



PRESS RELEASE

Asian Agri Handed Sustainable Palm Oil Premium to Its Fostered Plasma Smallholders

Riau, 28 January 2016 – In another demonstration of sustainable business leadership, Asian Agri Group disbursed the 2015 profits (approximately Rp 2 billion) from sales of sustainable palm oil to its plasma smallholders in Jambi and Riau at a premium sharing ceremony.

Managing Director Asian Agri Group, Kelvin Tio, stated, "The international market, especially European countries, is very interested in sustainable palm oil. Asian Agri supports its plasma smallholders with implementing sustainable plantation practices and obtaining certification to create greater certainty in marketing our smallholders' palm oil."

Mr Kelvin Tio presided over the premium sharing ceremony and handed the disbursements to 83 cooperative's representatives from Riau and Jambi, all of whom have under Asian Agri's guidance obtained international certifications (RSPO and ISCC).

At the premium sharing ceremony in Buatan Estate, Buana Bhakti Village (SP 2), Kerinci Kanan District, Siak Regency, Riau, Mr Kelvin Tio explained that the premium is an additional incentive for plasma smallholders who have obtained international certification.

He said: "Plantations and oil palm processing are key contributors to the economy. Of the 160,000 hectares of land managed by Asian Agri, 40% or 60,000 hectares are managed by the Asian Agri's smallholders. We assist farmers in improving productivity, environmental management and good business practices to ensure the smallholders' sustainability."

Deputy of Food and Agriculture of the Coordinating Ministry of Economic Affairs, Ir. Musdalifah Mahmud, MT was present to witness the premium sharing and later led a dialogue with Asian Agri's smallholders.

The smallholders also met senior officials from the Coordinating Ministry of Economic Affairs, Indonesian Oil Palm Estate Fund Agency (BPDPKS), Ministry of Trade, Ministry of Agriculture and the Ministry of Rural Development and Transmigration, as well as local authorities from Siak Regency and Riau Province.

"Oil palm plantations and processing are important in improving Indonesia economy, since the palm oil exports contribute significantly to the state revenue. Moreover, this sector also creates employment opportunities to millions of people in Indonesia. This premium sharing is one of the company's commitments to continuously support the sustainable oil palm industry," said Ms Musdalifah.

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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