



PRESS RELEASE

Indonesia Takes European Union Ambassadors and Representatives to Witness Sustainable Oil Palm Practices

Jambi, 19 April 2018 – The Ministry of Foreign Affairs of the Republic of Indonesia together with the Indonesian Oil Palm Estate Fund (BPDPKS), Jambi Government and Jambi University, held the Executive Oil Palm Program for Ambassadors of European Union Member States in Jambi from 16 to 18 April 2018. The program initiated by the Policy Planning and Development Agency, Ministry of Foreign Affairs, was participated by multi stakeholders in palm oil industry.

Asian Agri, as a key stakeholder in the oil palm industry, had the first opportunity to explain sustainable palm oil practices in its Tungkal Ulu Estate on 16 April 2018 to the nine countries' ambassadors and diplomats.

The visit to Asian Agri's estate and biogas plant was led by Kelvin Tio, Asian Agri's Managing Director, who demonstrated the company's commitment to manage its plantations and operations sustainably, while engaging plasma and independent smallholder farmers to increase their yields and therefore their livelihoods.

While addressing oil palm cultivation, Kelvin highlighted the importance of planting materials and land preparation to ensure the highest potential yield per hectare, by implementing best practices which include technical, managerial, environmental, and socio-political aspects.

In response to the negative campaigns against oil palm, Asian Agri also emphasized its commitment to sustainability. The company adopts NDPE (No deforestation, no peat development, and no exploitation) into its Sustainability Policy and is in full compliance with international and nationally-recognized sustainability standards (ISCC, RSPO, ISPO).

The delegates of the EU member countries also visited Asian Agri's Biogas Plant in Tungkal Ulu, one of seven which have been constructed to generate renewable energy for rural electrification. The company plans to build and operate 20 biogas plants by 2020.

H.E. Mr Vincent Guerend, the Head of Delegation, Ambassador of the European Union (EU) to Indonesia and to Brunei Darussalam, said, "It was not the first time I visited oil palm plantation, but I was never this impressed to see how optimized Asian Agri's processes were. Each and every worker in the plant knows exactly what to do by the process, optimizing the way both for the business revenue and long term management of the plant".

"We want to continue to buy palm oil as we consider it as a good product, but in the long run we have to make sure that it is managed in sustainable way. The key is, I believe Asian Agri is aiming at intensifying to higher yields per hectare, but not to expand further the land cultivated at the expenses of forest. We have to maintain balance between the forest and the cultivated land", Guerend added.

On the sustainability front, Asian Agri supports the implementation of the SDGs, by protecting the environment through the conservation of biodiversity, soil and water, green house gas reduction; smallholder engagement to increase welfare; responsible production using fewer chemicals; and a healthy working environment.

The discussion with both plasma and independent smallholders provided the EU delegates with a better picture on how the partnership results in improved productivity as well as supply chain traceability, enabling the smallholders to obtain sustainability certification.

Kelvin highlighted Asian Agri's 1:1 Partnership Commitment, which aims to match each hectare of AA own land with one hectare of land owned by smallholders by the end of 2018. When completed, Asian Agri will be partnered with smallholders responsible for 100,000 ha of land, consisting of 60,000 ha plasma and 40,000 ha independent smallholders.

The site visit to Asian Agri concluded with the company demonstrating its readiness for the replanting process which uses excavators for the chipping process (zero burning policy implementation), and builds terraces, road access, soil protection and cover crops.

About Asian Agri:

Asian Agri is one of Indonesia's largest palm oil producers since 1979. Today, the company manages 100,000 hectares of land and employs over 25,000 people. A pioneer of the Indonesian government's Trans-National Government Migration (PIR-Trans) program, Asian Agri works with 30,000 plasma smallholders in Riau and Jambi who operate 60,000 hectares of palm oil plantations, as well as independent smallholders, bringing about positive impact on their quality of life and economic development.

Implementing a strict "no burn" policy and best practices in sustainable plantation management, Asian Agri has helped its smallholder partners improve productivity, yield and supply chain traceability, while assisting them obtain certifications. The company's mills are technologically advanced and energy self-sufficient, minimizing greenhouse gas emissions.

Asian Agri is a member of the Roundtable on Sustainable Palm Oil (RSPO). More than 86% of both owned plantations in North Sumatra, Riau & Jambi provinces and 100% of scheme smallholder plantations in Riau & Jambi provinces have been RSPO certified. All plantations, including those owned by smallholders, have been certified by ISCC (International Sustainability & Carbon Certification). More than 91% of plantations and mills owned by Asian Agri have been ISPO (Indonesian Sustainable Palm Oil) certified.

The company's operations are ISO 14001 certified, while its Learning Institute and nursery research center in Riau province, Indonesia are both ISO 9001 certified. Asian Agri's R&D Center in North Sumatra was also given a certification by the International Plant-Analytical Exchange at the WEPAL lab at Wageningen University in The Netherlands, for its high standards.

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