

Dear Mr Bobbie Sta. Maria,

18th November 2013

Thank you for your email directed to United Plantations relating to the recent report by Forest People Programme, Sawit Watch and TUK Indonesia, relating to our subsidiary PT Surya Sawit Sejati.

We appreciate the opportunity to offer our perspectives on these important topics, as the authors of the report did not.

We believe that the issue of Environmental and Social concerns within the Plantation Industry is a critical one and that it needs multi-stakeholder efforts to address and solve the complex issues within this framework.

We support the aims of reports and campaigns like the report published, however, only when they are founded on facts and objectivity. Whilst the key issues highlighted are ones with which we are all concerned and seriously work towards improving, there must be transparency and objectivity involved, if not, reports like the one published will lack credibility.

We are proud of our leadership & commitment towards responsible palm oil production and the multistakeholder organisation, The Round Table On Sustainable Palm Oil (RSPO), and whenever we become aware of certain discrepancies, we taken corrective action to remedy them immediately. In the specific case relating to our Subsidiary, Pt Surya Sawit Sejati, we became aware of certain permits which the previous owners had not pursued in the correct manner, and took corrective action in line with our policy of continuous improvement.

Had the Authors genuinely been interested in the actual situation on ground they ought to have given us an opportunity to respond to their views and findings. In the absence of any inputs/consultations from the Company, we conclude that the findings are incomplete and not balanced.

In Indonesia Land Disputes are inevitable and part of managing plantations in the Country. To minimize land issues, important free, prior and informed consent sessions with stakeholders are conducted as a vital part of sustainable plantation development. Land disputes can be based on many different variables and reasons. Some cases are genuine and can be due to historical reasons and bad heritage, misunderstandings and miscommunication, cases of wrongful compensation and frivolous claims. It is however extremely important that land conflicts are taken seriously and are well documented in order to ensure transparency and evidence in connection with a case.

PT Surya Sawit Sejati has been involved with several thousand land deals with the local community and whilst most cases of disputes have been solved amicably, there still exist unresolved cases that are in process of being resolved based on facts and full transparency.

Whilst we disagree with certain elements of the report, it no doubt raises awareness of a number of important aspects within palm oil cultivation which indeed must be addressed to ensure positive progress going forward.

We will continue to work on traceability and transparency and form additional partnerships with relevant stakeholders to meet our commitment to continuous improvement and responsible palm oil production.

Yours sincerely,
C.Mathews

Group Manager, Human Resources And Environment, Safety & Health,

United Plantations Berhad