

Latest FOE commentary ignores facts and actions on the ground

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The article written by Friends of the Earth (FOE) published in Mongabay on 31st October wilfully ignores Golden Agri-Resources' (GAR) previous responses and actions taken.

On Golden Veroleum Liberia (GVL), FOE's claim that things have not improved since its report in July 2018 is erroneous. GVL has launched several measures including a voluntary moratorium and a [Sustainability Action Plan](#) which is currently being implemented. GAR is closely monitoring GVL's progress and reports this on the [GAR Grievance List](#). See GVL's response to the FOE article [here](#).

FOE appears to imply that GAR's investors were spurred into engaging with GAR due to their report. In reality, GAR engages with its key stakeholders including investors and banks on a very regular basis. [Webinars](#) with Q&A sessions are held annually for key stakeholders after the publication of the Sustainability Report. GAR frequently organises site visits to plantations for its stakeholders so that they can see the situation on the ground. Every month, GAR also sends a newsletter to a long list of stakeholders on current sustainability issues, programmes and progress.

FOE's claim that these investors then voted against management again seeks to draw misleading conclusions as it is perfectly normal for shareholders to vote against resolutions at the AGM, if they so choose. The resolutions and results of the last AGM can be seen [here](#).

On other issues such as the bribery case involving three executives at a subsidiary, GAR has issued responses in its [Annual Report](#), on its [website](#) and in this [report](#), as well as proactively to its stakeholders. GAR has detailed the actions it has taken including requiring executives to sign Integrity Pacts committing them to ethical and lawful behaviour and enhanced our [Code of Conduct](#) training.

GAR issued a [response](#) to recent RAN allegations that it is sourcing from illegal plantations and is addressing the issue. This is being tracked on the [Grievance List](#). It is worth pointing out that this takes place against a background of supply chain transformation work that GAR has been carrying out with its suppliers since 2015, which involves assessing, monitoring and supporting suppliers to become more responsible producers. [Evidence](#) that this approach is bearing fruit can be seen in the fact that GAR is currently supporting the conservation of 65,000 hectares of forests by its suppliers.

On GAR's removal from the Dow Jones Sustainability Index, this was wholly unconnected to FOE's actions. [RobecoSAM](#) which carries out the assessment for inclusion in the DJSI index has its own methodology which was changed in 2018 across the board. This included factoring a greater impact on company's scores from open issues. GAR continues to take part in the annual assessment as well as updating RobecoSAM on those tracked cases which are available to investors via RobecoSAM's survey website.

FOE also disingenuously tries to imply that GAR is responsible for burning an area bigger than Singapore. The truth is neither GAR nor any of its subsidiaries are mentioned in the [Greenpeace report](#) cited. GAR reports weekly on [fire incidents](#) on its Sustainability Dashboard. In the period of July to September 2019, some 1,700 hectares were affected by fire, primarily caused by external parties clearing land with fire. This represents about 0.3 percent of GAR's total planted area. In the 2015 fire season, less than one percent of GAR's area was affected by fire.

GAR hopes that FOE will be more careful and circumspect in its future commentaries. Eagerness to assign blame to companies should not take priority over facts.

About Golden Agri-Resources Ltd (GAR)

GAR is one of the leading palm oil plantation companies with a total planted area of 498,395 hectares (including plasma smallholders) as at 31 December 2018, 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\$2.3 billion as at 31 December 2018. 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 responsible 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, biodiesel and oleo-chemicals; as well as merchandising palm products throughout the world. It also has operations in China and India including a deep-sea port, oilseeds crushing plant, production capabilities for refined edible oil products as well as other food products such as noodles.

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