



**Sawit
Sumbermas
Sarana**

Karya Nyata untuk Negeri

No.: 048/CORSEC-SSMS/IX/2018

Jakarta, 14 September 2018

To: Mr. Daniel Simons

Legal Counsel Communications Greenpeace International
Njalsgade 21G, 2. Sal.
2300 Kobenhavn S
Denmark

Re.: Response to Greenpeace Draft Report

Dear Mr Simons,

Thank you for reaching out to us ahead of the publication of your new report. We appreciate the chance to review and clarify your views on our company.

We understand that getting to the truth in the palm oil industry, where emotions run high and unsubstantiated allegations are often taken as fact, is always a difficult task. While we are sure that Greenpeace wants to be fair to all sides, any allegation against palm oil growers, we are sure you'll agree, must be fact-based. Palm oil growers should also be able to ask for substantiation of every allegation. Otherwise, we are justified in retaining the right not to address the allegations without being prejudiced.

We further understand that you seek information on allegations raised by other organizations relating to the development of palm oil estates by PT Sawit Mandiri Lestari (SML) and PT Borneo Sawit Gemilang (BSG), as well as the difference between the total landbank in our 2016 ACOP and that in our 2016 Annual Report.

Where SML and BSG are concerned, we see no concrete substantiation to support their allegations. Multiple assessments, including that using the guidelines from the Peat Restoration Agency (BRG), have shown that the areas BSG developed were not peatlands. Similarly, there is no substantiation to the allegation that we continue to control SML, and such allegations have undergone repeated due diligence by our bankers and legal counsel.

We ask any party that has proof otherwise to share them with us so that we may review and take appropriate actions where necessary. We believe in sustainability and are willing to correct any mistakes, but we cannot begin any corrective action without knowing where these mistakes lie.

The difference in the calculation of total land bank in the 2016 ACOP and the 2016 Annual Report occurred as a result of difference in the reporting period: The 2016 ACOP was submitted using mid-year data while our 2016 Annual Report was submitted using year-end data which already included an addition of more than

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30,000 hectares of landbank as a result of acquisitions which took place in August 2016. We reported the additional landbank to RSPO earlier this year. This has been acknowledged and is now undergoing the time-bound certification process to receive full RSPO certification in 2020.

The sustainability of the operations of PT Sawit Sumbermas Sarana Tbk. is a matter which we take with the utmost seriousness, and I would direct you to our updated Sustainability Policy which we issued in mid-2017 and which may be viewed on our website. We continue to work with Daemeter, an independent sustainability and conservation consultant, and the Peat Restoration Agency (BRG) of the Indonesian Government, among others, to identify any gaps in our sustainability practices and to advise and assist us in their continuous improvement.

I look forward to hearing back from you in due course.

Sincerely,

Nicholas J. Whittle

Director

PT Sawit Sumbermas Sarana, Tbk