

# Golden Agri-Resources (GAR) Singapore

**Sectors:** agriculture - palm oil

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## About Golden Agri-Resources (GAR)

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Golden Agri-Resources (GAR) is the world's second largest palm oil plantation company with a total planted area of 500,345 hectares (including smallholders) as at 20 July 2018. Founded in 1996 and located in Indonesia, it has integrated operations focused on the production of palm-based edible oil and fat. GAR is a subsidiary of the massive [Sinar Mas](#) conglomerate. In addition to oil palm, it also has major operations in China that include soybean crushing, noodle manufacturing and refining of edible oil products.

After years of pressure from environmental groups, the company is currently [working with The Forest Trust \(TFT\)](#) to implement its “no deforestation footprint” policy that began in early 2011, attracting cautious optimism from Greenpeace. It is working towards no conversion of High Carbon Stock land (over 35 tons/ha), peatlands, High Conservation Value land, coupled with yield improvements on existing estates. As it desires to achieve these goals, it also aims to be the world's largest palm oil company by leveraging on its third-party plantation relationships (for a list click [here](#), p142) and further growth in value-added oil palm products for export throughout the world. In March 2014 it announced that it would extend its forest conservation policy to third-party suppliers.

<b>Headquarters</b>	c/o 108 Pasir Panjang Road, #06-00 Golden Agri Plaza 118535 Singapore
<b>CEO/chair</b>	Mr. Franky Oesman Widjaja CEO
<b>Website</b>	<a href="http://www.goldenagri.com.sg">http://www.goldenagri.com.sg</a>
<b>Ownership</b>	<i>listed on Singapore Stock Exchange (SGX)</i> Golden Agri is incorporated in Mauritius and listed on the Singapore Stock Exchange since 1999. Flambo International Limited, an investment company representing the Widjaja Family, is its largest shareholder, with a 49.95% stake. Further information on the company's shareholders can be found in its <a href="#">Annual Report (see p166)</a> .
<b>Subsidiaries</b>	<a href="#">Golden Veroleum Liberia</a> – Liberia ( <a href="#">profile</a> ) <a href="#">PT Smart</a> – Indonesia <a href="#">Sinar Mas</a> – Indonesia ( <a href="#">profile</a> )

## Issues

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### Social issues

In July 2017, 40 Indonesian civil society organisations [issued a statement](#) about violations of several labour regulations by PT Sawit Mas Sejahtera, a wholly-owned subsidiary of GAR. Contract workers are not being paid for overtime, are subject to unfair dismissal and receive no severance payments. The Ministry of Labour and Transmigration has reportedly confirmed the validity of these complaints.

[AMRC and Sawit Watch](#) investigated in 2017 the labour conditions among two of GAR's subsidiaries, Tapani Nadenggan and Mitra Kary Agroindo, in Central Kalimantan. They found low wages, bad living conditions for contractual workers and a lack of health and safety protection for many of the workers. Especially woman are hired as casual daily-paid workers which means that they are not entitled housing or health insurance and have to buy their own protective equipment and work tools. Many of these casual workers have to work with chemicals without receiving training or information on the hazard and how to deal with these chemicals. After an accident with a truck of PT Tapani Nadenggan, injured workers did not receive medical treatment or insurance. In addition, results of medical tests are not shared with the workers.

### Environmental issues

A Greenomics [report](#) from May 2015 shows that in the first quarter of 2015, GAR was the main buyer of CPO produced by a company group, PT Austindo Nusantara Jaya (ANJT) that continues to extensively clear high carbon stock (HCS) forest in West Papua province to date. According to a [Mongabay article](#), GAR announced it would stop sourcing from ANJT at the end of May 2015.

In December 2009, GAR's subsidiary PT SMART was [criticised by Greenpeace](#) for its violation of the RSPO standard. In a report citing specific violations, Greenpeace alleged that subsidiaries of PT SMART were carrying out forest clearance prior to receiving the correct permits. It accused the company of burning, clearing and draining areas of deep peat, causing massive green-house gas emissions, destroying orang utan habitat and illegally clearing lands without environmental impact assessments and without other permits. In 2010, the Roundtable on Sustainable Palm Oil ([RSPO](#)) reviewed these allegations.

## Human rights

A study of [Forest Peoples Programme](#) (FPP) showed in 2013 that GAR was in multiple violation of RSPO's requirements that lands only be acquired from indigenous peoples and local communities with their free, prior and informed consent ([FPIC](#)). FPP filed a [complaint](#) in October 2014 with the RSPO against GAR subsidiary PT KPC over landgrabbing without land tenure study and participatory mapping. In addition, GAR's subsidiaries are acting in violation with the New Planting Procedure (NPP) by submitting information which they know is false. The RSPO [upheld](#) the complaint in March 2015 and required that Golden Agri Resources provides a 1,000 hectares of smallholdings to the Dayak and Melayu communities whose lands it took over for the development of oil palm plantations by its subsidiary PT KPC. In august 2018 FPP and TUK Indonesia filed new [complaints](#) for the lack of progress.

## Other issues

Under Indonesian law a company or corporate group may not hold more than 100,000 hectares of land in Indonesia. Forest Peoples Programme and TUK Indonesia filed a [complaint](#) with the RSPO since GAR is owning over 300,000 hectares of land in Indonesia.

**Suspension of membership TFT** Following "several breaches" by GAR of its policies and a slow transformation, The Forest Trust (TFT) decided to [suspend](#) GAR's membership in May 2015. The step is seen by many as a result of GAR's and PT Smart's lackluster handling of the RSPO complaint against them. In November 2015, [TFT](#) re-engaged with GAR.

## Governance

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## Updates

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## Financiers

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### Banks

<b>BNP Paribas France</b> <a href="#">profile</a>	<a href="#">Details</a> ▼
Equity – share owner/manager BNP Paribas Nominees Singapore PTE Ltd holds 0.14% of GAR shares <i>source:</i> GAR Annual report 2017 <a href="#">link</a>	2017
<b>Bank Mandiri Indonesia</b> <a href="#">profile</a>	<a href="#">Details</a> ▼
Debt – corporate loan Bank Mandiri participated in a syndicated loan for \$150 million to GAR <i>source:</i> Friends of the Earth via Reuters <a href="#">link</a>	USD 150 million July 2015 - 13 July 2018
<b>CIMB Malaysia</b> <a href="#">profile</a>	<a href="#">Details</a> ▼
Debt – corporate loan CIMB participated in a syndicated loan for \$150 million to GAR <i>source:</i> Friends of the Earth via Reuters <a href="#">link</a>	USD 150 million July 2015 - 13 July 2018
Equity – share owner/manager CGS-CIMB Securities PTE LTD holds 0.11% of GAR's shares <i>source:</i> GAR Annual Report 2017 <a href="#">link</a>	December 2017
<b>China Development Bank China</b> <a href="#">profile</a>	<a href="#">Details</a> ▼
Debt – corporate loan for its Liberia business Golden Veroleum <i>source:</i> <a href="#">link</a>	USD 500 million 13 March 2013
<b>Citigroup United States</b> <a href="#">profile</a>	<a href="#">Details</a> ▼
Debt – corporate loan Citi-group participated in a syndicated loan for \$150 million to GAR <i>source:</i> Friends of the Earth via Reuters <a href="#">link</a>	USD 150 million July 2015 - 13 July 2018
Equity – share owner/manager Citibank Nominees Singapore PTE LTD holds 8.43% of GAR's shares <i>source:</i> GAR Annual Report 2017 <a href="#">link</a>	2017

<b>DBS Bank Singapore profile</b>		<a href="#">Details ▼</a>
Equity – share owner/manager		December 2017
DBS Nominees PTE Ltd, DSBN Services PTE Ltd and DBS Vickers Securities hold together 19.26% of GAR's shares. <i>source:</i> GAR Annual Report 2017 <a href="#">link</a>		
<b>Deutsche Bank Germany profile</b>		<a href="#">Details ▼</a>
Equity – share owner/manager		December 2017
DB Nominees (S) PTE LTD holds 0.35% of GAR's shares <i>source:</i> GAR Annual Report 2017 <a href="#">link</a>		
<b>First Abu Dhabi Bank (FAB) United Arab Emirates profile</b>		<a href="#">Details ▼</a>
Debt – corporate loan	USD 150 million	July 2015 - 13 July 2018
First Abu Dhabi Bank participated in a syndicated loan for \$150 million to GAR <i>source:</i> Friends of the Earth via Reuters <a href="#">link</a>		
<b>HSBC United Kingdom profile</b>		<a href="#">Details ▼</a>
Equity – share owner/manager		December 2017
HSBC (Singapore) Nominees PTE Ltd 3.86 % of GAR's shares <i>source:</i> GAR Annual Report 2017 <a href="#">link</a>		
<b>Maybank</b>		<a href="#">Details ▼</a>
Debt – corporate loan	USD 150 million	July 2015 - 13 July 2018
Maybank participated in a syndicated loan for \$150 million to GAR <i>source:</i> Friends of the Earth via Reuters <a href="#">link</a>		
Equity – share owner/manager		December 2017
Maybank Kim Eng Securities PTE Ltd holds 0.12% of GAR's shares <i>source:</i> GAR Annual Report 2017 <a href="#">link</a>		
<b>OCBC Singapore profile</b>		<a href="#">Details ▼</a>
Equity – share owner/manager		2017
OCBC Securities Private LTD 1.99% of GAR's shares <i>source:</i> GAR Annual Report 2017 <a href="#">link</a>		
<b>Pictet</b>		<a href="#">Details ▼</a>
Uncategorised	USD 4.47 million	2009 - 2010
shares/bonds underwriter or manager - Shares held by Pictet Asset Management <i>source:</i> <a href="#">link</a>		
<b>Rabobank Netherlands profile</b>		<a href="#">Details ▼</a>
Debt – corporate loan	USD 150 million	July 2015 - 13 July 2018
Rabobank participated in a syndicated loan for \$150 million to GAR <i>source:</i> Friends of the Earth via Reuters <a href="#">link</a>		
<b>Société Générale France profile</b>		<a href="#">Details ▼</a>
Equity – share owner/manager		2017
Société Générale Spore Branch holds 0.09% of GAR's shares <i>source:</i> GAR Annual Report 2017 <a href="#">link</a>		
<b>State Bank of India India profile</b>		<a href="#">Details ▼</a>
Debt – corporate loan	USD 150 million	July 2015 - 13 July 2018
State Bank of India participated in a syndicated loan for \$150 million to GAR <i>source:</i> Friends of the Earth via Reuters <a href="#">link</a>		
<b>UBS Switzerland profile</b>		<a href="#">Details ▼</a>

Uncategorised shares/bonds underwriter or manager - Shares held of GAR through UBS (Lux) Key Selection SICAV Global Allocation CHF <i>source: <a href="#">link</a></i>	USD 0.8 million	30 June 2010
Uncategorised shares/bonds underwriter or manager - Shares held of GAR through UBS (Lux) Key Selection Sicav – Global Allocation USD <i>source: <a href="#">link</a></i>	USD 3.2 million	30 June 2010
Uncategorised shares/bonds underwriter or manager - Shares held of GAR through UBS Global (ex- U.S.) All Cap Growth Relationship Fund <i>source: <a href="#">link</a></i>	USD 3.5 million	30 June 2010
Uncategorised shares/bonds underwriter or manager - Share held of GAR through UBS International Equity Fund <i>source: <a href="#">link</a></i>	USD 0.1 million	30 June 2010
Uncategorised shares/bonds underwriter or manager - Shares held of GAR through UBS Dynamic Alpha Fund <i>source: <a href="#">link</a></i>	USD 0.5 million	30 June 2010
Uncategorised shares/bonds underwriter or manager - Shares held of GAR through UBS (Lux) Key Selection SICAV Global Allocation XEU <i>source: <a href="#">link</a></i>	USD 1.9 million	30 June 2010
<b>United Overseas Bank Singapore <a href="#">profile</a></b>		<a href="#">Details</a> ▼
Equity – share owner/manager United Overseas Bank Nominees PTE Ltd holds 1.99% of GAR's shares <i>source: GAR Annual Report 2017</i> <a href="#">link</a>		2017

In 2012 [Norway's Government Pension Fund Global divested](#) from Golde Agri-Resources, after it revised its investment guidelines to include deforestation as a portfolio risk.