

NEWS RELEASE

ONE OF THE WORLD'S LARGEST SCHEME SMALLHOLDER IN INDONESIA TO BE RSPO CERTIFIED

Jakarta, September 5, 2012 – The international certification scheme and multi-stakeholder organization for sustainable palm oil, the Roundtable on Sustainable Palm Oil (RSPO), recently certified another two schemes smallholder plantations in Indonesia under Asian Agri.

These latest two plantations combined with its previous two plantations, which are all located in Sumatra, were certified in 2010 and 2011, contributing to a total Certified Sustainable Palm Oil (CSPO) production volume of 211,953 metric tonnes - carving Asian Agri as one of the world's largest scheme smallholder in Indonesia.

These schemes smallholders were certified with support from a collective fund from the Palm Oil Producers Support Initiative (POPSI) - a program initiated and supported by the RSPO and Solidaridad, an international network organisation committed to sustainable supply chains.

Commenting on this significant achievement, Darrel Webber, RSPO Secretary General said, "We commend Asian Agri for their initiative and success in supporting and enabling smallholders to benefit from their best practices in sustainable palm oil. In recent years, the significance of smallholder agriculture has been greatly recognised and demonstrated by both the private sector and governments at large in developing strategic interventions to generate agricultural and economic advancements within this community.

"The primary challenges for smallholders to become certified include lack of awareness on benefits of being certified; funding support and lack of expertise or capacity building. To this end, the RSPO is committed to mobilizing strategic initiatives aimed at addressing these primary issues. Given the significant ratio of smallholders in the palm oil sector – it is critical they continue to be central in our strategy to catapult sustainable practices in this sector towards market transformation." Webber commented.

Indonesian Advisor to the RSPO, Professor Bungaran Saragih commented that: "This achievement by Asian Agri is a testimony that Indonesia is on the right path in contributing towards international sustainability practices. Smallholders need to be made aware of the advantages of being certified which includes access to international demand markets for sustainable palm oil; longer term efficiencies in terms of yield and productivity as well as effective cost management. Its' success is interdependent on the support from various stakeholders, including the mills, government and the market. We are witnessing significant commitment from smallholders, but there is an urgent requirement to continue to proactively mobilize and facilitate the transformation."

“This is indeed a feather in the cap for Indonesia, who is undoubtedly at the apex of transformation towards sustainability. Not only does the country now lead the pack as the number one producer of CSPO - the contribution demonstrated by the schemed smallholders towards sustainable practices is highly commendable.” Webber concluded.

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About RSPO

In response to the urgent and pressing global call for sustainably produced palm oil, the Roundtable on Sustainable Palm Oil (RSPO) was formed in 2004 with the objective of promoting the growth and use of sustainable oil palm products through credible global standards and engagement of stakeholders. The seat of the association is in Zurich, Switzerland, while the secretariat is currently based in Kuala Lumpur with a satellite office in Jakarta.

RSPO is a not-for-profit association that unites stakeholders from seven sectors of the palm oil industry - oil palm producers, palm oil processors or traders, consumer goods manufacturers, retailers, banks and investors, environmental or nature conservation NGOs and social or developmental NGOs - to develop and implement global standards for sustainable palm oil.

Such multi-stakeholder representation is mirrored in the governance structure of RSPO such that seats in the Executive Board and project level Working Groups are fairly allocated to each sector. In this way, RSPO lives out the philosophy of the "roundtable" by giving equal rights to each stakeholder group to bring group-specific agendas to the roundtable, facilitating traditionally adversarial stakeholders and business competitors to work together towards a common objective and making decisions by consensus.

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