



PRESS RELEASE

President Joko Widodo Handed Replanting Fund to Sawit Subur Smallholder

Riau, 9 May 2018 – President of the Republic of Indonesia, Ir. Joko Widodo, symbolically handed out oil palm replanting funds to Asian Agri's plasma smallholders who are members of Sawit Subur Cooperative.

The ceremony marked the launch of the oil palm plantation replanting program for the smallholders in Rokan Hilir, Riau Province.

Bambang H. Sutjipto, head of the cooperative, received Rp 25,000,000 per hectare from the Palm Oil Plantation Fund Management Agency to replant 492 hectares of oil palm plantation.

The money will be used to pay for seedlings, labour and equipment needed by the smallholders during the replanting process.

Bernard Riedo, Asian Agri's Director of Sustainability & Stakeholder Relations, said that the palm oil replanting fund will support the sustainability of the palm oil industry while improving the welfare of the smallholders.

"We appreciate the support from the government and all parties for the success of the oil palm replanting program," said Bernard.

Bambang H.S, Head of Sawit Subur Cooperative, said that the funds will provide valuable assistance to the smallholders.

"As the representative of Sawit Subur Cooperative, I would like to thank the government for the support and the funds that were given to us. It helps to increase our confidence to replant our plantations which are now entering old age and low productivity," said Bambang.

Asian Agri has partnered with Sawit Subur Cooperative since 1991. Located in Ukui Sub-district, Pelalawan Regency, Riau Province, Sawit Subur Cooperative currently has 454 households who

manage 908 hectares of oil palm plantations. Asian Agri provides the smallholders with assistance in managing sustainable oil palm plantations, as well as earning alternative sources of income during the approximately four years it takes for the new trees to be ready for harvesting.

"Concerns of reduced income are common among smallholders during replanting, but they can be mitigated through the alternative economic options that we have. We currently farm cattle and goats with the help of Asian Agri," said Bambang.

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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