

## **GAR disappointed by EU Parliament vote against palm oil in biofuels Company calls on EU Council and Commission to support sustainably produced palm oil in forthcoming trilogues**

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Golden Agri-Resources (GAR) is disappointed at the EU Parliament vote in support of a total ban on palm oil in biofuels by 2021, a move that risks the current industry-wide efforts to make the sector more sustainable and most threatens the livelihoods of smallholder farmers.

Vice President of Corporate Communications and Sustainability Relations, Anita Neville, said the basis of the ban runs contrary to growing evidence of the transformation the palm oil sector in Indonesia and other countries and would set back efforts to address deforestation and other sustainability concerns.

"The EU has traditionally been a global advocate for sustainability and its purchasing and policy signals have helped drive industry improvements in other sectors. Now it is telling palm oil farmers and the businesses striving for improvement that nothing will be good enough, while continuing to allow other deforestation-risk commodities to enter the EU biofuels market.

It is millions of small farmers who will be hardest hit by the EU's decision to phase out palm oil in the biofuels market. While the EU has the right to pursue policy initiatives to halt deforestation, it also needs to avoid a blunt-instrument approach that will divert commodities and products linked to deforestation to other less discerning and stringent markets," Ms Neville said.

According to [Global Canopy's Forest 500 report "Achieving 2020: how can the private sector meet global goals of eliminating commodity-driven deforestation?"](#) palm oil has the greatest private sector commitment to sustainability relative to other risk commodities. Specifically, it states that "palm oil and timber companies have the highest number of commodity-specific forest policies (61% and 49% respectively), while companies assessed for their involvement in cattle supply chains have the lowest (17%).

The vote also ignores the pre-existing high sustainability standards set for vegetable oils entering the fuel mix under the [International Sustainability and Carbon Certification \(ISCC\)](#) requirements. This scheme is recognized by the EU to ensure that all vegetable oils, including palm oil, achieve at least a 60% reduction in GHG emissions compared to fossil fuel.

GAR calls on EU Member States, the European Council and Commission to reject the EU Parliament's position on palm oil and develop its future biofuels policy based on reason and scientific evidence. The policy should continue to require and support certified sustainable palm oil as part of the biofuels mix within the seven percent cap to 2030 whilst encouraging rapid development of advanced biofuels.

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

GAR is one of the leading palm oil plantation companies with a total planted area of over 486,000 hectares (including plasma smallholders), as at 30 June 2017, located in Indonesia. It has integrated operations focused on the production of palm-based edible oil and fat.

Founded in 1996, GAR was listed on the Singapore Exchange in 1999 with a market capitalisation of US\$3.4 billion as at 30 June 2017. Flambo International Limited, an investment company, is currently GAR's largest shareholder, with a 50.35 percent stake. GAR has several subsidiaries, including PT SMART Tbk which was listed on the Indonesia Stock Exchange in 1992.

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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; refining CPO into value-added products such as cooking oil, margarine, shortening and biodiesel; as well as merchandising palm products throughout the world. 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.

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