

Towards NDPE Policy Compliance

5TH Progress Report



Foreword

The No Deforestation, No Peat, No Exploitation (NDPE) policy is an initiative that seeks to promote sustainable and responsible practices, in the production and trade of palm oil and its derivatives.

The main goal of NDPE is to eliminate deforestation, protect peatlands, and prevent human rights abuses and exploitation in the supply chains of these commodities.

In the 5th NDPE progress report, we present the achievements and follow-up plans in strengthening the KPN Group's implementation commitment.

We have revised our Sustainability policy in line with the achievements realized and adopting it to our future commitments accordingly.

Simultaneously, we are enhancing our supply chain traceability system in the form of a web-based, which connects to our risk assessment covering all the suppliers of FFBs to our mills.



KPN Vision and Mission

Vision

“To become one of Indonesia’s most prominent agribusiness companies with the best management practices that provide high returns”

Mission

“Improving the company’s growth by maintaining high standards while being environment friendly and sustainable, as well as increasing added values for the benefit of all stakeholders”



KPN Plantations Core Value

KPN Plantations believes that living by strong values is the key to a successful business. Our core values, S I G A P, stay at the heart of every decision the company makes

Each letter of these core values represents the following commitment:

S	I	G	A	P
Synergized team	Integrity for all actions	Growth for prosperity	Adaptive to change	Passion for excellence

Achievement

	Re – Entry Requirement	Progress
1	Stop Work order	Applies to all companies under the management of KPN Plantations
2	NDPE Policy	Our NDPE Policy was published in 2018. We have updated the NDPE policy in line with the achievements and to respond the needs in the future. The updated NDPE Policy will be published next year
3	SOPs Amandment	There is no amended SOPs, our main focus is to improve the competence of human resources to carry out the SOPs.
4	Concession Map	The concession map is available
5	HCV – HCS Studies	Conduct socialization of Free, Prior and Informed Consent (FPIC) and Tenurial Studies, before carrying out full assessment. Participatory Mapping has begun to be implemented, Final Map will be agreed along with the community in 2023.
6	Recovery Plan	Conduct a survey of the location and develop targets for the recovery program, including initiating co-management agreement with the Forest Village Management Organization (LDPH) in Kubu Raya – West Kalimantan
7	Reporting	KPN Plantations' Sustainability Report 2018 – 2021 was published in our website

1. Issue Stop Work Order

Bi-weekly monitoring of KPN Plantations' entire concessions, including its supply chain is being carried out in collaboration with a third party service provider, Earthqualizer, to detect any non-compliance to the NDPE Policy by way of land cover change.

Alert on land clearing in the vicinity of our concession areas are promptly reported, investigated and verified to rule out any oversight.

In 2022, an alert was raised concerning land clearing outside PT CMA concession, totaling 17 Ha. It was subsequently confirmed, the land clearing was done by the local community.

In 2022, KPN has demonstrated full compliance to the NDPE in its supply chain.



2. Adopt NDPE Policy

KPN Plantations published the NDPE Policy on 18th September 2018. An update was done on 22nd October 2019.

We realize that the changes and achievements since the beginning of the policy publication, have not been able to fully answer the current market needs and adapt to the development of market demand direction and global policies.

For that reason, in the fourth quarter 2022, with the inputs and suggestions from various stakeholders, we undertook revision for NDPE Policy.

We will publish our newest Sustainability Policy in 2023.



January 2023

KPN Plantations Sustainability Policy



3. Amend SOPs

In 2022, we focused on Human Resources capacity building to support the implementation of the existing SOPs.

We conducted several training activities, included:

1. Water Management Training:

- a. 15th June 2022, 31 new staffs underwent Water Management Training as part of their orientation.
- b. 9th – 10th December 2022, 17 staffs of PT GAN participated in Peatland Water Management Training.



2. CSR Management Training (CSR Value Sharing and Upgrading)

This training was held virtually on 27th January 2022, involving 24 participants



3. Participatory Mapping

This training was conducted on 2nd – 3rd November 2022 and targeted to the PT ACP and PT APM staffs and the representatives of the mapping team appointed by the clans, i.e Mahuze Ndiwalik, Basik-Basik Alisamkai, Kaize, Zohe, Mahu and Elmeand clan. Participatory mapping training was conducted in collaboration with Ekologika for 57 participants.

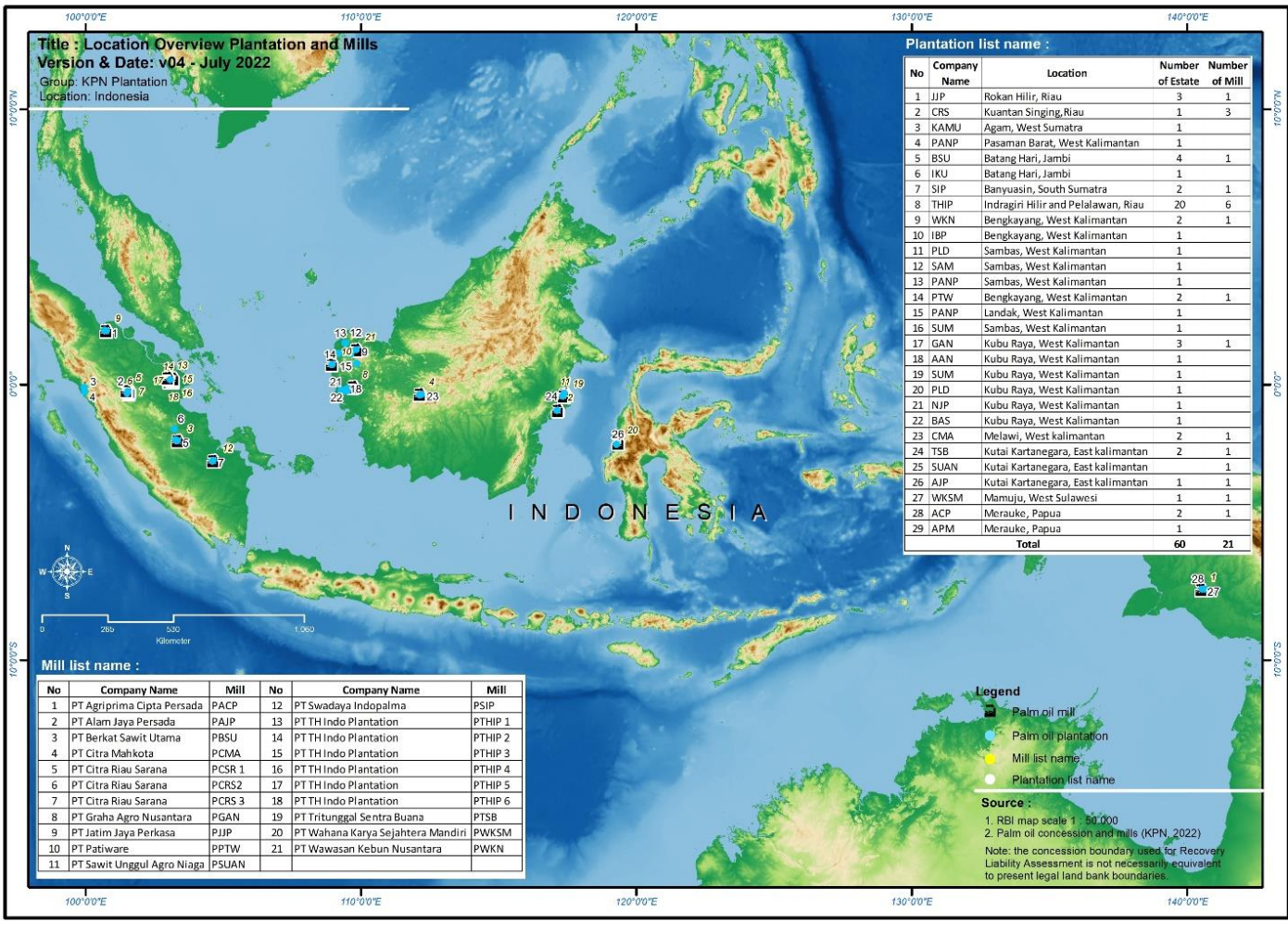
This Training is in part, the preparation of FPIC and participatory mapping activities in support of sustainable land use and integrated conservation.



4. Provide Concession Maps

KPN Plantations is currently updating the company’s website whereby the concession maps will be replaced by the locations of individual company. The KPN Plantations’ new website will be launched in the last quarter of 2023

(Maps showing Mill List and Plantation list follows)



5. HCV – HCS Include FPIC

The implementation of HCV-HCS integrated assessment activities was delayed, due to restriction movement during the Covid-19 pandemic.

The implementation of activities resumed after the easing of regulation from Indonesian Government after 2022. Apart from the pandemic, the following also caused delays in the implementation of activities.

1. The expansion of the village administration area for Kubu Raya Regency, West Kalimantan
2. The local community within The ACP – APM concession area live in scattered places far apart from each other, limited access to communication and transportation. These have become hurdles for the implementation of activities in the Merauke – South Papua Region.

a. West Kalimantan Progress

The location of High Conservation Value (HCV) and High Carbon Stock (HCS) integrated assessments in Kalimantan was targeted for six villages in Kubu Raya District: Muara Baru, Teluk Bakung (or Kuala Bakung), Pancaroba, Pasak Piang, Kalibandung and Permata Jaya.

FPIC Socialization was conducted in the context of sustainable land use and involves several relevant agencies, namely the Kubu Raya Environmental Department (DLH), Kubu Raya Forest Management Unit (KPH), Kubu Raya Plantation and Horticulture Department (Disbun) and Natural Resources Conservation Center of West Kalimantan (BKSDA).

Status on December 2022	Follow up Action	Target
1.Initial scoping was carried out on April 11 th – 16 th 2022 in six Villages: Muara Baru, Teluk Bakung, Pancaroba, Pasak Piang, Permata Jaya and Kalibandung	1.Conducting Focus Group Discussions (FGD) and Ratifying Maps	Q2 – 2023
2.FPIC Socialization and Participatory Mapping were conducted on September 14 th – 27 th 2022 and November 14 th – 19 th 2022	2.Initial scoping within the framework of the HCV-HCS Integrated Study	Q3 – 2023
3.The Tenorial Study was conducted at the same time as FPIC socialization and Participatory Mapping	3.Full Assessment HCV-HCS + Integrated Land Use Conservation Planting	Q3 – 2023
	4. Submit the study report to HCVRN(High Conservation Resource Network)	Q4 – 2023

b. Papua Progress

Status on Desember 2022	Follow up Action	Target
<p>FPIC Socialization:</p> <p>a. Key stakeholders identification, is a preparation stage for socialization. This stage will be conducted in 27 villages or clans around the concession area of PT ACP and PT APM</p> <p>b. After identifying key stakeholders, we arrange the plans of FPIC activities. We collaborated with several stakeholders, namely: Environmental Department (DLH), Labour and Transmigration Department, One Stop Integrated Service Department (DPMPSTSP), Public Work Department, Land and Spatial Planning Department, Forest Department, Natural Resources Conservation Center, Community Empowerment Department, Agriculture Department and local government to conduct Socialization of FPIC related to sustainable land use</p> <p>The socialization was carried out by a cluster system. Villages which located are close considered as one cluster.</p> <p>Here are the socializations that have been carried out:</p> <ul style="list-style-type: none"> • Cluster A, conducted on 2021 (See the 4th progress report) • Cluster B, conducted on March 22nd 2022, in Pachas and Muting Village, socialization attended by 75 participants. • Cluster C, conducted on April 16th 2022, in Bupul 1, Bupul 2, Bupul 3, and Bupul 4 Village, socialization attended by 51 participants • Cluster D, conducted on July 23rd 2022, in Bupul and Tanas Village, socialization attended by 55 participants • Cluster E, conducted on May 23rd 2022, in Bower, Bumun, Bunggay, Kafyamke, Nggayu, Kanrakai, Kumaaf, and Tof-tof Village, socialization attended by 75 participants • Cluster F, socialization sessions were held in two dates: April 21th with 79 participants and September 15th with 35 participants. The sessions took place in Kolam, Boha and Waan Village • Cluster G, conducted on 05th July 2022, in Kaiza Village, socialization attended by 39 participants <p>According to the FPIC Socialization, there were 3 villages that refused to conduct participatory mapping, namely: Kaiza, Boha and Waan Villages. The three villages are located along rivers and communication networks are limited or even non-existent. There is a need to re-approach and communicate with these villages.</p>	<p>1. Re-socialization to the villages that refused to conduct participatory mapping.</p>	<p>Q3 – 2023</p>

Status on Desember 2022	Follow up Action	Target
<p>2. Facilitate the appointment of clan representatives</p> <p>During the FPIC, we identified there were 27 clans. PT ACP and APM facilitated the appointment of 7 clan representatives: Kaize, Mahuze Elmeans, Ndiken Malindan, Mahuze Pachas, Basik-Basik Alisamkai, Ndiken Kezan</p>	<p>2. Facilitate the appointment of 20 clans representatives</p>	<p>Q2 until Q3 – 2023</p>
<p>3. Facilitate the appointment of 8 clans mapping team representatives: Mahuze Pachas, Mahuze, Ndiwalik, Ndiken Malindan, Zohe, Kaize, Mahuze Mahu, Basik-Basik Alisamkai, and Mahuze Elmean</p>	<p>3. Facilitate the appointment of 19 Clans Mapping Team Representatives</p>	<p>Q2 until Q3 – 2023</p>
<p>4. Field Mapping</p> <p>The training for clan mapping teams will be undertaken gradually. PT. ACP facilitated 1 Clan (Mahuze Elmeand Clan) to conduct a participatory mapping planning. The participatory mapping was conducted in the Mahuze Elmeand Clan's indigenous land on November 25th until December 7th 2022.</p>	<p>4. Conduct training mapping for 21 clans</p> <p>5. Conduct participatory mapping for 26 clans</p>	<p>Q4 – 2023</p>
<p>5. Tenorial Study</p> <p>Conducted along with the FPIC Socialization and Participatory Mapping.</p>	<p>6. Full Assessment HCV-HCS + Integrated Land Use Conservation Planting</p> <p>7. Submit Study report to the HCVRN</p>	<p>Q4 – 2023</p> <p>Q1 – 2024</p>



6. Commit to Recovery

The information we have published regarding the recovery plan is not yet a final document. Several steps will be taken to finalize our recovery plan, including the re-identification and review of recovery sites and targets.

The process involves collaboration to restore the ex situ, original habitat apart from the in situ situation agreeable by all. The process has begun in 2022.

The final recovery document which includes objects, targets, locations and work plans will be ready in Q4 of 2023.

To ensure that our recovery responsibility can be accomplished with the support of social forestry scheme, the initiation in establishing co-management has started. It is done to ensure that long-lasting criteria in the recovery plan is fulfilled.

a. Kalibandung Village Forest

Our support for The Kalibandung village forest are:

- **Capacity Building**

Training on protection and security of the village areas using the "**smart patrol application**" was carried out at the Kalibandung Village office on 6th August 2022.

The training involved several stakeholders: Village Government, Forest Village Management Institution (LDPH), Forest Management Unit (KPH) Kubu Raya, Natural Resources Conservation Agency (BKSDA) and Village Forest Fasilitator Partners.



- **Forest Protection Area: Security and Protection Patrols in Kalibandung Village Forest**

Kalibandung Village Forest has a connectivity in one area adjoining the other village forests. The forest cover that still remains makes this area a habitat for key species, such as Orang Utan.

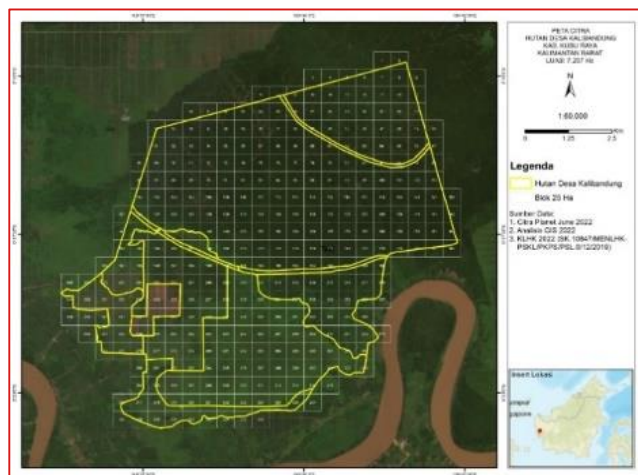
This important feature needs to draw the concern of Forest Village Management Institutions (LDPH) and other stakeholders. We are supporting the area protection and security team to conduct regular patrols to reduce the threat of destructive activities.



- **Institutional Strengthening of Forest Village Management Institutions (LDPH) and Social Forestry Business Group (KUPS) Working Block**

Social Forestry Business Groups (KUPS) are established to facilitate the work plan of each business group.

We support the Forest Village Management Institutions (LDPH) to arrange the layout of work areas for the community cultivation zone for each business group, ensuring the chosen commodities are suitable for land conditions and accessible by members. We further support this by monitoring the planting areas of pineapple, ginger, corn, and red rice.



- **Initiation of Co-Management Agreement**

In the joint Collaboration between KPN Plantations and villages in managing the village forest areas, it is necessary the clarify the functions, roles and responsibilities of each party.

Socialization of the co-management concept to build long-term collaboration has been conducted for various stakeholders at the provincial, district, and village levels. The management of PT GAN was also included in this process.

Earthqualizer Foundation facilitated the socialization of managing village forests in a collaborative project led by PT GAN in collaboration with stakeholders.

The stakeholders had the opportunity to understand their individual roles, functions and responsibilities to ensure their collective efforts would lead to the success of the project.



b. Permata Jaya

Forest Village Management Institutions (LDPHs) are required to prepare a 10-year social forestry management plan (RKPS).

In collaboration with Earthqualizer, we collaborated with Permata Jaya LDPH to develop its annual and long-term work plans. Through the socialization process, each business group understands clearly how to determine the commodities to develop.

c. Muara Baru

The social forestry program in Muara Baru Village began with a consolidation effort involving KPN Plantations, Muara Baru Village and the Forest Village Management Institution (LDPH). We initially conducted a socialization meeting with the Village Government Body, Community Leaders, and Community Representatives to ensure a clear understanding of the program and its implementation.

There was a need to restructure the LDPH management, considering that a person is not allowed to hold dual positions in LDPH and village government.

We support the consolidation and restructure of the management so that the development of the village forest program can run successfully.



d. Papua

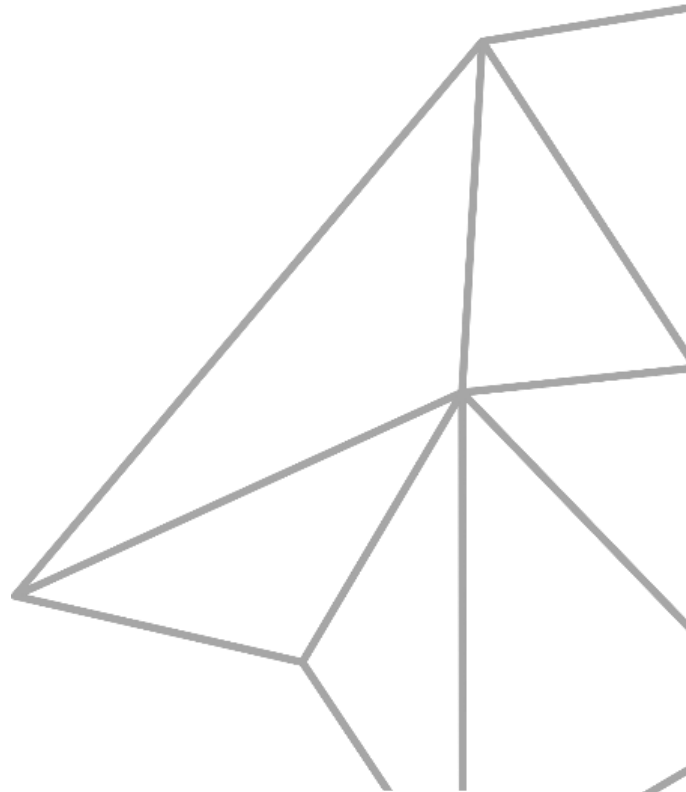
Our focus in Merauke – Papua is a community empowerment. The empowerment efforts that we do in addition to the programs are:

No	Program	Target	Activity
1	Horticultural Village	<ul style="list-style-type: none"> Location: Andaito Village Participants: 35 farmers, including 10 indigenous Papuan farmers Total area: 2 Ha 	<ul style="list-style-type: none"> Activities in 2022: <ol style="list-style-type: none"> Focused Group Discussion on November 3rd 2022 Arranged the programs on November 4th 2022 Plans in 2023: <ol style="list-style-type: none"> Selecting the fostered farmers Establish Horticulture Farmer Group Conduct socialization Provide farming tools Assist the farmers
2	Coffee Farmer Group Assistance	<ul style="list-style-type: none"> Location: Seed Agung Village Participants: 15 farmers 	<ul style="list-style-type: none"> Activities in 2022: <ol style="list-style-type: none"> Organized group of farmers on November 28th 2022 Trained 15 farmers and 2 village government employees for making Bokashi Fertilizer on November 30th 2022 Assisted the farmers for coffee packaging program Assisted the farmers in Bhakti Transmigration Day Exhibition on December 13th 2022 Plans in 2023 : Provide organic fertilizers and weed controls sprayers
3	Mace Berdaya - Empowerment program for farmers to process agricultural products	Elinggol Jaya Village	<ul style="list-style-type: none"> Activities in 2022: <ol style="list-style-type: none"> Established the fostered business groups (KUBI) on November 19th 2022. This activity involved 5 village government employees and 10 Papua women (Mace) Conducted socialization on November 20th 2022. This Socialization was attended by 5 village government employees, 15 people from KUBI and 6 Village-Owned Enterprise employees Provided business funding and cooking utensils on December 12th 2022 Assisted the farmers to attend Bhakti Transmigration Day Exhibition on December 13th 2022 Conducted technical guidance on BUMDes/BUMK Activities in January 2023: <ol style="list-style-type: none"> Conducted training of agricultural product processing and assisted product packaging to farmers on January 27th 2023 Conducted soft launching for Village-Owned Enterprise (Badan Usaha Milik Kampung – BUMK) products on January 27th 2023

1. Peat Protection

PT GAN conducted several socializations about the importance of peatland protection. These socializations were collaborated with the Environmental Department (DLH) and Forest Management Unit (KPH) of Kubu Raya Regency.

The socializations were also attended by the Village Head, Village Government, Community Leaders, and other Community Representatives as follows:



Village	Date of Activity	Participant
Muara Baru	20 th September 2022	33 people
Teluk Bakung	22 nd September 2022	23 people
Pancaroba	14 th November 2022	25 people
Pasak Piang	26 th September 2022	22 people
Permata Jaya/Sungai Asam	16 th November 2022	28 people
Kalibandung	18 th November 2022	23 people

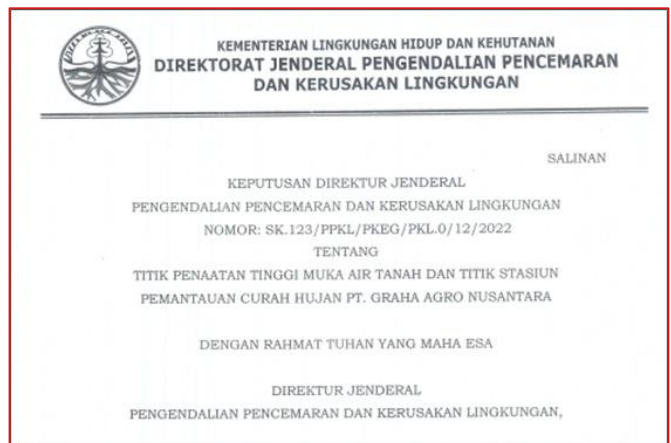
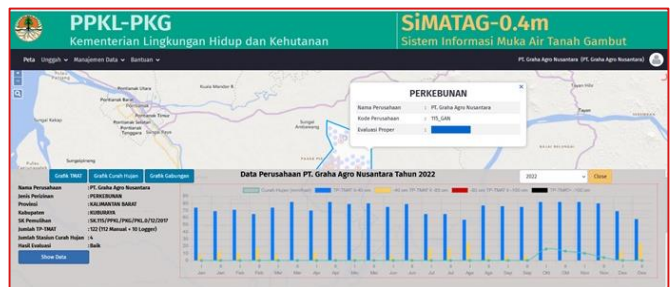
2. Rewetting

Construction of canal blocking mechanism in the forested areas has been completed. To determine the effectiveness of the wetting capability, we consistently monitor the ground water level and report it regularly to the Ministry of Environment and Forestry (KLHK), through the Director General of Pollution, Control and Environment Damage (Dirjen PPKL).

In collaboration with the Ministry of Environment and Forestry (KLHK) and the Directorate General of Pollution Control and Environmental Damage (Dirjen PPKL), a monthly review of the groundwater level monitoring report was submitted to the Ministry of Environment and Forestry (KLHK).

The analysis focused on both groundwater level and rainfall data. The joint discussion concluded that PT GAN had been successfully implementing the peatland rewetting program. For its efforts, PT GAN received a Blue (Compliant) rating.

Based on discussions with the Ministry of Environment and Forestry (KLHK), they reissued PT GAN's Ground Water Level Compliance Point and Rainfall Monitoring Station Point permit (SK.123/PPKL/PKEG/PKLO/12/2022, dated December 27, 2022). The number of monitoring points was reduced from 122 to 62.



3. Revegetation

In 2022, we planted 820 individual saplings using the line method to accelerate land cover restoration in degraded areas. This planting effort is equivalent to reforesting an area of 17.31 hectares.



Landscape Initiatives

1. The Kapuas Delta – Kubu Raya

Activities carried out to manage the landscape are:

a. Socialization and Participatory Mapping for Sustainable Land Use

PT GAN conducted socializations related to sustainable land use and participatory mapping in six villages, namely:

Village	Date of Activity
Muara Baru	20 th September 2022
Teluk Bakung	22 nd September 2022
Pancaroba	14 th November 2022
Pasak Piang	26 th September 2022
Permata Jaya/Sungai Asam	16 th November 2022
Kalibandung	18 th November 2022

Socialization activities were carried out with government agencies, covering the following topics:

- The use of land without burning on peatlands and the potential for developing superior plantation crops. (Presented by: Plantation Department (Disbun))
- Peat protection regulations and peatland management procedures. (Presented by: Environmental Department (DLH) and Forest Management Unit (KPH Kubu Raya))
- Protection and management of biodiversity (Presented by: Natural Resources Conservation Center (BKSDA) – West Kalimantan)

The socialization was ended by signing a joint commitment to **Sustainable Land Use without Burning** in 4 villages, namely: Teluk Bakung Village, Pasak Piang Village, Pancaroba Village, and Permata Jaya/Sungai Asam.

The signing of this commitment was witnessed by representatives from the Environment Department, Forest Management Unit (KPH), Plantation Department (Disbun), and Natural Resources Conservation Center (BKSDA) of West Kalimantan.

This joint commitment builds upon the 2020 joint commitments established between PT GAN, Muara Baru Village, and Kalibandung Village.

b. Joint Training of Land Fire Prevention
Socialization on Forest and Land Fire in Kalibandung Village was attended by 87 participants, including:

a) Village and Community Representatives:

- Sub - District Heads of Sungai Raya, Sungai Ambawang, and Muara Baru
- Village Heads of Teluk Bakung, Kuala Bakung, Pasak Piang and Kalibandung Representatives of Fire Awareness Community – MAPI of Muara Baru, Teluk Bakung, Pasak Piang, Kalibandung Village

b) Government Agency Representatives:

- Manggala Agni
- Heads of the District Police of Sungai Raya and Sungai Ambawang
- Commanders of the Army Unit on the Sub-District Level (Danramil) of Sungai Raya and Sungai Ambawang



2. Landscape connectivity of Bupul Nature Reserve and Lake Bian Wildlife Reserve

We conducted FPIC and Participatory Mapping socialization related to sustainable land use from December 2021 - September 2022. Through this socialization, we identified the landscape connectivity of Bupul Nature Reserve are located in 2 customary rights area, namely the Mahuze Elmeand and the Mahuze Mahu Clans.

Mahuze Elmeand

Activities has begun on the end of 2021, with the following details:

- FPIC socialization took place on December 15th 2021, and the community agreed to conduct participatory mapping. Company supported the clan to form mapping teams, train the mapping teams, and develop field mapping plans.
- Participatory Mapping activities in the field were conducted from November 25th to December 07th 2022.

Mahuze Mahu

FPIC socialization was conducted on July 5th 2022. During this event, the community in Kampung Kolam initially expressed their refusal to participate in participatory mapping activities.

However, on September 8 2022, a second meeting was convened and Mahuze Mahu agreed to participate in joint mapping and appointed a clan mapping team. Subsequently, a mapping team from the clan was established.

3. Upstream of the Guntung River – Mangrove Ecosystem

- a. **Joint Training of Land Fire Prevention**
- One of the regional sustainability issues is illegal logging and land fires. Therefore, we conducted a joint exercise to prevent land fires, despite the low likelihood of such incidents in the mangrove ecosystem.

The joint training activity was held on December 14th, 2022, and was attended by community representatives from Tanjung Simpang Village, Saka Palas Jaya Village, and Gembaran Village.

The activities included:

- Socialization for Land Fire Prevention
- Competency Upgrading Training
- Representatives of the Fire Awareness Community (MAPI) who joined in the training will be given a competency certificates.
- Signing of the Joint Commitment

<https://www.youtube.com/watch?v=HDZHfPEGdT8>

<https://pekanbaru.tribunnews.com/2022/12/27/gelar-sosialisasi-dan-latihan-gabungan-bersama-masyarakat-komitmen-pt-thip-cegah-karhutla>.

b. Socialization of Mangrove Protection to Surrounding Villages

Mangrove protection socialization is not only provided to local governments (villages and sub-districts), but also to communities living around the mangrove ecosystem area.

On July 23 2022 PT. THIP carried out mangrove protection socialization and biodiversity to the community and farmer groups of Saka Palas Jaya Village. This socialization was attended by 17 people.

c. Conservation Education for Junior High School Students

Conservation education is one of the company's strategies to provide information to the community, especially the younger generation, about the importance of mangroves for life.

Conservation Education Activities involved 27 children and 8 teachers from Cendana Middle School.

The activities consist of:

1. Socialization and discussion regarding mangrove ecosystems and their functions, protection of protected flora and fauna, handling endangered animals and preventing land fires
2. Joint mangrove planting

d. Integrated Plantation and Livestock

To protect the mangrove ecosystem and the landscape nearby, PT THIP developed an Integrated Livestock and Plantation program in Saka Palas Jaya Village, Pelangiran District, Indragiri Hilir Regency.

This program was initiated in 2021 as a follow-up to the Alert Parade in order to prevent forest and land fires. In November 2021, 8 residents of Saka Palas Jaya Village took the initiative to form a Farmer Group called Kelompok Tani Mutiara. In 2022, PT THIP assisted the community and provided assistance in the form of

- Construction of cowsheds with mutual cooperation scheme (materials provided by the company, for labor partly from the company and also mutual cooperation by the community).
- Provide of 3 breeding cows: 1 male and 2 females. Currently, the number of cows has increased to 5 cows.



2. Meranti Harapan Landscape – Jambi

a. Collaboration with CRC Efforts 990

We realize that to be able to manage conservation, competent human resources are needed.

In collaboration with CRC-UNJA, we conducted flora (plant) identification training. This activity was carried out on 31 May – 3 June 2022 and was attended by 25 participants.

Apart from training, we also identify plant diversity in river border areas and company's conservation areas. Based on the study, in the sample plots 86 plant species were found, one of which was included in the RTE (Rare Threatened Endangered) type, namely Resak Air - *Vatica pauciflora* (Korth.) Blume.



b. Collaboration with PT REKI

PT. BSU and PT. REKI collaborated to develop the Fire Care Community (MAPI) in surrounding villages.

PT. REKI focused on forming the MAPI team and providing them with assistance, while PT. BSU concentrated on enhancing the team's competency.



To enhance preparedness for land fires, we held a joint training exercise involving representatives from seven surrounding villages: Bukit Makmur, Bukit Mas, Bukit Mulya, Sumber Jaya, Sungai Dayo, and Tanjung Lebar.

The training, held on December 1, 2022, focused on:

1. Socialization of Land Fire Prevention
2. Joint Training for Improved Competency: Company personnel and members of the Fire Concern Society (MAPI) participated in a collaborative training session designed to enhance their skills and knowledge in handling land fires. MAPI members who successfully completed the training received a certificate of participation.
3. Signing of a Joint Commitment to prevent land fires

3. Collaboration Platform of Meranti Harapan (PKMH)

PKMH is a forum for the protection of the Meranti Harapan landscape, involving 6 companies, one of which is PT Berkas Sawit Utama.

The forum was facilitated by WARSI and supported by funding from the Partnership for Forest.

In 2022, PKMH implemented various activities to further its conservation goals. These activities included:

1. IFC Performance Standards Training
2. SMART Patrol Training and Data Management System
3. Regular meeting
4. Creation of Animal and Human Mitigation SOPs (in progress)



7. Time Bound Plan

a. Independent Farmers

1) KAMU

Building on the previous land measurement activities for plasma farmers, KPN Plantations in 2022 focused on managing and evaluating Prospective Farmers and Prospective Land (CPCL) designated by local government. The finalized CPCL list is expected to be released in the second semester of 2023.

2) TSB

KPN Plantations actively supports farmers in obtaining permits for their land, specifically the Statement of Environmental Management and Monitoring Capability (SPPL). As of December 2022, SPPLs have been successfully issued for 15 plots of land encompassing a total area of 64 hectares.

3) ACP – APM

Our independent farmer program in ACP and APM areas specifically targets unproductive land within transmigrant communities holding SHM land titles (Certificate of Land Ownership). To support this initiative, we have distributed 16,356 high-quality seeds to our transmigrant partner farmers.

PT	Number of Seedlings Distributed per Year (Stems)		
	2021	2022	Total
ACP	5.666	5.422	11.088
APM	3.136	2.132	5.268
Total	8.802	7.554	16.356

b. Community Rights (FPIC)

1) PT GAN (Kubu Raya – West Kalimantan)

PT GAN conducted socialization in September and November of 2022 to promote Free, Prior, and Informed Consent (FPIC) for sustainable land use practices in six surrounding villages.

The socialization activities involved collaboration with relevant government agencies, including the Environment Department, Plantation Department, KPH Kubu Raya, and the West Kalimantan BKSDA (Nature Conservation Agency).

These authorities provided villagers with crucial information regarding peatland management regulations and the protection of Rare, Threatened, and Endangered (RTE) species, with a specific focus on orangutans.

PT GAN conveyed the impact of the company's operational activities related to peat management, the company's sustainability policy and peat protection plan. **In PT GAN's concession, one of the consequences of managing peat is no new land clearing.**

Based on agreement, community representatives from six villages expressed their strong support for joint mapping activities as part of an integrated land use and conservation approach and also willing to be involved in these activities.

Date	Village	Parties Involved
20th September 2022	Muara Baru	Attended by 33 participants: <ol style="list-style-type: none"> 1. PT GAN (4 participants) 2. Government Agencies: West Kalimantan Nature Conservation Agency (BKSDA), Kubu Raya Plantation and Horticulture Department (Disbun), Kubu Raya Environmental Department (DLH) (3 participants) 3. Community Representatives and Village Apparatus (24 participants)
22nd September 2022	Teluk Bakung	Attended by 23 participants: <ol style="list-style-type: none"> 1. PT GAN (5 participants) 2. Government Agencies (3 participants) 3. Community Representatives and Village Apparatus (13 participants)
26th September 2022	Pasak Piang	Attended by 25 participants: <ol style="list-style-type: none"> 1. PT GAN (4 participants) 2. Government Agencies (3 participants) 3. Community Representatives and Village Apparatus (18 participants)
14th November 2022	Pancaroba	Attended by 22 participants: <ol style="list-style-type: none"> 1. PT GAN (2 participants) 2. Government Agencies (3 participants) 3. Community Representatives and Village Apparatus (15 participants)
16th November 2022	Permata Jaya	Attended by 28 participants: <ol style="list-style-type: none"> 1. PT GAN (3 participants) 2. Government Agencies (3 participants) 3. Community Representatives and Village Apparatus (20 participants)
18th November 2022	Kalibandung	Attended by 23 participants: <ol style="list-style-type: none"> 1. PT GAN (3 participants) 2. Government Agencies (3 participants) 3. Community Representatives and Village Apparatus (16 participants)

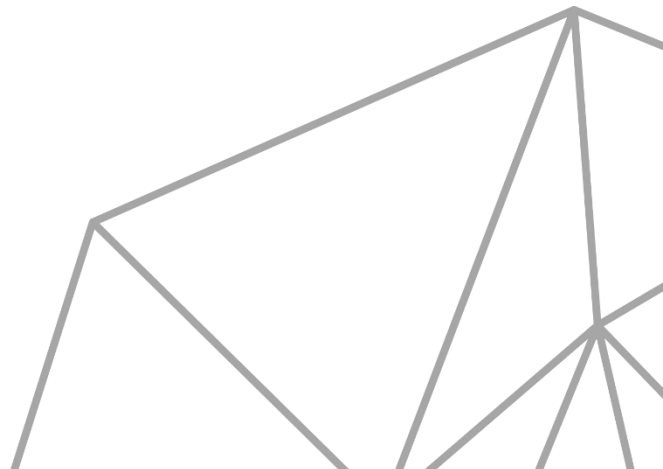
2) PT ACP – APM (Merauke – South Papua)

FPIC socialization focused on Sustainable Land Use and Integrated Conservation were conducted in 27 villages and 27 clans, spanning from December 2021 to July 2022.

FPIC socialization involved:

1. Department of Environment
2. Department of Labor and Transmigration
3. Department of One-Stop Integrated Services (PTSP)
4. Department of Public Works
5. Department of Land and Spatial Planning
6. Department of Forestry
7. Department of Natural Resources Conservation Center
8. Department of Community Empowerment
9. Agriculture Department, Plantation Crops Division, and Muting District's Muspika (Sub-district Leadership Deliberation) Board.

We informed that the company's planned activities that will impact people's lives, including the impact of company operations, company sustainability policies (not developing important community and forested areas for oil palm plantations), and conservation management, etc.



Land fire prevention is one of our main concerns.

Throughout 2022, we held an Alert Parade and Joint Training for Handling Land Fires. This joint training was conducted with the community, Manggala Agni, Regional Disaster Management Agency, Police, TNI, Village and District Apparatus, and local companies.

A total of 66 villages were involved and 232 community members were given training. People who participated in the training also receive a competency certificate.

We hope, with this training activity, the community will be able to prevent and extinguish if forest and land fires occur.

At the end of the Alert Parade and Joint Training session, a joint commitment to prevent land fires was signed by the Company, Village Head, District Leaders and Government Agencies.

Apart from these efforts, we also actively monitor hotspots outside the company's concessions and participate in extinguishing fires.

During 2022, we have participated at 10 hotspots, consisting of 6 villages in West Kalimantan Province and Riau Province.

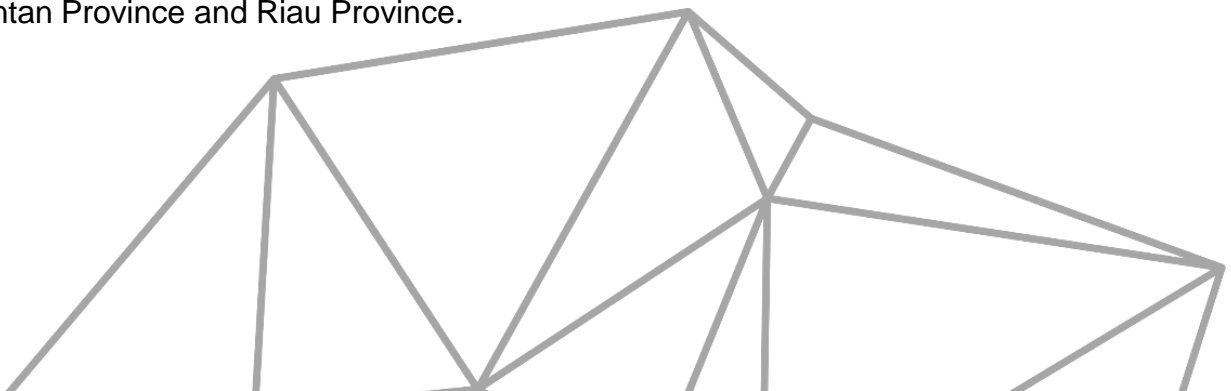
Land tenure status is one of the main factors in plantation management. Since 2019 – 2021 we have been taking aerial photos throughout the concession. The results of aerial photo analysis serve as our guide for reviewing land permits, one of which is business permits. Since 2019, we have gradually revised the company's business license.

On 2022, we proposed the changes of business permits for 3 companies under the management of KPN Plantations, in West Kalimantan. The process is still on going in 3 companies:

1. PT. SAM – Sambas
2. PT. Sumatera Unggul Makmur – Sambas
3. PT. IBP – Bengkayang

We have built a raw material source traceability system for all existing suppliers and built an assessment system to see the risks of potential suppliers, using the online ArcGIS base.

The development of this online dashboard was done by combining complete data from the supplier list for each mill including assessment data.



In 2022, we collaborated with independent third parties to review and verify data on third-party FFB suppliers, especially independent farmers.

The existing review was carried out to be able to see the completeness of the data, such as: the name of the FFB supplier, type of supplier, number of plantations, plantation address, coordinate points, plantation area, legal status and percent of FFB supply.

Data verification was carried out at the operational level by conducting focus group discussions involving farmer groups, cooperatives and agents who are FFB suppliers.

Verification is one of the stages to strengthen the online-based raw material traceability system.

Grievance

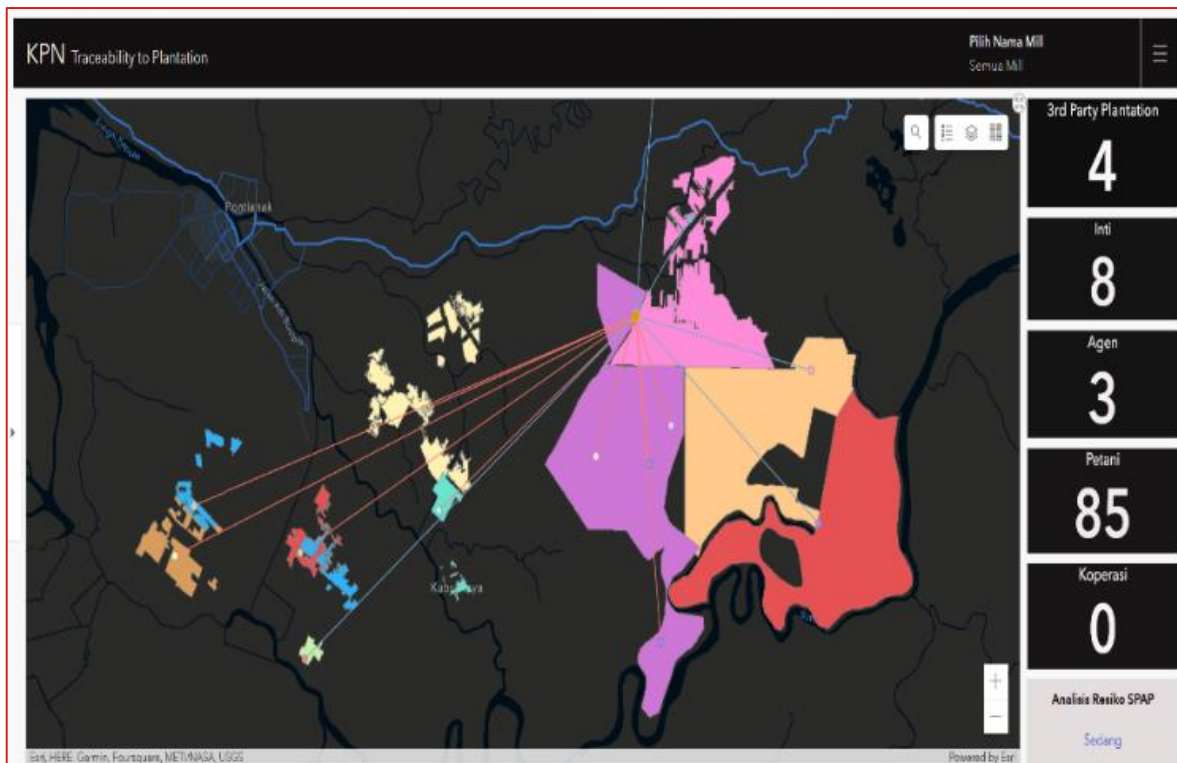
Resolving outstanding complaints remains a key focus for us in 2022. One prominent issue is the matter of overlapping land claims with our company's Hak Guna Usaha (HGU) concession. We are pleased to report a positive development in this ongoing process.

The latest update on the claim settlement, PLD has submitted changes to the HGU to the Sambas Regency BPN on December 22 2022.

The stages of land claim settlement that we have carried out can be seen in the following link

<http://www.kpnplantation.com/en/pressdetail/26-update-information-of-pt-pld-regarding-community-grievances-to-rspo-poig-members>

We will update the progress of the resolution of public complaints on our website



8. Public Progress Reporting

In order to be able to convey the progress of the recovery program persuasively to the buyer and stakeholders, we compile recovery articles with different themes that will be published every 3 months. Currently, the articles that we have published through the company's website are:

1. Water Management, which can be seen on this link: http://www.kpnplantation.com/assets/gama-files/pressrelease/20220531_KPN_Recovery_article.pdf
2. Fire prevention, which can be seen on this link: http://www.kpnplantation.com/assets/gama-files/pressrelease/Importance_of_Fire_Prevention_for_KPN.pdf



Visiting Address:

GAMA Tower 46th Floor HR Rasuna Said
Kav. C 22, Kuningan Jakarta Selatan 12946
Indonesia

Inquiries:

info@kpnplantation.com
sustainability@kpnplantation.com
Phone: +62 21 21889988

