



PRESS RELEASE

Asian Agri and Apical Team Up with TFT to Enhance Supply Chain Traceability

- *Asian Agri and Apical join TFT membership to enhance supply chain traceability process over their palm oil supply chains*
- *Partnership represents major step forward in both companies' sustainability journey for full traceability by 2016*

June 16th 2015 - Asian Agri and Apical Group announced today their partnership with The Forest Trust (TFT) – a global environmental non-profit organisation focused on helping companies run responsible supply chains.

This collaboration is part of Asian Agri and Apical's sustainability journey to progressively build full traceability into their palm oil supply chains by 2016. It reflects their pledge to protect High Conservation Value (HCV) and High Carbon Stock (HCS) areas and peatlands. They also want to drive positive socio-economic impact for people and communities, as articulated in their Sustainability Policies^{1 2}
[\[2\]](#).

Subsequent to their Sustainability Pledges in 2014, both Asian Agri and Apical have embarked on an ambitious implementation plan, beginning with mapping their supply chains. This is being followed by engagement with suppliers and, where necessary, field assessments and face to face discussion with mill and plantation suppliers to help them achieve compliance with their Sustainability Policy. This partnership and membership with TFT is expected to help further improve the aforesaid process and is another step in their sustainability journey. TFT's role includes training of AA and Apical teams to prepare them with the skills to ensure compliance throughout their supply base and to assist in grievance resolution. A kick-off meeting took place in Medan, Indonesia, on 9 May 2015 to officially launch the effort.

President of Apical Group, Dato' Yeo How: "Sustainability has been and continues to be a cornerstone of Apical's business model. For this reason, we are excited to partner with like-minded organisations such as TFT to support our sustainability values and help accelerate our journey to build a traceable and transparent supply chain by 2016."

Managing Director of Asian Agri, Kelvin Tio: "As one of the largest palm oil smallholder partners, working closely with 29,000 scheme smallholders and over 3,400 independent smallholders in Indonesia, Asian Agri carries an important mandate to help its smallholders advance together on this sustainability journey. This

¹ Asian Agri's Sustainability Policy: <http://www.asianagri.com/index.php?option=content/03&head=head/03&view=sub/07>

² Apical's Sustainability Policy: <http://www.apicalgroup.com/our-commitment-menu>

partnership with TFT reaffirms our commitment to improving the livelihood of our smallholders, and to no deforestation and no exploitation across our supply chain. We look forward to collaborating with TFT to develop innovative solutions to complex problems on the ground. Asian Agri is on target to be fully RSPO and ISPO certified by end 2015 and is one of the first groups to have successfully assisted its plasma smallholders in obtaining RSPO certification.”

Asian Agri and Apical’s membership and collaboration with TFT comes on the back of other key sustainability milestones in 2014, including participation in the Sustainable Palm Oil Manifesto, the New York Declaration on Forests at the United Nations Climate Summit, and Indonesia Palm Oil Pledge.

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 72% 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

Mills in Buatan, Ukui, Tungkal Ulu and Muara Bulian 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

About APICAL:

Apical Group Ltd is one of the largest exporters of palm oil in Indonesia, owning and controlling an extensive spectrum of the palm oil business value chain from sourcing to distribution. It is also engaged in the refining, processing and trading of palm oil for both domestic use and international export. Its operations are located in Indonesia and China, and include four refineries, one biodiesel plant, one fatty acid splitting plant and a kernel crushing plant.

Apical’s business is built on a reliable and broad sourcing network in Indonesia, while integrating refinery assets at strategic locations in Indonesia and China. These are bolstered 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 quality, address sustainability and food safety issues, while running highly efficient operations at its world-class refineries and integrated storage and bulking facilities.

Apical is a founding member of the Business Council for Sustainable Development Singapore since 2012. It is also a member of the Roundtable on Sustainable Palm Oil (RSPO) and the International Sustainability and Carbon Certification (ISCC). In 2014, Apical Group became a signatory to the Sustainable Palm Oil Manifesto and established a sustainable Palm Oil Policy Statement in which Apical is committed to building a traceable and transparent palm oil supply chain. Apical is also a signatory to the New York Declaration on Forests.

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