyover in November 2013 and subsequent field checks, some HCS forest clearance has been carried out – over 1000 hectares of potentially HCS forest (Low Density Forest and Young Regenerating Forest) has been converted to oil palm since 2011 in the eight concessions, in particular Buana Adhitama and Paramitra Internusa Pratama. GAR has agreed to restore an equivalent area of forest. Additionally Greenpeace has been alerted to conversion in some of a further ten concessions, five of these not having been disclosed by GAR or TFT over the last three years. A major weakness identified during 2013 is that a lack of community mapping means there is no delineation of farm and garden lands, and in particular of areas that are being set aside for basic food needs. GAR agreed that from March 2014 it would carry out participatory mapping ahead of any development, in order to have maps and boundaries of community lands, garden areas, and areas to be reserved ('enclaved') for basic food needs. Assessment: A good initial response by halting development after the FCP was announced, but cumulatively over a thousand hectares of HCS forest have been cleared over the last three years. This does not sit easily with GAR's commitments to end deforestation.	After forest clearance in Butaw area in breach of the FCP was stopped in January 2013, the moratorium was observed reasonably well. There was some minor conversion of HCS areas and extension of roads into HCS areas in Kpayan in mid 2013 but otherwise the moratorium held until late 2013 when development began in Tarjuowon. GVL has shared the HCS maps of current and planned development in active areas, reflecting its stated commitment to HCS for developments in Tarjuowon and Grand Kru. This has not yet been independently verified. GVL is using preliminary HCS forest mapping to select areas of low forest cover for potential development. Assessment: Since forest clearance halted in January 2013 there has been reasonable adherence to the moratorium, pending completion of HCS/HCV assessment and FPIC.
2. HCS stratification	Completed 'ground-truthed' vegetation stratification of all concessions under active development.	Vegetation stratification based on satellite images has been carried out for all eight concessions and potential areas of HCS have been identified. Field plots have been established to calibrate with the analysis of satellite photos to produce vegetation stratification for two of the eight concessions. Further plots are being established for the remainder of the eight concessions, and ground verification is being carried out. In March 2014 several other SMART concessions (out of 19 actively carrying out development) were identified as potentially having HCS forest areas and thus needing to be stratified. The HCS Approach is now being applied to these as a priority. Assessment: There has been good initial progress on developing stratification methodology and on-site fieldwork ('ground truthing') in KPC. But there has been relatively slow progress with the other concessions, including a lack of sufficient field plots to calibrate and finalise the stratification.	Good progress for most areas of planned development, with vegetation stratification completed using satellite images. On-site fieldwork ('ground truthing') is being completed for areas proposed for development, and is still being processed for statistical validity and correlation with the satellite-based stratification. Plot data and checks in Kpayan have been satisfactory. There is an outstanding issue nonetheless, concerning the revised stratification of Tarjuowon. This has seen significant areas of Young Regenerating Forest (YRF) downgraded to 'scrub', when data from field plots did not support this. This was addressed in a review of the consistency of the HCS stratification methodology. Assessment: There has been rapid implementation of the HCS stratification approach by GVL. Maps have been prepared for proposed development areas but await validation.

Key Performance issue	Expected Outcome	GAR/SMART – Indonesia Actual Progress (November 2014)	Golden Verolium Liberia - Liberia Actual Progress (June 2014)
No deforestation and peatland development			
3. HCV	Rigorous HCV assessments completed, and identified HCV areas protected or restored.	The process of completing the HCS analysis exposed major weaknesses in HCV assessment for KPC, even though it was based on the 2008 HCV Indonesia Toolkit and carried out by accredited RSPO assessors. A reassessment begun in 2013, including a public consultation in March 2014, constitutes an improvement; however there are still numerous weaknesses that Greenpeace expects GAR to address. These include poor skills of assessors, inadequate detail in the field surveys, ignorance of key biodiversity values, a lack of identification of all rivers, streams and riparian zones, failures in community consultation, a lack of participation by local NGOs, poor peer review, a failure to properly identify HCV5 (community forest use) and HCV6 (cultural and spiritual) values, and a lack of management guidance on the maintenance of HCVs. From reviewing other HCV assessments of palm oil concessions it would appear that weak procedures are a generic problem in the RSPO, even when the 2008 Indonesian HCV Toolkit is used and assessments are carried out by RSPO-accredited personnel. Revised 'Common Guidance' on the identification of HCVs has been issued by the HCV Resource Network but this has not yet been used. However, GAR supports the revision and updating of the 2008 HCV Indonesia Toolkit. There is a need for a clear procedure on the minimum requirements for HCV assessments and assessors, to ensure rigorous and consistent work. There is no apparent development or clearance in currently identified HCV areas in the pilot concession of KPC or in other concessions that has had ground checks; these areas are still in the process of gaining more permanent protection, with community support. It should be noted that GAR co-chairs the Indonesian HCV Task Force, whose main purpose is to secure the protection of HCV areas in territory undergoing oil palm development. Assessment: There are serial HCV failures in Indonesia. GAR was new to HCV in 2010 and did what it thought were sufficient assessments. However, basic quality control and monitoring would have picked up the serious weaknesses found. There has been a good response by GAR to revising HCV assessments and improving practices in Indonesia.	GVL produced weak HCV assessments in the early phases (Butaw, Kpayan, Tembo, Wedebo and Garraway districts), even though the work was carried out by RSPO-accredited assessors. GVL subsequently agreed to have these reports reviewed by more skilled assessors, and to undertake an additional assessment focusing on chimpanzees and other large mammals in Kpayan. This was after a rapid biodiversity assessment identified chimp nests overlooked by the initial HCV assessment. Recent improvements have resulted from the involvement of an experienced international assessor in Tarjuowon. For assessments in Sinoe county, GVL has contracted HCV consultants Daemeter to provide training and quality-control for field activities and report writing. The consultants will co-sign the HCV Assessment reports. It is good that ESIA/HCV assessments have been shared and that GVL has agreed to peer reviews of the earlier assessment, basing these on the HCV Resource Network methodology. The additional chimp/mammal assessment has also resulted in the identification of a high conservation value area (HCV 1) in Kpayan. Recommendations now have to be implemented and related management decisions clarified, including adherence to a proposed no-go area and other operational measures in Kpayan. As well as addressing any major weaknesses identified, reviewers recommend that ESIA/HCV reports be shared with communities and agreement on them be secured before the start of the FPIC land-acquisition process. Major weaknesses in early assessments included the poor skills of the assessors, inadequately thorough field surveys, poor use of data collected, and the incomplete identification of key ecosystems and biodiversity and HCV5/HCV6 values. Weak HCV assessments are a common problem with the RSPO. There is a need for a SOP to establish minimum requirements for these assessments in areas such as peer review and public consultation. Assessment: GVL's HCV assessments were initially of poor quality, but it has responded by bringing in international experts. In the meantime, about 40 ha of chimpanzee habitat has been lost. Considerable improvement is still required.

Key Performance issue	Expected Outcome	GAR/SMART – Indonesia Actual Progress (November 2014)	Golden Verolium Liberia - Liberia Actual Progress (June 2014)
No deforestation and peatland development			
4. Industry and other stakeholder support	**FCP including 'No Deforestation' via the HCS Approach adopted by at least five other palm oil producers and supported by consumer companies, governments and other stakeholders.**	Good efforts have been made by GAR to engage other industry players and government around the FCP and the HCS Approach. But the emphasis has been on mid-management and technical staff rather than on high-level engagement with other producers. Four HCS workshops have been conducted with industry players, and initially GAR supported the POIG. However, it significantly backslid by not signing the POIG Charter when this was launched in November 2013. This has now been addressed. Meanwhile there have been new commitments on forest protection, using the HCS Approach, from palm oil traders Wilmar, Cargill and Asian Agri. This was part of the Indonesian Palm Oil Pledge made in conjunction with KADIN (the Indonesian Chamber of Commerce); the initiative was launched in September, and GAR was a fellow signatory of the agreement. It has also engaged with GAPKI, the Indonesian Palm Oil Association, but there are no signs of anything concrete having yet emerged. On a more positive note, GAR has fully supported the HCS Approach Steering Group that was launched in August 2014 to provide global governance and standardisation of the HCS Approach. Assessment: A reasonable effort, but more could have been done through high-level engagement and through joining POIG sooner. The KADIN pledge is an important step forward.	Engagement with the Liberian Ministry of Agriculture has started but is still at an early stage. GVL has committed to seeking full government support for implementation of an FCP appropriate to Liberia. In November 2013 a meeting was held between the government, GVL, Greenpeace and TFT, to discuss FCP implementation. GVL has subsequently assisted the Forest Development Authority (FDA) on a field visit to assess and stratify the land areas in Butaw and Kpayan according to its own stratification methods and to learn more about GVL's HCS stratification approach. The FDA also made recommendations on forest conservation in the concession area and on the need for a regulatory framework for community-based management, supported by GVL and FDA. In September 2014, the Liberian government signed an agreement with Norway and committed to establishing 'No Deforestation' as a legal requirement in the agricultural sector, with a reference to Wilmar's policy (ie in accord with the HCS Approach). This should have an immediate impact on all oil palm companies operating in Liberia, and the decision was publicly welcomed by GVL. Assessment: There has been initial if limited engagement with the national government (MinAgri and FDA), but the Liberia-Norway agreement is a game-changer. GVL is now expected to participate actively in discussions to implement the agreement. In so doing, it will benefit from official support to put in place its Forestry Conservation Policy, involving long-term conservation of HCS, community management, and a 'No Deforestation' smallholder scheme.
5. HCS patch analysis	In all active concessions, HCS patches to have been analysed using the 'HCS Patch Analysis Decision Tree', and where necessary Rapid Biodiversity Assessments (RBAs) and community verification carried out.	The KPC concession has been used to develop the methodology. Analysis of the carbon stock in isolated fragments of forested land outside contiguous forests – known as 'HCS patch analysis' – has been undertaken. This has been completed with the exception of RBAs and final conservation planning (pending the revised HCV assessment maps). Patch analysis is partially completed for the other seven concessions. Overall there has been a good commitment from GAR to developing and implementing this second phase of the HCS methodology. Assessment: Strong commitment so far to supporting the development of the 'Patch Analysis Decision Tree'; broader implementation is pending.	Overall GVL has been proactive and supportive in the carrying-out of HCS forest patch analysis. This has been completed for both the Kpayan trial area and Tarjuowon. A science review has been completed to give feedback on the HCS patch analysis and on the conservation approach, including testing the appropriateness of the 'Decision Tree' for Liberia. Of concern is that GVL's exclusion of large HCS areas from the concession might mean that, while it will not itself develop them, they remain unprotected, and vulnerable to conversion by others. Assessment: Good progress so far, but patch analysis still needs to be completed across all development areas. There is a need to develop HCS forest conservation plans with communities and other stakeholders, and to include conservation approaches into Memoranda of Understanding (MoU) with local communities, even for outside areas.

Key Performance issue	Expected Outcome	GAR/SMART – Indonesia Actual Progress (November 2014)	Golden Verolium Liberia - Liberia Actual Progress (June 2014)
No deforestation and peatland development			
6. Legal protection of HCS forest areas	GAR strives to ensure that land-swaps and proposed changes in laws and regulations are developed and approved by government to allow legal protection of HCS areas, including respect of indigenous rights.	There has been some effort by GAR concerning these issues, with several meetings – in particular with local government in Kapuas Hulu. However, there has been limited broader engagement, notably with central government. This translates into no tangible progress having yet been made, and no revised regulations in sight. The recent KADIN (Indonesian Chamber of Commerce) pledge opens the way for greater engagement with the government. In the interim, it is important for GAR to make a clear commitment to maintain a moratorium on conversion in these HCS areas. It needs to negotiate with local communities, respecting the principle of FPIC, so as to achieve the conservation of the areas as part of a palm oil development/ forest conservation package. Assessment: Very much a work in progress; considerably greater efforts will be needed to achieve long-term protection of HCS forest.	While GVL has initiated discussions with the government of Liberia, the issue is not yet on the latter's agenda. There is however some government support, and a Forest Development Authority field report recommends setting up a regulatory framework for managing community conservation. The recent Liberia-Norway agreement should facilitate and accelerate this process. Assessment: Little progress as yet. GVL needs to push harder on this issue and ensure HCS forest protection is part of its formal agreements with communities. There is now political support in Liberia for this.
7. Peatland protection	All peatland areas are mapped and protected, whether not yet opened (cleared and drained) or opened but not yet planted. Restoration of peatland in KPC as required by RSPO. Maintenance of peat in existing concessions to minimise emissions and subsidence, with opportunities for restoration considered.	Some small peatland areas were identified as being developed during field checks in four concessions. These resulted from there being no revised SOP by GAR for peat of less than three metres depth (peat deeper than 3m is identified by the HCV assessment, and protection is a legal requirement). This was a significant failure in implementation of GAR's commitment to no development of 'peat of any depth'. However, a revised 'Peat SOP' has been finalised to address these weaknesses and to include areas of degraded or partially developed peatland. Additionally, advice is being sought on the SOP, and collaboration has begun with the APP working group of peat experts. Peatland restoration is in progress in KPC as per RSPO requirements, but its success is unclear. GAR is taking further advice. Assessment: After the initial poor implementation of the peat commitment there has subsequently been good progress on peatland protection.	GVL claim that no peatland areas have been identified but peat experts claim there is peatland in Liberia. GVL needs to consider peatland mapping and a SOP for peatland protection.

Key Performance issue	Expected Outcome	GAR/SMART – Indonesia Actual Progress (November 2014)	Golden Verolium Liberia - Liberia Actual Progress (June 2014)
No deforestation and peatland development			
8. Integrated forest conservation plan	Integration of HCS/ HCV and peatland areas, riparian zones, and any other protected areas into one conservation plan, following input from conservation scientists and after boundary rationalisation.	Implementation of the final conservation-planning phase for the pilot concession of KPC is nearing completion. Other concessions are still in process. However, resistance by local communities – partly conditioned by previous unhappy experiences and inadequate FPIC – is slowing the process down. To a large degree this is because HCS was added late in the land development process (some expected these areas to be planted); other factors are confusion by communities over whether HCS covers garden and rubber areas (it doesn't), and a slow FPIC and participatory process in the earlier stages of development (see Points 9, 10 & 11 below). Additionally, as the forest conservation plan would integrate riparian zones, the lack of identification and protection of these is a significant issue: some sections of river are not deemed HCV, and smaller watercourses of less than 3m width are not identified for buffer protection. An independent science review of the HCS forest patch analysis and conservation planning phase has been completed and feedback is being incorporated. Assessment: Too early to fully assess, but reasonably good progress so far.	The Forest Conservation Plan was fully implemented for both the Kpayan trial area and Tarjuowon, incorporating riparian zones and HCV recommendations. An independent science review as well as an independent HCV assessment has largely confirmed these initiatives, with some adjustments – in particular in Kpayan, due to the presence of chimpanzees. The conservation plan for Tarjuowon incorporated HCS/HCV conservation both inside and outside the concession, subject to agreement with local communities. This is customary community land and FPIC approval is required, along with a satisfactory conservation agreement and oversight by the Forestry Development Authority, as the relevant government agency. GVL is working with international NGOs active in Liberia to see what models of conservation may work locally. Assessment: There has been reasonable progress both in principle and on the ground. However, it is too early to judge success or otherwise. Adequate FPIC remains a key requirement, as does government support, especially outside concessions.

Key Performance issue	Expected Outcome	GAR/SMART – Indonesia Actual Progress (November 2014)	Golden Verolium Liberia - Liberia Actual Progress (June 2014)
No deforestation and peatland development			
9. Participatory land-use planning / community mapping	A proper participatory process, carried out with communities, with their lands mapped and boundaries marked with land-use categories.	The first four communities in KPC have recently carried out participatory mapping, including village land boundaries and land use (taking in water sources and sacred areas). GAR has updated its SOPs to include participatory mapping. Before this there had been difficulty both in understanding what was required, and in getting the required cooperation and approval from local government and from the communities themselves. Before 2014, boundary marking had focused on lands where compensation had been given for planting. This is because when these concessions started there was no requirement for FPIC, this being before GAR had signed up to Roundtable on Sustainable Palm Oil. The stipulations of the RSPO, however, include community mapping of all lands. Participatory mapping has not yet begun in the other concessions under active development. Now that training and preparation is underway, it is hoped that it will be urgently rolled out on all GAR concessions. Community mapping is crucial for identifying sites and resources vital to the culture and livelihood of local communities including indigenous peoples, ahead of any development and before any conservation of HCS/HCV areas is implemented. It also is a pre-condition for effective FPIC. Assessment: Poor performance until recently. Positive that participatory mapping is underway in KPC and that operating procedures have been appropriately revised.	It is positive that participatory mapping/marking is now included in the Standard Operating Procedures and undertaken systematically with each community. There is now an understanding by GVL that the process needs to be completed before any development starts. There have been problems identifying the different community groups who have rights and delineating the areas in which they live and farm. Some members of concerned communities have had difficulty understanding the process and the resulting maps, or have simply not seen them. Some issues have not yet been adequately addressed, with a potential for conflict as development proceeds – for example in the Lower Kulu customary lands in Tarjuowon. Operational maps now include land-use information derived from participatory mapping. To advance matters further, the correlation of ESIA/ HCV assessments and recommendations with participatory mapping needs to be improved. Further to this, HCS areas and the approach to conserving them needs to be included in the community mapping process, and this should take in areas adjacent to the concession – farmland and HCS – in order to avoid simply pushing forest conversion outside the concession boundary. Assessment: After an initially poor performance there has been genuine improvement, and participatory mapping has been rapidly incorporated as a standard procedure. GVL should ensure that the resulting maps are widely shared and understood, and it needs to delay development in sensitive areas until land-marking issues have been solved and the full support of affected communities can be demonstrated. Without this, there is a risk of long-lasting community division and conflict. Close monitoring is needed, with complaints followed up and compensation made as appropriate.

Key Performance issue	Expected Outcome	GAR/SMART – Indonesia Actual Progress (November 2014)	Golden Verolium Liberia - Liberia Actual Progress (June 2014)
Social and community			
10. Community FPIC and subsequent involvement in the development and management of conservation areas (including HCS)	Communities give consent to the conservation plan and conservation agreements and participate in the management/ protection of these areas.	The process is still in its early stages at KPC and is yet to begin in other concessions. But the poor response to date is due to a large degree to the historical relationship between the company and the communities; there is considerable resistance to giving consent for HCS forest conservation areas when local people expected some of those areas to be developed for oil palm. In Kapuas Hulu district there appears to be resistance relating to past promises by NGOs on forest conservation and on funds from the United Nations REDD (Reducing Emissions from Deforestation and Forest Degradation) programme. Communities also appear to be confused about the nature of HCS. This brings into question the quality of socialisation and consultation with the community. HCS needs to be easy to understand and to be presented as a package – development with conservation, with the benefits of HCS conservation highlighted. So far no conservation agreements or co-management arrangements for HCS forest areas have been proposed. Assessment: There has been initial resistance from some communities and it is too early to judge progress. But considerable additional efforts are needed.	The HCS concept and related mapping are now included in the FPIC process. Discussions continue, but GVL agrees with the approach and reports that all HCS forest areas inside the Tarjuowon concession have the support of the community; however, FPIC has not yet been proposed for the critical adjacent HCS conservation area. Discussions have been held between GVL and other parties who may be able to collaborate on the conservation of HCS forest areas. Assessment: Reasonable progress has been made, but it is too soon to judge whether there has been sufficient effort.

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Social and community			
11. Overall FPIC for concession areas	FPIC is completed for all active and new concessions.	The approach to FPIC has until recently been very weak, but GAR has started using TFT to tutor managers and field-operations staff. There are signs of improvement, and GAR and TFT are currently finalising draft operating procedures on FPIC. But there is much to be done, as is itemised in the FPP report. It is acknowledged that achieving FPIC is a challenging and relatively new notion for Indonesia, and it is positive that guidance from FPP is being sought to ensure FPIC and establish a timetabled action plan. Assessment: Building from a low base, there has been satisfactory progress in improving processes.	Improved operating procedures and FPIC processes are being implemented. This follows major issues in Butaw, as yet unresolved according to local NGOs. Results remain variable, with some communities complaining about the process and about the disputes that have resulted. Conflict resolution by GVL looks inadequate (for example at Tarjuowon), and some communities report being intimidated and pressurised by local authorities and also by company employees. Some community members were reportedly held without charge or summoned by local authorities after attending meetings and expressing criticism of the project. GVL invited NGOs to engage more closely in November 2013 and has made efforts to improve the sharing of information, but relations remain difficult. Because of the number of public consultation exercises being undertaken at the same time by GVL, and because of the limited number of NGO staff in the field, FPIC processes have suffered from a lack of NGO involvement and monitoring. Several active complaints remain relating to FPIC, yet development operations continue. A recent RSPO field visit to help conflict resolution has reportedly been marred by incidents, and mediation efforts between the company and the NGOs were seemingly unsuccessful. Assessment: Building from a low base, there has been progress towards achieving FPIC. However, complaints about FPIC and about unsatisfactory conflict resolution show that GVL still has a way to go.
12. Engagement with NGOs and civil society	NGOs and civil society are aware of GAR's policy implementation, and regularly updated on it, with GAR/SMART/ GVL being open to feedback.	While some NGOs are invited to FCP events and presentations at a national level, there has been limited outreach as yet. At local/regional level, many NGOs are reluctant to work with GAR, because of continuing community conflict, weak FPIC in the past, and a poor reputation on 'plasma' smallholder issues. In the pilot concession, KPC, there have been considerable recent efforts by GAR and TFT to reach out to local NGOs, meet them, and seek their support for participatory mapping and FPIC. With the launch of the 'dashboard', and a commitment to quarterly reporting, there will be much more information available to NGOs and civil society. Discussions continue about establishing a formal working group that would liaise with international and Indonesian NGOs. Assessment: Slow progress, but recently improved efforts and better transparency.	GVL recently began engaging more with local and international NGOs and is now providing most of the requested information. Relations however remain strained. There are major disagreements on the inclusiveness of FPIC processes and the pace at which they are conducted. There are also concerns about transparency concerning short-term and mid-term plans and about the ability of local communities to negotiate Memoranda of Understanding, along with adequate compensation, without feeling pressurised. Assessment: GVL now understands better how to engage with NGOs and has improved its approach. However serious incidents have been reported, involving denial of access and intimidation by proxies such as local authorities and company employees, with one recent reported case of physical violence. It should be noted that as a result of the Ebola outbreak there have been no NGO field visits over the past 4-5 months.

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Social and community			
13. Addressing community forest conversion within plantations	GAR acknowledges the practice and takes action to prevent it happening.	GAR acknowledges the issue, aspects of which include some land within the permit area being planted by third parties. Greenpeace is not aware of any mitigating actions that have been taken, other than talking to communities on the need for forest conservation. The problem is a growing one. It is caused to a large degree by a failure to consider conservation requirements when planning plantation development and carrying out community mapping, FPIC and the land-release process. GAR needs to offer financial incentives to conserve HCS land and to tell communities that it will not plant on recently cleared HCS forest lands, offer compensation for their clearance, or buy Fresh Fruit Bunches (FFBs) sourced from plantations on such lands. The smallholder scheme should operate in parallel with core plantation development. It needs to have sufficient land allocated to it, to ensure that smallholdings do not later expand into garden land and that it does not create incentives for clearing HCS areas. Assessment: There is open acknowledgement of the problem but currently little has been done to address matters.	Following participatory mapping, GVL operational maps show farmland set aside ('enclaved') for the present and future needs of communities. Estimating the proper size of the set-aside areas remains a challenge for communities, however, and there is concern on whether the areas will prove sufficient for the (possibly growing) population. There seems to be a particular underestimation of needs in Wedebo, for instance. A pilot smallholder scheme is being developed and the company needs to ensure that sufficient land is allocated within existing development areas so such territory does not later expand into farmland or HCS areas, either inside or outside the concession. GVL agrees that smallholder plantings should be outside HCS/HCV areas (including farmlands), and this needs to be confirmed in its plans. Assessment: Conversion of HCS by communities may arise in the future if they do not have sufficient farmlands. GVL must pay due attention to this aspect of the land-use mapping process.
14. Community conflict in plantation areas	Community conflicts are mapped, so they can be given priority and resolved equitably, with compensation if necessary.	Conflict mapping has not been completed but TFT is assisting, to address current complaints. At least four significant conflicts have been acknowledged by GAR – at Biru Maju, Jambi, Padang Halaban and Silat Hulu. TFT is to assist in resolution and will mediate if all parties agree. Progress has been made on two complaints but it is slow work, partly because of the difficulty of determining whether a complaint is valid or just a personal grievance. Time limits need to be set for resolving all active disputes and the various low-level conflicts in many areas. Establishment of a formal grievance procedure is required. Assessment: There has been satisfactory progress to address the four complaints, and plans are in place to carry out a wider review. However, an independent grievance mechanism is needed.	Conflicts have been mapped and various attempts made to resolve them as they arise. For example, GVL is in talks with Butaw community group Abloteh and hopes soon to resolve a compensation issue there. There are currently several RSPO complaints from communities/ NGOs. Recent complaints regarding Tarjuowon and Grand Kru must be addressed with urgency; meanwhile land clearance in the disputed areas ought to be halted. GVL claims that Grand Kru issues have been resolved. It appears dismissive of the dissent concerning Tarjuowon, and has refused to suspend land clearance, on grounds that sufficient members of the community have provided and continue to provide their consent. Assessment: GVL has improved its procedures over the last 18 months and has been attempting to address complaints. However a failure to halt operations on disputed lands is a major problem, and generally indicates underlying issues with the FPIC process. GVL needs to work together with NGOs, communities and interest groups to resolve conflicts.

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Social and community			
15. Transparency	Sharing of information, documentation and progress reports.	There has been considerable resistance from GAR to making all data freely available, but after initial slow progress the situation is now satisfactory as far as HCS is concerned. All HCV reports are now consultable on request, but only in Indonesian, and are not yet publicly available. A much-improved public consultation was recently held with local stakeholders on the revised draft HCV assessment report for KPC. Following a request, peatland maps have in addition been shared with Greenpeace and TFT. The SMART Research Institute has been open and transparent, and recently GAR has agreed to make HCS field-plot data available to interested research parties. Public reporting to date has largely been based on the requirements of the Singapore stock exchange. However, GAR has committed to an independent audit of its operations for compliance with its FCP. In addition, as mentioned above, GAR and TFT recently launched a 'dashboard' to share information in a timely and open manner. SMART is also being clearer with communities on sales agreements for land transfers. Until recently GAR has not been transparent with Greenpeace over all active concessions where there has been palm oil development in the last three years, nor regarding its current land bank. Despite several requests, the information was not forthcoming until we learned, via GAR's reporting to the RSPO, of additional concessions where development has been taking place. Assessment: It has taken the company some time to adjust to the 'new world' of collaboration on the FCP and to the need for stakeholder consultation. It has been very difficult to get key information to be shared. Until mid 2014 GAR had concealed a number of concessions that were being developed and which had HCS forest areas. This considerably undermined trust in GAR. There has been recent gradual progress towards the open sharing of information and data.	GVL has made extensive information available on its website, including outlining its Standard Operating Procedures, and has provided NGOs with key additional information, including full ESIA/HCV reports, community engagement information and maps. One important area for improvement is in timely provision of information to communities. This needs to include draft ESIA/HCV reports (for feedback and agreement on conclusions, as highlighted by the HCV peer reviews) and any necessary clarification of engagement/FPIC processes and basic rights and expectations. GVL has made progress here in 2013 and 2014, and it is important this continues. Another issue is that too much is happening at the same time, over too great a geographical area. This is spreading the resources of the company too thinly and stretching the limited resources of NGOs to monitor what is occurring. In response, the company reports that FPIC processes take 12-24 months, and that this should allow sufficient time for the company and NGOs to work together. Assessment: After some initial reticence, GVL has significantly improved sharing of information and data. There are however too many processes being undertaken in parallel at different locations, and information is less readily available as a result. There is also a question mark over the degree of balance and impartiality in the way information is presented.
16. Chemical pesticides and fertilisers	Collaborative research on the phasing-out of chemical pesticides and fertilisers.	The Yield Improvement Policy progress report has been completed, and describes research on the phasing-out of chemical pesticides and fertilisers. A field trip by Greenpeace to SMARTRI confirmed these activities and has underlined the challenges, not least in establishing a plan for the phasing-out of paraquat. Assessment: Reasonable progress, but a clear timeline is needed for the rapid phase-out of paraquat.	GVL has small stocks of paraquat and has for the past 6-12 months been in discussion with advisors to determine the best replacement and phasing-out options. The company does not intend to purchase new stocks. Assessment: The commitment to stop using paraquat is welcome. The state of further research on the phasing-out of chemical pesticides and fertilisers is not known.

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Social and community			
17. Smallholder support	To see smallholder productivity increase to near that of the company.	GAR complies with the legal requirement for supporting 'plasma' smallholder schemes surrounding its concessions, and claims to have encouraged the development of 90,000 ha of such plantations over the last 20 years. Smallholders achieve productivity similar to the company's nucleus plantation, because advice on plantation management is provided by the company. For independent ('non-plasma') smallholders GAR has started to implement an innovative financing scheme for replanting; beyond this, we are not aware of any particular support. There have however been concerns raised about the benefits, financial returns and labour conditions for 'plasma' workers. A risk assessment by TFT at the KPC operation found no violations of ILO labour principles. But it was noted that there had not been a Collective Labour Agreement approved by the Manpower Office, while copies of employment contracts had not been distributed to employees. Assessment: While GAR is meeting the legal requirements for 'plasma' schemes in Indonesia, more could be done on supporting independent smallholders, including ensuring adequate labour conditions.	GVL is working with the government of Liberia and with communities to develop a suitable model for a smallholder scheme as part of its concession agreements. It was originally hoped that the first pilot venture would be in place before the end of the year; as it is, the awarding of the concessions requires the programme to start no later than the end of 2015. The process of putting into operation a scheme involving land selection, legal and social structuring and third-party funding (a government responsibility, with GVL assisting) is complex and is without recent precedent in Liberia. However, it is clear that the setting-up of the smallholder scheme and the associated plantings ranks as secondary to company plantings, and this is not satisfactory. Land identification for the smallholder scheme will have to be fully included in the mapping and FPIC processes from the beginning of concession planning, in order to ensure that the scheme will not lead to conversion of HCS and HCV areas – including farmlands. Assessment: It is too early to judge progress, as the smallholder scheme is not being prioritised in the first stages of concession development.
18. Palm Oil Innovation Group (POIG)	For GAR/SMART/ GVL to support a strong POIG charter and publicly promote it. .	After joining as a member at the launch in June 2013, GAR backslid, and did not sign the POIG Charter introduced that November. Joining POIG was supposed to be a key part of the HCS pilot scheme. GAR said that it remained a supporter of POIG, but that its priority was the success of the HCS pilot. It said it would reconsider POIG membership in the near future. There was no substantive reason for GAR not to have joined POIG. By not doing so it came across as not being a sector leader. It also constrained the ability of NGOs to give the company preferential market support. Assessment: GAR gained credibility for initially supporting POIG but has disappointed by not joining the group. Recently GAR has turned this around, and applied for membership.	GAR is the major investor in GVL, and as GAR has applied to join POIG, GVL will automatically become a member. This will help demonstrate that GVL is a responsible palm oil producer. Assessment: GAR has engaged very little with GVL on POIG, even though a decision on POIG membership covers GAR overall. GVL has accepted that it will comply with POIG when GAR becomes a member.

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Social and community			
19. Protection of riparian zones	All watercourses over 3 metres wide identified and mapped, and protected with adequate natural vegetation buffer zones.	GAR has agreed that its current approach to riparian zones is not sufficient, and says it will go beyond the Indonesian legal requirement of only protecting riparian zones of mapped and named rivers. Meanwhile the HCV assessment for KPC has not identified and demarcated all riparian zones as HCV. Currently small streams – those over 3 metres in width bank to bank – are not included. The excavation of small watercourses for drainage canals is a further unresolved question. It is 18 months since this issue was first raised and there has been little progress by GAR. Additionally it appears that there is no process with local communities to identify watercourses significant to them for fishing and other purposes (HCV5). GAR's operating procedures urgently need modification, along the lines of those in place at GVL and drawing on standard guidance on riparian buffer zones as found in Malaysia and elsewhere. Assessment: It is good that the problem has been recognized. After a very long delay there is now a SOP on riparian zones in place. This would constitute a good performance if duly implemented.	Good performance, with streams and buffers being identified and GVL implementing the 'over 3m' requirement – including for narrower streams in some instances, if the watercourse has been identified by the community as important. For watercourses of 3-5 metres in width, GVL's minimum riparian buffer is 5 metres each side. An issue remains concerning a large river buffer in the north of Tarjuowon being left unprotected. Assessment: Good performance in meeting the legal requirement and involving the local community, but failure in setting a boundary that excludes the river buffer in Tarjuowon.
20. Responsible road building and maintenance of roads	To have road building and maintenance of roads minimise environmental impact and in particular avoid sedimentation of waterways.	Very poor road building practices have been observed in KPC. There is use of log culverts, sediment traps are not employed, and there is inadequate drainage. These practices are unacceptable in a responsible palm oil operation. Preventing soil erosion and the subsequent entering of sediment into waterways should be a management objective: it is required for RSPO certification. So far GAR has been defensive, claiming that it has followed standard industry practice, and that in any case the issue is a short-term one. GAR is all the same seeking guidance on best practices for road building. Assessment: GAR may be following standard industry practice, but that is no excuse for not addressing the issue; to date, response from GAR has been disappointing.	There are no obvious problems with internal road building in GVL concessions although external public roads are in very poor condition. Greenpeace proposes that GVL could do more to rectify this, while acknowledging that there is an issue with large mining and logging trucks passing through and damaging the road. GVL feels that it invests considerable resources in non-company road maintenance, and that maintenance of national roads is a civil obligation for national or regional government. Notwithstanding this, GVL has contributed to the maintenance and upgrading of local community roads and indeed of national roads near its operations. Naturally enough, the first call on its road maintenance equipment is for its own use but it does try where possible to support the needs of local communities. Assessment: Satisfactory performance.

Key Performance issue	Expected Outcome	GAR/SMART – Indonesia Actual Progress (November 2014)	Golden Verolium Liberia - Liberia Actual Progress (June 2014)
Supply chain			
21. Third-party fresh fruit bunches (FFBs)	To track all FFBs purchased by GAR and see that they meet the same requirements as apply to GAR plantations.	In 2011 GAR committed to work towards traceability of all FFBs entering its mills. In 2012, seven percent of FFBs processed by GAR in Indonesia were from third parties. Mapping the origin of all third-party FFBs and assessing the associated risk of social and environmental violations was expected to have been completed by July/August 2014. This has not yet been accomplished, but progress seems to be being made. An action plan is needed to ensure that FFBs are meeting GAR's policy requirements. Until such a plan is in place, it will remain unclear what the environmental and social issues are in the areas where the FFBs are being sourced, especially with regard to 'No Deforestation' and 'No Peatland' commitments. Assessment: It does not constitute good progress for three years to have passed without all third-party FFB suppliers having been mapped and risks assessed.	Not applicable, as concessions currently in pre-production phase.
22. Palm oil trading	To ensure that all downstream-traded oil is both traceable and meets FCP requirements.	During its 2014 second-quarter update to shareholders, GAR announced its intention to apply its FCP to all operations, including third-party oil entering its refineries and supply chain ('downstream-traded' oil). Discussion on implementation has started and the essential next step is to establish a clear policy and a timetable for action. Key issues include putting in place a transparent system to deal with suppliers not complying with the scheme. This is especially urgent given revelations in a recent Rainforest Action Network report of GAR's purchasing of CPO from suppliers operating near the Leuser Ecosystem, a critical forest area in North Sumatra. **Assessment:** A clear commitment has been made and now needs to be implemented.	Not applicable, as concessions currently in pre-production phase.

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