

## Press Release:

### GAR RECEIVES RSPO MEMBERSHIP

**Jakarta, Singapore, 4 April 2011** - Golden Agri-Resources Ltd (GAR) joins its subsidiaries PT SMART Tbk (SMART) and PT Ivo Mas Tunggal (IMT), to become a member of the Roundtable on Sustainable Palm Oil (RSPO). This is following the submission of the full application by GAR on Nov 2010 and a review of the application by the RSPO Grievance Panel (the "Panel"). GAR, SMART and IMT have also submitted their gap assessment prepared by The Forest Trust (TFT) and their time-bound plan to achieve RSPO certification to the RSPO Grievance Panel for their review.

The Panel is satisfied with the dialogue it has with GAR, SMART and IMT and has made its recommendations to the RSPO Executive Board (the "EB"), who has approved and accepted the membership application.

The Panel will review the certification process of SMART and IMT upon submission of the full reports with regard to peat restoration, social research and HCV compensation.

The RSPO will continue to work together with GAR, SMART and IMT to ensure that the companies continue to stay on track for the planned certification of all plantations (as at 30 Jun 2010) by Dec 2015. The RSPO will also be monitoring the progress of all the items mentioned below on a quarterly basis.

Following is a summary from GAR on the progress of specific items:

#### 1. RSPO certification for GAR, SMART and IMT

**Requirements:** The Panel requires a sufficiently challenging and time-bound plan for the certification of plantations under GAR, SMART and IMT.

**Update:** GAR, SMART and IMT have engaged international NGO, TFT to help GAR prepare for certification of all its palm oil operations (as at 30 Jun 2010) by Dec 2015. The operations established beyond 30 Jun 2010 will be part of a separate time bound plan.

TFT has completed an initial gap analysis, focusing on documentation and corporate structure supporting RSPO certification. The overall gap assessment and a time-bound plan were submitted to RSPO by GAR at the end of Mar 2011.

#### 2. Social research

**Requirements:** The Panel requires a more structured research into social impacts and to share the findings openly with the RSPO.

**Update:** GAR, SMART and IMT engaged Tanjungpura University (UNTAN), Faculty of Agriculture, West Kalimantan, to conduct the social research. UNTAN is assisted by Palangka Raya University, Faculty of Agriculture, Central Kalimantan to conduct the fieldwork for Central Kalimantan. UNTAN commenced work in early Nov 2010 and is finalising the report by Apr 2011.

Following their field visit, top line findings have been compiled for the Panel and it was noted that GAR, SMART and IMT have been operating in accordance with RSPO Criterion 2.3, 7.3, 7.5 and 7.6 and identified some cases involving dispute of land ownership. A final report with the findings from UNTAN will be publicly available in English in May 2011.

Additionally, the company has also identified conflicts on plantations - like in Kerang Mendapo, Jambi - which it does not own, but provides management services. Moving forward, GAR will play a more active role in facilitating a peaceful resolution with support from all stakeholders.

### **3. Verification that RSPO New Planting Procedures are applied**

**Requirements:** The Panel requires that all GAR majority-owned operations and SMART operations are applying the RSPO's New Planting Procedures (NPP).

**Update:** British Standards Institution (BSI) has been appointed to ensure application of the NPP. Following the Central Kalimantan Audit Review in early Mar 2011, BSI highlighted to GAR on NPP implementation being required for all new estates post Jan 2010. GAR has shared the list of new planting after Jan 2010 with BSI to incorporate these estates in their Standard Operation Procedure (SOP) verification schedule. BSI will include the NPP verification on the new planting listing in the SOP verification schedule. The completion date is Mar 2012.

### **4. SOP verification against Independent Verification Exercise (IVEX) findings**

**Requirements:** The Panel requires evidence that the relevant SOP (specifically those on compliance with HCV assessments, peat conservation, community engagement about social impacts) have been changed and are being implemented across all of SMART operations to address all the past failings identified in the IVEX Report and which have lead to legal non-compliance and non-adherence to the RSPO Principles and Criteria.

**Update:** BSI has been engaged to ensure that the relevant SOP are changed and implemented across all of GAR and SMART operations.

BSI has completed the first of the scheduled field verifications in Central Kalimantan from 2 - 6 Mar covering 1 mill and 3 estates. BSI's field verification on SOP will cover 42 mills, all new plantings (50 estates, including 10 estates belonging to smallholders) and a sample of 32 existing matured plantations (as approved by the Panel) with a 3-month rolling schedule and is due to be completed by Mar 2012.

### **5. High Conservation Value (HCV) compensation**

**Requirements:** The Panel requires that SMART and IMT develop, implement and independently verify an acceptable package of measures related to the land cleared by SMART without HCV assessment; a) Compensation for the instances of land cleared between 2005 and 2007 according to guidance established by the RSPO; and b) Suitable additional remediation measures agreed in consultation with the RSPO for the land cleared after 2007.

**Update:** As discussed and agreed with the Panel, the companies have engaged the Faculty of Forestry of Bogor Agriculture University (IPB) led by Ir. Nyoto Santosa, an RSPO-registered HCV assessor, to conduct a historic HCV assessment. The final report of the HCV historic assessment is expected by mid-Apr 2011. The compensation plan will be proposed by end Apr 2011. GAR, SMART and IMT will discuss and consult the Panel before submitting the compensation plan.

## 6. Deep peat restoration

**Requirements:** To develop a plan, to be approved in advance by RSPO and to be independently verified on implementation, to mitigate the effects of, if not restore and subsequently conserve the deep peat identified as having been planted.

**Update:** SMART and IMT engaged a Peat Restoration Team (PRT) which consists of the Faculty of Agriculture of IPB and the Indonesian Center for Agricultural Land Resource Research and Development, for the deep peat restoration project.

The PRT has visited the affected areas in Ketapang, Central Kalimantan and Kapuas Hulu in early Dec 2010 and have requested for an extension of the deadline for the deep peat restoration plan. As agreed with the Panel, this will be due by the end of May 2011.

### Conclusion

GAR is committed to taking a leadership role and will work with multi-stakeholders to find solutions toward sustainable palm oil production. The company is committed to complying with the national laws and regulations and the RSPO Principles and Criteria. GAR has launched its Forest Conservation Policy and is in the process of developing its Yield Improvement Policy and Social and Community Engagement Policy in collaboration with TFT.

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### About the Roundtable on Sustainable Palm Oil (RSPO)

The Roundtable on Sustainable Palm Oil (RSPO) was established in 2004 with the objective promoting the growth and use of sustainable oil palm products through credible global standards and engagement of stakeholders. The Secretariat is 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. For further information, please refer to our website: [www.rspo.org](http://www.rspo.org)

### **About Golden Agri-Resources Ltd (GAR)**

GAR is the world's second largest palm oil plantation company with a total planted area of 442,500 hectares (including smallholders) as at 31 December 2010, 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\$7.5 billion as at 31 December 2010. Flambo International Ltd, an investment company owned by the Widjaja Family, is GAR's largest shareholder, with a 49.6% 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; and refining CPO into value-added products such as cooking oil, margarine and shortening. It also has integrated operations in China including a deep-sea port, oilseeds crushing plants, production capabilities for refined edible oil products as well as other food products such as noodles.