

Fully traceable palm oil in four years, Golden Agri-Resources sets new ambitious goal

26 April 2016

- Golden Agri-Resources has developed a four year plan to trace more than seven million tons of palm oil through 489 mills all the way back to the point of origin at the grower's plantation
- Supply chain engagement through traceability is key to achieving sustainability
- Golden Agri-Resources will report progress quarterly, aims to achieve 100 percent traceability for GAR-owned mills by 2017 and 100 percent traceability for independent mills by 2020

Golden Agri-Resources (GAR) has published a time-bound plan to achieve 100 percent traceability to plantation for all of the palm oil purchased and processed by the company by 2020. This will build on GAR mapping its entire supply chain to [489 individual mills earlier this year](#).

"We led the way in committing to delink palm oil production from deforestation in 2011 and hope that we can now set a new example of how to improve engagement, productivity and sustainability across the industry. The journey will not be easy or straightforward, and will require the involvement of thousands of farmers, but with the support of our partners we have set a goal of 2020 to realise our ambition." said Mr. Agus Purnomo, MD for Sustainability and Strategic Stakeholder Engagement at GAR.

GAR's plan is comprised of two phases. The first phase will establish traceability to plantation for the 44 mills owned directly by GAR which accounts for approximately 40 percent of its total palm oil supply. This will involve tracing fresh fruit bunch (FFB) purchased by those mills from independent traders and smallholders which accounts for 10 percent of the supply to GAR mills. The remaining 90 percent of FFB supply comes from known sources such as GAR's own estates and plasma smallholders. GAR aims to complete this phase by the end of 2017.

The second phase, which will run concurrently, is to achieve traceability to plantation for the independent third-party mills that supply GAR. This process is expected to be completed by the end of 2020.

GAR will kick off a pilot phase involving a GAR owned mill and an independent mill and use the lessons learnt to replicate the process with other mills. This work will be focused on tracing smallholders directly and via intermediaries through chain of custody documentation and verification. The engagement will also help identify those suppliers who need the most support in strengthening their social and environmental practices.

"We are aware that this will be a challenging endeavour, but as a business, we recognise the long-term benefits that this mapping exercise will bring. We will be meeting customer demands for a traceable product and at the same time we will be playing our part in making our industry more sustainable by knowing and reaching out to individual farmers who may need support to adopt better practices," said Mr. Hendrikus H Nauli, Director of PT Sugih Riesta Jaya, one of GAR's third party suppliers.

Details of the plan and progress updates can be viewed on the [GAR Sustainability Dashboard](#).



About Golden Agri-Resources

GAR is one of the leading palm oil plantation companies with a planted area of more than 480,000 hectares (including smallholders), located in Indonesia. It has integrated operations focused on the production of palm-based edible oil and fat.

Founded in 1996, GAR is listed on the Singapore Exchange since 1999 with a market capitalisation of US\$2.9 billion as at 30 September 2015. Flambo International Limited, an investment company, is currently GAR's largest shareholder, with a 50.35% stake. GAR has several subsidiaries, including PT SMART Tbk which is listed on the Indonesia Stock Exchange since 1992.

GAR is focused on sustainable palm oil production. In Indonesia, its primary activities include cultivating and harvesting of oil palm trees; processing of fresh fruit bunch into crude palm oil (CPO) and palm kernel; merchandising and refining CPO into value-added products such as cooking oil, margarine and shortening. It also has operations in China and India including a deep-sea port, oilseeds crushing plants, production capabilities for refined edible oil products as well as other food products such as noodles.

For further information, please contact:

Ayesha Khan / Joy Cha

Mobile: +65 9783 1944 / +65 9784 8790

Email: CW-SG-GAR@cohnwolfe.com