



July 22, 2016

Mr. Mark Wakeford  
CEO and Executive Director  
Indofood Agri Resources Ltd.  
8 Eu Tong Sen Street  
#16-96/97 Central  
Singapore 059818

Mr. Franciscus Welirang  
PT Indofood Sukses Makmur Tbk.

To: Mr. Mark Wakeford  
Cc: Mr. Franciscus Welirang

**RE: The Human Cost of Conflict Palm Oil**

Dear Sirs,

I refer to your letter dated the 28<sup>th</sup> of June 2016 in which you write that RAN has not provided supporting facts and evidence to substantiate our claims in the report "*The Human Cost of Conflict Palm: Indofood, PepsiCo's Hidden Link to Worker Exploitation in Indonesia.*"

As you will recall, RAN provided PT Indofood Sukses Makmur Tbk (Indofood) and Indofood Agri Resources Ltd. (IndoAgri) with an opportunity to review and comment on the key findings of our field investigations prior to the report being finalized and published. It is our view that an opportunity to comment was provided to the company considering the following:

- The key findings of our field investigations that were outlined in the published report were provided to Indofood and IndoAgri for review via our direct correspondence to you both on April 10<sup>th</sup> 2016;
- On April, 18<sup>th</sup>, 2016, an extension was offered until April 22<sup>nd</sup> 2016 to allow more time for Indofood and IndoAgri to review the key findings and provide feedback prior to the publication of the report, and;
- Information from both companies' annual and sustainability reports was incorporated into the final report and its authors ensured that the information published was factually correct and where possible, referenced.

The authors of the report have chosen not to share the transcripts of interviews with individual workers, workers' documents, nor the GPS coordinates of photos taken, in order to protect the identities of the workers interviewed. Under the current circumstances in which Indofood and Indoagri have refused to engage in dialogue about sustainability issues raised over the past year, Rainforest Action Network and our partners are not willing to share information linked to specific locations where field investigations were undertaken or to disclose the identities of workers as we will not risk reprisals against those workers.



It is our view that Indofood could effectively investigate and address the issues raised in our report through allowing an independent and transparent labor audit conducted by a skilled labor assessor to take place in the region of the investigations – North Sumatra – and following up the audit with a corrective action plan and publicly reported against monthly performance milestones. By IndoAgri’s own reporting, several of the issues profiled in our report are likely to exist on other IndoAgri plantations and an independent audit focused in the region could help your company address key labor issues raised without compromising the safety of any individual workers. The compliance assessment which is currently being conducted by ASI may go some way towards serving this purpose, although the assessment itself will be conducted using the RSPO standard, which does not fully address the issues raised in our report, such as the overreliance on precarious workers.

Our goal remains to improve working conditions for workers on IndoAgri’s plantations and to meaningfully engage in dialogue with Indofood and IndoAgri around the issues raised in both the *“Palm oil sustainability assessment of Indofood Agri Resources”* and *“The Human Cost of Conflict Palm: Indofood, PepsiCo’s Hidden Link to Worker Exploitation in Indonesia”* publications. RAN and our partners remain open to initiating formal and constructive dialogue with IndoAgri and Indofood. It is our view that the best way forward would be to arrange a meeting in Jakarta with senior representatives of Indofood, IndoAgri, Rainforest Action Network, and our partners – including OPPUK, International Labor Rights Forum (ILRF) and Rainforest Foundation Norway, should they be available – to discuss the ways in which Indofood and IndoAgri can address the issues raised in our reports and reduce the impacts of its operations via revisions to its palm oil production and sourcing policies and the adoption of stricter requirements for its operations, and the operations of all third party suppliers.

Should you wish to confirm such a meeting, kindly do so via the contact details provided below.

Thank you for your consideration.

Yours sincerely,

Ms Lindsey Allen (sign.)  
Executive Director  
Rainforest Action Network  
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