



PT Astra Agro Lestari Tbk

ASTRA AGRO LESTARI

Three-Year Sustainability Action Plan

2018 - 2020





INTRODUCTION

In September 2015, PT Astra Agro Lestari, Tbk (AAL) released its Sustainability Policy committing to sustainable palm oil production. As an important part of ongoing efforts to deliver on the Sustainability Policy, we have prepared the development of our three-year Action Plan to meet AAL 2018-2020 sustainability targets through a series of key steps which include (1) compilation of ideas and supporting information, (2) in depth review of gaps from all aspects of sustainability by compiling, extracting, assessing opinions, experiences, and

perspectives from related departments/aspects as well as expectations from our key stakeholders, (3) synthesis and formulation of gap analysis results into rational and logical targets, (4) formulation of time-bound implementation activities, (5) consultation with our top management, and (6) consultation to obtain valuable inputs from relevant stakeholders. The Action Plan will be regularly reviewed and updated to reflect progress, conditions and stakeholder concerns.

Finally we have completed the Three-Year Action Plan in July 2018 for our guidance in implementing our Sustainability Policy across our entire operation and supply chain.

COMMITMENT

TARGETS

NO DEFORESTATION (HCV AND HCS)



- Company-wide HCV management and monitoring systems are reviewed and improved in collaboration with experts following the HCVRN Common Guidance
- All new plantings in association smallholder subsidiaries that are developed in affiliation with AAL will perform integrated HCV-HCSA assessments prior to development
- Landscape HCV-HCS probability and risk assessments in landscapes where AAL has existing mills and subsidiaries to identify three priority landscapes

NO BURNING



- Validated fire prevention systems by relevant experts are implemented across AAL's operations
- Established at least 28 additional communities/farmers cares about fires (MPAs/KTPAs)
- Outreach and capacity building programs are designed and commenced for third party suppliers
- Established fire monitoring system for traceable FFB and CPO suppliers' plantations

GREENHOUSE GAS EMISSION



- Establishing an improved GHG calculation method and GHG baseline
- Implementing a GHG reduction strategy with clear targets and programs through increased efficiency and low-capital initiatives for all subsidiaries



COMMITMENT

TARGETS

CONSERVATION OF PEATLAND



- Putting in place an evaluated standard of responsible peatland management practices
- Plan for peat restoration program is developed and its implementation initiated
- Guidelines and monitoring system have been developed for high risk third-party suppliers on responsible peatland management
- Outreach and capacity building programs designed and commenced for third party suppliers

RESPECT FOR HUMAN RIGHTS



- Implementing a human rights strategy encompassing the entire Company in line with United Nations Guiding Principles on Business and Human Rights
- FPIC process will be conducted prior to the development of any new plantings for partnership plantations affiliated with AAL
- Resolving conflicts with best standards and practices through an open, transparent and consultative process
- Developing comprehensive livelihood programs and any other necessary remediation and mitigation measures for the Orang Rimba, based on needs assessment in collaboration with relevant stakeholders
- Standardized grievance mechanisms to resolve social and environmental grievances related to AAL operations and third-party suppliers are established in collaboration with relevant stakeholders

COMMITMENT

TARGETS

- AAL standards and practices related to worker rights follow the best recognized industry standards
- Developing a strategy for reducing the use of hazardous pesticides and herbicides (i.e. Paraquat)

RESPONSIBLE SOURCING



- Maintaining 100 % traceability to mill for AAL's three (3) refineries
- Publish a list of direct suppliers to AAL's refineries and update it on an annual basis
- AAL's existing and potential suppliers have undergone a comprehensive and credible due diligence process
- Actively engage with all suppliers
- Develop capacity building programs on specific topics for suppliers
- Implement monitoring of suppliers at the mill and group level
- Develop a non-compliance protocol that apply to suppliers who breach AAL Sustainability Policies
- Monitor progress and ensure implementation of road maps/action plans for supplier compliance towards AAL's Policy
- All AAL owned mills and plantations have prepared site-level action plans for compliance with AAL's Policy and monitoring is ongoing

COMMITMENT

TARGETS

SMALLHOLDERS



- Develop company-wide overarching smallholder strategy in collaboration with relevant stakeholders and initiating priority action
- Implement traceability of FFB sources to AAL mills, nine (9) prioritized mills are fully traceable to their origins, and the remaining 22 mills are traceable to direct suppliers (DO holders) at minimum
- Strengthen direct suppliers' (DO holders) awareness and commitment to comply with AAL Sustainability Policy to all AAL's mills
- Increasing smallholders awareness and capacity to comply with AAL Sustainability Policy to associated and traceable independent smallholders supplying nine (9) prioritized mills
- Provide relevant training and technical assistance to traceable, associated, and independent smallholders supplying the nine (9) prioritized mills





Prosper with the Nation

PT **Astra Agro** Lestari Tbk

Jakarta Head Office

Jl. Puloayang Raya Blok OR I
Kawasan Industri Pulogadung
Jakarta 13930 - Indonesia



(+62-21) 4616 555



(+62-21) 4616 682 / 4616 689



sustainability@astra-agro.co.id



www.astra-agro.co.id

