

GAR Statement on ENVI Committee Decision to exclude palm oil from EU biofuels

25 October 2017

Golden Agri-Resources (GAR) views with deep regret and disappointment the vote by the Environment Committee of the European Parliament to eliminate palm oil from EU biofuels mix by 2021 as announced in EU Parliament Press Release: "[Renewable energy: Environment MEPs propose upgraded, nationally binding targets](#)". This decision goes against growing evidence of the transformation the palm oil sector in Indonesia and other countries.

As cited by [Supply Change](#) and [Climate Focus' assessment on Progress on the New York Declaration on Forests](#) the palm oil sector has made the most commitments on deforestation compared to other agricultural sectors. Furthermore, the Environment MEPS' decision blatantly ignores the pre-existing high sustainability standards set for vegetable oils entering the fuel mix under the [International Sustainability and Carbon Certification](#) (ISCC) requirements.

The decision is also inconsistent with the EU principle of non-discrimination. By only excluding palm oil, the EU treats this oil unfairly compared to other vegetable oils. The EU is well aware that the environmental footprint of other oils is far greater than that of palm oil, but has chosen to punitively single out palm oil.

GAR calls on EU Member States, the European Council and Commission to 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 and maintain the seven percent cap to 2030 whilst encouraging rapid development of advanced biofuels.

GAR believes that such a policy framework would both enable a managed transition to advanced biofuels and enable the necessary investment and infrastructure changes required. It will also further encourage and enable the transition to sustainable production within the palm oil industry especially amongst the millions of smallholders who make up the bulk of the sector.

It is these 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.

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.

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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