



PRESS RELEASE

The Replanting Program Kicks Off with 135 Riau Smallholders

Riau, 20 April 2016 - 135 smallholder members of Mulus Rahayu Cooperative, a partner of Asian Agri, have embarked on an oil palm replanting programme in Delima Jaya Village, Kerinci Kanan Regency, Siak District, Riau. The programme will cover 310 hectares with funding assistance from BPDPS.

A replanting ceremony was held today to mark the start of the programme. It was witnessed and attended by Mr. Bayu Krisnamurthi, President Director of BPDPS, smallholders, Mr. Dwi Pratomo, Ministry of Agriculture's Director of Annual and Refresher Plants, Mr. Muhibul Basyar, Riau Province's Head of Plantation, Mr. M. Busthami, Bank Syariah Mandiri's Senior Executive Vice President of Retail Banking, and Mr. Kelvin Tio, Managing Director of Asian Agri.

On behalf of the Acting Governor of Riau Province, Mr. Muhibul Basyar endorsed the collaboration between smallholders and businesses with large capital and technology. Partnerships with smallholders will help them to achieve maximum productivity while implementing environmentally- friendly plantation practices.

This replanting program is the first phase of Asian Agri's plan to replant 2,402 hectares of plasma smallholders' oil palm plantation in 2016. In 2017, Asian Agri will support the replanting of about 4,000 hectares in Riau and Jambi.

Topaz seedlings were presented to the smallholders located in Kerinci Kanan, Siak District, Riau. Since 2002, Asian Agri has been planting the Topaz seedlings which have proven to be a success in increasing oil palm yield by up to 50%.

Said Mr. Kelvin Tio: "Asian Agri is committed to improving the plasma smallholder's livelihood. We have had a positive partnership experience with the smallholders over the last 29 years, and we will share our experience with other smallholders around Indonesia to encourage them to replant for better yield and land management."

Since 2008, Asian Agri has supported the smallholders replanting program. In preparation of the replanting program, Asian Agri trained and assisted the smallholders to seek alternative sources of income during the replanting period through cultivating livestock, poultry, horticultural plants and other crops farming. The company also provided team training. Kelompok Dinamika, for instance, collaborated with the Regional Facilitator under the coordination of Agricultural Coordination and Training Agency (Barkorluh) Riau and the Provincial Plantation Agency.

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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