



Ms. Ginger Cassady

Executive Director
Rainforest Action Network
San Francisco, California, United States

Re: Response of PT FAP Agri Tbk to the Rainforest Action Network Letter dated 7 September 2026 — Opportunity to Comment

Dear Ms. Cassady,

PT FAP Agri Tbk (“FAPA” or “the Company”) acknowledges receipt of the letter issued by Rainforest Action Network (“RAN”) dated 7 September 2026, inviting comment on a number of statements concerning oil palm operations in East Kalimantan. We thank you for the opportunity to respond ahead of publication.

This response is provided by FAPA solely in respect of matters concerning FAPA and its subsidiaries. FAPA is not in a position to comment on, and does not respond on behalf of, any other company or corporate group referred to in your letter.

We have set out below FAPA’s position on its corporate standing, its No Deforestation, No Peat, No Exploitation (“NDPE”) commitment and the environmental safeguards applied across its concessions, and the commercial relationships referred to in your letter.

1. FAPA’S CORPORATE STANDING AND GOVERNANCE

FAPA is a public company incorporated under the laws of the Republic of Indonesia and listed on the Indonesia Stock Exchange (IDX: FAPA). As a listed issuer, FAPA is subject to the supervision of the Indonesian Financial Services Authority (Otoritas Jasa Keuangan) and to the disclosure, governance and reporting obligations applicable to Indonesian public companies.

FAPA is governed by its own Board of Commissioners and Board of Directors. Operational, commercial, financial and sustainability decisions concerning FAPA and its subsidiaries are taken by FAPA’s own organs of governance, in accordance with its Articles of Association and applicable Indonesian company law. In particular:

- **Independent governance.** FAPA’s Board of Directors and Board of Commissioners exercise their functions autonomously and are accountable to FAPA’s shareholders and to the regulator.
- **Separate compliance and reporting.** FAPA maintains its own financial reporting, internal audit, risk management and regulatory compliance functions, and publishes audited financial statements and an annual report in its own name.
- **Separate sustainability framework.** FAPA maintains its own sustainability policy, its own certification and assurance programs, and its own stakeholder engagement channels.

2. FAPA'S NDPE COMMITMENT AND ITS IMPLEMENTATION

FAPA adopted its NDPE Policy on 10 October 2019. Under that policy, FAPA is committed to no development of High Conservation Value ("HCV") areas, no development of High Carbon Stock ("HCS") forest, no development on peat regardless of depth, and no exploitation of communities and workers. That commitment applies across all FAPA concessions.

HCV and HCS assessment as the basis for Go and No-Go Areas

FAPA operationalizes its NDPE commitment through HCV and HCS assessment. Every FAPA concession in which land development has been undertaken — including PT Marsam Citra Adiperkasa ("PT MCA") and PT Setia Agro Utama ("PT SAU") — is covered by HCV and HCS assessment documentation prepared in accordance with recognized methodologies.

The output of that assessment is a spatial demarcation of the concession into No-Go Areas, which are set aside for conservation and are excluded from development, and Go Areas, in which development may proceed. Development planning, land preparation and planting within FAPA concessions are carried out on the basis of that demarcation, which is embedded in FAPA's operational planning and monitored through its internal sustainability controls.

3. CLARIFICATION REGARDING SUPPLY CHAIN RELATIONSHIPS

Your letter refers to the commercial relationship between FAPA and PT Wahana Prima Sejati ("WPS"), a palm oil refining facility. FAPA provides the following clarification.

3.1 Nature of the commercial relationship

FAPA maintains a supplier–customer relationship with WPS for the sale and purchase of crude palm oil. That relationship has the following characteristics:

- **Ordinary course of business.** FAPA does not own downstream facilities and as such will always sell its products to buyers that offer the most commercially advantageous terms. Such transactions are therefore conducted on an arms-length basis.
- **Recorded and reported.** All such transactions are recorded in FAPA's accounting records and reported in its audited financial statements in accordance with Indonesian Financial Accounting Standards and applicable taxation regulations, and are subject to independent audit.
- **Distinct from operational consolidation.** A contractual supply relationship between two separately incorporated companies does not confer upon either party the ability to direct the management, governance or operations of the other, and does not constitute operational or corporate consolidation.

Accordingly, the existence of commercial transactions between entities — including transactions of material or recurring volume — is not probative of common control. It does not establish that those entities constitute a single economic unit, nor does it displace the autonomous governance, management and compliance structures maintained by each entity in its own right.

3.2 Regulatory compliance

FAPA complies fully with all applicable requirements governing the identification and disclosure of related-party transactions, the taxation treatment of inter-company transactions, and financial reporting by Indonesian public companies. The classification of any counterparty for accounting and taxation purposes is a technical determination made in accordance with the prevailing standards, subject to independent audit and to the supervision of the competent Indonesian authorities. Any

question as to such classification is properly directed to, and will be addressed by FAPA with, those authorities through the appropriate regulatory channels.

4. LAND TENURE AND PERMITTING

FAPA operates in accordance with Indonesian land, forestry and plantation law. Where concession areas remain within a licensing process — including processes established by the Government of Indonesia for the settlement of plantation areas within forest estate — FAPA is engaged in those processes through the competent ministries and regional authorities, and is complying with the requirements and timelines set by them.

Participation in a government-administered settlement or legalization process is a compliance pathway created by the State. It is not, in itself, evidence of unlawful operation, and we would ask that it not be characterized as such.

5. ENGAGEMENT AND NEXT STEPS

Given the breadth of the statements set out in your letter and the short response window, this reply addresses the matters concerning FAPA at the level of principle and position. FAPA reserves the right to supplement this response, and requests that this letter be reproduced accurately and in full in any publication in which FAPA's position is characterized. Correspondence may be directed to corp.secretary@fap-agri.com for the attention of the undersigned.

We thank you again for the opportunity to comment.

Yours sincerely,



PT FAP Agri Tbk
Henryzal M Panjaitan
Corporate Secretary