

MoU between PTPN III, IDH, RSPO and Unilever signed in the presence of the Head of the Presidential Working Unit for the Supervision and Management of Development (UKP4), the Minister of Trade of the Republic of Indonesia, the Prime Minister and the Minister for Foreign Trade and Development Cooperation of the Netherlands

Palm oil agreement to accelerate Indonesian traceable and sustainable palm oil production

Jakarta, November 22, 2013 - Today PT Perkebunan Nusantara III Persero (PTPN III), a government-owned palm oil plantation company, signed a MoU with IDH, The Sustainable Trade Initiative (IDH), the Roundtable on Sustainable Palm Oil (RSPO) and Unilever. Together the signing parties will develop a program to help independent smallholders (located in North Sumatra) to increase their productivity and quality, access to finance and RSPO certification.

The MoU was signed in conjunction of 'Indonesia – Netherlands Forum on Sustainable Production and Trade' hosted by the Indonesian Ministry of Trade, Netherlands Embassy and IDH the Sustainable Trade Initiative. Under the MoU with PTPN III, IDH will provide a 'match funding' in the form of a grant that matches the initial investments made by PTPN III and/or RSPO and/or Unilever.

Peter ter Kulve, Executive Vice President of Unilever, South East Asia and Australasia: *'We see the importance of sourcing palm oil from smallholders and will prioritize purchasing from suppliers that have volumes that can be traced to known and certified smallholders. To facilitate the increase of certification of smallholders, Unilever will work with its suppliers with direct control of Fresh Fruit Bunch sources to ensure inclusivity of smallholders through active engagement, yield improvement programs and extension services. The expected positive impact resulting from a close cooperation between the smallholders of PTPN III, IDH and RSPO is the best way we can lead the transformation of the industry, halt deforestation and deliver a positive social impact for growers and local communities.'*

The program will start with a prototype consisting of 568 independent smallholders with around 4000 ha of land. The plan is to scale up and roll out the program to include the rest of PTPN III's independent smallholders sourcing base. The challenges confronting sustainable oil palm cultivation are multifaceted and call for public private collaboration and an innovative approach to sustainable market transformation.

Joost Oorthuizen: *'We see this as an exemplary model of partnership and the type of collaboration needed to make the whole palm oil supply chain more sustainable. The key to the envisioned success of the program is that we ensure independent farmers are integrated into the sustainable production of PTPN III mills. This will improve livelihoods of farmers, help stop deforestation and – by supplying 100% sustainable palm oil within mills' supply sheds – make certified sustainable palm oil far more cost-efficient'.*

Bagas Angkasa, President Director of PTPN III: *'As a plantation company which has a long history in the palm oil industry, PTPN III has a strong commitment to support sustainability and cooperation with all stakeholders to realize its vision in becoming world class plantation company. The development and to increase the capacity of palm oil smallholders that are involve in our supply*

chain toward sustainability is part of this commitment. We hope that our partnership with IDH, RSPO and Unilever can be a good example on how stakeholders in the supply chain can all be involve in the development of palm oil smallholders in Indonesia.'

Darrel Webber, Secretary General of the RPSO: *'RSPO congratulates and thanks our fellow signatories of this Memorandum of Understanding, which are PT Perkebunan Nusantara III, IDH and Unilever for coming together in unison to support Smallholders in Indonesia. We hope to see such effort and collaboration emulated by other corporations and organizations. This will benefit Smallholders globally while further supporting the production of Certified Sustainable Palm Oi.'*

Background information

From 19 to 22 November 2013 the Prime Minister of the Kingdom of the Netherlands, Mr Mark Rutte, will pay an official visit to Indonesia. The Prime Minister will be accompanied by the Minister for Foreign Trade and Development Cooperation, Ms Lilianne Ploumen, the Minister for Agriculture, Ms Sharon Dijksma, and a delegation of private companies and NGO's. They are increasingly aware that sustainable production and trade is no longer an option, but a necessity.

Therefore, as part of the official programme of the visit of the Prime Minister, the Netherlands Embassy, together with UPK4 and the Indonesian Ministry of Trade and IDH (The Sustainable Trade Initiative) are jointly organizing an Indonesia-Netherlands Forum on Sustainable Production and Trade, to which you are respectfully invited. Prime Minister Mark Rutte and Minister Kuntoro Mangkusubroto, Head of Presidential Delivery Unit for Development Monitoring and Oversight (UKP4), will deliver opening speeches, followed by remarks of Minister Ms Lilianne Ploumen and Vice-minister of Trade Bayu Krisnamurthi who will also co-chair the panel discussion. The panel discussion will focus on the challenges and innovative solutions of sustainable production and trade of palm oil and pulp & paper. The panel will consist of a selective representation of the private sector, government and civil society. For further information, please find the attached programme.

The Indonesia-Netherlands Forum on Sustainable Production and Trade will take place on Friday 22 November, at the Borobudur hotel in Jakarta from 8.30-10.00.



IDH The Sustainable Trade Initiative brings together front-running companies, civil society organizations and governments to transform markets towards more environmentally and socially sustainable production. Founded in 2008, IDH operates globally in 18 commodity sectors ranging from coffee to aquaculture. Together with partners, IDH develops, and implements innovative business models with the ultimate goal of driving sustainable market transformation from niche to norm. www.idhsustainabletrade.com.



PT PTPN III (Persero) is one of 14 state-owned enterprises engaged in plantation, processing and marketing of plantation products. The Company's business activities include the cultivation and processing of palm oil and rubber plants. The Company's main products are palm oil (CPO) and Kernel Oil (Kernel) and downstream rubber products. www.ptpn3.co.id



The Roundtable on Sustainable Palm Oil (RSPO) is a multi-stakeholder initiative dedicated to promoting sustainable production of palm oil worldwide. RSPO's more than 400 members include palm growers, oil processors, traders, consumer goods manufacturers, retailers, investors and social and environmental NGOs. Through co-operation and open dialogue, they work to put on the market certified palm oil that is produced in a sustainable way, and to maximize the amount of palm oil that can be RSPO-certified. www.rspo.org



Unilever is one of the world's leading suppliers of Food, Home and Personal Care products with sales in over 190 countries. Our products are present in 7 out of 10 homes globally and are used by over 2 billion people on a daily

basis. We work with 173,000 colleagues around the world and generated annual sales of over €50 billion in 2012. Over half of our company's footprint is in the faster growing developing and emerging markets (55% in 2012). Working to create a better future every day, we help people feel good, look good and get more out of life. Our portfolio includes some of the world's best known brands such as Knorr, Persil / Omo, Dove, Sunsilk, Hellmann's, Lipton, Rexona / Sure, Wall's, Lux, Rama, Ponds and Axe, 14 of which now generate a turnover of €1 billion or more. Our ambition is to double the size of our business, whilst reducing our overall environmental footprint (including sourcing, consumer use and disposal) and increasing our positive social impact. We are committed to helping more than a billion people take action to improve their health and well-being, sourcing all our agricultural raw materials sustainably by 2020, and decoupling our growth from our environmental impact. Supporting our three big goals, we have defined seven pillars, underpinned by targets encompassing social, environmental and economic areas. See more on the Unilever Sustainable Living Plan at www.unilever.com/sustainable-living/.

Unilever has been recognised in the Dow Jones Sustainability World Indexes for 14 consecutive years. We are included in the FTSE4Good Index Series and attained a top environmental score of 5, leading to inclusion in the FTSE4Good Environmental Leaders Europe 40 Index. In 2012 Unilever led the Climate Counts Company Scorecard for the second year running and the list of Global Corporate Sustainability Leaders in the GlobeScan /Sustainability latest annual survey - for the third year running. The company is an employer of choice in many of the countries in which it operates and is seen as a symbol for innovation and leadership development. Unilever consistently achieves strong recognition in this area by independent bodies and was voted best company in Europe for leadership in the 2013 Hay Group study. For more information about Unilever and its brands, please visit www.unilever.com.

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