



Press Release

&Green invests in Indonesian palm oil company PT Hilton Duta Lestari for the establishment of a traceable, inclusive and deforestation-free palm oil supply chain

Jakarta / The Hague, 17 May 2022. Stichting andgreen.fund (“&Green”) has invested USD 12 million as an 8-year loan facility in PT Hilton Duta Lestari (“HDL”) to construct a Crude Palm Oil mill and to create an inclusive palm oil supply base in West Kalimantan, Indonesia that ensures No Deforestation, No Peat, and No Exploitation (NDPE). &Green, a blended finance vehicle established to de-link deforestation from tropical agricultural commodity production, will work with HDL to reduce deforestation across four districts and improve incomes for up to 85,000 inhabitants, mainly indigenous (Dayak) communities. By empowering smallholders throughout a 30km radius around its estates, HDL will be able to source only from no-deforestation oil palm fruit (FFB) suppliers, which will therefore support forest protection in a landscape that is experiencing accelerating rates of clearing.

Palm oil supply chains are highly fragmented, opaque, and result in steep price deductions for smallholders. HDL found high transport costs and low yields causing farmer incomes to be more than 50% lower. HDL will engage with independent smallholders, local institutions and government agencies to support land regularization, improve production and enhance landscape forest protection for an improved, transparent and inclusive model of FFB sourcing and processing. Through a publicly accessible Landscape Protection Plan developed with &Green, HDL’s new sustainable sourcing strategy will establish its NDPE-compliant mill and support rural development.

“Thanks to our partnership with &Green, HDL is ready to take a leap forward in the Indonesian palm oil sector by maximizing sustainable production while ensuring transparency, traceability and inclusivity in the supply chain” says V. Govindasamy, HDL’s President Director, adding that *“HDL is looking forward to becoming an exemplary business model for other small independent producers across Kalimantan and Sumatra to follow.”*

IDH, the sustainable trade initiative manages a Technical Assistance (TA) Facility that aims to strengthen projects for &Green’s investments. The TA Facility and IDH experience in convening oil palm companies, CSOs and government agencies to serve smallholder communities and promote forest protection in [West-Kalimantan](#) has helped HDL assess the presence of High Conservation Value (HCV) and High Carbon Stock (HCS) land and conduct an Environment and Social Impact Assessment (ESIA) to prepare a robust sourcing strategy and roadmap to NDPE and sustainability compliance. It also helped HDL understand the legal pathways and engagement required to collaborate with indigenous communities in order to secure the legal protection of 1,900 hectares providing ecosystem services and of cultural significance to indigenous communities. HDL will coordinate the development of joint-management plans for the preservation and environmental safeguarding of this area.

“Leveraging our know-how, resources, and complementary roles to develop transformational blueprints, we are excited to see the realization of &Green’s investment into PT HDL” said Fitriani



Ardiansyah, Yayasan IDH Executive Chairman. *"HDL's landscape protection plan, linked to &Green's financing, demonstrates the different solutions available at the hands of private companies for protecting forests, preventing deforestation and supporting the prosperity of communities."*

Environmental and social targets for the project include: intensification of oil palm production, forest conservation, through comprehensive traceability system from mills, and forest restoration; inclusion of smallholders through a profit-sharing scheme and farmer support programs. HDL's year-on-year performance will be made public on &Green's website. In line with &Green's requirements, HDL also commits to achieving compliance with international sustainability standards, such as the IFC PS and the RSPO.

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For more information please contact:

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About &Green (andgreen.fund)

&Green, incorporated as a Dutch Stichting (Foundation), was developed under the leadership of IDH in close collaboration with *Norwegian International Climate and Forests Initiative (NICFI)*. It is a blended finance debt vehicle investing in commercial projects that can demonstrate decoupling of commodity production from deforestation while being socially inclusive. &Green is focused on tropical forest jurisdictions with progressive forest protection strategies and targets in place. Its targets sectors are the commodities that are driving deforestation such as palm oil, soy, beef, forestry and others. Current contributors to &Green include the Government of Norway, through NICFI, Unilever, FMO, the Dutch Development Bank, the UK governmental *Department for Business, Energy, and Industrial Strategy (BEIS)* and the *Global Environment Facility (GEF)*, with *UN Environment* acting as its implementing agency. The Dutch advisory firm *SAIL Ventures* acts as the fund's Investment Advisor.

About HDL

PT Hilton Duta Lestari is a small but ambitious palm oil venture established in 2008 and controlled by an India-based group with experience in agricultural commodities such as tea. HDL began planting in 2010 and now cultivates on 5,388 hectares of palm oil estates out of a concession license area of 13,551 hectares in Landak, West Kalimantan, Indonesia.

About IDH - the sustainable trade initiative (idhsustainabletrade.com)

IDH is an international organization that convenes, finances and manages large programs to accelerate transitions toward sustainability together with multinational and smaller companies, governments and civil society. Headquartered in the Netherlands and funded by different governments and foundations, IDH delivers scalable, economically viable impact on the Sustainable Development Goals. IDH operates globally in 12 different industry sectors ranging from coffee and tea to cotton and soy and encourages joint investment in innovative models to realize long-term solutions for environmentally and socially sustainable production and trade.