

## Inclusion Brings SMILE to Smallholders

12 January 2022, Jambi – Apical Group and Asian Agri are bringing “SMILE” to 4,986 independent palm oil smallholders together with their downstream partner and smallholder association, across the Jambi Province, Indonesia, when they enroll the smallholders in their joint initiative, the SMAllholder Inclusion for better Livelihood & Empowerment program. PT Inti Indosawit Subur of Asian Agri and smallholder association Assosiasi Putra Tunggal yesterday signed a Memorandum of Understanding (MoU) to help independent smallholders improve yields and livelihoods.

Unlike scheme smallholders who are contracted to and supported technically as well as financially by plantation companies, independent smallholders are self-financed. They often have limited expertise and resources to produce palm oil effectively and sustainably. The SMILE program not only seeks to increase their incomes through capacity building on technical know-how, but also helps pave the way for achieving RSPO certification. Since its inception in October 2020, the program has benefitted 600 independent smallholders.

“With smallholders making up about 45% of the palm oil production in Indonesia; it is imperative that we help facilitate their inclusion into the global sustainable supply chain. With the support of partners such as Asian Agri who have rich experience in working with smallholders for years, we are committed to bridging the knowledge gap of independent smallholders to improve their livelihoods. By doing so, it also fuels our efforts as we build an environmentally-friendly and socially-responsible supply chain,” said Fitria Kurniawan, Apical Sustainability Manager.

Sabki Saputra said that the SMILE Program has had a positive impact on independent smallholders. “As a representative of the association, I would like to thank the SMILE Program that for helping us. Through this program, we have gotten education and trainings on palm oil cultivation and sustainability solutions in obtaining the RSPO certification, as well as receiving premium once the RSPO certification is achieved. We hope that through this collaboration, we can keep on going forward and many more independent smallholders are interested in joining this program.”

Since its inception, SMILE has made great strides in improving smallholders’ livelihood by bridging the knowledge gap. Activities that are currently in progress under Phase 1 (2021-2025):

1. Development and support of procedures required for RSPO certification;
2. Workshops and trainings for smallholder groups;
3. Polygon mapping for smallholder estates;
4. Gap analysis by consultants; and
5. Conduct training on how to implement robust safety measures across their estates to farmers.

The Head of the Regent of Batanghari, Muhammad Fadhil Arief, who was also present at the signing, said that the Batanghari Regional Government is very supportive of the SMILE Program. “The Batanghari Regency’s community derives 60% of its income from palm oil, which is why we always support the best programs related to palm oil; especially the SMILE program as it is in line with our obligation as the Government to improve the welfare of its people, mainly farmers.”

On this occasion the Head of the Regent of Batanghari also gave his appreciation to all independent smallholders who are members of the SMILE Program by presenting the Bukit Sangkilan plaque as an appreciation for the efforts of farmers in participating in the program.

At the MoU signing ceremony, safety equipment comprising safety helmets, gloves and fire extinguishers were given out to the smallholders who completed the training program. As a next step, the program will support them in their preparation for RSPO certification.

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### **About Apical**

Apical Group is a leading global palm oil processor. It owns a broad spectrum of the palm oil business value chain including downstream processing into oleochemicals, functional fats, and biodiesel among others for domestic use and international export. Its operations are located in Indonesia, China and Spain, and include six refineries, four biodiesel plants, two oleochemical plants and two kernel crushing plants. Through its joint ventures, Apical also has processing and distribution operations in India, Pakistan, Philippines, Vietnam, Myanmar and Brazil.

Apical's business is built on a broad sourcing network in Indonesia with integrated refinery assets at strategic locations. These are strengthened by efficient logistic channels supported by Apical's own infrastructure to deliver to a wide range of clients from international trade houses to local industrial buyers. With its unique business model, Apical has been able to control product quality and address sustainability and food safety issues, while running highly efficient operations at its world-class refineries and integrated storage and bulking facilities.

For more information, please visit the Apical website: <https://www.apicalgroup.com/>

### **Apical Group Sustainability**

Since launching the Apical Sustainability Policy 2014, Apical has made strides in its transformation journey by adopting global standards and best practices within its operations, subsidiaries and in partnership with suppliers.

Apical refineries have been certified by the International Sustainability and Carbon Certification (ISCC) since 2010. It has been a Roundtable on Sustainable Palm Oil (RSPO) member since 2011. It achieved full traceability to mills in 2015 and has targeted full traceability to plantations by 2020.

The Group promotes the protection of high conservation value (HCV) and high carbon stock (HCS) areas, peatland and towards positive socio-economic development. It partnered with Earthworm Foundation, Proforest and Daemeter to integrate its supply chain transformation, ensure responsible sourcing and continuous improvement in its supply chain. Since 2017, Apical has been a partner of Tropical Forest Alliance 2020 (TFA 2020), a global public-private partnership that brings together governments, private sector, and civil society organizations to reduce deforestation associated with the sourcing of commodities such as palm oil, beef, soy, and pulp and paper.

Apical is committed to sustainable sourcing and operations as the fundamental core of its business to deliver high value products for today's global market demands.

### **About Asian Agri**

Asian Agri is one of Indonesia's largest palm oil producers. Found in 1979, the company today manages 100,000 hectares of plantation land and employs over 25,000 people. A pioneer of the Indonesian government's Trans-National Government Migration (PIR-Trans) program, Asian Agri currently works with 30,000 Plasma Scheme smallholders in Riau and Jambi who operate 60,000 hectares of palm oil plantations, and independent smallholders who manage a total 41,000 hectares.

Implementing a strict "no burn" policy since 1994 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 (PT Inti Indosawit Subur) is a member of the Roundtable on Sustainable Palm Oil (RSPO) since 2006. More than 86% of its owned plantations in North Sumatra, Riau & Jambi provinces and 100% of Plasma Scheme smallholder plantations in Riau & Jambi provinces have been RSPO certified. All its owned plantations and those owned by scheme smallholders ISCC (International Sustainability & Carbon Certification) certified since 2014. In 2019, the company also achieved 100% ISPO (Indonesian Sustainable Palm Oil) certification.

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 laboratory at the Center for Research and Development in Tebing Tinggi is accredited by the National Accreditation Committee under the ILAC Mutual Recognition Arrangement (ILAC MRA).

For more information, please visit the Asian Agri website: <https://www.asianagri.com/en/>

**Media inquiries should be directed to:**

Corporate Communications

Asian Agri

Tel: +62 8119206645

Apical Group

Email: [corpcomms@apicalgroup.com](mailto:corpcomms@apicalgroup.com)