

PT. MAKMUR ANDALAN SAWIT

CRUDE PALM OIL MILL

Jl. Sepakat RT. 001 RW . 004
Dusun Tua - Pangkalan Lesung
Kab. Pelalawan Riau

Pekanbaru, June 8, 2018

No : 001/MAS/SP/VI/2018
Re : Clarification on Reported Grievance from Whistleblower.

To:
Apical Group

Attention to Mr. Bremen Yong, Head of Sustainability.

Dear Mr. Bremen Yong,

In connection to your letter dated on June 5, 2018 regarding Clarification on Reported Grievance from Whistleblower, we would like to clarify that based on our examination on our data of fresh fruit bunches (FFB) received, during year 2017 to June 7, 2018, we never receive FFB that delivered by truck with police number BM 8442 CI.

For 2015, our data shows that our mill never received FFB delivered by truck with police number BM 8319 LO either, but we ever received FFB delivered by truck with police number BM 8517 LC.

The FFB delivered by truck with police number BM 8517 LC, was supplied by CV Flamboyan, one of our FFB suppliers. Based on CV Flamboyan statement, they got these FFB from a planter called Bapak Wanta Ginting but his plantation is not inside forest area. Anyway, for the sake of our commitment to ban FFB from forest area, since March 2015, we have terminated dan black listed CV Flamboyan as our FFB supplier.

We would like to explain that we have taken several actions to avoid FFB from forest area enter our mill, those actions are as follows:

1. We have surveyed and taken the plantation's coordinate of most of our FFB suppliers and plotted it to the map of forest area in Riau Province, in order to make sure that our supplier plantation is not inside forest area.
2. We obligate our supplier that they may not take any FFB from forest area, that obligation can be proven by Statement Letter signed by each FFB supplier, that their commitment to not supply any FFB from forest area. If later we get any proven information shows that they supply FFB from forest area to us, we will immediately terminate their FFB supplier contract and black list them as our supplier.