



PRESS RELEASE

Asian Agri's Cooperative – Mulus Rahayu is the First Recipient of the Replanting Fund from Indonesian Oil Palm Estate Fund Agency

Jakarta, 5th April 2016 – More than 135 oil palm smallholders of Mulus Rahayu Cooperative, Riau received today replanting fund handed by President Director of Indonesian Oil Palm Estate Fund Agency (BPDPKS), Bayu Krisnamurti at the Ministry of Agriculture office in Jakarta. The Mulus Rahayu Cooperative became the first group of smallholders in Indonesia who received the oil palm replanting fund.

The leader of Mulus Rahayu Cooperative, Pawito Saring, received symbolically the replanting fund document, witnessed by Managing Director Asian Agri, Kelvin Tio.

Managing Director Asian Agri, Kelvin Tio said, "We welcome and appreciate the government program through BPDPKS in assisting Mulus Rahayu Cooperative, our partner. With a 28 year-experience in partnership with smallholders, Asian Agri realizes the importance of management of sustainable oil palm plantation and remains focus on improving the oil palm smallholders' welfare."

Asian Agri has been supporting the smallholders replanting program since 2008, by providing training and assistance to the smallholders to seek alternative incomes through cattle, poultry and other crops farming. The company also provided team building training, including Group Dynamics in collaboration with the Regional Facilitator under the coordination of Agricultural Coordination and Training Agency (Barkorluh) Riau and Plantation Agency.

In this occasion, Mulus Rahayu Cooperative located in Delima Jaya Village, Kerinci Kanan District, Siak Regency, Riau Province, with 6 farmer groups and 135 farmer members, received the first palm oil plantation replanting approval from BPDPKS to replant 310 hectares.

Leader of Mulus Rahayu Cooperative, Pawito Saring said, "We thank the Government of Indonesia through BPDPKS and Asian Agri, who are supporting us as palm oil smallholders to replant our land. We hope this fund will encourage others oil palm smallholders to start replanting."

President Director of Indonesian Oil Palm Estate Fund Agency (BPDPKS), Bayu Krisnamurti stated, "The partnership between palm oil smallholders, bankers, BPDP and companies like Asian Agri shows a commitment from stakeholders to improve the smallholders' welfare as well as building confidence for smallholders in Indonesia who are still in doubt to participate in the oil palm replanting program."

In 2016, Asian Agri plans to support the replanting of 2,402 hectares of smallholders' plantation and in 2017 will support about 4,000 hectares in Riau and Jambi.

Asian Agri will provide Topaz seedling for this program. Topaz seedling has been tested and proven to increase yield in Asian Agri plantations in North Sumatra and Jambi.

Kelvin emphasized the importance of synergy between smallholders, government and industry players, "In oil palm replanting program, we continue to strengthen our partnership with smallholders that has been established with the basis of trust, commitment, discipline and optimum benefits for all parties.

About Asian Agri:

Asian Agri is one of the leading private companies in Indonesia producing crude palm oil (CPO) since 1979 and employs around 25,000 people today. Since 1987, Asian Agri has been a pioneer of the Indonesian government's Trans-National Government Migration (PIR-Trans) program. Today, the company manages 100,000 Ha of land and partners 29,000 smallholder families in Riau and Jambi who operate 60,000 Ha of palm oil plantation.

Asian Agri's success in becoming one of the leading CPO companies has been acknowledged internationally with the ISO 14001 certification for all of its operations. Its Learning Institute in Pelalawan, Riau, as well as its nursery research center in Kampar, Riau are ISO 9001 certified. In addition, Asian Agri's R&D Center in Tebing Tinggi has also obtained certification by the International Plant-Analytical Exchange at the WEPAL lab at Wageningen University in The Netherlands, for its high standards.

Aside from its success in becoming a leading CPO producer with the most advanced technology, Asian Agri is also committed to preserving the environment.

More than 80% of both owned plantations in North Sumatra, Riau & Jambi provinces & scheme smallholder plantations in Riau & Jambi provinces have been RSPO certified.

All plantations have also been ISCC-certified (International Sustainability & Carbon Certification), including plantation owned by smallholders

Out of 13 mills have received certification from ISPO (Indonesian Sustainable Palm Oil where as the remaining mills have gone through stringent ISPO audit process. It is targeted to have both RSPO & ISPO certification completed by 2015

Asian Agri, guided by its triple-bottom line principles, is committed to be reliable, responsible and sustainable production of quality palm oil and its derivative products. We operate in an environment where the welfare of the surrounding community is crucial to the sustainability of our business operation.

In April 2014, we signed the Sustainable Palm Oil Manifesto and Indonesian Sustainable Palm Oil Pledge. The Manifesto and Oil Palm Pledge both set out the standards and commitment for Asian Agri in relation to traceability and sustainable supply chain. The commitment includes the implementation of no-deforestation, protection of peat lands and contribution towards to the social-economic development of the local community.

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