



**ASIAN
AGRI**

Jakarta, 25 May 2018

No. : 513/JKT/AA-WWF/V/18
To : EYES ON THE FOREST

Re : Response to Eyes on the Forest Report 'Enough is Enough'

Dear Ibu Woro Supartinah,

Thank you for sharing with us the draft report '*Enough is Enough*' which will be submitted to the Ministry of Environment and Forestry and Tesso Nilo Task Force, and published. We appreciate the opportunity to investigate findings of the report prior its finalisation.

1. As requested in your letter dated 21 May 2018, which sought our clarification and evidence to support our cases, below is a summary of our actions relating to the finding (page 36 of report) that **PT Inti Indosawit Subur (Ukui 1)** received 1.5 ton of FFB from TNTN on 17 June 2017:
 - Asian Agri conducted a site visit on 23 May 2018 and confirmed that the recorded coordinate was indeed located in the area of TNTN.
 - We had also traced the reported supply chain to gather insights and reviewed the 17 June 2017 supply report to confirm the data.
 - On 24 May 2018, we had a meeting with the supply agent (Bapak Marmin), who is also the Delivery Order (DO) holder, to discuss EoF's findings. Bapak Marmin admitted that he was not aware of tainted FFB in his truck.
 - For his negligence, we suspended the DO immediately. Minutes of the meeting and statement letter can be provided upon request.
2. Relating to Table 2 in Page 11 of your report, we would like to highlight that PT Inti Indosawit Subur Ukui 1 and Ukui 2 have been ISPO-certified since 2013.
3. Asian Agri is committed to producing sustainable and responsible palm oil. We have a system in place to ensure that procurement processes and parties involved in our supply chain adhere to the sustainability policy and traceability commitments of the company. We have a Traceability Master Database of our entire third party supply chain which enables us to monitor the source of incoming supply. The farmers sign a statement with us that binds FFB suppliers to source only from legal areas and to prevent the inclusion of illegal FFBs in their supply to our mills. Asian Agri achieved 100% FFB traceability to plantation since 2017.
4. Despite our best efforts, palm oil supply chain traceability remains an industry-wide challenge. Regardless, Asian Agri is committed to delivering on our sustainability commitments and will seek to work closely with all stakeholders to do so. We will continue to educate and reinforce to our third party supply network to ensure commitment and compliance to sourcing only from legal areas.

Sincerely yours,


Bernard A. Riedo
Director

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