

Kao, Apical & Asian Agri Celebrates the First RSPO Certification Achievement

14 July 2022, Jakarta – Since the launch of the Smallholder Inclusion for Better Livelihood & Empowerment program called “SMILE” in November 2020, it has achieved significant milestones. The milestones includes the participation of 698 smallholders for the first phase of SMILE, the signing of all Memorandum of Understandings (MoU) between PT Indosawit Subur of Asian Agri and each of the cooperatives in North Sumatra, Riau, and Jambi as well as the RSPO audit.

Today, SMILE celebrated 239 independent smallholders in the Labuhan Batu Regency, North Sumatra, who participated in and passed the RSPO audit from 18-21 April 2022, which concluded with zero findings. The RSPO certificate were presented by Bernard A. Riedo, Director of Sustainability and Stakeholder Relations, Asian Agri, Bremen Yong, Director of Sustainability of Apical, Maeda Yasuhiko, President and CEO of KAO Corporation Indonesia, Guntur Cahyo Prabowo, Senior Manager of RSPO Smallholders Programmes Indonesia to the Head of Cooperative of Koperasi Konsumen Tebing Tinggi Pangkatan Sejahtera (KKTTPS), Bpk Khairul Anam.

SMILE is a joint programme between Kao-Apical-Asian Agri; and with the 3 combined strengths, SMILE has helped enhance smallholders’ social and economic resilience by addressing the barriers affecting independent smallholders’ productivity head-on with a focus on strengthening good sustainable and climate-resilient best practices.

“The palm oil industry is important for developing countries as it helps create job opportunities for the 2.6 million farmers who rely on it. Independent smallholders make up 40% of this industry and together with SMILE, we can continue to support and improve the well-beings of the independent smallholders. We are proud of the smallholders who successfully completed the RSPO audit” said Bernard A. Riedo.

The RSPO certificates were presented to the independent smallholders by Bernard A. Riedo, Maeda Yasuhiko, and Bremen Yong. “We launched SMILE to reduce the social and economic gaps that affect the livelihoods of the independent smallholders by providing training and workshops to enhance smallholders’ technical knowledge, allowing them to achieve RSPO certification for the first phase of the audit through adoption of good sustainable practices. The independent smallholders deserve commendation, and we are eager to see what the future holds for them” added Bremen Yong.

“We are honoured to be part of the certification ceremony as this is another encouraging milestone for the SMILE programme. With SMILE, we are able to build a sustainable supply chain by upskilling the independent smallholders to adopt best agriculture practices for better livelihoods.” said Maeda Yasuhiko.

The remaining smallholders under SMILE Phase 1 will undergo the RSPO main audit in Q3 of 2022 while the progress for these smallholders will be monitored continuously. Preparations are currently underway for the RSPO certification process for registered smallholders under Phase 2 of the SMILE programme.

The audit was conducted by an international accredited organization, PT Mutuagung Lestari, and follows a strict verification process. It is aligned to stringent RSPO Principles & Criteria for Sustainable Palm Oil Production. In order to obtain the RSPO certification, it includes audit of no

deforestation, waste management, and protecting peat land. The audit ensures that the practices of the smallholders are sustainable and climate-resilient best practices, which consequently improves the livelihoods of smallholders as they adopt best management practices to increase their yield.

On behalf of the Koperasi Konsumen Tebing Tinggi Pangkatan Sejahtera, as head of the cooperative, Khairul Anam, is pleased to receive the first RSPO certificate from the SMILE Program. “The impact of this program is great for us smallholders, not only do we benefit in learning the right methods in agrofarming for the plantation, but we also receive additional equipment in addition to the premium given. With the many benefits of the SMILE programme, we hope other smallholders will be keen to participate in this program as well”, claimed Khairul.

Kao, Asian Agri and Apical regularly engage with various stakeholders, such as non-governmental organisations, non-profit organisations, and community leaders to ensure the delivery of high-quality training and adequate equipment allocation leading to sustainable best practices among the smallholders.

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About Apical

Apical Group is a leading vegetable oils processor with an expanding global footprint. Our vertically integrated mid-stream refining and value-added downstream processing make us an integral supplier that supports the food, feed and fuel needs across industries.

To date, with integrated assets in strategic locations spanning Indonesia, China and Spain, Apical operates eight refineries, four oleochemical plants, four renewable fuel plants and three kernel crushing plants. Through joint ventures, Apical also has processing and distribution operations in Brazil, Dubai, India, Myanmar, Pakistan, Philippines, USA and Vietnam.

Apical’s growth is built on the foundations of sustainability and transparency, and motivated by our strong belief that we can make a more meaningful impact even as we continue to advance our business and deliver innovative solutions to our customers.

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

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/>

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