



Jakarta, 2 October 2022

Response to The Allegations of Land-Rights & Environmental Abuses

We refer to the Open Letter from the Indigenous Peoples and Civil Society Organization to consumer goods companies in regarding the actions of Astra Argo Lestari and its subsidiaries, published in September 2022 (the "Open Letter").

We work hard to operate our business sustainably and with respect to the communities where we operate. The allegations made in the Open Letter are not new, but we acknowledge we need to do more to assure stakeholders and with greater transparency. We will work intensively with multi-stakeholders especially the relevant government agencies and community representatives to resolve any remaining issues. We are also open to further discussion and collaborations with third parties to arrive at mutually agreeable solutions to these and any other matters.

1. Response to Open Letter Allegations

We offer the following responses to the allegations made in the Open Letter.

Governance risks relating to permits and land rights: PT Mamuang obtained its Rights To Cultivate (Hak Guna Usaha or "HGU") land title certificate in 1997, after completing all the required processes to the satisfaction of the National Land Agency (Badan Pertanahan Negara or "BPN"). HGU can only be issued by the BPN if the land status is verified by all parties involved, including community representatives. The land claim allegations against PT Mamuang were based on a document issued many years after issuance of PT Mamuang land title certificate.

Human rights risks: PT Mamuang is fully aligned with the Astra Group's policies on human rights and does not engage in any form of land grabbing or human rights violations. The majority of the allegations made in the Open Letter relate to past issues that have been clarified through various communication channels in recent years¹. Several of these allegations, including the latest in March 2022, involved individuals who were reported to be engaged in activities that resulted in their convictions. While we are unable to comment on any incidents where individuals were arrested or sentenced through a court of law, we can confirm that there were decisions made by legal authorities and the courts, with no influence from AAL or its subsidiaries, including PT Mamuang.

Environmental risks: PT Mamuang takes its environmental responsibilities seriously and operates in accordance with all applicable laws and regulations in Indonesia. While a part of PT Mamuang's plantation overlaps with the forest area map, this area was cultivated by PT Mamuang only after the area was legally released by the Ministry of Forestry in 1996 to be used for plantation purposes.



2. NPDE Policy and Compliance

We are committed to operating our business in an environmentally and socially sustainable manner. This includes managing its impact on the local environment and helping to support the livelihoods of local communities.

AAL and its subsidiaries, including PT Mamuang, operate in accordance with the laws of Indonesia and hold all the necessary permits to conduct their business and operations. None of AAL subsidiaries is involved in any illegal land acquisitions, nor perform any human rights abuses. As a responsible and sustainable operator with a long history in Indonesia, we take any overlapping land ownership claims extremely seriously. Our general approach is to try to settle as amicably as possible, where this is not possible then we would rely on the established legal system to resolve any ownership disputes.

Since 2015, AAL has formalized its commitment to the NDPE principles of No Deforestation, No Peat Development, and Respecting Human Rights. The implementation of the company's NDPE commitment is realized in the form of an action plan, which is in the first phase for three years (2018-2020) and continues to the next phase for five years 2021-2025. NDPE is also a critical element of its 5-year sustainability action plan, in which AAL outlines specific steps for each category. Quarterly reports on implementation of AAL's action can be accessed from AAL's website <https://www.astra-agro.co.id/en/sustainability-policy/>.

AAL is also fully aligned on its Human Rights strategy with the United Nations Guiding Principles on Business and Human Rights, which has been implemented across the company's entire operations and supply chain

AAL and its subsidiaries work to prioritize the welfare of the surrounding communities. In Central Sulawesi and West Sulawesi, for example, the group provides employment opportunities and community economic development, construction of infrastructure (including access roads), as well as provides access to education and health services. The company also distributes special assistance in the form of staple food every month to the local villagers.

More information about AAL's community initiatives and programs can be accessed at <https://www.astra-agro.co.id/tanggung-jawab-sosial/> and other news sources².

To reiterate, AAL takes all allegations seriously and will work towards mutually agreeable solutions. We have no tolerance for any violation of land or human rights and will work to assure stakeholders of our compliance with company policies.

¹ More information can be found in the following websites:

<https://www.wilmar-international.com/sustainability/grievance-procedure>

<https://www.goldenagri.com.sg/sustainability/responsible-sourcing/grievance-list-and-reports/>



https://www.goldenagri.com.sg/sustainability-dashboard/files/file_docs/eHlTresponse_to_foe_report_to_gar.pdf
<https://www.apicalgroup.com/sustainability/grievances/pt-astra-agro-lestari-2/>

² The company contributions to local community can be perused through below news links :

<https://www.antaranews.com/berita/801392/lahan-sawit-mengubah-kehidupan-warga-transmigran-rio-pakaya>
<https://trans89.com/2022/04/27/pt-mamuang-pt-pasangkayu-pt-letawa-pt-tsl-dan-pt-srl-1-serahkan-bantuan-sembako-ke-masyarakat>
<https://sulbarexpress.fajar.co.id/2022/04/05/pt-mamuang-realisasikan-csr-untuk-pembenahan-jalan/>
<https://www.mediasuaranegeri.com/2022/08/22/pt-mamuang-turus-melakukan-perbaikan-infrastruktur-jalan-tani-di-wilayah-kerjanya/>
<https://katinting.com/pt-mamuang-bantu-perbaikan-jalan-tani-sepanjang-36-km/>
<https://mediasulawesi.id/read/4128-lewat-dana-csr-pt-mamuang-perbaiki-jalan-di-kabuyu/>
<https://katinting.com/astra-tak-henti-bantu-warga-kabuyu/>
<https://bugispos.com/2021/09/25/tauwwa-pt-mm-g-salurkan-bantuan-beasiswa-pendidikan-dan-kesehatan/>
<https://rakyatta.co/pt-mamuang-salurkan-csr-ke-masyarakat-martasari/>
<https://8enam.com/tokoh-adat-suku-kaili-inde-sebut-peran-dan-kehadiran-pt-astra-telah-mampu-tingkatkan-kesejahteraan-masyarakat-pedalaman/>
<https://trans89.com/2022/03/12/terima-bantuan-csr-pt-pasangkayu-warga-suku-kaili-daa-akui-keberadaan-perusahaan-meningkatkan-kesejahteraan>
<https://sulteng.antaranews.com/berita/33395/kehadiran-pt-astra-sejahterakan-masyarakat-pedalaman-mamuju-utara>
<https://trans89.com/2019/08/21/pt-mamuang-kembali-benahi-infrastruktur-di-wilayah-ring-satunya>