INDOFOOD AGRI STATEMENT REGARDING THE ARTICLE PUBLISHED BY VALUEWALK PREMIUM ON 19TH JUNE OF 2019

This statement is issued by Indofood Agri "IndoAgri" and its subsidiaries:
PT Salim Ivomas Pratama Tbk "SIMP"and
PT PP London Sumatra Indonesia Tbk "Lonsum"

With regard to the newsletter publicized by ValueWalk on 19 June 2019 entitled *"Citigroup Cancels Financing of Indofood over Palm Oil Labor Abuses"*, IndoAgri which is the plantation division of PT Indofood Sukses Makmur Tbk ("Indofood") would like to clarify the following.

IndoAgri is a Company listed on the Singapore Stock Exchange, and we confirm to our stakeholders that we comply fully with Indonesian Laws and Regulations, and in Compliance to our Sustainability Policy which has the following key Commitments:

- No deforestation and conservation of High Conservation Value and High Carbon Stock areas
- No planting on peat regardless of depth
- No burning
- Respect for Labour and Human Rights including Freedom of Association and non- discrimination
- Free, Prior and Informed Consent.

Click here to see Our Sustainable Palm Oil Policy

Regarding the specific claims in the newsletter published by ValueWalk we would respond as follows:

No	Statements in ValueWalk's Newsletter	IndoAgri's Response
1	**Citigroup Cancels Financing Of Indofood Over Palm Oil Labor Abuses** *Citigroup Inc (NYSE:C) Cancels Financing of* Indonesian Food Giant Indofood Over Palm Oil Labor Abuses Major Asian, European banks and US brands still linked to controversial company San Francisco, CA – Citigroup has canceled all financing to Indonesian food giant and agribusiness company Indofood (INDF:IJ) following the company's ousting from the leading palm oil certification scheme, the Roundtable on Sustainable Palm Oil (RSPO).	The ValueWalk's statement mentioning that "*Citigroup has canceled all financing to Indonesian food giant and agribusiness company Indofood following the company's ousting from the leading palm oil certification scheme, the Roundtable on Sustainable Palm Oil (RSPO)*" is **incorrect**. Our subsidiary SIMP **withdrew** from the RSPO membership. We decided to focus our sustainability journey and practices on implementation of the mandatory Indonesia Sustainable Palm Oil (ISPO) standards. The announcement could be accessed through this link: http://indofoodagri.listedcompany.com/newsroom/Resignation_SIMP_from_RSPO_8th_February_2019.pdf

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2	Indofood's palm oil subsidiaries were dropped from the RSPO after failing to address over 20 violations of the RSPO standard, as well as 10 violations of Indonesian labor law, both of which were found on Indofood-owned palm oil plantations. Citigroup's cancellation of $140 million represents the loss of Indofood's second largest source of funds from a Western bank. However, major Japanese, Indonesian, and European banks, as well as US brands such as Pepsico, continue to do business with Indofood. "We are glad to see Citigroup enforce its policy and cut ties with Indofood, as this company has been flouting Indonesian laws, certification standards and international business norms for far too long," said Hana Heineken, Senior Campaigner on Responsible Finance with Rainforest Action Network (RAN). "This should send a strong signal to Indofood's remaining financiers and business partners that Indofood is a bad investment." The largest food company in Indonesia, Indofood has a market cap of 4 billion USD and is a core company of the Salim Group, which has the second largest oil palm land bank in Indonesia. The RSPO investigation of palm oil plantations operated by Indofood's subsidiaries was sparked by a complaint against the company, brought by Rainforest Action Network (RAN), International Labor Rights Forum (ILRF) and Indonesian labor rights organization OPPUK in October 2016. Multiple investigations by RAN, OPPUK, and ILRF, as well as the RSPO and its accreditation body, confirmed the presence of exploitative labor practices — including cases of child labor, unpaid workers, precarious employment, gender	Regarding the statement "*Indofood's palm oil subsidiaries were dropped from the RSPO after failing to address over 20 violations of the RSPO standard, as well as 10 violations of Indonesian labor law, both of which were found on Indofood-owned palm oil plantations*" was also **incorrect**. **The facts are as follow**s: RSPO carried out the following 23 audits in the period June 2016 and June 2018: a. 8 Compliance Assessments and Special Audits (three audits were witnessed by ASI), relating to the Complaint in North Sumatra. b. 15 RSPO certification audits as part of regular RSPO certification process in Lonsum North Sumatra estates. Based on the above 23 audits (all carried out by accredited RSPO auditors and involving our stakeholders) all of our mills in North Sumatra remained RSPO certified, as there were no material findings to substantiate the allegations, and we have implemented all Non-Conformities (NC's) arising from the above audits. We also wish to highlight key Extracts from the Executive Summary of RSPO's Independent Verification Audit June 4th to 7th 2018 which concluded the following: ○ The company has adequate health and safety policies and operating manuals and procedures and generally adheres to the requirement for Personal Protective Equipment (PPE) and is compliant in terms of adhering to the Government regulation on periodical medical tests for workers. ○ The company has shown significant improvement in terms of its treatment of casual workers. ○ The Company is compliant with the minimum wages for permanent workers

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	discrimination, and toxic working conditions. "Indofood has allowed systemic labor exploitation to continue by ignoring RSPO's warning. In fact, since the company left the RSPO, instances of intimidation and attacks against the independent union have escalated," said Herwin Nasution, OPPUK Executive Director. Japanese banks Mizuho Financial Group, SMBC Group, and Mitsubishi UFJ Financial Group (MUFG) are among Indofood's largest lenders after Indonesian banks Bank Mandiri and Bank Central Asia. While the Indonesian bank policies are lacking, all three Japanese lenders recently adopted palm oil sector policies and have explicit prohibitions against financing illegal activity. Rabobank and Standard Chartered go further and require clients to be RSPO members, but both continue to	○ No evidence of child labour or the exploitation of children in either of the three estates or mill ○ The Company is compliant to the non-usage of paraquat as herbicide. The company has completely phased out the chemical since late March 2018. ○ The verification team acknowledges the strong commitment from the Company in guaranteeing freedom of association for workers in the mill and three estates. ○ **Overall conclusion: In summary, the Company has demonstrated a strong commitment to continuously improve its operations in line with the legal and RSPO requirements for sustainable palm oil production.** As previously mentioned, we decided to focus our sustainability journey and practices on implementation of the mandatory Indonesia Sustainable Palm Oil (ISPO) standards. The details information are available as follow: http://indofoodagri.listedcompany.com/newsroom/Update_on_RAN_Labour_issues_24_Jan_2019.pdf

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	finance Indofood. Rabobank recently announced its decision to pull financing from Indofood's palm oil operations, but Indofood's CEO Anthoni Salim continues to sit on the Food & Agribusiness Advisory Board of Rabobank Asia. Indofood's top investors include Dimensional Fund Advisors, BlackRock, Vanguard, and the Government Pension Investment Fund of Japan, despite their claims to be responsible investors. In April, 56 investors with approximately US$7.9 trillion in assets under management highlighted their support for the RSPO and called for all companies across the palm oil value chain, including banks, to adopt and implement a publicly available No Deforestation, No Peat and No Exploitation (NDPE) policy. The Japanese and Indonesian banks lack NDPE policies, and Indofood's policy still falls short of the NDPE standard as well	
3	*In the past 2 years, Indofood and its parent company First Pacific have lost 15 business partners due to Indofood's controversial palm oil practices***.** These include Nestle, Musim Mas, Cargill, Fuji Oil, Hershey's, Kellogg's, General Mills, Unilever, and Mars. However, many companies still do business with Indofood and remain connected to its labor abuses, including joint venture partner PepsiCo and franchising partner Yum! Brands. RAN, ILRF, and OPPUK continue to call on Indofood to address its ongoing labor violations, and adopt a comprehensive 'No Deforestation, No Peatland, and No Exploitation' policy that applies to Indofood, the entire Salim Group, and all third-party suppliers. Indofood and its palm oil subsidiary Indofood Agri Resources were given an opportunity to comment on Citigroup's cancellation of finance, but they declined to comment.	The ValueWalk's statement mentioning that "*Indofood had lost 15 business partners due to Indofood's controversial palm oil practices*" **is also incorrect.** Several of Indofood's joint venture partnerships have ended due to commercial or other business considerations, as is normal in the ordinary course of business. Some of the Company names mentioned in the article were never business partners with Indofood or had any business relationship with Indofood.

In summary IndoAgri categorically denies these false allegations regarding our human rights and labour practices. We fully comply with our Sustainable Palm Oil Policy, and we have 62% of our plantation division workforce as Union members, and we have no outstanding issues or complaints from our Unions.

For further information about our commitment and journey on sustainable business practices, could be able to access through our Sustainability Reports that available in our website www.indofoodagri.com.

Singapore, 27th of June 2019