



## PRESS RELEASE

### Smallholder Partnership for Capacity Building and Sustainable Palm Oil

**Medan, 22 May 2018** – Large oil palm companies must partner with smallholder farmers to help meet growing demand for palm oil around the world.

“We should build the capacity of smallholders as they play a key role in ensuring the success of the palm oil industry in Indonesia. We are responsible for supporting them in increasing their yields and producing quality fresh fruit bunches,” said M. Fadhil Hasan, Corporate Affairs Director of Asian Agri.

During the fast breaking with chief editors and senior editors in North Sumatra, Fadhil stated that increasing consumer awareness of and demand for sustainable palm oil must be taken into account at all stages of the supply chain. Each stakeholder in the industry must play a part in ensuring Indonesian palm oil is sustainable, including Asian Agri.

He emphasized that the company is focused on increasing yields without using additional land to increase both quality and quantity of produce, at the same time improving the livelihoods of smallholder farmers. The company continues to build partnerships with smallholders in North Sumatra, Riau and Jambi, under its One to One Partnership Commitment. The program aims to have partnerships accounting for a total of 100,000 hectares of smallholder land to match the 100,000 hectares of the company’s owned plantation. This will make Asian Agri the first palm oil company in Indonesia with such a commitment to increase their smallholders’ yields and ensure a sustainable palm oil industry.

In order to support smallholders in increasing their yields, the Asian Agri Research and Development Center continues to produce new knowledge and technologies, including the recently-introduced Topaz 4 seed, which is ready for the smallholders’ replanting program.

Fadhil reiterated the importance of explaining Indonesia’s commitment to sustainable palm oil to international stakeholders so that they will have greater confidence in the products. “The oil palm best management practices will offer the best opportunities for the company to show concrete actions in holding its sustainability commitment and addressing issues related to the Indonesian palm oil industry”.

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#### **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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