



Response to the second report of Eyes on the Forest (EoF) titled: “Enough is Enough”

Asian Agri was contacted by Eyes on the Forest on 21 May 2018 to seek clarification of its finding which would be published in its second EoF report. In response to the letter, Asian Agri had sent a letter to EoF on 25 May 2018 to provide clarification and evidence to the finding of EoF that **PT Inti Indosawit Subur (Ukui I)** received 1.5 ton of FFB from TNTN on 17 June 2017.

Asian Agri had immediately conducted a site visit on 23 May 2018 and traced the reported supply chain to gather insights as well as reviewed the 17 June 2017 supply report to confirm the data.

We have taken measures on the issue by suspending the Delivery Order (DO) holder of the reported truck on 24 May 2018.

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 bind 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.

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.