



PT Astra Agro Lestari Tbk



# PROGRESS REPORT **ON SUSTAINABILITY**

**THIRD & FOURTH QUARTER  
UPDATE 2018**

# INTRODUCTION

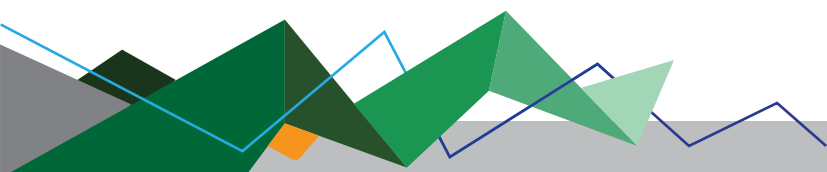
This is the continuation of Astra Agro's previous report and is intended to provide updates on the achievements of our third and fourth quarter targets. For these quarters, a number of activities were prioritized in accordance with the implementation of our three-year action plan and a greater focus on the strengthening of responsible sourcing, environmental aspects, and the local communities. It will discuss the progress made, challenges faced, and the obstacles found during the process as well as approaches we took to meet the expected results.

## NO DEFORESTATION

Throughout our routine monitoring efforts, we can confirm that not a single case of deforestation has occurred in our concession during this year just as we have achieved before, following the publishing of our Sustainability Policy. In addition to our own concessions, we also strive to ensure that deforestation is eliminated in the concessions of our suppliers.

### Review of HCV Reports

As of this time, five subsidiaries with identified HCV areas have undergone review but at this current stage, are still incomplete to a certain degree as we are directing our efforts at the field confirmation level. Once this has been completed, we will then move forward with hiring the most accomplished assessor possible to review our assessment and the methodologies currently being used. Three of these subsidiaries were given general reviews two years prior in 2017 with the remaining two being subject to review at the documentary level in 2018. From both subsidiaries, there are similar inputs mainly focus on landscape map that shows not only HCV areas of the concession but also capable of describing landscape in and around the concession.



This map will be useful for spatial analyses which will provide a better understanding of species interaction, connectivity among patches of natural habitats, ecosystem services and functioning. The result of the analysis will be used for the basis of HCV management. After this document review, our next target will concentrate on field evaluation to verify the existing HCV areas such as riparian ecosystem, patches of forest, and biodiversity.

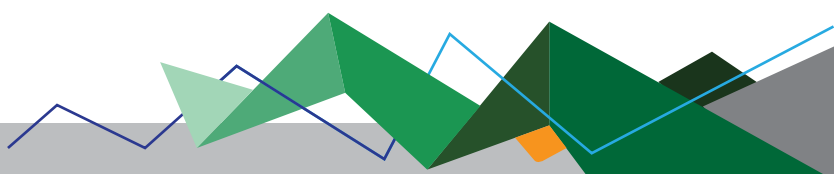
## **Biodiversity Monitoring**

Our newly developed HCV Management and Monitoring system (M&M system) is still under review in order to align with the current updated HCVRN Common Guidance. However, our monitoring activities are still being conducted utilizing the existing system.

Biodiversity monitoring is carried out through periodic observations are performed within the oil palm blocks using reconnaissance methods. Additionally, wildlife monitoring was conducted on several sites via camera traps to monitor animals categorized as cryptic species. The possibility of our HCV areas falling prey to threats stemming from illegal activities is always a consideration and it is because of this that our concessions are patrolled regularly. In the field, each conservation area should undergo a visit by a patrol unit at least once a month. All of our findings on biodiversity and patrol monitoring are recapitulated in a trigger sheet (tally sheet) for our evaluation as a reference for us to carry out further management and monitoring actions.

## **Riparian and Mangrove Rehabilitation**

Riparian and mangroves are vital parts of Indonesia's tropical ecosystem and with our attention firmly entrenched in that direction; we have successfully planted 33,368 trees from the originally targeted planting of 30,000 trees as of December 2018. The species selected for planting were native species and not alien and/or invasive species so as to maintain the integrity of the local ecosystem. Our attitude and outlook toward riparian were also carried over to our mangrove planting operations and we spared no expense as we targeted 90,000 mangroves for planting in 3 areas but are fully capable of planting 127,695 trees, a significant increase over our original goal. Until Q4 in 2018, tree seedlings were planted in an area of 107.5 hectares across 26 subsidiaries.







We realize that a program for improving the quality of riparian and mangrove ecosystems as a provider of food and habitat for wildlife needs to be conducted as well. For this reason, Astra Agro and a relevant expert team from the Plant Conservation Center - the Bogor Botanical Garden have conducted a field visit to one of the subsidiaries that undertook a riparian rehabilitation program to review the activities that have been carried out. The team of experts conducted a survey using floristic methodology so as to identify the vegetation flourishing at the rehabilitation program's location to obtain a picture of the rehabilitation area's success. During the field visit, attention was mostly paid on the observation of habitat characteristic, planting system, seed selection, and maintenance system of the planted vegetation under the restoration program.

Preliminary result from the visit reveals that the Company has successfully set up the first step of restoration by planting fast growing vegetation to enable the improvement of soil and micro climate condition. However, this must be followed up with planting endangered species trees when the canopy is sufficient for re-grow the native species. Enrichment should also be developed for epiphytes and understory vegetation. Complete recommendation is still now being finalized by the Bogor Botanical Garden, however during that time, consultation is actively developed.



# CONSERVATION OF PEATLAND

Evaluated standard of responsible peatland management practices will be developed based on results from comparative studies of existing guidelines.

In reference to our previous report, we continue our focus on the following two aspects:

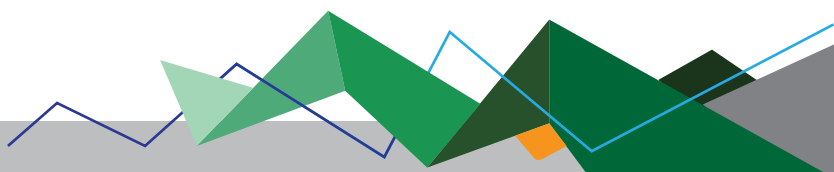
## **Responsible Peat Management under the Direction of the Ministry of Forestry and Environment**

Based on the direction provided by the Ministry of Forestry and Environment (KLHK) regarding responsible peat management (including restoration), particular focus was given toward the water level monitoring system elaborated in our previous report. For this semester, the KLHK team conducted field verifications in one of our subsidiaries located in Siak Regency, Riau Province with the aim of this verification process being to observe the suitability of determining water level monitoring points in comparison with existing regulations. This has resulted in KLHK issuing a decree stipulating the compliance of water levels which the Company uses as a guide in monitoring water levels on peatlands.

After rigorous assessments made by KLHK, the Ministry has compiled a number of recommendations on how we can best manage and maintain ideal water levels in accordance with existing regulations. Since the reception of the recommendations, the corrective actions needed were developed through consultations and has since been implemented and reported to KLHK. Consultations with other subsidiaries are also held and field evaluations will be conducted in accordance with the schedule determined by KLHK.

## **Collaboration with Relevant Experts**

Since the signing of the Memorandum of Understanding on joint research between the Ministry of Agriculture and Astra Agro, we have begun the next phase by starting research in the field through the installation of monitoring equipment on agreed research plots. In this study, our research saw the involvement of various institutions and academics, including Indonesian Center for Agriculture Land Resources Research and Development (BBSDLP), Indonesian Agroclimate and Hydrology Research Institute (Balitklimat), Indonesian Soil Research Institute (Balittanah),

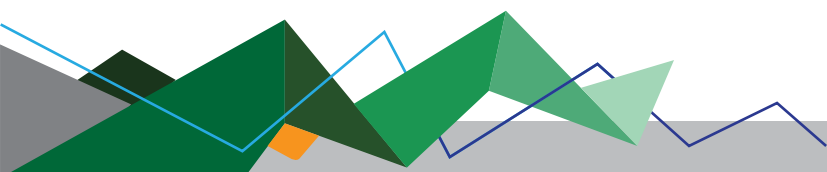


Indonesian Center for Agricultural Technology Assessment and Development (BBP2TP), Indonesian Wetland Research Institute (Balitra), Indonesian Peat Society, Bogor Agricultural University, and Gadjah Mada University. From the results of our consultations with several experts involved in this study we obtained a management model that prioritizes sustainability in the efforts of oil palm cultivation on peatlands to ensure that peat can be managed optimally from potential damage (fire and degradation). The sustainable peat management model that we have developed has been in line with the regulations set by the government.

## GHG EMISSIONS REDUCTION

Astra Agro has already conducted GHG emissions calculations (based on the standards set by ISPO, ISCC, and IPCC) for 29 subsidiaries with mills. Based on our calculation results from 2012-2018, we have identified that the largest source of GHG emissions is due to the processing of POME (Palm Oil Mill Effluent) and the use of fossil fuels (diesel). During the beginning of Q4 2018, to further reduce GHG emissions, we began using biodiesel (B20) as the main fuel source for FFB transportation vehicles and power plants for homes and mills across all of our subsidiaries. The use of biodiesel can potentially result in a 14% reduction in emissions in comparison to regular diesel. Astra Agro also operates one methane capture unit which is used as fuel for the mill's boiler unit in South Kalimantan. By installing this methane capture, we can reduce methane emissions by 70% - 80%.

As part of the process to find alternative solutions to GHG reduction, we conducted a comparative study on how to reduce methane through the methane capture method in North Sumatra. The results of the comparative study show that methane has successfully been used as a power source to generate electricity. This has become a subject for further study and analysis so as to allow Astra Agro to make improvements related to the implementation of GHG reduction programs.





# FIRE PREVENTION PROGRAM

Entering the beginning of second semester, with the Company currently facing 2018's dry season, our programs are directed towards ensuring all equipment and infrastructure are ready for the anticipation of potential fires as well as intensifying fire alertness through the reactivation of our SMS broadcasting.

In the midst of the dry season as we were approaching the end of Q4, Astra Agro has successfully extinguished fires that occurred within its concession (this particular area is still under community control) in South Kalimantan three (3) times. This extinguishment was carried out rather quickly as it was completed within a maximum time of 2 hours.

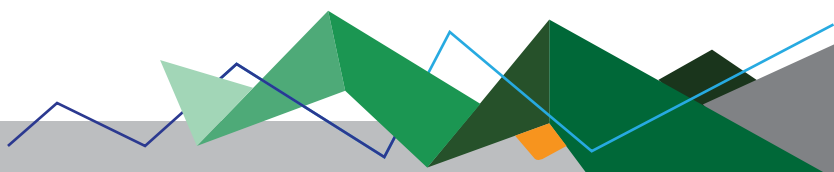
Additionally, the company has assisted in suppressing 69 fires in community owned lands (outside of Company's concession) in collaboration with the MPA in the areas of South Kalimantan and Central Sulawesi.

## Ensuring Functionality of Equipment and Infrastructure



During the start of the dry season, we are constantly ensuring that our equipment is in optimum condition and ready for use by conducting routine checks and maintenance in accordance with the Standard Operational Procedure (SOP) on emergency fire preparedness including the maintenance of fire engines and Emergency Response Team (ERT) equipment and the testing of said equipment.

Furthermore, we have also seen the addition of fire extinguishing equipment in a number of high risk subsidiaries such as pumps and hoses for sufficient backup equipment when needed as well as the addition of new fire engines in East and South Kalimantan and Central Sulawesi (along with several other supporting tools such as hoses, nozzles, and other manual tools).



Meeting the facilitation requirements of each plantation automatically refers to Governmental Decree No. 5 of 2018 regarding the Opening and/or Management of Plantation Lands without Burning. However, we also take into consideration the extant and vulnerability of each plantation when meeting said facilitation requirements.

## Fire Standby Apparatus

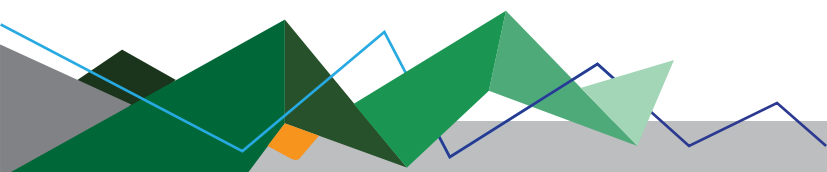
The standby apparatus aims to remind emergency response teams/organizations of the dangers that fires will pose with the arrival of the dry season. Due to this fact, our fire standby apparatus seeks to increase the readiness and preparation of all team members with regard to their respective duties and roles, increase awareness, and facilitate more intensive coordination with the apparatus and MPA.

Towards this year's dry season, the fire standby apparatus has been carried out and followed by the company's Emergency Response Team at the district and sub-district levels.



## Intensifying Fire Alertness

Spreading fire awareness to the communities within our concessions is of deep concern for the Company and SMS broadcasting is the key to that end.





In collaboration with a well-known telecommunications provider, the Company can now disseminate information, via SMS broadcast, detailing appeals and warnings imploring people to protect the local environment by not engaging in burning activities and/or other activities that could lead to forest fires.

The implementation of this program was first carried out during the opening weeks of the dry season due to the increased likelihood of fire occurrence. The SMS broadcast is capable of reaching Village Ring No. 1 (villages directly bordering our concession) with a total of 3000 – 7000 SMS/period/month.

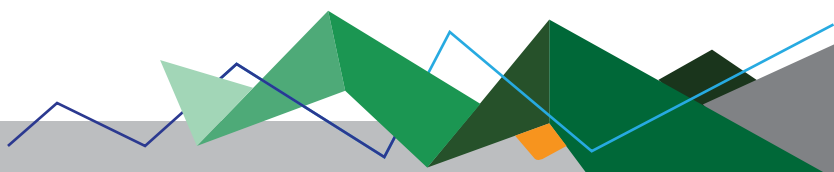
During the time period of July – September 2018, this program has been running in a number of high risk subsidiaries.

## Self-Auditing Fire Prevention System

During the fourth quarter time period, the audit fire management system includes checking the equipment of the Emergency Response Team, compliance with SOP implementation and water management system readiness for fire prevention. To simplify the analyzation process, our results are graded into three separate categories: **green** are for achievements of over >90%, **yellow** for achievements straddling at 75-90%, and **red** are achievements under <75%. From the results of the audit there were 9 subsidiaries in the green category and 17 in the yellow category.

For subsidiaries whose self-auditing level is still in the yellow category, improvements will be made to the areas that are still lacking so as to be able to reach the green level by 2019.

Meanwhile, the company has also established a partnership with Manggala Agni as an expert in land fire management, to assist and assess the implementation of fire prevention and prevention systems in the company. Through this, Manggala Agni aims to provide an assessment and evaluation of the system and its application on the field which will allow Astra Agro to make improvements to the deficiencies that may still exist. As the initial plan, this activity was carried out in December 2018, but because this activity must be coordinated with the Manggala Agni Unit Area, the implementation was postponed until Q1 2019.



## Zero Burn Socialization for CPO & FFB Suppliers

During the period of 2018, the Company began disseminating its policies on land clearing without fire as well as its efforts to prevent and mitigate fire to its CPO and FFB suppliers. Aside from Astra Agro's desire to preserve and protect its forest areas, we also have a corporate responsibility to our partners to uphold our commitment to mitigate the impact of fire. In this socialization activity, information regarding the Company's policies was conveyed, prevention activities and programs that needed to be carried out, and the sort of impacts fire may have.

Dissemination to CPO suppliers has been carried out in Pekanbaru with 34 participants from 17 companies. Then socialization activities to FFB suppliers have been conducted in seven high risk subsidiaries with a total of 214 participants.

## Community Care for Fire (MPA) Progress

In 2018, we have formed 10 new MPAs and developed three of the existing 60 MPAs to become independent. Independent MPA is a MPA whose members possess the capacity to prevent and control fire in their area and whose minimum equipment is sufficient for the early stages of fire prevention.



# RESPONSIBLE CPO SOURCING

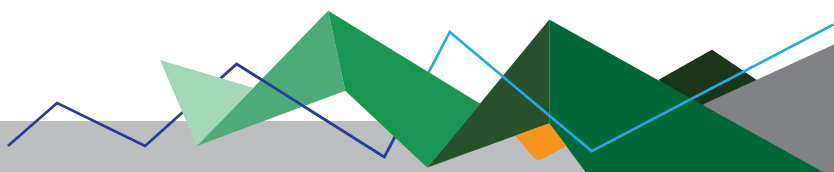
## Traceability to Mill

We can confirm that Astra Agro has achieved 100% traceability to mill for the period of July - December 2018. There are 64 mills (28 internal mills and 36 external mills) in total supplying our refineries as of Q4 2018. Furthermore, there is an increase of 16 mills (8 internal mills and 8 external mills) supplying our refineries between July and December 2018 compared to the previous semester.



## Sustainability Assessment System

During the second semester, we have accomplished improved compliance monitoring tools in collaboration with CORE, namely Astra Agro Lestari's Sustainability Assessment Tools (SAT-ASTRA AGRO) which is comprised of 6 principles, 24 criteria, and 178 indicators applicable to both Astra Agro's subsidiaries and third party suppliers. The purpose of this is to discover the extent of the gap between supplier companies and all aspects of Astra Agro's Sustainability Policy and the challenges in overcoming said gap so as to finally align with the Company's Policy.





In Q4 2018, two of our supplier companies and three of our subsidiaries had undergone preliminary compliance monitoring trials through consultative processes and field assessments. The trial results obtained from the SAT-ASTRA AGRO's implementation will be used to further the development of the final monitoring system (such as self-assessments, corrective actions, surveillance, etc).

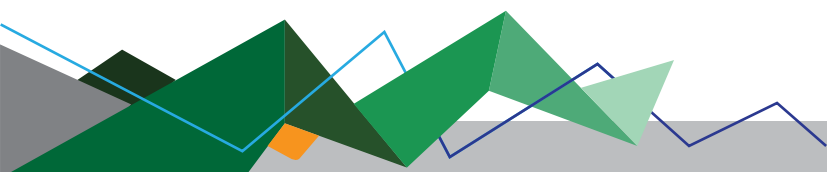
## **Supplier Monitoring and Grievance Handling**

At this time, the scope of our supplier monitoring focuses on the suppliers directly in our supply chain. The results of our monitoring showed one indication of breaches against our Sustainability Policy by our direct suppliers, a result that had also been reached by our key stakeholder. Additionally, two more grievances against two subsidiaries whose parent companies are in our supply chain, were raised by our key stakeholders. However, while the two parent companies are indeed in our supply chain, the subsidiaries in question, are not.

We have conducted a verification process and intensive communications with all three companies who were alleged to have committed acts of deforestation and peat development. One of them has already enacted measures to rectify the issues of deforestation. With regard to the corrective actions, these include: (1) Commitment to Astra Agro's Sustainability Policy, (2) The release of a moratorium declaring the end of all land clearing operations in its concessions, and (3) Performed HCV/HCS assessments on the areas included in the grievances with registered assessors.

Unfortunately, the remaining two companies have been suspended due to differing reasons. One company has claimed to have already ended all land clearing operations but have failed to further commit to the standards set by our Sustainability Policy.

Meanwhile, the other company has chosen to remain unresponsive to this very day with little possibility of the situation changing. If the company wishes to remedy its peat development issues, Astra Agro is prepared to reengage so as to assist in developing corrective actions.



## Develop Capacity Building and Outreach Programs for Suppliers

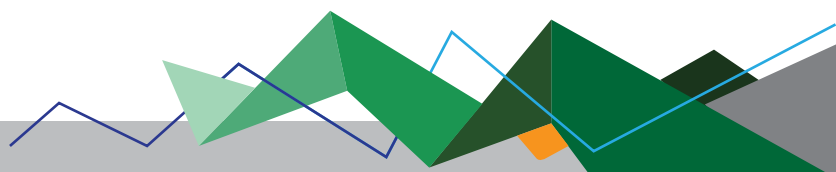
As a buyer, Astra Agro is responsible for ensuring that its own supply chain is in line with the principles set out in its Sustainability Policy therefore, during the second semester, two thematically different workshops were held as detailed below:

### *No deforestation and peatland conservation*

In Q3, Astra Agro held a Supplier Workshop in Pekanbaru with the theme of “Transforming Together with Our Suppliers in No Deforestation and Peatland Conservation” from 31 July – 2 August. The entire goal of the workshop is to socialize the Company’s Sustainability Policy and address relevant issues to its suppliers.

In attendance were 17 invited group companies (34 participants) supplying CPO and PKO to Astra Agro’s refineries as well as relevant experts in the fields of no deforestation and peatland conservation. The main focus of our work shop was an intensive discussion regarding best practices for HCV & HCS management, peat management, fire management, and riparian restoration. Additionally, we also socialized the importance of self-assessment tools for the evaluation of supplier compliance levels.

The workshop was not only highly interactive in class with lectures presenting theories and case studies, but we also provided them with the opportunity to learn how Astra Agro implements its Sustainability Policy during a field visit and see the progress of our riparian rehabilitation program on the ground. In addition, the attendees were also given the opportunity to put forth their inquiries regarding the details of proper rehabilitation as well as participating in actual riparian plantings. Through this method, we hope that they will have learned how to transfer the theoretical aspects of riparian restoration into their own actual implementations on the ground.



## *Human rights aspects*

Following the reception of our Q3 workshop, we moved forward with the hosting of our Q4 workshop in Pekanbaru with the theme of Transforming Together with Our Supplier in Respecting Human Right. This workshop was conducted from 7-8 November.

In comparison to Q3, Q4 placed emphasis on labor rights, the regulations on employment, and also a discussion on community relationships, specifically with regards to conflict resolution which saw the involvement of external speakers from outside of the Company such as the Directorate General for Industrial Relations and Workers' Social Security (Ministry of Labor) and Social Experts. Furthermore, for this workshop, attendance stood at 38 participants from 24 group companies.



During the duration of the two-day workshop, we also organized a field trip with the aim of inviting our suppliers to observe how Astra Agro implements the Respect for Human Rights and "No Exploitation" aspect of its Sustainability Policy and providing our suppliers with the chance to directly interact with employees working on Astra Agro's plantations.

In closing, our workshops also aim to provide outlets where Astra Agro's suppliers can convey their thoughts and constraints on the field regarding certain aspects of the Sustainability Policy. We strive to provide our suppliers with our own inputs and experiences in relation to challenges faced on the field as well as solutions to resolve said challenges so that they can implement effective and efficient methods. Feedback from our suppliers following the workshop has been very positive with many of them expressing satisfaction toward the group discussions and field visit.



# FBB SOURCING

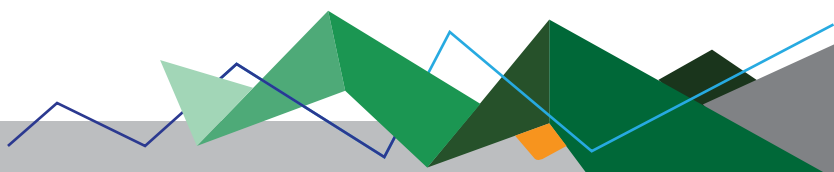
## Internal Capacity Building

In order to enable traceability in the 9 priority subsidiaries, qualified human resources is the key to ensuring that our traceability operations function as intended. To that end, training and socialization was held in July 2018 regarding the following aspects: 1) Traceability to Plantation practices, 2) due diligence for FFB suppliers and replanting, and 3) monitoring FFB suppliers. Our socialization and training activities were attended by a total of 28 participants from nine mills who possess qualifications in basic GIS knowledge. For the proper management of traceability to plantation data, we require that team leaders stationed in those nine mills are fully capable of collecting and analyzing the spatial data (coordinates and tracking) that they seek to map.



## Update On Traceability

By the end of Q4 2018, traceability to plantation at the DO holder level is at 90% in 31 subsidiaries. We have also conducted pilot projects in two locations in the Riau Province up to the farmer level with our verification results for the aforementioned two locations being 68% and 76% respectively. We realize that the traceability data ranging from the DO holder level reaching to the farmer level is both numerous and complex and requires meticulous analyzing and organizing of the data at hand.



## Smallholders Capacity Building

In order to increase the capacity of smallholders and provide a shared understanding of the Company's Sustainability Policy, socialization is the first step to educate smallholders on our efforts to implement the Sustainability Policy which at this current stage begins from FFB suppliers (DO Holders). With smallholders being a key piece in Astra Agro's production output, we realize that the more integrated they are with our Policy, the better it is for all parties involved. Our Sustainability Policy has been disseminated to seven priority mills beginning from Aceh and Riau. Socialization sessions in Aceh and Riau were attended by 214 participants composing of FFB suppliers (DO Holders), Sustainability and Partnership teams (function + site). The activities consisted of exposure to Sustainability Policy material, open discussions, Q&A sessions, and activity evaluation sessions. During these activities, we expect participants to provide their opinions and inputs regarding future programs and gain the capability to deliver the Company's sustainability values to smallholder chains/supply chain to assist in implementing Astra Agro's Sustainability Policy to FFB suppliers.

## WORKERS PROTECTION FROM HAZARDOUS CHEMICAL

For this quarter, our training program with FMC (Food Machinery Corporation) on the proper use of pesticide and necessary safety precautions was conducted in an additional 33 subsidiaries in Central Kalimantan, West Kalimantan, South Kalimantan, West Sulawesi and Central Sulawesi with a total of 126 participants. To date, we have now carried out this program in 39 subsidiaries total.

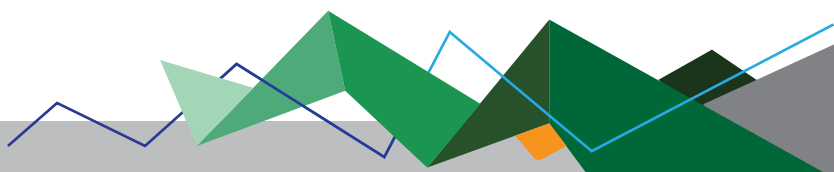


# INDIGENOUS LOCAL COMMUNITIES (Orang Rimba)

For the second semester of 2018, in continuation from the updates explained in the previous report, Astra Agro has moved forward with increasing aid to the Orang Rimba who are most in need of assistance by conforming to the three essential pillars of improving the living standards of the Orang Rimba: livelihood, education, and healthcare. As one of the many stakeholders in an area inhabited by multi-ethnic and multi-tribal communities (including Sumatran Malay people, Orang Rimba, and trans-migrants) where the Malay and Orang Rimba are both considered indigenous peoples, PT SAL has consistently and continuously assisted these communities in the development and improvement of their livelihood.

However, this aforementioned assistance does not always run as smoothly as we intend it to as there are always tremendous challenges awaiting us due to the complexity of the situation in the past. Much effort must be expended toward understanding the behavior that stems from these cultural values since the Orang Rimba consist of many different clans and leaders with differing values from one another and therefore, cannot be categorized as a single homogenous group. At the same time, the challenges continue to increase when modernity massively influences the behavior and values of the local communities thus creating fluctuating social attitudes which can result in both positive and negative impacts.

Unfortunately, how these diverse groups adapt to said changes and influences can be viewed from a case-by-case perspective due to the sheer differences among them as each group have their own ways of adapting. Some can be described as being well adapted while others are not, especially with regard to those who find themselves in less fortunate situations with very limited access to education, health, and economic programs provided by the Government. With an understanding of the situation in mind, it is obvious that education is a priority for the younger generation of the Orang Rimba so as to better adapt to the present and upcoming eras. Healthcare is another area of consideration since there are those that continue to live in isolated remote areas where health facilities are few and far between. We are always striving to bridge these challenges and continue to develop ways to best assist them as they continue to transition from one phase of life to another.



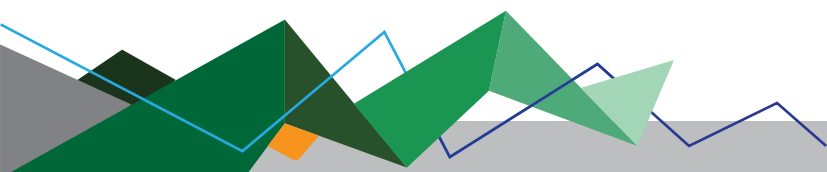


## Strategic Approach

Various approaches to assist the Orang Rimba have been initiated going back many years ago and takes a long time before we succeed to engage with them through various programs including education, health and livelihood. However, our programs' results are still far from our ultimate goal which is seeing the Orang Rimba in positions similar to those of other Indonesian citizens. Therefore, our programs are regularly evaluated to see whether they have only begun to scratch the surface or have the bottom line issues actually been addressed.

Nearly two years ago, a collaborative survey was conducted where the results have already been reported before and in the last semester, PT SAL continued to collect more detailed information regarding the behavior of the Orang Rimba in relation with their food needs, health, and livelihood whose results will be used as the basis for identifying improvements. At the same time, we engage with wider audiences such as the National Park and Jambi University to work together both at the conceptual level and programs on the ground. The results of our consultation with the Ministry of Forestry and Environment resulted in an official collaboration with the National Park as has been reported previously. Additionally, we continue the implementation of agreed activities on the ground which will be explained further below.

Throughout 2018, experts from Jambi University assisted us in understanding the needs, behavior, culture and values of Orang Rimba through very detailed discussions, field observations, and training sessions so as to appropriately address the bottom line issue. With their help (experts from the Jambi University), we were able to actively communicate with the local Government and other related institutions to further discuss the possibility of working together to assist the Orang Rimba. We discovered that the local Government shares similar concern with PT SAL on how to best help the Orang Rimba as well as explaining the development of their own approaches and how to best deal with obstacles. Through consultative and intensive discussions with experts from Jambi University, we believe that a multi-stakeholder approach could be a breakthrough for long-term collaboration to defining the best approaches for Orang Rimba issue.



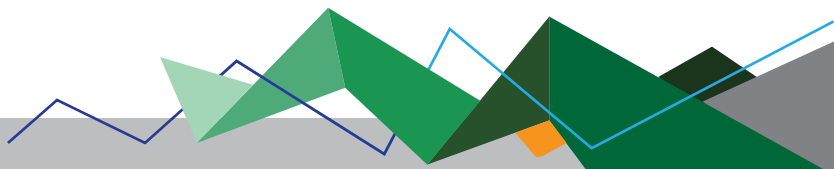
## Current Situation of the Orang Rimba

Based on the demographics (age structure, income, gender, settlement) of the 217 families, we discovered that a number of them can be described as being sufficiently “well off” due to successful business practices such as rubber plantations, oil palm plantations, etc. Unfortunately, there are those who are still in a state of poverty or even worse with these groups being dominated by nomadic groups who do not have fixed income sources. We also identified Orang Rimba who still remain in the forests, those who have wandered outside of the forests but lack useful skills, those who have fixed homes outside the forests, as well as those who have settled in villages (intensive interactions with non-Orang Rimba – inter cultural marriage). This information helps us in defining a priority regarding groups of Orang Rimba who really need immediate assistance in relation to starvation and health. However, at the same time, we also continue to enhance our assistance to ensure that access to healthcare, education, and livelihood programs is available for the Orang Rimba.

### Food for Starvation Alleviation

Based on the results of the needs assessment and field verification, we were able to identify Orang Rimba groups that are still in unfortunate situations with a number of them in need of increased food supply. We recorded 123 families in need of immediate food supply. In response, distribution of staple foods consisting of rice, coffee, noodles, sugar, and salt was initiated in October 2018. We realized that all of these staple foods must be distributed to all families regardless of their respective economic situations. The news that our team was planning on distributing additional foods quickly spread among the groups which resulted in even more people requesting similar provisions. As of the end of December, about 4.5 tons of rice and 217 packs of staple foods have been distributed to 217 families covering 1,082 people. During the distribution program, local stakeholders were involved in the process including village heads and community leaders.

During this food distribution process, we were able to observe cultural and behavioral difference among the different groups of Orang Rimba. With the passage of time, their originally held values slowly began to shift due to strong influences stemming from the modernity emanating around them such as shifting dietary habits. However, there are those who retain their original values and culture. In the past, the majority of Orang Rimba consume tubers and yam which are easily found inside the National Park. However, a growing number of Orang Rimba eat rice and consume noodles while still retaining their liking for their original preferential foods. Our homework is to determine how to properly manage food distributions based on their behavior and diet balance to ensure the alleviation of starvation.



## Food Generating Activities (FGA)

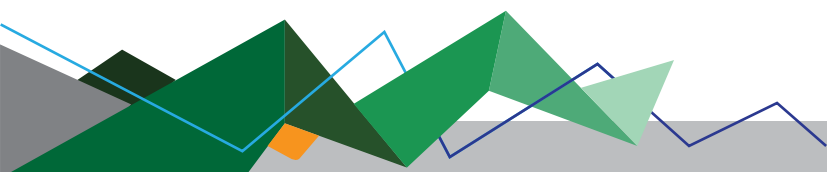
In the long term, meeting the needs for staple foods should continue combined with skills training sessions on how to cultivate tubers and yam which will function as sources of carbohydrates for the Orang Rimba. To achieve this, land is required for tuber cultivation and after much difficult searching, land was discovered to be available near the Orang Rimba community. Based on the distribution of the Orang Rimba, we have set up two different locations for the FGA program. The objectives of the program are to provide continuous food supplies (carbohydrate) for the Orang Rimba while also using this opportunity to informally train them on how to manage and cultivate tubers and yams on their own. The yields will be distributed to the Orang Rimba as part of the food supply program. The program has already been launched, and steps have been taken for further land preparation and socialization. At present, the demonstration farms have already undergone plantings with the seasonal harvest being expected in June 2019.

## Education

The company has been launching educational programs dedicated to the Orang Rimba on an ongoing basis. There are currently 377 school-aged children across 5 Orang Rimba groups and 12 sub-groups. As of September 2018, the Company has provided educational services to 207 Orang Rimba students spread into several programs, namely PAUD (preschool – kindergarten), PLS (Pendidikan Luar Sekolah) and Formal School Scholarships, and private tutoring sessions for Orang Rimba in the forests.

PAUD is provided to children ages of 4-6 and we currently have 48 students attending. Following the PAUD level, Orang Rimba students will then be directed to two Programs,

namely the Out of School Education (PLS) and Formal Schools. PLS is the preparation stage for Orang Rimba students who are not yet ready to attend formal schooling. In this program, the curriculum is adapted to the conditions of the Orang Rimba's environments, namely students are given the basic ability to read, write and count (Calistung) by utilizing nature as a learning medium. At present there are 124 students participating in the PLS Program spread in various educational facilities provided by the company namely PAUD Nurul Ikhlas and Halom Putri Tijah School, Pundi Kayu 1 and 2 (the result of a collaboration with the Sarolangun Department of Education), Sekolah Rimba Pintar Sungai Kuning (collaboration with TNBD), Nurul Islam, and Rajo Nasar School.

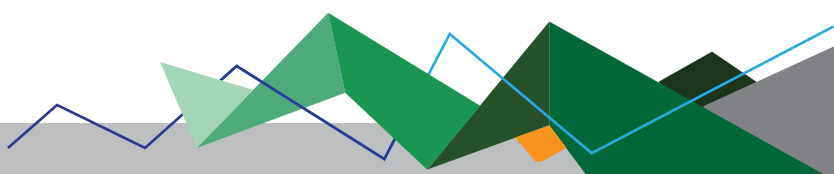




Our school teachers are often recruited from nearby villages including Orang Rimba and it is therefore of great pride for us that one of our most accomplished teachers is actually an Orang Rimba herself. In addition to teaching, she also known for even picking up these children from their homes and accompanying them to school herself. Hiring teachers is a case of recruiting those who have an undeniable passion to impart their care and wisdom to children and in the case of Astra Agro, she was absolutely the right choice due to her own aspirations of becoming a teacher and her own desire to recruit even more children by informing the parents of the importance of education.

After joining the PLS (informal school) program, we expect students to be capable of continuing their education in formal schools through our scholarship program. As of Q3, 39 students have obtained scholarships for formal schooling. Of the 39 students, four of them were educated in Yogyakarta at the high school level and six children attended the Orang Rimba (Madu Rimba) Integrated Wisma Program, a boarding education scholarship program. All Orang Rimba students were provided with uniforms, utilities, allowances and lodging for students attending schools outside their settlements. All educational costs for the Orang Rimba are covered by the Company.

In both of the above programs (PAUD and PLS), all students are provided with equipment to support education such as uniforms, school utilities, and healthy foods daily basis (Supplementary Food Delivery/PMT) so that the nutritional needs of Orang Rimba students can be met.



## Healthcare

At present, the company has built two Health Post units in the areas of two Orang Rimba groups. The Orang Rimba can use these Health Posts for initial examinations/medical checkups in case of any diseases that groups may experience. Our health team is currently equipped with one mobile health unit specifically for the purpose of supporting the medical needs of the Orang Rimba. This car serves to facilitate the mobility of the Health Team in making visits to each Orang Rimba group. It can also serve as an evacuation vehicle for Orang Rimba who require urgent attention so that assistance can be provided for immediately.



On top of that, the Health Team also provides counseling to the Orang Rimba in relation to healthy and sanitary behavior. To assist in this endeavor, the Company built facilities for the sole purpose of providing clean water and public toilets. As of September 2018, one unit of clean water and public toilets has been made available to one Orang Rimba group with plans to prepare more of these facilities to all Orang Rimba groups.

Intensive health assistance is also provided to pregnant women, infants and toddlers through the posyandu program. This program is viewed as a preventive measure due to the fact that basic health examinations are performed on specific targets.

Finally, the company routinely hosts gymnastics programs as a medium to deliver messages of healthy living to the Orang Rimba so as to maintain physical fitness. As of this current time, 459 people from 168 families have received this kind of the program.



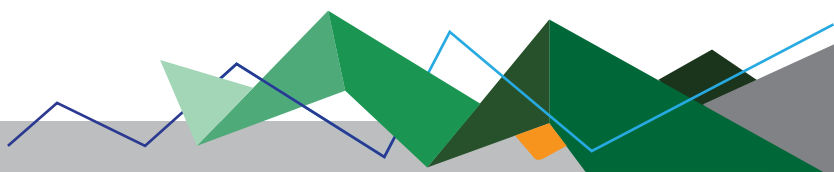
## Alternative Income Sources Based on The Requests of The Orang Rimba

Based on our continuous work with the Orang Rimba, we have been able to gather their thoughts on the sort of programs they would like to see come to fruition that will allow them to gain more income. One of the programs that was requested was the fresh water turtle fattening program (turtle farming) due to their fondness for the consumption of turtle meat. This program is still in the preliminary stages first commenced in September 2018 with the construction of three turtle ponds with the involvement of one group of Orang Rimba. Continuous evaluation is still being conducted to identify what improvement can be made for better results. Apart from turtle farming, we have also recently commenced alternative opportunities such as chicken farming, fish farming, and the cultivation of fruits and tubers.

### Jernang Cultivation

Through our collaboration with the National Park one of the agreed activities was the cultivation of jernang for both economic and forest enrichment purposes. With assistance from the Environmental and Forestry Research and Development Agency (BP2LHK) in Palembang, we have planned on providing Jernang seeds which will then be planted in the National Park where land has been readily provided. Once the jernang are ready for harvest, the Orang Rimba can then sell them as produce due to the jernang's high economic value.

In November 2018, a collaboration program with the TNBD was implemented which involved training 21 Orang Rimba from four different groups on how to cultivate jernang. During this training course, material was presented explaining how best to plant jernang, how to harvest jernang, and incentive granting schemes based on the total number of jernang planted. Incentive granting was done so as to provide motivation to the Orang Rimba in participating in the program. So far, we have managed to successfully plant 520 jernang by way of a more organized method which consists of determining the distance between each individual planting so as to ease the harvesting process.





The continuation of the jernang training program is planned for March 2019 and will be followed up with the formation of a jernang cultivation group by the program's participants along with being accompanied by BP2LHK. The goal is to ease the supervision of the plantings and the sale of jernang. We believe this training course will encourage the Orang Rimba to conserve and maintain any remaining rattan and enrich the forest areas as a means to increase the income of the Orang Rimba.

## **Multi-Stakeholder Approach**

Through continuous discussion with a number of stakeholders, we have identified that by adopting a multi-stakeholder approach, a breakthrough can be made to ensure that various related stakeholders will be able to sit together and commit themselves to finding a long-term solution for the Orang Rimba issue. This is where comprehensive solution can be discussed, developed and realized to help Orang Rimba achieve the same standing as other Indonesians through access to better education, health services, settlement, and fixed income sources. With help from experts at Jambi University who have successfully engaged with the Local Government, a series of focused discussions have been scheduled.

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