



PT Astra Agro Lestari Tbk



PROGRESS REPORT ON SUSTAINABILITY

FOURTH QUARTER **UPDATE 2020**

INTRODUCTION

In this report, we will be looking at the achievements and targets reached with regard to HCV Management (reassessments, rehabilitation of the ecosystem, landscape assessments on sourcing areas), Fire Prevention (strategy approach towards concessions, multi-stakeholder collaboration, technology and innovation, GHG emissions reduction, peat management, Responsible Sourcing (CPO and FFB traceability, smallholder support), and our continued partnership with our affiliated Orang Rimba.

We hope to continue to maintain our consistent output into 2021 in spite of the restrictions imposed as a result of the Covid-19 Pandemic.

HCV REPORTS

We can ensure that management and monitoring activities in the field continue to run as reported periodically. In continuation from our previous report, 10 of our subsidiaries are currently undergoing the HCV Reassessment process at various stages (see Q3 2020 progress report). In November 2020, we conducted a public consultation to compile inputs from stakeholders to be incorporated into our final report and which is currently entering the finalization stage by CORE.

Improving the Ecosystem through Rehabilitation

Rehabilitation of riparian areas up to this period has reached 74% of our achievement target (27,895 seedlings) spread over 19 subsidiaries, which is equivalent to 70 hectares of land. Our plantings for this year have been lower than our original target. This is largely due to the limitations of involving large amounts of people and external parties for tree plantings during the Covid-19 pandemic.

Landscape HCV Assessment on Sourcing Areas

This program concentrates on ensuring that third party sources of FFB supply do not interfere with the high conservation value areas

surrounding the concession. Three priority landscapes have been defined as models for the HCV and risk assessment at the landscape (district) level, namely Pelalawan, Siak, and Singkil. The progress of the assessments of all three landscapes conducted through a desktop study across five stages can be seen in figure 1.

Priority Landscapes

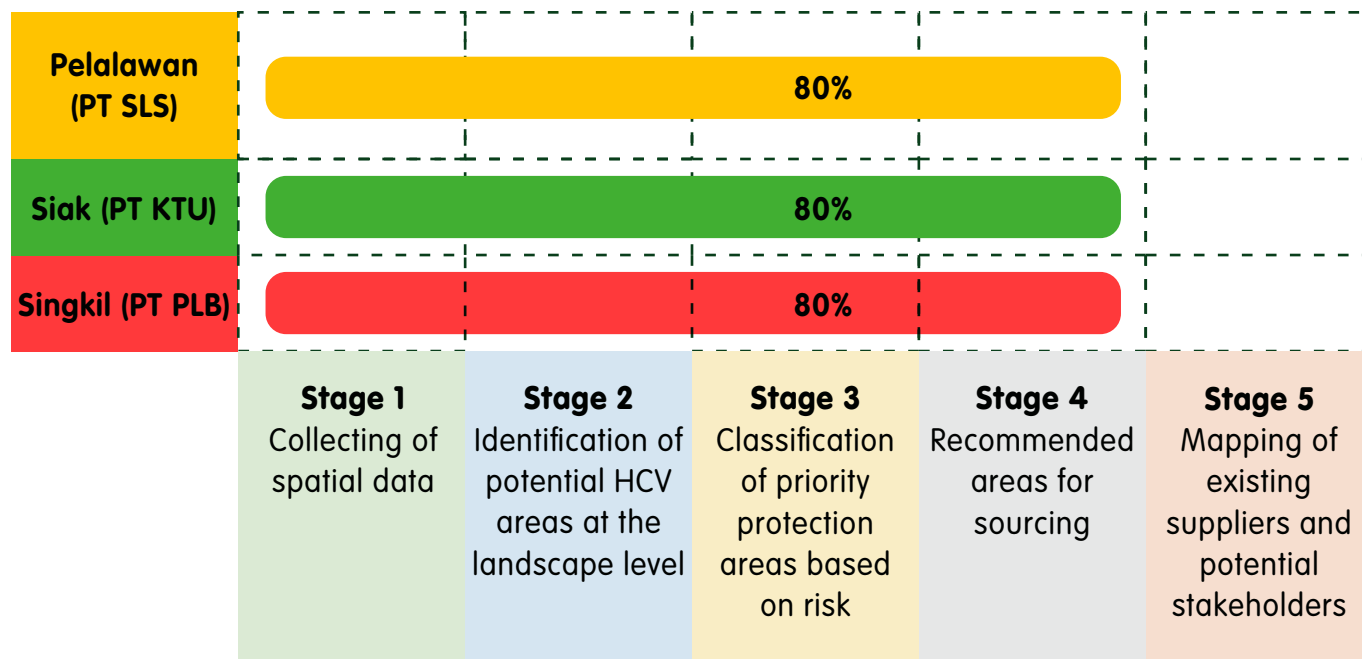


Figure 1 Steps for Landscape HCV assessment in three different areas

FIRE PREVENTION EFFORTS

Rainfall Dynamics and Fire Prevention

AAL prioritizes land fire prevention and mitigation activities in and around its concession at maximum level, starting from the patrol and prevention team, access to infrastructure, water sources, and community development.

Entering the beginning of the fourth quarter period, that being October 2020 and also a transitional period between the dry season and the rainy season, from the Meteorology, Climatology and Geophysical Agency (BMKG) data, we can see that there has been an increase in rainfall in our region in the Provinces of Aceh, Riau, Jambi, Central Kalimantan, East Kalimantan, West Sulawesi, and Central Sulawesi.

However, we note that the intensity of rainfall in South Kalimantan was still low until October 2020 (<50mm), and because there are six of our subsidiaries in the area, we took the decision to continue implementing the Wildfire Emergency Status (status of preparedness based on a climate indicator consisting of Normal Status, Alert Status, Alert Status 1, Alert Status 2, and Wildfire Emergency Status).

For this final quarter period, we managed to reduce the fire spots in the surrounding villages from 40 incidents at the end of Q3, to two incidents in October. Unfortunately one of the fires had spread into the enclave area in our concession which was directly adjacent to the burning community area. The fire spot that covered less than 1 ha was quickly extinguished by our Emergency Preparedness and Response Team personnel and MPA team in less than 1 hour.

Technology and Innovation

The fire-prone areas in the villages surrounding the company are very large, and require tremendous effort in monitoring and responding to fires. Due to this, intensive communication is required with the people who are active in that particular location. Because of the conditions and challenges posed by the Covid-19 pandemic, there were restrictions on social interactions which prevented the community gatherings required by the program and thus could not be carried out in large numbers.



The Emergency Preparedness and Response Team on standby

Facing these problems, we made innovations in fire prevention and control. Socialization through SMS broadcasts is an alternative for use as a medium for disseminating the dangers of forest and land fires to the public. In addition, we conduct collaborative monitoring by way of monitoring towers with the use of UAV (unmanned aerial vehicle) technology to improve the monitoring of fire prone and hard to reach areas. UAVs are used for preventive and early warning efforts because of their ability to detect smoke points and hotspots from distances of up to tens of kilometers so that they are able to detect hotspots in surrounding villages. When a fire occurs, this tool is able to provide information about the fire area in detail so that we can develop and implement an optimal fire fighting strategy. The use of UAV and SMS broadcasts can be seen in the following link:

- <https://www.infosawit.com/news/10361/dengan-uav-astra-agro-perkuat-upaya-pencegahan-karhutla>



The use of drone technology to increase the effectiveness of preventing and overcoming fires

Peat Management

Our peat management activities during this period are focused on internal monitoring and analysis of monitoring equipment in our concessions located on peat. These are tools that have been regulated in the applicable regulations, namely manual dip wells, subsidence pins, and automatic dip wells with data loggers.

We have reported the majority of our peat management activities related to stakeholders, both KLHK and the BRG, in our third quarter report. Likewise, research activities in collaboration with researchers and experts from various fields and institutions are still ongoing and in the process of collecting field data.

GHG Emissions Reduction

In 2020, the GHG emissions reduction program has resulted in the decrease of emissions from year to year as shown in Figure 2.

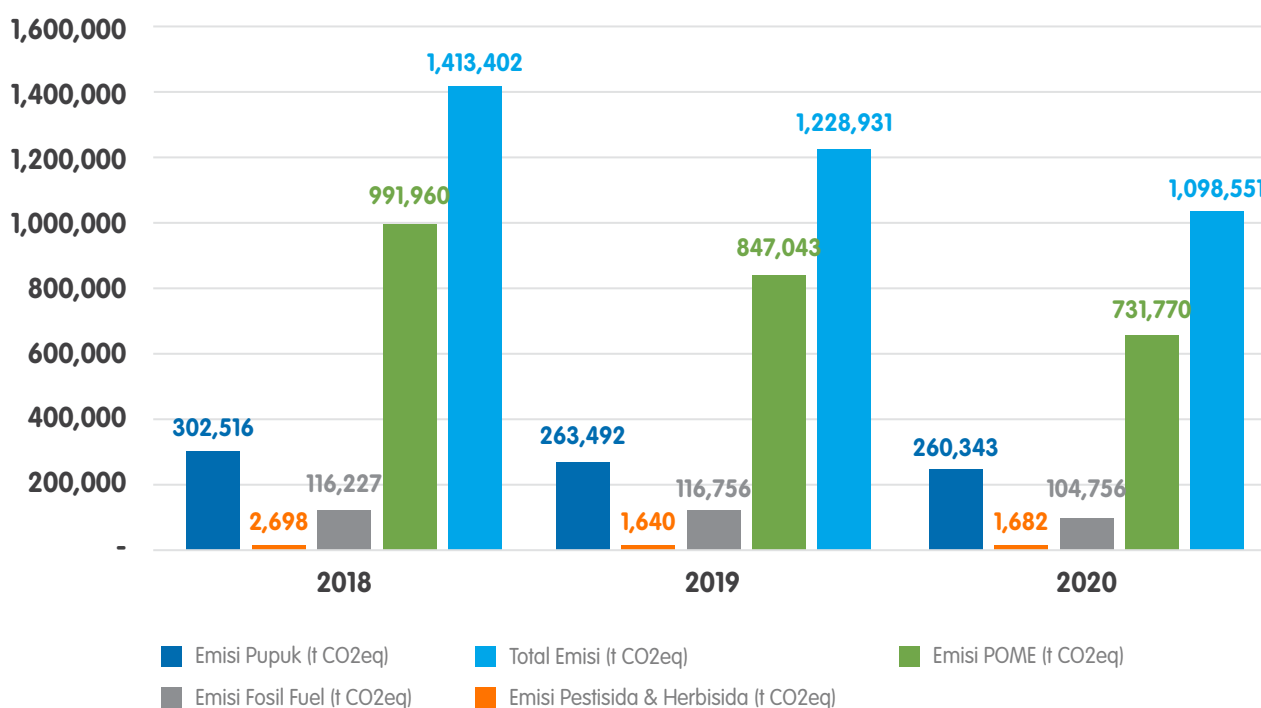


Figure 2 Trend of GHG emissions from CPO production between 2018 and 2020 (consolidated data from all subsidiaries)

CPO SOURCING

1. Traceability of Supply Chain

1.1. Traceability of CPO Supply Sources

For the fourth quarter 2020 period, all CPO supply sources are 100% traceable and originated from 46 mills (22 internal and 24 external). Details of the list of supplier names can be found at

<https://www.astra-agro.co.id/sustainability/register/visitor-supplier-list>

Table 1 Traceability of CPO Supply Sources Q4 2020

Suppliers	SUPPLIER DESTINATION				Total Suppliers
	Kreasi Jaya Adhikarya	Refinery Tanjung Sarana Lestari & Tanjung Bina Lestari	Trading	Trading & Refinery	
Internal	9	10	0	3	22
External	4	0	19	1	24
			Total		46

1.2. Traceability of FFB Sources from Third Party Suppliers

An average of 68% of the FFB supplying to our third party suppliers can be traced (six suppliers have succeeded in tracing 100% of their FFB suppliers, and the remaining suppliers have gradually collected the information required to record their source of supply).

2. Analysis of the Potential Risk of Third Party Supplier Violations

Based on the findings and verifications carried out during the final quarter of 2020, there were no violations committed by direct suppliers in our supply chain or by subsidiaries affiliated with our parent supplier groups. For more detail, the list of complaints and their handling can be seen at:

<https://www.astra-agro.co.id/sustainability/register/visitor-grievance-list>

FFB SOURCING & SMALLHOLDERS

AAL's FFB sourcing in 2020 is composed of 50% from nucleus estates, 6% from associated plantations, and 44% from third parties/independent suppliers.

1. Traceability of FFB

As of the end of 2020, we have traced the source of FFB with a total achievement of 84% (see Figure 3). Especially for FFB

sources originating from third parties, for Q4 we have managed to collect traceability data for as many as 5,000 smallholders, to the point that $\pm 44,242$ smallholders ($\pm 30,000$ independent farmers and 14,242 associated farmers) can be traced from a total of $\pm 64,000$ smallholders. The remaining $\pm 20,000$ independent smallholders will undergo tracing in 2021.

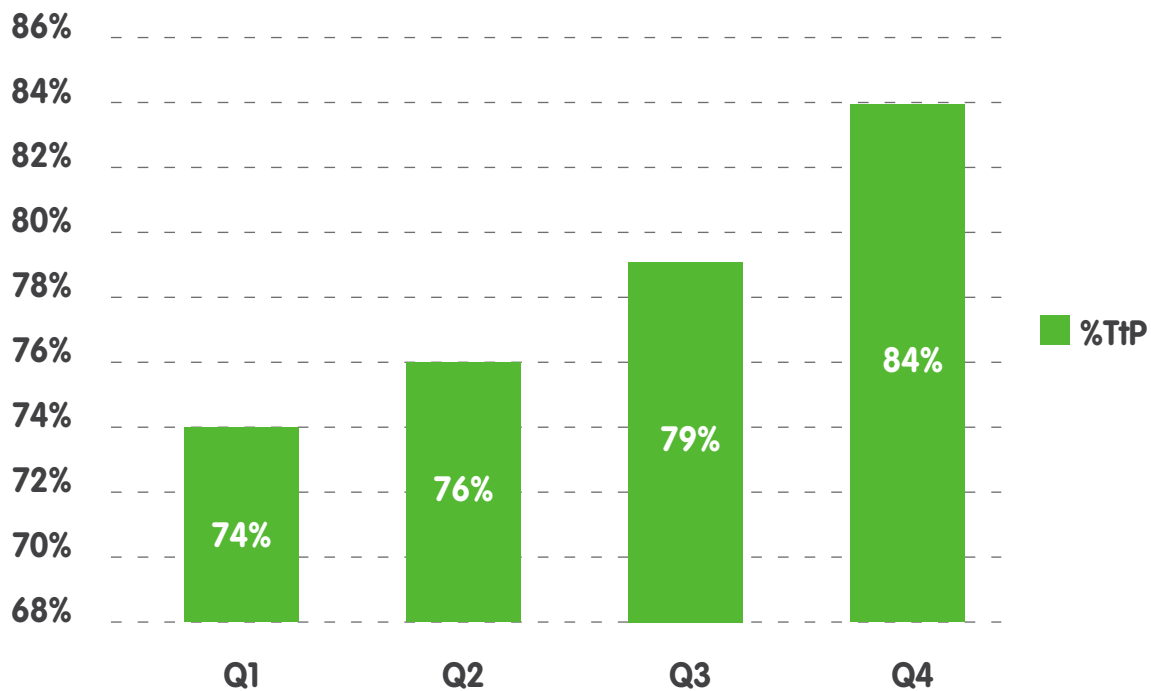


Figure 3 Achievement of Traceability to Plantation for the 2020 period by volume

2. FFB Supplier Support Program

In this fourth quarter period, we have made progress in the support program phase for smallholders. We managed to trace around 5000 smallholders who participated in the introduction phase of the support program. For the next phase, as many as 800 independent smallholders proceeded to the operational guidance & assistance phase (agronomy training, fertilizer support, and transport and infrastructure).

Because of the ongoing social restrictions imposed as a result of Covid-19 as of this period, training for 800 smallholders were conducted online with the materials being related to aspects of plantation management (introduction and control of weeds) and the management of smallholder institutions. In general, the progress of the number of suppliers participating in the support program can be seen in second picture below:

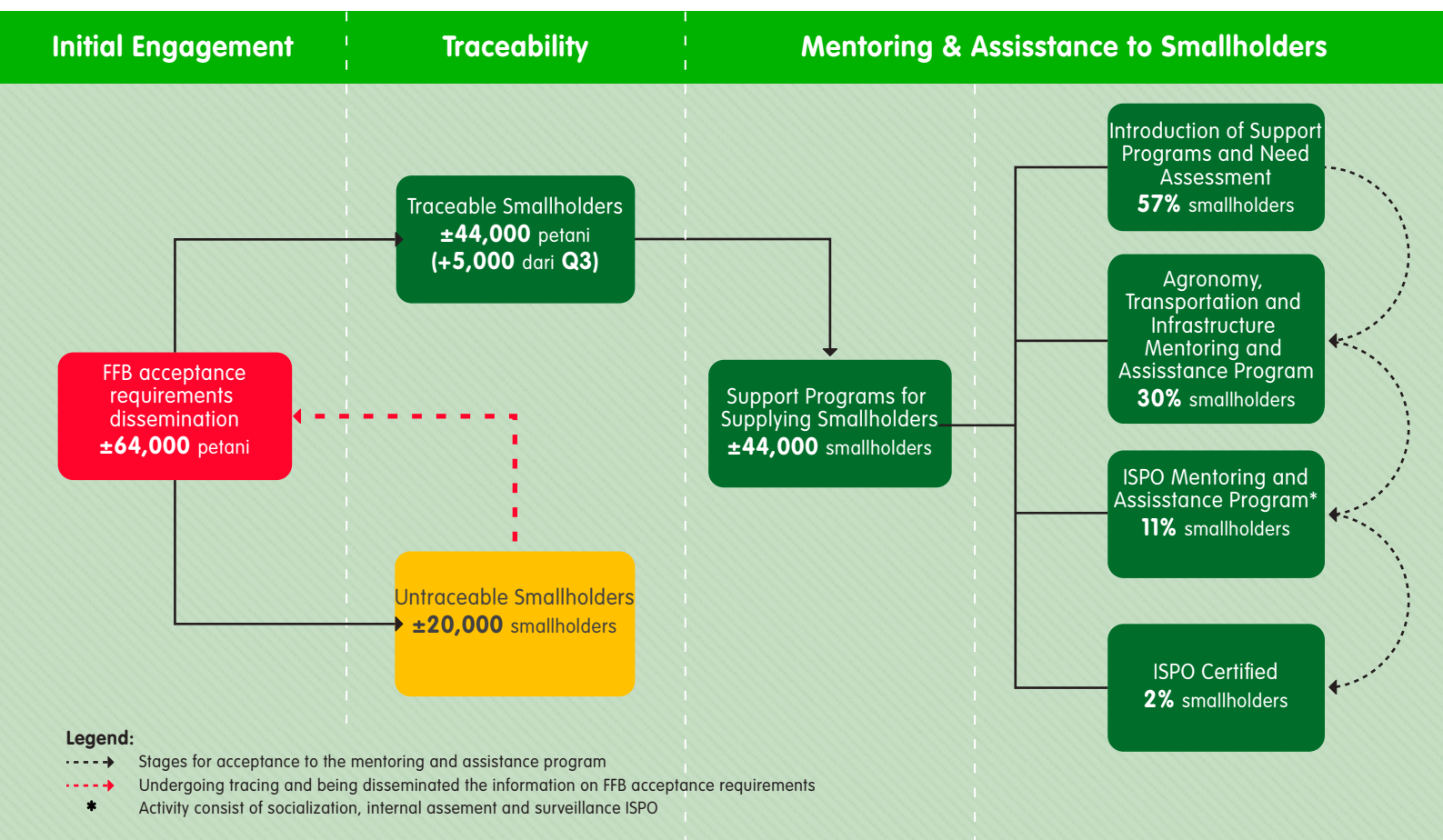


Figure 4 Implementation of the FFB Supplier Support Program up to Q4 2020

ORANG RIMBA

Towards the end of 2020, our activities were concentrated towards evaluating the progress of the welfare improvement program in line with the Guidelines for the Orang Rimba Social Development Partnership Forum, namely (1) fulfillment of basic food needs, (2) access to education, (3) access to healthcare, (4) population administration service, (5) the Agricultural Learning Center, and (6) the Joint Forum Agenda.

We are still running the program of providing staple foods to targeted Orang Rimba groups. In the Q4 2020 period, we distributed 11 tons of rice and 939 packages of foodstuff to 313 families covering 1,197 people. With the progress we have made in the fourth quarter, the total distribution of staple foodstuffs throughout 2020 has reached 44 tons of rice and 3726 packages of foodstuffs.

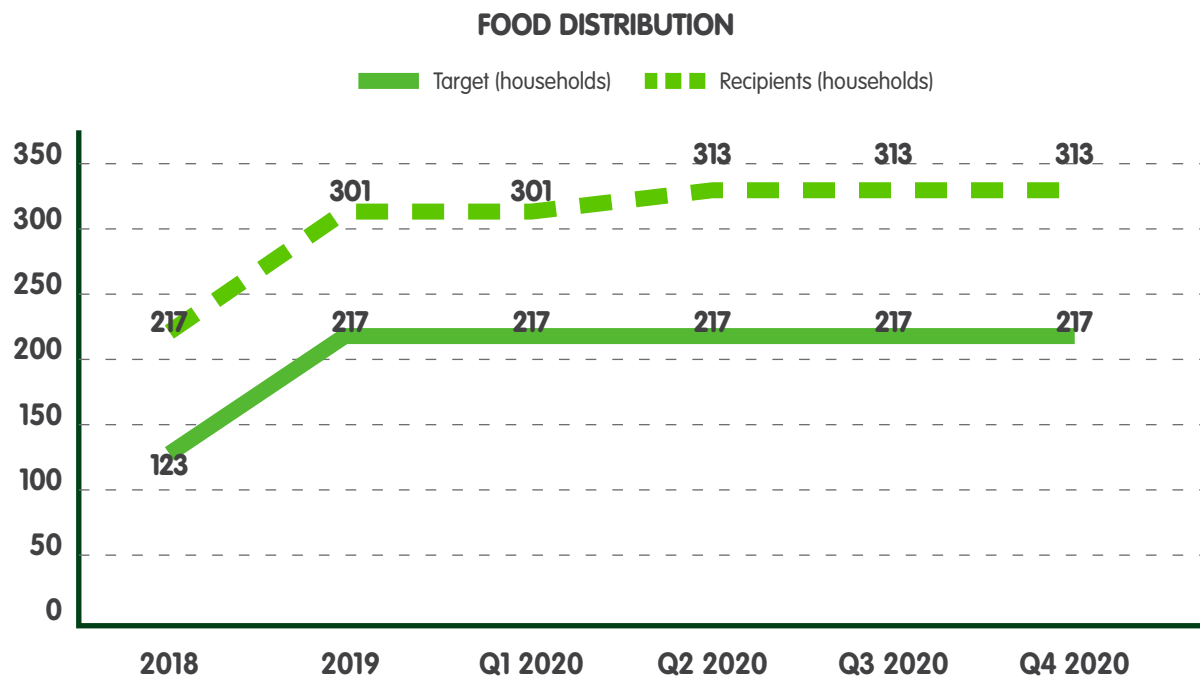


Figure 5 Foodstuffs Distribution Graph

(2) ACCESS TO EDUCATION

In this fourth quarter period, our education service program received a new enrollment of 22 students, bringing it to 374 students from a total of 512 school-age children of Orang Rimba community who were the target of the program during 2020. This increase came from residents of the Meriau Sub-group who recently declared their readiness to receive assistance in accessing educational services and facilities for their children.

It was a rather long process for the Meriau group to agree to send their children to school. We provided a number of counseling sessions to this group in order to raise the parents' awareness on the importance of education for their children who shoulder their families' futures and to achieve a sense of independence as they prepare for adulthood.

Because of the Meriau groups' mobility, they often move in and out of the Bukit Dua Belas National Park area and so the Company collaborates with the National Park and the Sarolangun Education Office to prepare learning facilities for the children of the Meriau group when they are active in the forest.

The following graph shows the increase in the uptake of the number of Orang Rimba children enrolled in the educational programs provided by the Company since 2018. Every year the program’s targets are always increasing in accordance with the number of school-age children who increase every year.

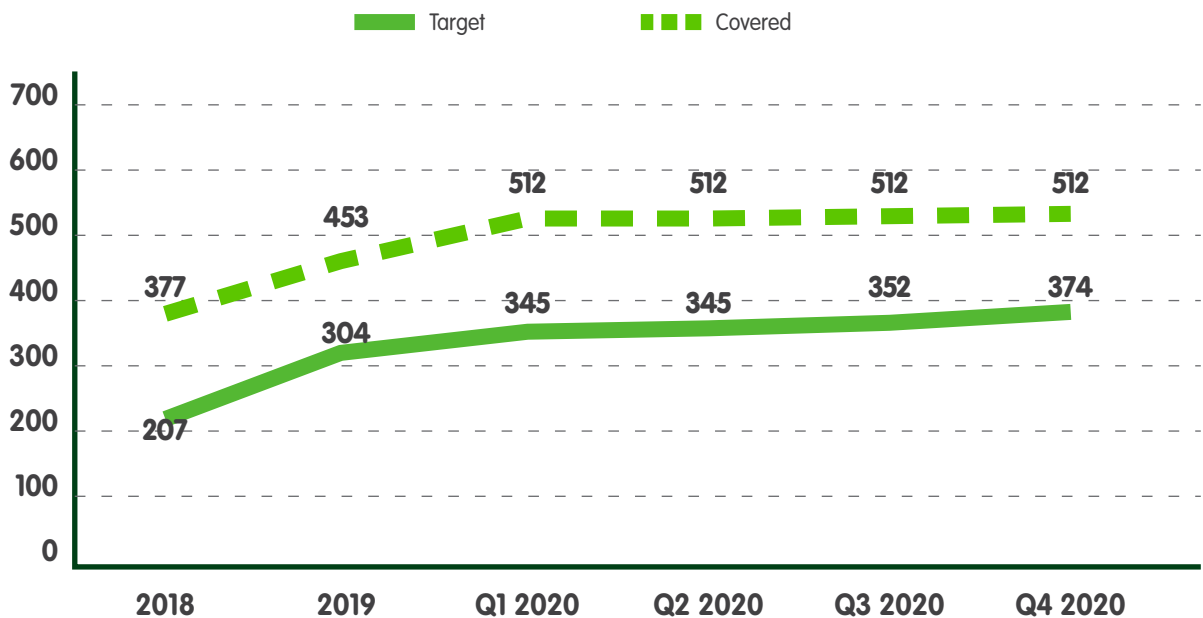


Figure 6 Number of children enrolled in our education program



Orang Rimba Children Conducting their Studies in the Forest

(3) ACCESS TO HEALTHCARE

3.1. Routine Healthcare Services

We noted that during 2020, 381 health services were provided for 108 Orang Rimba families. Regarding mobile examination and treatment services, the Company is always committed to escorting and picking up Orang Rimba residents should they require an ambulance to be referred to the hospital. During the Q4 2020 period, there were four groups of Orang Rimba that used this facility as shown in the following table.

Table 2 Groups of Orang Rimba used the ambulance facilities during Q4

No.	Groups	Frequency	Needs
1.	Sikar	2 times	Childbirth/labor, Gout treatment
2.	Tarib	1 time	Childbirth/labor
3.	Betaring	3 times	Childbirth/labor, High fever
4.	Selambai	1 time	High fever

3.2. Avicenna Posyandu (Integrated Healthcare Center) Cadre Award

The award in the health sector was received by Mrs. Susilowati, a cadre of the Rafflesia Posyandu who is assisted by the Company. Posyandu Rafflesia is one of the assisted Posyandu which has a program target in the Orang Rimba Community of the Nangkus Group. This award was presented in the 2020 National Posyandu Appreciation agenda, which was held in collaboration with PT Astra International Tbk and the Ministry of Health. Mrs. Susilowati won first place as the Inspirational Health Cadre of 2020. The award was given on the basis of Mrs. Susilowati's role as a health cadre in the surrounding Orang Rimba Community. These health cadres' main task is to serves as communicators for residential complaints to medical workers due to language barriers. Furthermore, they are also responsible for educating the residents on the importance of Clean and Healthy Living Behaviors in a vernacular understood by the Orang Rimba



UNTUK INDONESIA
ASTRA SEHAT



+ APRESIASI + **POSYANDU NASIONAL**

Semangat Astra untuk Indonesia Sehat



PEMENANG 1

Ibu Susilowati
Posyandu Raflesia, PT. Sari Aditya Loka



Ibu Susilowati (an Orang Rimba) Won First Place as the Inspirational Health Cadre

(4) IDENTIFICATION CARDS

During 2020, the Company worked with the Department of Population and Civil Registration of Sarolangun and Merangin Regencies to assist the Orang Rimba community in obtaining ID cards. The company coordinates with the local village

government to assist the Orang Rimba in fulfilling administrative requirements, completing documents, and facilitating socialization activities on the importance of population data carried out by the Population Office.

Currently, there are 329 Orang Rimba residents who have ID cards and the company is committed to ensuring that all Orang Rimba residents in Sarolangun and Merangin districts have IDs. Continuous education regarding the benefits of having an ID card has yielded results, one of which can be seen by three children from the Orang Rimba community who will continue studying into tertiary education and several residents who have obtained access to health services provided by the hospital. Ownership of IDs by Orang Rimba residents has made it easier for the Orang Rimba to gain access to education and health services provided by the Government.

(5) AGRICULTURAL LEARNING CENTER (ALC)

5.1. Lessons for the Orang Rimba at ALC

In the Q4 2020 period, which coincided with the second planting phase, we conducted an evaluation with the Orang Rimba regarding the implementation of this ALC plantation. This evaluation activity is one of the learning processes that are routinely carried out. In this evaluation, there are several things that we have taken as positive notes and inputs for us to improve in the future.

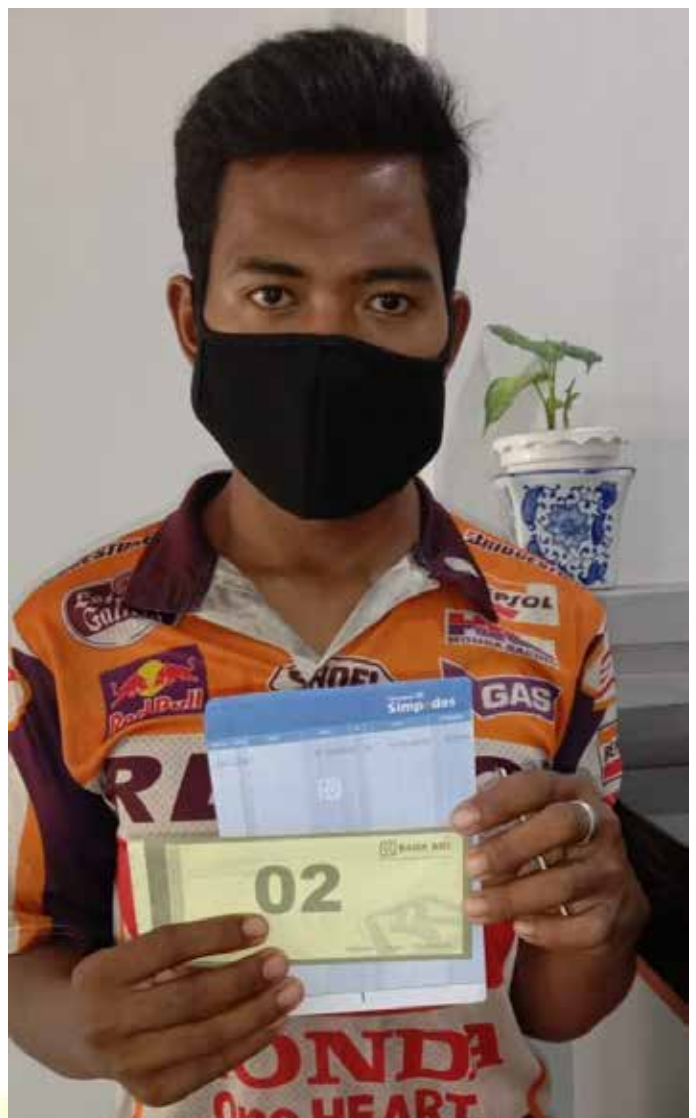
- Based on the Orang Rimba's own input, it was necessary to add commodities such as bananas and taro. This addition is intended to increase their knowledge pertaining to correct cultivation procedures for other food commodities.
- The yields from the ALC plantation can be reused as a source of food such as snacks (chips for example) so additional skills are required for managing the plantation.
- The crops can be used as seeds to be planted in their respective fields.
- During the first stage of planting, the Orang Rimba also learned proper planting procedures in order to increase tuber production by loosening the soil or managing sprouts. This technique was previously unknown to the residents

5.2. Assistance for Financial Management

The ALC focuses not only on agricultural development, but also on how to apply proper financial management to assist the Orang Rimba in adapting to today's rapidly changing situation. We feel the need to introduce a savings system, one of which is by using the bank for financial management (savings). We start with the basis that saving money is all part of better preparing for the future. So far, the Orang Rimba have actually shown familiarity with the concept of financial savings. The Orang Rimba usually manage their finances by storing money at the house/makeshift tents that they currently occupy. Previously they used to store their money in rolls of cloth, piggy banks, beneath mats, waist bags and other forms of cloth which could get misplaced very easily for various reasons.

Currently, there are 12 families who have regular savings or time deposits at the bank. They realize that storing their money in the bank is a sound strategy in managing finances and is also a guarantee from a security perspective. It is also important that children are introduced to the concept of financial management. We began mentoring and teaching the concept at school to 72 assisted students.

An Orang Rimba Resident Presents his Balance Book



(6) Multi stakeholder Forum

1. Routine Agenda for Synchronizing the Orang Rimba Social Development Partnership Forum

One of the company's commitments in implementing the Orang Rimba Social Development Program is being actively involved in activities organized by the FKPS-SAD (Forum for the Partnership of the Social Development of the Orang Rimba). The Partnership Forum holds members regular meetings on 1-2 October 2020 in Sarolangun and Merangin. The meetings aim to reinforce the direction of the FKPS-SAD Program which was formed on June 17, 2019 for the Social Development of the Orang Rimba to all members of the Forum. Each member of the forum expressed their commitment to the integrated multistakeholder Orang Rimba development program to resolve three basic issues of the Orang Rimba, namely living space, sources of livelihood, and access to services.

The meeting was attended by Assistant 2 Regent of Sarolangun, Head of the National Park Center, Representatives of SKPD Sarolangun, Government of Air Hitam District, Prakasa Madani Institute, NGO Pundi Sumatera, Alliance of Indigenous Peoples of the Archipelago, Figures of the Orang Rimba and Temenggung Air Hitam, Jenang, Village Heads, and from the corporate side attended by PT Sari Aditya Loka and PT Sinar Mas Group. This activity has three main agendas which are:

- a. Strengthening Forum Directives that have been agreed upon
- b. Update on program implementation by forum members
- c. Routine evaluation of program implementation by forum members which is conducted at least once a year
- d. The Role of the Orang Rimba Social Development Partnership Forum during the pandemic

2. The Role of the Orang Rimba Social Development Partnership Forum during the pandemic

The development of the Covid-19 pandemic, which has continued to increase since March 2020 has become a serious concern for the Partnership Forum. The company and other forum members agreed to provide education, nutritional assistance in the form of food and vitamins, and personal protective equipment (PPE) to help prevent the spread of the Covid-19 outbreak in the Orang Rimba Community. Departing from these concerns, the Orang Rimba Social Development Partnership Forum held social service activities to help reduce the

risk of transmission of the Covid-19 virus. The activity which lasted for two days (10-11 November 2020) was a form of an agreement between 12 institutions that are members of the Orang Rimba Social Development Partnership Forum.

This social service activity held in Sarolangun and Merangin Districts, was given to nine Orang Rimba groups who had previously committed to collaborating with the forum, namely the Nggrip Group, Nangkus, Afrizal, Bepayung, Melayau Tuo, Bebayang, Sikar, Pak Jang and Ngepas. In this agenda, the Forum ensures that the Orang Rimba have received knowledge about the Covid-19 pandemic.

Social service activities consist of three main types, namely:

- a. Covid-19 counseling from the Sarolangun District Health Office and the Sarolangun Covid-19 Task Force and equipped with masks
- b. The health checkups were carried out by the Jernih Clinic and Pematang Kabau Clinic, led directly by the head of the clinic
- c. PT Sari Aditya Loka Sari handled the distribution of food, vitamins, and PPE in the form of masks to all heads of families who are members of the nine Orang Rimba groups. The foodstuffs provided by company were based on the results of a consultative meeting involving the Clinics, Temenggung, and Jenang.

To avoid crowding during the distribution of aid, the implementation of activities was carried out by implementing health protocols at different locations and were scheduled based on the division of the Rombong into several groups. The distribution of foodstuffs and other supplies was provided to 447 households in nine Orang Rimba groups in Air Hitam and Merangin. The total social service activities were attended by 108 participants for two days consisting of the district government, National Park Office, related District SKPD, District Government, Villages, Community Health Center, Police, NGOs, Companies, Representatives of Orang Rimba, and Customary Institutions.

News about this activity can also be accessed via the following links:

- <https://jambiekspres.co.id/read/2020/11/13/37917/fkpssad-berkolaborasi-cegah-covid19-terhadap-suku-anak-dalam/>
- <https://jambi.antaranews.com/berita/419064/forum-kemitraan-gelar-sosialisasi-pencegahan-covid-19-ke-suku-anak-dalam>
- <https://daerah.sindonews.com/read/236930/174/aksi-12-institusi-mendorong-suku-anak-dalam-lebih-mandiri-1605697891>
<https://regional.kontan.co.id/news/orang-rimba-didorong-untuk-lebih-mandiri-di-tengah-pandemi>

3. The Orang Rimba Social Development Partnership Forum Webinar

The social development of the Orang Rimba, which is realized through mentoring activities, alternative education, and the provision of access to services require cooperation from various parties. This collaboration requires commitment from all parties with strong synergy so as to encourage the independence of the Orang Rimba Community. The commitment and support for the independence of the Orang Rimba is also in line with the mission of Jambi University (UNJA) in order to expand access to education. Departing from this, the Jambi University Faculty of Agriculture as a member of the Partnership Forum (FKPS-SAD) held a webinar entitled the 2020 Series 2 Agribusiness Discussion Forum (ADF) which was held on December 2, 2020. This online discussion's theme was "Multistakeholder Collaboration in the Empowerment of Orang Rimba Children (SAD) around Bukit Duabelas National Park, Jambi Province"

The discussion, which involved various agencies, touched on strategies and empowerment programs have been carried out so far, from the central government, districts, and NGOs. In addition, it is also strengthened by presenting a point of view from the academics side. Our efforts to build up the independence of the Orang Rimba through the coordination of various parties have actually been initiated through the establishment of the Orang Rimba Social Development Partnership Forum in June 2019.

With the formation of this forum, resolving issues and the agenda for empowering the Orang Rimba has become the responsibility of all parties who are members of this forum. All forum members possess the same commitment in fulfilling the basic needs of the Orang Rimba, related to living space/residency, livelihood sources, and access to various services.

The speakers at the event included the Ministry of Social Affairs, the Ministry of Environment and Forestry, the Sarolangun Regency Government, Academics from IPB University and Jambi University, and Prakarsa Madani as the Secretariat of the Orang Rimba Social Development Partnership Forum. Meanwhile, more than 300 people from various backgrounds participated in this activity. News about this activity can also be accessed via the following link:



- <https://ekbis.sindonews.com/read/254246/34/mensejahterakan-suku-anak-dalam-perlu-kerja-sama-berbagai-pihak-1606918376/10>
- <https://m.mediaindonesia.com/nusantara/365931/merdeka-belajar-untuk-kemandirian-orang-rimba>
- <https://www.antaranews.com/berita/1876668/pembangunan-daerah-khusus-suku-anak-dalam-di-jambi-disambut-positif>
- <http://www.theiconomics.com/accelerated-growth/pemberdayaan-suku-anak-dalam-membutuhkan-kolaborasi-multistakeholder/>
- <https://republika.co.id/berita/qkpuy9480/pemberdayaan-suku-anak-dalam-perlu-kerjasama-lintas-pihak>





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