

November 1, 2019

Mr. Grant Rosoman Forests Global Campaign Greenpeace International

We thank you for giving Asian Agri the opportunity to respond to your letter dated 30 October 2019 re: opportunity to comment of new Greenpeace International publication.

We refer to Greenpeace's information, and provide the following clarifications:

- Hotspots are not fires and do not provide accurate detection of actual fires. As part of our best practices and required by law, we ground-truth and verify hotspots based on GPS locations. This is then followed by a report which is submitted in coordination with local authorities including the police, military and local community representatives.
- 2. There were no fires on the said lands managed by PT Indo Sepadan Jaya and PT Rigunas Agri Utama from 2015 to September 2019. The Greenpeace International report mentioned that two companies under Asian Agri (PT Indo Sepadan Jaya and PT Rigunas Agri Utama) had burning on their lands. However, the hotspots reported were reported to be non-fires. In line with our corporate, land management and sustainability policies, we have already filed official reports on the above.
- External audits have shown that as a major part of our commitment to land intensification, no-burn and no-deforestation, we have neither extended nor increased land hectarage since 2005.

Asian Agri's Commitments

Asian Agri is committed to sustainable and responsible palm oil production.

Asian Agri is guided by the purpose of improving lives by developing resources sustainably. We have been at the forefront of fire prevention efforts by practicing zero burning since 1994 and focusing on land intensification since 2005, applying best plantation practices (integrated pest management, land conservation and beneficial waste management); using superior seeds, and supported large replanting schemes to pursue production without opening new land.

We have partnered 30,000 smallholders since 1987 and are currently working with independent smallholders who manage more than 41,000 ha of land. This partnership with smallholders allows us to extend our commitment to zero deforestation, peatland protection, protection of areas of high biodiversity value (HCV) and areas that have high carbon stock (HCS).

Through these commitments, we seek to create positive, impactful and lasting outcomes for local communities and the environment. We also regularly and actively engage our smallholders and other stakeholders to address issues concerning the palm oil industry.

Asian Agri's Fire Prevention Program

Asian Agri fully supports government regulations on natural resources management. We were one of the first palm oil companies in Indonesia to ban land-clearing by burning. We commit to this because we value the importance of environmental protection, as well as the development of a healthy society and economic growth.

Asian Agri established its fire emergency response teams and ensures fire tools are in place in the event of fire. The emergency response teams are deployed in our operational areas. Each consists of 20 trained personnel (a core team of 10, with an additional backup team of 10), all certified by the Fire Prevention and Suppression Agency. The team works with villagers to regularly monitor any hotspots and perform fire patrols in operation units.

Asian Agri supports Fire Prevention and Suppression Agency in every district near Asian Agri's operation areas, along with the police, military, the Regional Agency for Disaster Countermeasure, Head of sub-districts, and village heads. We also conduct joint training exercises to build fire prevention and mitigation capabilities.

In 2016, we launched the Fire-Free Village Program (FFVP) to work with communities near our plantations to encourage them to implement fire-free land-clearing practices. As a company with zero-tolerance towards the burning of forests, Asian Agri is also a founding member of the multi-stakeholder Fire-Free Alliance, which through the implementation of the Fire-Free Village Program (FFVP), empowers and incentivizes participating villages to adopt no-burn approaches to managing lands. The FFA is a voluntary multi-stakeholder group comprising forestry and agriculture companies that work with NGOs and other partners to resolve Indonesia's persistent fire and haze problems arising from land burning, primarily through a fire and haze prevention approach.

As an FFA member, Asian Agri leverages its experience with successful implementation to share fire prevention best practices with partners and stakeholders. In 2016, five of the Asian Agri's pilot FFVP participating villages achieved fire-free success. To date, Asian Agri has partnered 16 villages (nine in Riau and seven in Jambi) in its FFVP implementation efforts. Communities are engaged through training, as well as village-level and school-level awareness programs, in which the values of fire prevention and no-burn practices are advocated.

Information on Fire Free Village Program can be found in our website

Asian Agri has been actively monitoring and participating in fire prevention and suppression efforts in Riau and Jambi. Asian Agri has also reaffirmed its commitment to prevent forest and land fires in Indonesia by continuing its partnership with 16 villages as part of the 2018/2019 Fire-Free Village Program through a July 2019 MoU signing. To provide some instances of our efforts, we conducted a workshop to raise fire management capabilities in collaboration with the Environment and Forestry Training Centre in Pekanbaru, and also engaged schools in Jambi to raise their awareness.

Kind regards,

Bernard A. Riedo

Director

Sustainability & Stakeholder Relations