



# PROGRESS REPORT ON SUSTAINABILITY

FOURTH QUARTER UPDATE 2019

# INTRODUCTION

With the end of 2019, this fourth quarter report will continue to detail the activities of the implementation of our Company's three-year action plan.

## NO DEFORESTATION

In line with our commitment, we can confirm that there have been zero cases of deforestation in our concession for this final quarter. These achievements can be attributed to our routine monitoring activities in which we combine remote sensing with field patrols to maximize the prevention of deforestation.

## CONSERVATION INITIATIVES

Our conservation initiatives mostly focused on maintaining existing natural habitats including intact and patches of forested area, riparian ecosystems, and other habitat types in all subsidiaries. In total, we recorded more than 550 different wildlife species living in and around our concessions. The number is the accumulation of encounters and discoveries since 2010. There are also an additional seven species that had just recently been observed from the results of monitoring this year. These species are from the taxa of birds and reptiles, namely Slaty-breasted Rail, Common Moorhen, Great tit, Red-bearded Bee-eater, Great Slaty Woodpecker, Arboreal rat snake, and Rice paddy-snake.



Red-bearded Bee-eater



We also continue our effort to gradually improve our ecosystem through rehabilitation and restoration. In this year, we concentrated our rehabilitation program in three subsidiaries located in Aceh, Central Kalimantan, and West Sulawesi. Throughout the year, we successfully managed to restore  $\pm 14$  ha of open space reserve (including mangroves, riparian, and home grounds) by planting 14,589 trees. These seeds include local plant species consisting of Jamblang (*Syzygium cumin*), Agarwood (*Aquilaria malaccensis*), Pulai (*Alstonia* sp.), Nutmeg (*Myristica fragrans*), Ebony (*Diospyros celebica*), and Mahogany (*Swietenia mahogany*) and various kinds of fruit trees were planted in riparian areas (4,146 trees) and home ground (943 trees).



Rehabilitation activity in our subsidiary in Aceh

In addition to riparian rehabilitation, we have also focused on the rehabilitation of mangroves with the planting of 9,500 Bakau (*Rhizophora apiculata*) seeds in the subsidiaries of Aceh (<https://aceh.antaranews.com/berita/74044/perbaiki-ekosistem-pascatsunami-pt-plb-tanam-mangrove>) and West Sulawesi (<https://trans89.com/2019/12/16/pt-tsl-prakarsai-tanam-1-000-bibit-bakau-di-pesisir-kota-pasangkayu>).

The planting is a continuation of the previous year's achievements. Overall (from 2010 until 2019) we have managed 852 ha of restored areas in 20 Districts of North Sumatra, Riau, South Kalimantan, Central Kalimantan, and West Sulawesi Provinces (including essential ecosystem areas such as riparian, mangroves and swamps).



# RESPONSIBLE CPO SOURCING

As of December 2019, 100% traceability to mill continues to be maintained. Entering the fourth quarter, eight new external suppliers passed our due diligence process and entered into our supply chain bringing the total number of suppliers to 137 companies (22 internal and 115 external) and can be viewed in greater detail via this link: <https://astra-agro.co.id/sustainability/register/visitor>.

## Supplier Monitoring

In accordance with our sustainability policy, monitoring is carried out regularly on our suppliers by our responsible sourcing team and also with the help of key stakeholders. During this quarter, we identified 26 cases from 15 group companies with indications of hotspots and deforestation within their concessions, as well as other environmental issues. Our team tackled these cases of which 15 of them have been officially listed as closed: (1) six cases have been closed as a result of suppliers undertaking corrective actions and (2) the other nine were closed due to the cases being confirmed to have occurred outside of the suppliers' concessions. The remaining 11 cases are still undergoing investigation.

With invaluable assistance from our stakeholders, we were able solve four cases related to our suppliers which were already being monitored by our internal team. For further information on our grievance handling, please follow this link: <http://www.astra-agro.co.id/sustainability/complaint>.

## FBB SOURCING & SMALLHOLDERS

### Update on Traceability

In Q4, 100 % traceability to plantation at the DO holder continues to be maintained across all of Astra Agro's subsidiaries. For more detailed information on our traceability progress overall, please follow this link: <https://www.astra-agro.co.id/wp-content/uploads/2020/01/Progress-traceability-2019.pdf>.



## FFB Supplier Capacity Building

We continue to encourage our DO holders to fulfil the core tenets of our sustainability policy by continuing to expand and improve upon the DO holders' capacity building. During the 4<sup>th</sup> quarter, we extended the socialization process to an additional mill in West Sulawesi with a total of 96 partnered DO Holders. From 2018 until the end of 2019, this capacity building program has been carried out in 22 mills with a total of 633 DO Holders and the remaining nine mills will undergo the DO Holders capacity building program in 2020.

## INDIGENOUS LOCAL COMMUNITIES (Orang Rimba)

Our update on the Orang Rimba for Q4 will be focused on several aspects: (1) Continuation update of livelihood program, (2) Education, (3) health access, and (4) multi-stakeholder approach.

### Livelihoods

In Q4, we continue our livelihood program through the provision of monthly food support for more than 217 targeted families by distributing 7.1 tons of rice and 602 food packages to ensure that they remain as far from starvation as possible. Despite the inroads we have made and the progress we have experienced up until this point, challenges continue to be ever present. There are a number of Orang Rimba groups exhibiting nomadic tendencies and are known to wander from place to place which poses difficulties when attempting to provide them with food. However, this has not deterred our team from seeking the groups out when they cannot be found in their usual dwellings. We ensure that the Orang Rimba receive these food packages through the signing of a form as proof that the food has reached them.

### Education

In the last three months, our education activities were concentrated on the enhancement of teacher skills and cross learning from scholarship recipients to our assisted Orang Rimba children.



## Teacher training

Teachers play key roles in the children's learning process. Because of this, the competency of our teachers as well as the quality of mentoring they provide becomes important. In collaboration with the Merangin District, sixteen teachers from our 11 assisted schools received training with the training materials designed in such a way that is adapted to the conditions of the local learning environment. During training, teachers are taught to be more responsive to the learning environment surrounding them while understanding the unique characteristics embodied by each individual student so that teachers can implement the necessary teaching approaches. Furthermore, this training program will also strengthen the teachers' abilities to identify developmental disorders or problems displayed in early childhood.



Teacher training in collaboration with merangin district



## Sharing of Scholarship Experiences

The sharing of scholarship experiences is one of our key regular programs for inspiring and encouraging the younger generation of Orang Rimba to seek education. During the holiday period of December 2019, we requested one of our scholarship recipients, who is currently studying in Pekanbaru, to share his experiences with Orang Rimba children as well as with parents who may still be apprehensive towards the prospect of enrolling their children in school due to cultural differences or simply due to not being well-informed of the merits of education. He was very pleased and happy to share what he had learned from his studying experiences and was more than welcoming in explaining the educational activities and programs currently being undertaken by the Company, stressing that education is the key to the Orang Rimba's future. We hope that this program of sharing one's educational experiences can motivate more children to pursue educational opportunities moving forward, as it is through this gateway that the future of the Orang Rimba can be secured for many generations to come.



Sharing scholarship experiences



## Health Access

### Medical services for the Orang Rimba

In the last three months, a total 729 people have received our medical services. This number has increased compared to our latest update (Q2 - Q3 2019) which only reached 658 people, and much higher compared to last year's total of 442 people. We expect more Orang Rimba to become more aware of our services and enlist themselves. We are quite happy with this year's achievement and the data reflects the health improvements exhibited by Orang Rimba. Encouraging the Orang Rimba to use our healthcare services is not easy which is why to that end, socialization tactics such as daily field visits have been carried out simply to raise their awareness towards the benefits of maintaining a healthy lifestyle.

### Integrated Service Post (Posyandu)

Integrated Service Post (Posyandu) is a community-based activity for health services especially for children and pregnant women. At present, PT SAL has established six Posyandu stations for Orang Rimba. These Posyandu have served eight Orang Rimba groups consisting of 82 infants and toddlers and 6 pregnant women for the fourth quarter 2019. The regular services provided by the Posyandu are maintenance of infant and toddler health, monthly weighing, supplementary feeding, immunization, and treatment of illnesses as first aid. For the entirety of 2019, our Posyandu services have treated 85 infants and toddlers and 31 pregnant women.

Furthermore, AAL also routinely monitors the health of pregnant women through the provision of special services via our posyandu stations for the sake of reducing the risk of maternal and fetal deaths. These special services for pregnant women and nursing mothers are general health checkups, pregnancy and childbirth checkup, nutritional improvement services through the provision of vitamins and blood enhancing pills, tetanus toxoid immunization for pregnant women. In addition, we also educated the women on the importance of maintaining healthy lifestyles and the impacts it will have toward the lives of their infant children. As of December 2019, there were no pregnant women with diseases based on the blood tests we conducted.

With these services, we hope that we can improve the nutritional status of the children and pregnant women of the impoverished communities, decrease maternal mortality, infant mortality, and low birth weight, and prevent illness.





## Multi stakeholders approach

As has been updated in the previous report, a series of multi-stakeholder meetings have resulted in the signing of commitment from 12 participating institutions and 13 Orang Rimba leaders in June 2019. PT SAL has followed up further with the establishment of official collaboration (MoU) with Merangin and Sarolangun districts last December in order to hand in hand with the Government in addressing Orang Rimba issue. This agreement stems from the concern of all parties institutionally to support the implementation of the Social Development Program for the Orang Rimba in Jambi Province in the hopes that increased self-reliance and prosperity can be achieved for the community. This MoU will function as a legal umbrella for cooperation between PT SAL and related SKPD (Regional Work Units) in various fields such as education, health, population, etc. Overall, we have established official collaboration with three different government agencies, National Park, Merangin Districts, and Sarolangun Districts. We hope that this consortium of parties who signed the commitment declaration will hasten so as to enable the implementation of concepts that have been discussed during the previous series of meetings.

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