

GAR Announces 100% Traceability to the Plantation for Owned Mills

- Golden Agri-Resources (GAR) has finished mapping all its suppliers to its own mills (44), covering more than 600,000 hectares of estates and accounting for 39 percent of GAR's total supply of palm oil
- Golden Agri-Resources is using supply chain mapping methods and technology to achieve 100 percent traceability to plantation for the remaining 427 independent mills by 2020

Singapore, 27 February 2018 – Today, Golden Agri-Resources (GAR) announced the achievement of 100 percent Traceability to the Plantation (TTP) for all 44 GAR-owned mills. Completed in 2017, this milestone means that 39 percent of GAR's total palm oil supply is fully traceable. Concurrently, GAR is working with 427 independent mills to map their supply chains, and aims to have them report full TTP by end 2020.

The completion of the first phase of GAR's plan involved tracing fresh fruit bunches (FFBs) purchased from independent traders and smallholders as well as GAR's own estates and plasma smallholders. With full TTP for GAR mills, it can now reach out to more than 70 dealers/brokers who buy from 11,000 smallholders managing over 44,000 hectares of estates.

"After we achieved 100 percent Traceability to the Mill in 2015, we embarked on what is possibly the industry's most ambitious undertaking – to trace more than seven million tonnes of palm oil through 471 mills all the way to the point of origin at the grower's plantation. Through this journey, we are making strong headway in engaging thousands of farmers and independent suppliers, and with the support of our partners we are set to achieve our 2020 ambition," said Mr. Franky Oesman Widjaja, Chairman and CEO of GAR.

"Traceability not only means we can guarantee the provenance of our raw materials, but it also forms the backbone of our efforts to engage our suppliers in changing for good. We need to first know who they are if we are to help them transform their businesses, and join us in our efforts to build a more responsible, resilient palm oil industry," added Mr. Agus Purnomo, MD for Sustainability and Strategic Stakeholder Engagement at GAR.

Achieving Traceability for Third-Party Supplier Mills

The second phase is attaining full TTP for the independent third-party mills that supply GAR. Leveraging GAR's experiences in engaging farmers will enable third-party suppliers to implement TTP processes of their own, with the goal to achieve 100 percent TTP for all GAR suppliers by end 2020. In 2017, GAR visited a further 40 mills to assess their compliance with the responsible palm practices spelled out in the [GAR Social and Environment Policy \(GSEP\)](#). The resulting analyses of its suppliers' situations enables GAR to design appropriate support and intervention strategies, and help them implement responsible practices.

An Inclusive Approach with Partners to Support Suppliers

GAR is working with a network of partners to support independent suppliers establish tracing and verification processes, providing the foundation to later ensure compliance with GAR's GSEP.

Geotraceability

Geotraceability utilises its software solutions to assist suppliers, including small and medium sized mills, in compiling traceability information. GAR and GeoT have developed an inclusive approach to improve supply chain transparency, which allows all suppliers to join regardless of their current level of supplier knowledge.

Pierre Courtemanche, CEO, GeoTraceability said, "Traceability and supplier engagement is a continuous process of improvement. Our supporting tools continue to be developed, tested and

enhanced working with the over 250,000 smallholder farmers in our database. These producers are not just statistics but active participants in dynamic, traceable supply chains. As GeoT has witnessed in other sectors, the most progressive palm producers are now sending a message that in the near future, non-transparent sourcing will not be acceptable. The mills that engage with buyer support programmes now will be the ones who see maximum benefit later.”

Koltiva

Koltiva helps verify sustainably sourced commodities from independent smallholders with leading web and mobile applications. To date, Koltiva Field Agents have registered 16 palm oil agents (collectors/traders), mapped and verified 9,015 hectares of plantation owned or managed by 4,168 farmers and giving them information to help improve their production, farming practices and livelihood, and support their access to international supply chain markets.

“This time and resource-heavy initiative not only supports GAR’s commitment to being a leading and sustainably-produced palm oil producer, but it has also improved independent smallholders’ incomes, living standards and its environmental footprint,” said Ainu Rofiq, Executive Director, PT Koltiva.

Neste

GAR also recognises the critical role customers can play in driving the positive transformation of the palm oil industry. In March 2017, GAR and Neste partnered on a project to identify, map and profile up to 3,000 smallholders spread between 14 villages in Siak, the largest oil palm producing district in Riau, a province where independent smallholders manage up to 25 percent of total planted area. Upon completion, the data will connect with the next phase of GAR’s TTP programme. The parties will also work with smallholders to address vulnerabilities that emerge from their assessments.

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About Golden Agri-Resources Ltd (GAR)

GAR is one of the leading palm oil plantation companies with a total planted area of 502,847 hectares (including plasma smallholders) as at 31 December 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 and has a market capitalisation of US\$3.6 billion as at 30 September 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. For more information, visit:

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