

**PT TOBA PULP LESTARI TBK
RESPONSE TO
RAINFOREST ALLIANCE NETWORK'S ARTICLE
"FROM INDONESIA TO THE US: PUT PEOPLE AND PLANET OVER PROFIT"**

1. US-based NGO Rainforest Action Network (RAN) raised allegations relating to land claim conflicts between the Pargamanan Bintang Maria (PBM) community and PT Toba Pulp Lestari Tbk (TPL) in its online article published 9 December 2021. Related to these allegations, TPL has responded according to the letter dated October 7, 2021 in which TPL explained that PBM community has reached an agreement with TPL to end their dispute on September 9, 2019.
2. Since 2017, TPL received 10 land claim cases that were officially registered with the Ministry of Forestry and Environment (KLHK). To date, 9 out of the 10 cases have been resolved, including PBM's. As part of a 2019 agreement with PBM, TPL established a partnership for the planting of Frankincense trees and chili covering an area of 216 Ha within our concession. The PBM community is able to conduct their livelihood activities via infrastructure access provided by TPL.
3. The PBM resolution agreement and partnership programme implementation were reported to KLHK. Relations with the PBM community have been good and there has been no complaint received since. As far as we are aware, the new claims reported by RAN were made by outsiders who are not indigenous to PBM. TPL operates in accordance with the State Forest concession (IUPHHK-HT) from the Ministry of Forestry Decree No. 493 year of 1992 in conjunction with Decree No. 307 year of 2020. Customary law communities applying for their rights are directed to the state, not to TPL. Despite questionable legitimacy of the new outsider claimants, TPL has reached out to these individuals. They have chosen not to engage with us through our established grievance mechanism and protocol.
4. As a responsible company involved in managing renewable plantations in North Sumatra, TPL seeks to provide meaningful livelihoods for our employees, and to deliver positive impacts to the communities in our areas of operations. Where there is land ownership contention in some parts of our operational areas, we adopt a spirit of open dialogue to seek peaceful resolutions with legitimate representatives of concerned communities, and to act in accordance to the government's law and regulations.

December 16, 2021
PT Toba Pulp Lestari Tbk
Board of Director