



PRESS RELEASE

Asian Agri – IDH - SETARA Launch An Assistance Program for Independent Smallholders to Increase Smallholders Welfare and Support Supply Chain

Jakarta, 15 March 2016 – Building partnerships with independent smallholders has become Asian Agri main focus in managing oil palm plantations in a sustainable manner and at the same time, also improving the smallholders' welfare. One of the commitment made in order to support those independent smallholders is the joint collaboration between Asian Agri with IDH - The Sustainable Trade Initiative and SETARA, "Toward an Innovative and Sustainable Supply Chain" launched today (3/15/2016) in Jakarta.

With almost 30 years experience in smallholders partnerships, Asian Agri is optimistic that the partnerships scheme can also be applied to independent smallholders who manage their plantations independently. Asian Agri realizes the importance of managing oil palm plantations sustainably and improving its farmers' welfare.

Asian Agri Director, Freddy Widjaya stated, "The assistance program for these independent smallholders is very important in order to increase yield and ensure market access. This collaboration with IDH and SETARA is one of Asian Agri's commitment to ensure independent smallholders can acquire firsthand knowledge in managing plantations sustainably, so that they can get value added for their products in the market."

Meanwhile, Senior Program Manager IDH, Desi Kusumadewi added, "This project allows independent smallholders mapping and FFB traceability to the third party, which is the first step for area legality assurance in FFB sourcing; increased productivity; and the implementation of Good Agricultural Practices that will ensure farmers' welfare."

The good intentions and participation from different stakeholders in palm oil supply chain i.e. company as the buyer, government as regulator, and other related parties, are very important in supporting independent smallholders to be more sustainable and competitive.

"We welcome the collaboration of Asian Agri - IDH – SETARA. Hopefully, with this collaboration, independent smallholders can access the knowledge and information on how to implement good sustainability practices. We also hope that this program will inspire other companies in the Jambi province," said Head of Plantation Agency Jambi Province, Ir. Budidaya, MSc.

For SETARA Jambi, independent smallholders play a very important role and need to be supported by all the stakeholders involved. Despite being in the last chain of palm oil producers, they are the first chain to initiate the implementation of good sustainability practices. Through this joint initiative, we expect that this program will finally set to be the role model, to empower independent smallholders in Jambi province towards sustainable development, and become the government's work program in Jambi province.

With the support from all the respective stakeholders, Indonesian farmers will be able to address concerns of various stakeholders regarding their ability to implement sustainable palm cultivation practices. And through sustainable practices, it is also expected that not only

can boost the productivity to be more productive and efficient, but also will improve the welfare and competitiveness of Indonesian farmers to face the global market.

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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About SETARA:

SETARA Foundation Jambi is a NGO working in Jambi Province, since 2009 has been actively assisting independent smallholders and active in promoting sustainable palm oil to independent smallholders (ISPO and RSPO). In year 2014 SETARA successfully brought Farmers Group of Tanjung Sehati, Merangin Regency to obtain RSPO certification, planned

in 2016 there will be 1 farmer group from West Tanjung Jabung to immediately obtain RSPO certification.

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About IDH:

IDH accelerates and up-scales sustainable trade by building impact oriented coalitions of front running companies, civil society organizations, governments and other stakeholders that will deliver impact on the Sustainable Development Goals.

By combining public and private interests , strengths and knowledge , the 18 ongoing program of IDH is trying to change the commodity markets in order to create improvements in large scale for the living standards of hundreds thousands of small farmers , reduce the negative impact to the environment , and support the creation of traditional values of the developing countries - makes the production and sustainable consumption become a norm.

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