

From: Asia Pulp & Paper (APP) Sinar Mas

Sent: Tuesday, June 30, 2020 12:41 PM

Subject: RE: Asia Pulp & Paper (APP) Sinar Mas in our Weekly Update: Invitation to respond

Thank you reaching out to us directly for a response on the allegations below. Please allow me to break down the response, which includes the background to the issue.

Background

The land claim by the Sakai community dates to 2001, part of which overlaps with Arara Abadi's Industrial Plantation (HTI). This is reflected in the mapping of land disputes performed in 2013, following our Forest Conservation Policy commitment. Through [High Conservation Value Assessment](#) (HCV), the cultural value of the Sakai community within our concession area was also identified. In response to the claim, the company conducted a field inspection with community representatives. The inspection concluded that the land had never been occupied or managed by the Sakai community, but was instead used by third party not related either to the tribe or to the Company for commercial purposes. Despite the finding, between 2001 and 2019, several members of the Sakai community continued to try to occupy land and halt the company's operations.

Resolution process

Following the dispute process, Arara Abadi had initiated several mediation efforts, which include escalating the mediation process up to regional level involving the Bengkalis Regional Legislative Council (DPRD Bengkalis) in 2012 and again in 2015. The mediation process resulted in a number of MOUs and agreements between the Company and members of the Sakai community, and the agreed resolution through a partnership scheme had been implemented.

In 2016, following repeated attempts of land occupation and dispute among different chapters of the Sakai community, Arara Abadi escalated the mediation process to the National level, involving the Ministry of Environment and Forestry (KLHK) with a hope for clear and lasting resolutions. As a result, both parties agreed for KLHK to facilitate the conflict resolution moving forward. To date, Arara Abadi remains committed to follow the process. When our security team encountered the community member in the midst of felling fully grown acacia trees, we handed him over to the authorities.

Current Condition

Despite the agreements, there were still attempts for land occupation in areas designated as industrial plantations. The most recent ones resulted in the arrest of a member of the Sakai community. The individual arrested was previously involved in another movement related to the Riau Farmers Union (STR) attempt for land occupation within an area designated as industrial plantation back in 2008, which also resulted in legal proceedings that found them guilty of such activity.

In both cases, Arara Abadi followed the appropriate regulations and handed over all ground findings to the relevant authorities. In the most recent case, the community member was trialed under criminal case for violation of order, and not as a civil case against Arara Abadi.

APP respects the rights of the local peoples and defers to the judgement of the proper authorities any matters that cannot be resolved through direct negotiation and mediation. In addition to that, we also involve local communities in initiatives such as Community Plantation Program, community fire prevention initiatives, and various other community empowerment programs. These programs

are designed to improve the living conditions of the local people by initiating a sustainable livelihood.

Ultimately, all concessions are owned and governed by the Government of Indonesia. As concession holders, APP and its suppliers have legal obligations to manage these lands responsibly and in accordance with their designated purpose. We remain committed to doing so to the best of our ability.

APP Sustainability Commitments implementation progress and challenges is regularly updated through its annual Stakeholders Advisory Forum. We remain open for constructive engagements and dialogues with interested parties to support our commitment to respect indigenous people's rights, relevant with APP Forest Conservation Policy. For previous progress update reports, please refer to <https://asiapulppaper.com/sustainability>.

Further, we also invite APP Sinar Mas to respond to intimidation against civil society and human rights defenders, who demanded justice for Bongku prior to his release. It was reported that some of them received threatening WhatsApp messages urging them *"not get involved because it's a big company"*. This allegation was never brought to the attention of APP in any communication. This is the first we are being made aware of this messages. But I can assure you that APP has not or ever will send such messages.