

Towards NDPE Policy Compliance

Second Progress Report (March - October 2019)



Group Consolidation & Corporate Identity Change



Gama Plantation is a management-consolidated company with multiple owners. Its name was derived from the names of our founders, Mr. Ganda and his brother Mr. Martua.

Gama Plantation did not previously exist as a company group with a single legal entity. In order to implement our No Deforestation, No Peat, No Exploitation (NDPE) policy, we realized that Gama Plantation had to be consolidated as a Group under one management.

GAMA Corporation is active in various sectors, including oil palm. The name of the consolidated corporation was changed to PT Karunia Prima Nastari, in short: KPN Corporation.

The change in name represents adaptation to an ever-changing business environment and updated sustainability values and operational principles.

Core Values



KPN Corp's core values are:

- **Collaboration, Communication & Loyalty** - within the organisation
- **Trustworthy, Responsibility & Compliance** - to contribute to a sustainable & equitable environment
- **Co-prosperity, Sustainability, Harmony** – to be inclusive, sustainable and provide benefit sharing within the company and with external stakeholders
- **Creativity, Opportunity and Curiosity** – to rise to the daily challenges and changes in the industry
- **Motivation, Professionalism & Continuous Improvement** – to develop the best of the best

We have learnt that our efforts must take into account key stakeholder sensitivities, aspirations and concerns, which may vary significantly across our final markets as well as our concessions area in the various region of Indonesia. We know that engaging communities is key in providing a true comprehension of the complexities and challenges we face as palm oil producer committed to sustainable operations.

The following progress report illustrates the process of our journey towards greater transparency, accountability and sustainability.

Reporting Framework

Reporting Framework and Scope

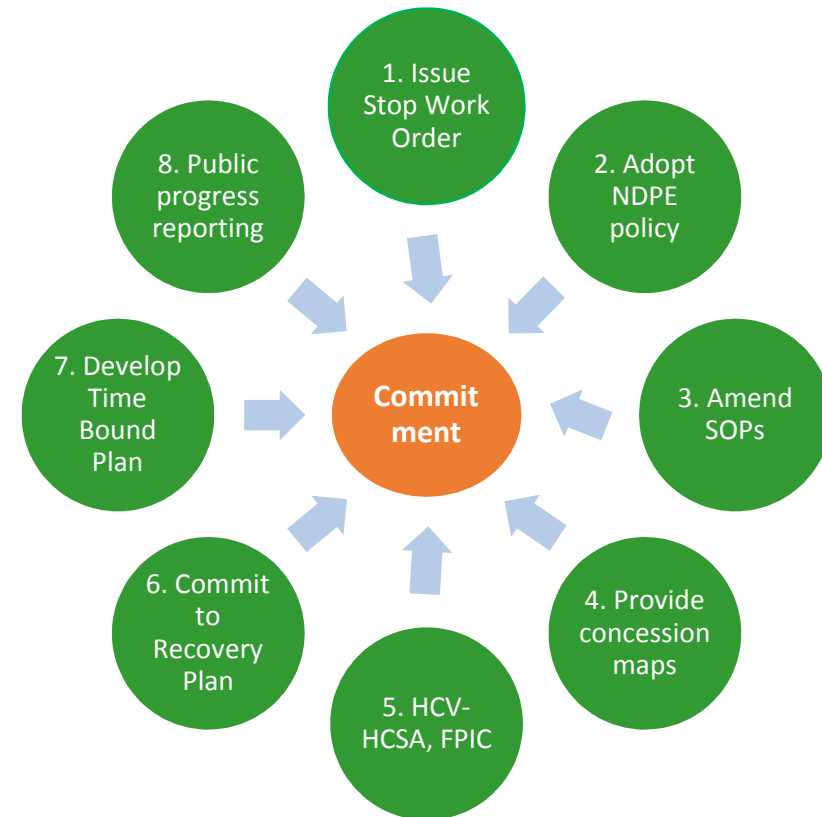
This progress report updates our progress with meeting the Re-Entry Guidelines for Suspended Suppliers. It emphasises work done on conservation and sustainable land use. The first report already provided great detail with regard to most other items when it was released on the Gama Plantation website in February 2019. As such, this report must be read in conjunction with the first progress report.

Our NDPE policy applies to all companies under the KPN Plantation Group. A list of members is presented on the next slide.

Availability & Feedback

The report is available for download at the [KPN Plantation](https://www.kpnplantation.com) website.

Feedback, request for clarification or enquiries can be sent to: sustainability@kpnplantation.com



Group consolidation

KPN Plantation Group member companies:

- | | | |
|-----|------|-----------------------------------|
| 1. | BSU | PT Berkat Sawit Utama |
| 2. | THIP | PT TH Indo Plantation |
| 3. | CRS | PT Citra Riau Sarana |
| 4. | JJP | PT Jatim Jaya Perkasa |
| 5. | PANP | PT Perkebunan Anak Negeri Pasaman |
| 6. | SIP | PT Swadaya Indopalma |
| 7. | GAN | PT Graha Agro Nusantara |
| 8. | SUM | PT Sumatera Unggul Makmur |
| 9. | PLD | PT Putra Lirik Domas |
| 10. | AAN | PT Agro Alam Nusantara |
| 11. | NJP | PT Nusa Jaya Perkasa |
| 12. | BAS | PT Bumi Alam Sentosa |
| 13. | PTW | PT Patiware |
| 14. | WKN | PT Wawasan Kebun Nusantara |
| 15. | SAM | PT Sentosa Asih Makmur |
| 16. | CMA | PT Citra Mahkota |
| 17. | WKSM | PT Wahana Karya Sejahtera Mandiri |
| 18. | TSB | PT Tritunggal Sentra Buana |
| 19. | AJP | PT Alam Jaya Persada |
| 20. | ACP | PT Agriprima Cipta Persada |
| 21. | APM | PT Agrinusa Persada Mulia |
| 22. | GSU | PT Ganda Sawit Utama |
| 23. | SUAN | PT Sawit Unggul Agro Niaga |
| 24. | IKU | PT Indokebun Unggul |
| 25. | KAMU | PT Karya Agung Megah Utama |
| 26. | ASGD | PT Agri Sentosa Gandadigo |
| 27. | IBP | PT Intitama Berlian Perkebunan |

As mentioned, Gama Plantation did not previously exist as a company group with a single legal entity. The Group, now operating as KPN Plantation, has 27 member companies (left).

As a part of management consolidation, the following inactive companies have now been liquidated:

1. PT Perkebunan Intitama Perkebunan Prima (IPP) – East Kalimantan
2. PT Jammer Tulen (JM) - Jambi
3. PT Maju Perkasasawit (MPS) - Jambi
4. PT Patiware Satu (PS) – West Kalimantan

The liquidations are affirmed through the following Ministry of Justice and Human Rights circulars:

1. AHU-AH.01.10-0006972, on 21 February 2019 liquidation letter of PT IPP
2. AHU-AH.01.10-0006969, on 21 February 2019 liquidation letter of PT JM
3. AHU-AH.01.10-0006980, on 21 February 2019 liquidation letter of PT MPS
4. AHU-AH.01.10-0008324, on 26 April 2019 liquidation letter of PT PS

Group consolidation

Companies that are not part of KPN Plantation are :

1. PT Serdang Hulu
2. PT Rajawali Jaya Perkasa
3. PT Subur Sawit Platinum
4. PT Agro Lintas Nusantara (we have divested our interest to other non-related minority shareholder after handover of plantation assets to KP USU in 2017)
5. PT Gandaerah Hendana
6. PT Inecda

Companies that are not under management of KPN Plantation and managed by other Division within the group are :

1. PT Karya Palmalindo Abadi is Construction Contractor company under Cement & Building Materials Division
2. PT Energi Unggul Persada (PT EUP) is Energy Trading company under Energy & Power Division
3. AA Star is an affiliate General Trading Company based in Singapore

Important note:

We have engaged PT EUP and AA Star to ensure they follow, adopt and commit to our NDPE Policy before end of 2019.

Concession maps

In 2018, Gama Plantation was the first oil palm plantation company group to publish an interactive map of its Group landbank. Due to the public and political discourse surrounding the publication of – often dynamic – boundary maps, company management was requested to take its map offline.

Interested parties may apply for a digital version of our land bank map by contacting the company. All maps are subject to the terms of the disclaimer.

Group consolidation

IUP and HGU Revisions to exclude areas that are not cultivated

List of Companies that have obtained Revised IUPs:

1. PT PLD – West Kalimantan
2. PT SUM – West Kalimantan
3. PT AAN – West Kalimantan
4. PT NJP – West Kalimantan
5. PT BAS – West Kalimantan

List of Companies that are in the Process of IUP Revisions:

1. PT PANP – West Kalimantan
2. PT WKSM – West Sulawesi

List of Companies that have obtained HGU Revision & in the processing stage:

1. PT BSU in Jambi have voluntarily applied for a revision of the HGU boundary permit in order to release around 3.700 Ha of uncultivated land to local communities whom we will subsequently support to apply for tenurial rights under the land reform legislation (TORA) as part of Mitigation & Full Resolution to a potential social conflict. The approval was been obtained in August 2019.
2. PT GAN in West Kalimantan is preparing the required legal documents to apply for voluntary surrender of uncultivated land in the formerly Converted Forest Zone (ex HPK) to the government for conversion of land status into Forest Zone (HP) to support the Social Forestry Program for local communities.



Samples of IUP Revision Approvals

Update on the Stop Work Order

Group management issued a Stop Work Order (SWO), effective 1st July 2018, for all greenfield development on mineral soils and peat - regardless of depth.

- The SWO remains in place until Management is confident that robust systems are in place to ensure compliance with Group sustainability / NDPE policy.
- For the time being, replanting on peat is restricted to sites at demonstrable risk of pest and disease.
- All local managers were made aware of the SWO through an internal Memorandum. The instruction was followed up with a phone discussion with each individual local managers and continuous monitoring will be implemented by an internal team, to ensure full compliance.
- Management has furthermore suspended the acquisition of plantation land for a period of two years.
- Aidenvironment and several 3rd parties (Nestlé with Starling, Mighty Earth's Rapid Response, Foresthints) monitored land use in KPN's landbank through remote sensing. In line with our SWO, no greenfield development was detected between July 1st 2018 and October 2019. The SWO remains in place and compliance will continue to be monitored.

The Stop Work Order was issued to PT Graha Agro Nusantara on 28 June 2018.



The group-wide SWO was publicly announced on 10 August 2018.

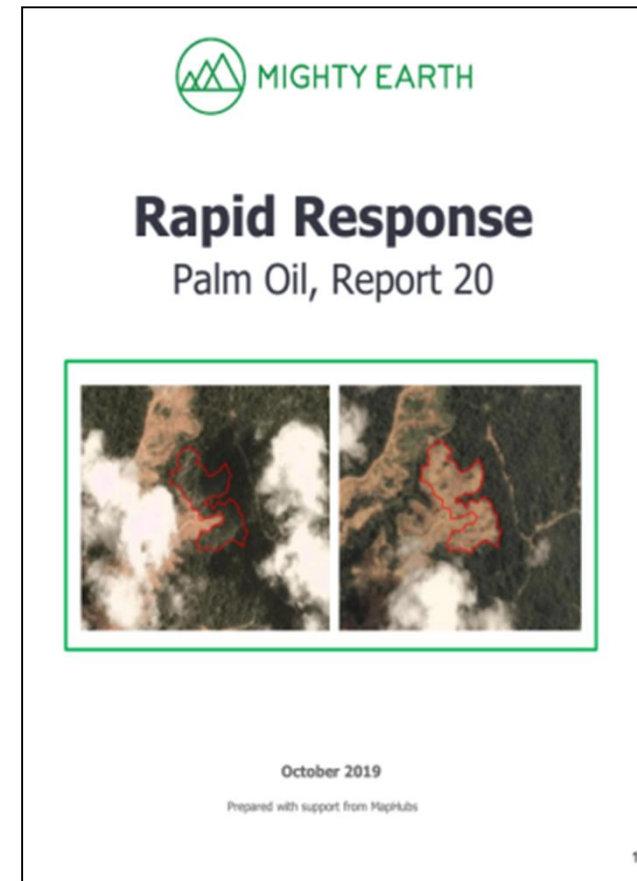


Update on the Stop Work Order

In October 2019, Mighty Earth recently released its Rapid Response – Palm Oil, Report 20 in which it highlighted *“Satellite imagery which showed that between April 19, 2019 and September 1, 2019 a total of 8 hectares of forest were cleared in PT Agrinusa Persada Mulia concession”*.

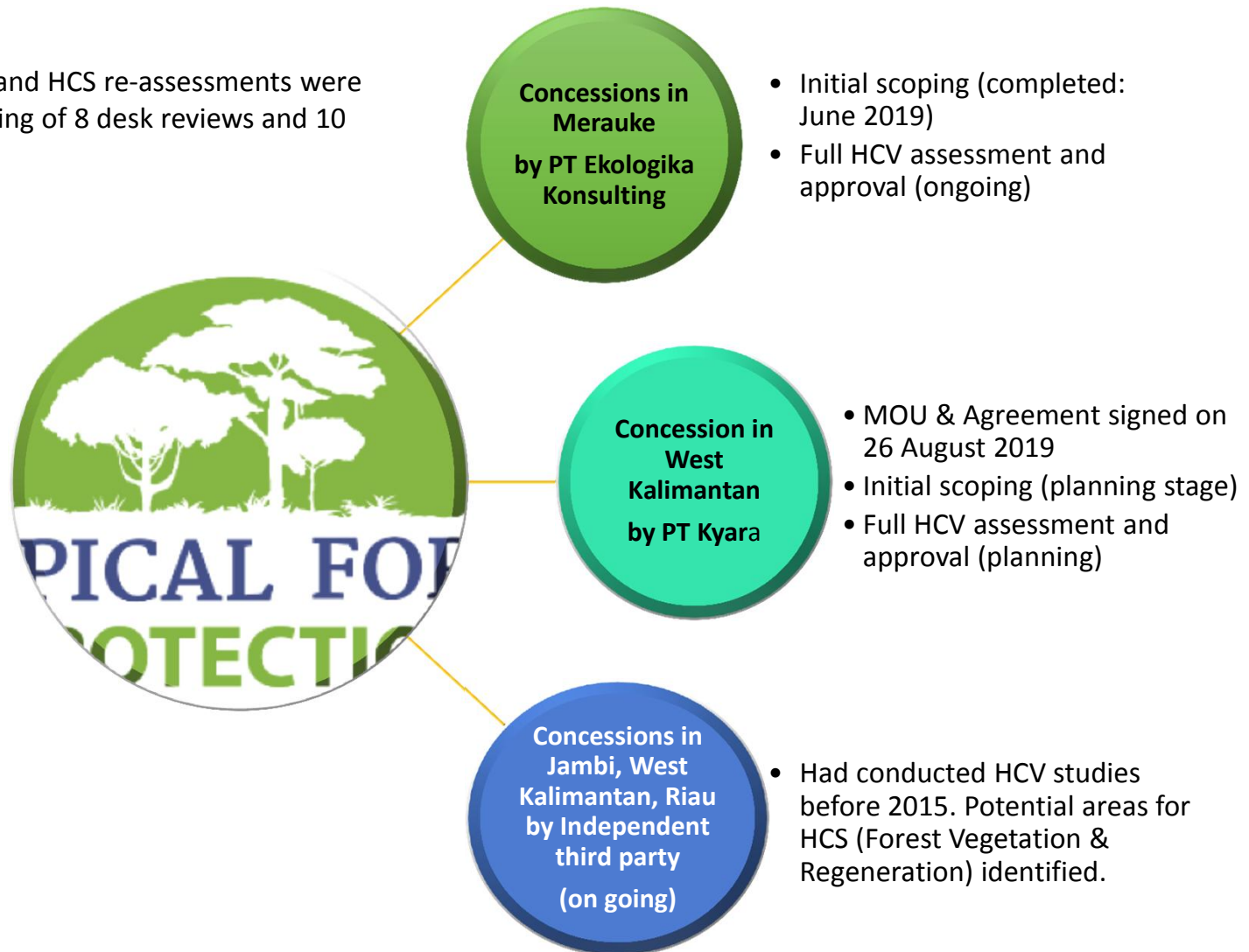
We appreciate receipt of the alert. A team was deployed on the ground to verify the alert:

1. Three areas were cleared for the the Ulilin District Government’s Development Plan.
2. All land development activities were carried out by local communities and a road & bridge construction company with the consent from the head of local Mahuse tribe.
3. We share concerns that the Trans Papua Highway that cuts across to Ulilin District will result in further associated deforestation as people inevitably seek opportunities for development as they settle along the road side. Gama Plantation seeks to minimize deforestation along the highway to the extent possible although strips of land along the highway are excluded from our permit areas.



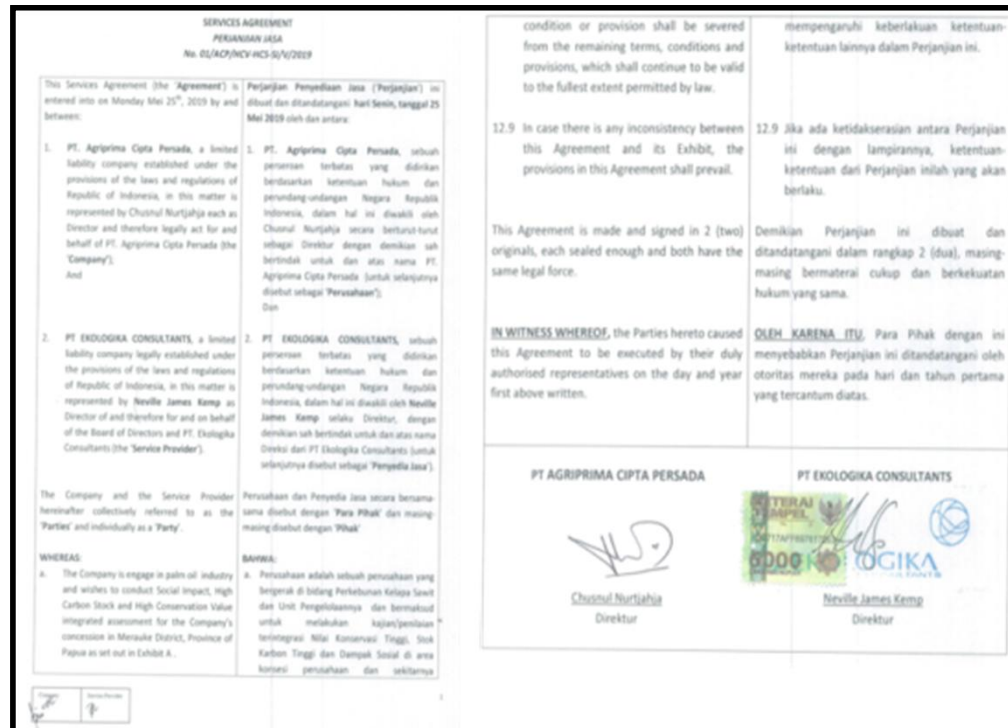
HCV & HCS Assessments

In 2019, three HCV and HCS re-assessments were conducted, comprising of 8 desk reviews and 10 field visits:

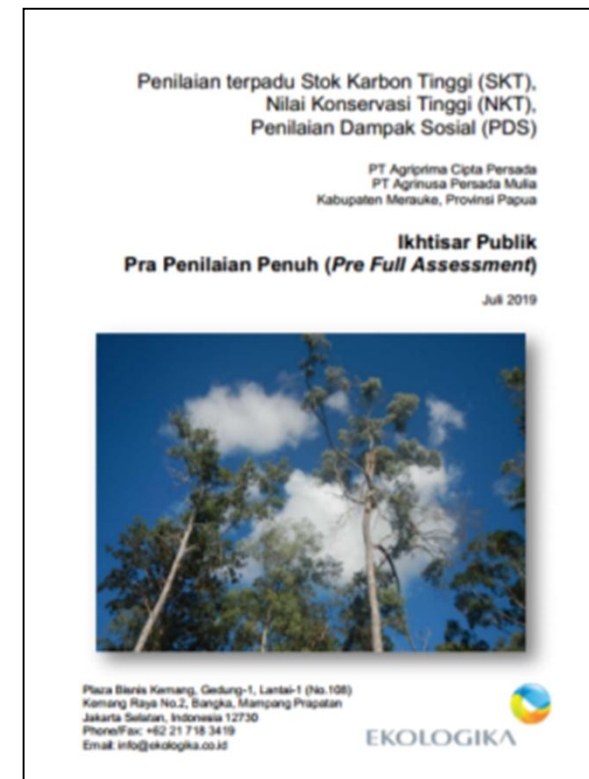


HCV & HCS Assessments

- A preliminary assessment was conducted at PT ACP and PT APM in collaboration with PT Ekologika Consulting on 17th-25th June 2019. A full assessment based on the preliminary report will be conducted in Q3 of 2019. PT GAN will collaborate with PT Kyara to complete its assessment. The assessments are led by registered ALS – HCVRN assessors



MOU between PT ACP and PT Ekologika Consultants



HCV & HCS Assessments

Socialisation of HCV Area & Biodiversity Conservation with the employees and local community in Merauke, Papua:



Face-to-face socialisation goes along with educational signboards of do's and don'ts in the HCV areas. The signboards highlight the status of protected, rare, threatened and endangered species in the areas.



Conservation Area Program (on going)

Jambi

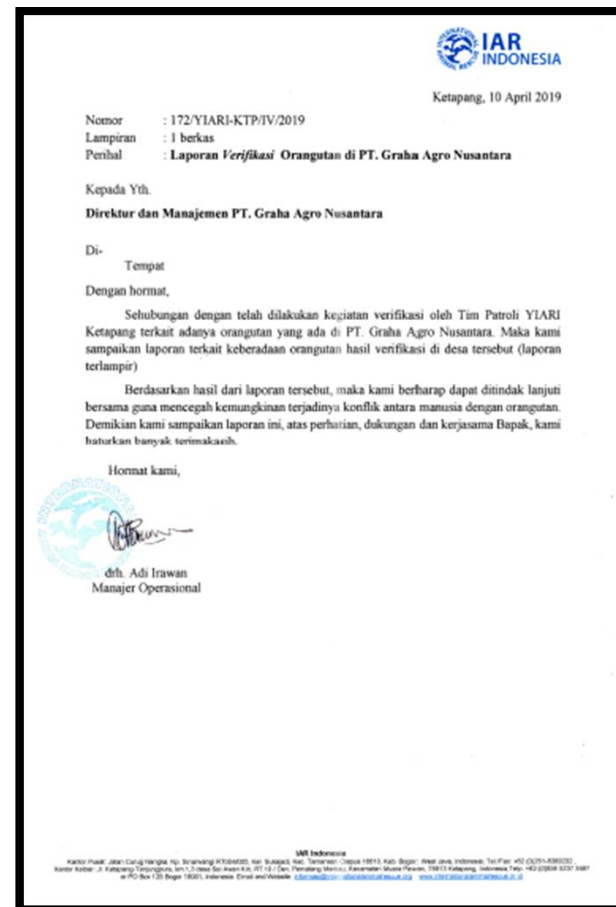
- SOPs Improvement.
- Development of Field Technical Guide.
- Natural Nursery Regeneration
- Installation of Camera Trap to monitor wildlife (on progress)
- Co-management of Conservative Area with BKSDA Jambi & University of Jambi.

West Kalimantan

- SOPs Improvement.
- Development of Field Technical Guide.
- Natural Nursery Regeneration
- Collaboration of Conservative Area with BKSDA.
- West Kalimantan on Orangutan Protection.
- Socialisation of Orangutan Protection to the village in Kubu Raya.
- Collaboration with IAR and BKSDA on Orangutan Protection and monitoring.

Conservation Area Program

PT GAN, a member of KPN Plantation, has entered collaboration with the Agency for Conservation of Natural Resources (BKSDA) and International Animal Rescue (IAR) to protect the orangutans and their habitats in Kubu Raya, West Kalimantan.

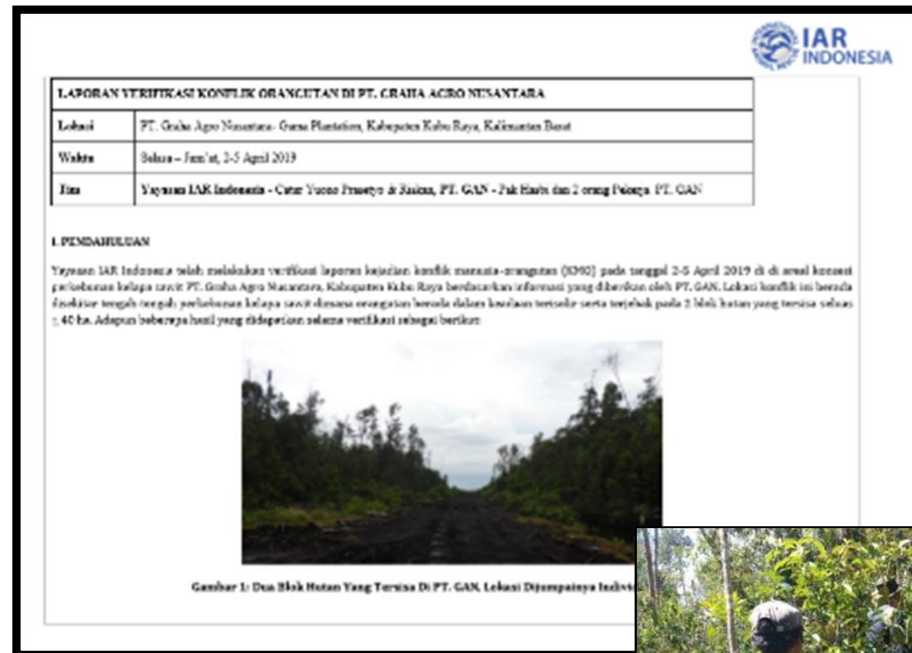


Conservation Area Program

On 2 – 5 April 2019, IAR conducted a quick ground check of the orangutan population in Kubu Raya, West Kalimantan.

BKSDA with IAR conducted a joint field survey of the orangutan habitats between 15-21st July 2019.

Whilst some individuals survive today, significant efforts are clearly required to ensure that remaining peat forest within the company's boundaries and its vicinity are secured as suitable habitat for orangutans, as well as other species. PT GAN is committed to this cause.

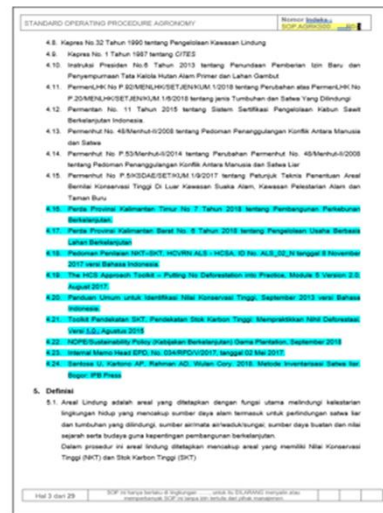
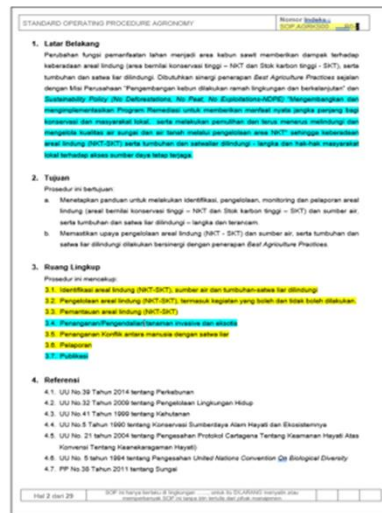


SOP Revision

Management has continued to amend some of its existing Standard Operating Procedures (SOPs) and it has developed new Working Instructions (WI) to strengthen conservation efforts. The following amendments were adopted:

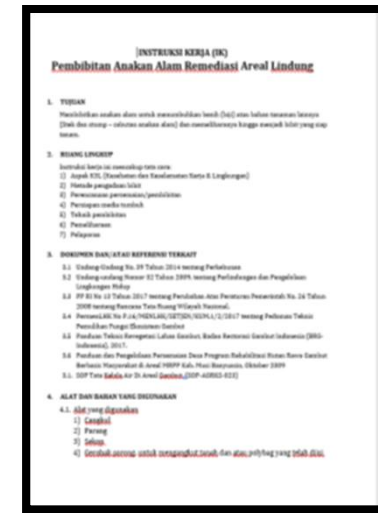
1. SOP - Identification, management, monitoring and reporting of conservation area (HCV-HCS) and Flora - Fauna Protected
2. WI - Development of Nurseries with Native Species
3. WI - Reforestation of Riparian Buffer Zone and Peat Degradation
4. WI - Monitoring of Conservation area
5. WI - Monitoring using Camera Trap
6. WI –Monitoring Flagship Species i.e. orangutan

Amendments and new SOPs or WI were introduced in the course of 2019, along with new WI for local estate management on the development of nurseries with native species and the restoration of riparian buffer zones and degraded peat areas.



Sample of the Working Instruction - Reforestation of Riparian Buffer Zone and Peat Degradation (right)

Sample of the amended SOP on Identification, management, monitoring and reporting of conservation area (HCV-HCS) and Flora - Fauna Protected (left)



Recovery Plans

The total area that has been cleared between 2016 and 2018 is $\pm 11,719$ Ha based on cut off date 31 December 2015.

In addition to a desk review, field visits were conducted in 12 concessions in West Kalimantan, Sumatra and Papua. It was found that 96 % of non-compliant land development took place in the land bank of three companies, namely:

- PT. Agrinusa Persada Mulia (APM) - Papua
- PT. Agriprima Cipta Persada (ACP) - Papua
- PT. Graha Agro Nusantara (GAN) – W. Kalimantan

Q1-Q2 2019

- Development of preliminary Recovery Plans (on-going)
- Initial field scoping for Papua Recovery Plan
- Workshop pertaining to sustainable landscape development (Kapuas Delta management in a KHG - Peat Hydrology Area) based on social forestry at Kubu Raya, West Kalimantan.
- KPH and KLHK conducted field checks and verified documentation, for the establishment of a customary forest in Bukit Sigoler and Semanga Village.

Q3-2019-Q1-2020

- Further planning and implementation of the Social Forestry approach in Kubu Raya, Sambas, Jambi and Merauke.
- Discussion and consultation at Dusun Rees, Kuala Bakung Village to introduce Social Forestry program
- Advance landscape workshop Kapuas Delta (follow up from Q2)
- Completion of Recovery Plans at West Kalimantan and Papua.

Recovery Plans

In the areas of our operation, forest and peatland cannot be protected or restored without a strong socio-economic component. After all, the areas were targeted by the government for economic development (oil palm) from the onset.

A variety of activities for the development of sustainable land and forest uses that generate economic and other benefits to local communities (the company does not directly benefit from the efforts) are currently being rolled out.

Aware that our primary expertise is with oil palm, KPN welcomes external parties who can offer additional support to help us realize our Recovery commitments by supporting the communities and our CSR staff.



Aloe vera is a potentially suitable crop for planting on peat in West Kalimantan.



Visit the Wilmar illipe nut crushing plant in Pontianak in September 2018.



Communities in Merauke are interested in semi-natural fish farming.



Abandoned rubber plantings may be revived in Merauke if a decent market can be identified.

Recovery Plans

Our Recovery Plans are based on our intention to demonstrably protect all remaining undeveloped forest and peat currently within the group's current land bank. This is done through HCV-HCS studies and conservation SOPs and management plans.

KPN Plantation furthermore pursues supporting Social Forestry (Perhutanan Sosial) in conjunction with our Community Development/CSR program along with sustainable production and marketing of non-timber forest products that benefit local communities on the condition that such forest areas are protected and enriched. For this purpose, land bank maps were compared with the indicative government Social Forestry maps (PIAPS) and Land Reform maps (TORA) to identify where would it be possible to support local communities to apply for tenurial or access rights to forest or agricultural land. Approximately 14,427 ha in 5 villages in Kubu Raya and Sambas were identified as potential areas for the respective programs.

Our Recovery Plans support communities to undertake appropriate economic activities (other than palm oil). As a first step in this direction, we brought together 21 community representatives from five villages in Sambas, Kubu Raya and Merauke in November 2018 to discuss the potential of co-management of remaining peat and forest.

KPN will also integrate the NDPE/sustainability policies with its existing CSR Policy, to ensure that the work is institutionalized in KPN's CSR/Sustainability teams and structure.

Exchange visits between communities in our respective areas facilitate information exchange and new forms of collaboration.



Recovery Plans

The Recovery efforts initiated by KPN thus far included:

- Start up of a **fish** farming pilot project in Merauke. Initiated discussions with stakeholders to develop a tribal development program to assist communities in Merauke to revitalize the production and marketing of **rubber** from an abandoned government programme. Commence to maintain, upgrade and expand the existing **sago** groves (target: 1,100 ha) for enhanced food security and lessen demands for further forest conversion for oil palm.
- Commenced a Community Empowerment Program to lessen communities' dependence on logging in remaining forest in Kubu Raya. On May 7, 2019, a workshop was held on sustainable integrated landscape approach, starting with a targeted 7,000 ha of peat in the Kapuas Delta Landscape and to facilitate the legalization of social forestry in Kubu Raya. We support **poultry** rearing and **trial fish farming** in Kubu Raya, in line with the District government priorities, and consider options to support **honeybee keeping** and planting of **Red Betel trees** (*Cyrtostachys renda*) to diversify villager's income base.
- Support and take part in **Social Forestry** activities in West Kalimantan: On 19th June 2019, Kesatuan Pemangku Hutan (KPH) & KLHK have corroborated related documents and conducted field verification for the establishment of a customary forest at Bukit Sigoler Village (target 8,573 Ha) and Semanga Village (target 3,405 ha), Sambas.
- Financing of a rotating fund for Institut Riset dan Pengembangan Teknologi Hasil Hutan (INTAN), to support community-based production and marketing **illipe** butter (a cocoa butter equivalent) derived from the fruits of shorea tree species in West Kalimantan.

Aforementioned socio-economic activities are complementary to 'pure' conservation and restoration work that follows from (amended) HCV-HCS studies.

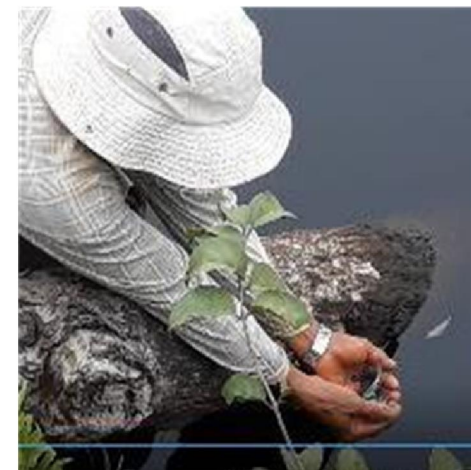
Recovery Plans

Sample pictures illustrating initial progress made with the Fish Farming Pilot Project in Merauke, Papua. Support to marketing is a key priority in 2020.



Recovery Plans

Sample pictures illustrating initial progress made with poultry rearing and trial fish farming in Kubu Raya. Support to marketing is a key priority in 2020.



Recovery Plans

We strive to eventually integrate all new socio-economic activities with our on-going CSR Program (Community Empowerment thru CSR to lessen the communities dependence on cultivation in remaining standing Forest)



**PROVISION SHOP - BINTANG RAYA COOPERATIVE
SUPPORTED BY PT. PLD KUBU RAYA WEST KALIMANTAN**



**PROVISION SHOP – MUARA GANDA BARU COOPERATIVE
SUPPORTED BY PT GAN KUBU RAYA WEST KALIMANTAN**



**FISHING BOAT RENTAL – BINUA ANDEN RAYACOOPERATIVE
SUPPORTED BY PT GAN KUBU RAYA WEST KALIMANTAN**



**BIRD NEST FARMING – BINUA ANDEN
RAYACOOPERATIVE SUPPORTED BY PT
GAN KUBU RAYA WEST KALIMANTAN**



**PROVISION SHOP – CITRA MITRA KATULISTIWA COOPERATIVE SUPPORTED BY PT. CMA, MELAWI
WEST KALIMANTAN**



**PROVISION SHOP – RUMBIA SUMOMBANG
COOPERATIVE SUPPORTED BY PT WKSJ, WEST
SULAWESI**

Remediation Program



Riparian buffer zone in Merauke, Papua



Conservation Area boundary, serving as a riparian buffer zone in Kubu Raya, West Kalimantan



Setting Peg location in Merauke, Papua



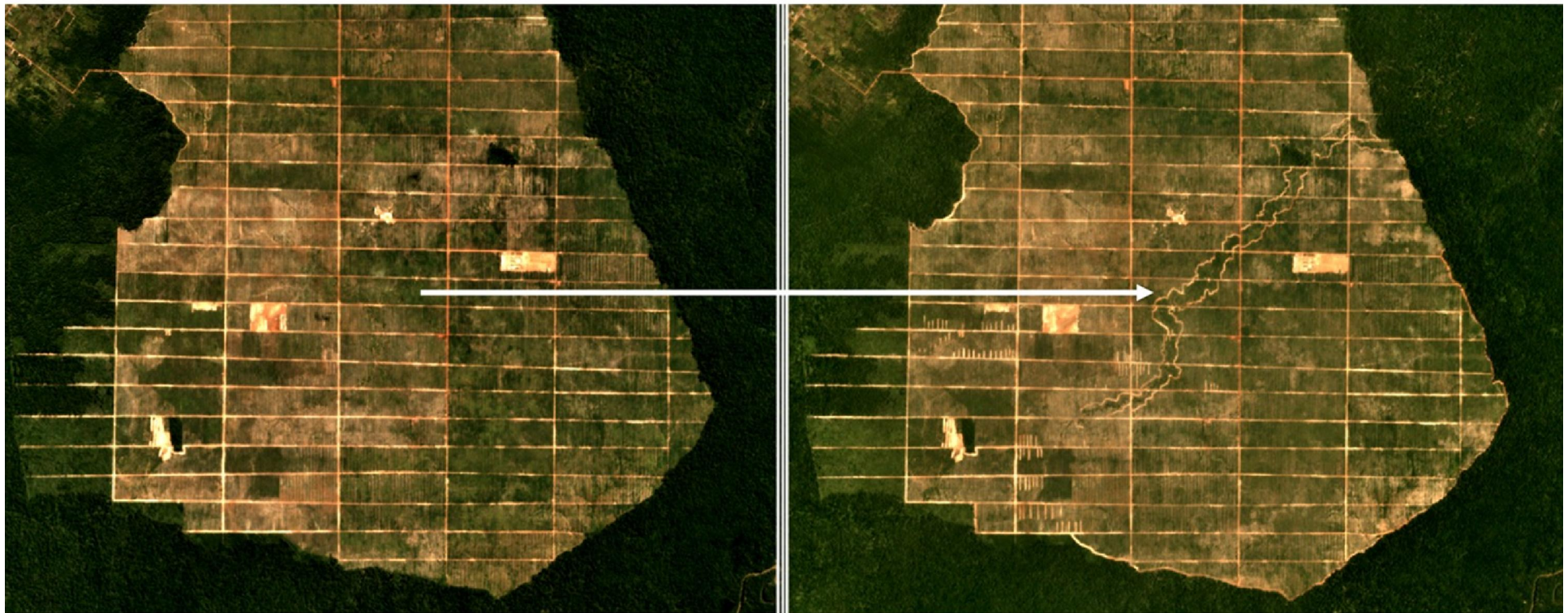
Internal Memorandum on Exclusion of planted area from riparian buffer zone

Work has commenced to restore riparian buffers along rivers and streams that were erroneously cleared during land development.

In Merauke (PT ACP and PT APM), 651 hectares are being restored. In Kubu Raya, approx. 895 ha are being replanted after removing oil palms.

Remediation Program

The results of remediation work will be closely monitored on the ground and through aerial imagery. We are excited to learn that the impact of our restoration work is just as visible from space, as is forest loss. See below a sample of land cover change in the riparian zone of Kali Ndiken Kezan in Merauke, Papua since July 2018 to October 2018. We will continue to report on progress on our website.

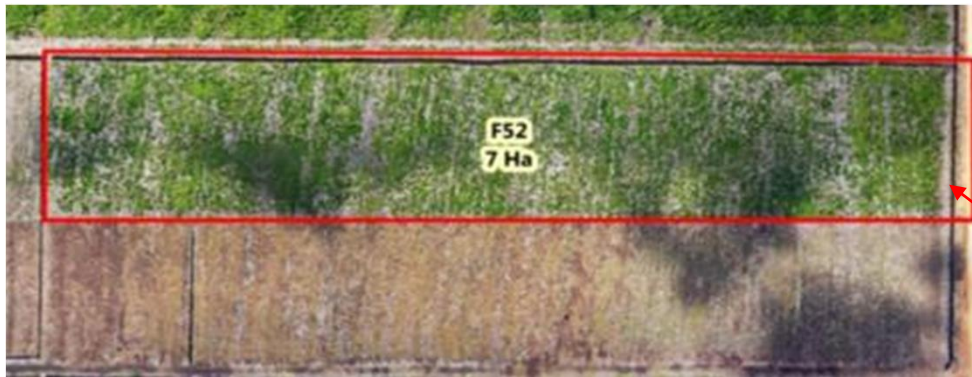


July 2018

October 2018

Remediation Program

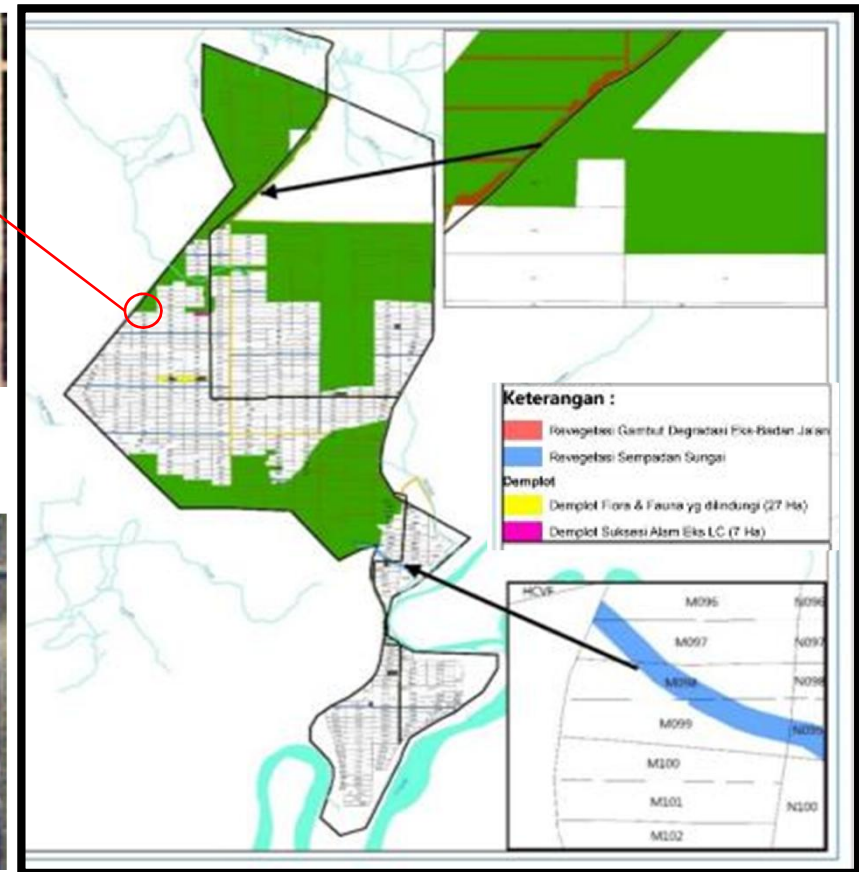
Sample of land cover change in land clearing area in Kubu Raya, comparing January 2018 and April 2019. The map on the right shows the remaining peat forest areas in the PT GAN concession (green), along with restoration sites and demonstration plots for conservation and restoration.



January 2018



April 2019



Remediation Program

Native species nursery and planting of native species in degraded areas & riparian zones

GAN Nursery (Kubu Raya, W. Kalimantan)



Planting in PT GAN

ACP & APM Nursery (Merauke, Papua)



Planting in PT ACP & APM



Peat Management & Protection

On May 7, 2019, a multi-stakeholder dialogue and socialization programme was held on integrated landscape approaches in Kubu Raya, West Kalimantan.

An integrated approach, involving all key stakeholders, is essential if our Recovery Plans are to resort long term effects on the ground.



Laporan Hasil Diskusi dan Sosialisasi Pembangunan Lanskap Berkelanjutan berbasis Perhutanan Sosial Kabupaten Kubu Raya

Latar Belakang

Kabupaten Kubu Raya memiliki potensi wilayah cukup beragam mulai sektor pertanian, perkebunan, kehutanan, perikanan hingga sektor industri dan pariwisata. Melalui Rencana Rencana Pembangunan Jangka Menengah (RPJMD) tahun 2014-2019¹, Pemerintah Daerah telah menetapkan prioritas pembangunan termasuk di sektor unggulan melalui upaya pengembangan ekonomi kerakyatan dan pengembangan pusat pertumbuhan ekonomi sesuai dengan potensi wilayah. Beberapa inisiatif pembangunan berkelanjutan di Kubu Raya sendiri telah dan sedang berjalan dengan berbagai target seperti pengembangan dan menerapkan strategi pertumbuhan hijau, memungkinkan hutan disisihkan untuk konservasi sambil memungkinkan kerangka hukum dan penegakan hukum (dreen drowth Plan), juga pengembangan komoditas hijau yang diselenggarakan oleh Badan Layanan Umum sebagai lembaga di bawah Kementerian Lingkungan Hidup dan Kehutanan (KLHK). Program ini untuk mendukung kebutuhan keuangan masyarakat dan sektor swasta untuk meningkatkan pengembangan komoditas setempat.

Sejalan dengan itu Pemerintah saat ini telah memiliki kebijakan prioritas nasional berupa kebijakan reformasi agraria² yang secara fundamental memberikan program-program yang dapat menjawab masalah kemiskinan masyarakat desa, meningkatkan kesejahteraan dengan kemandirian pangan nasional, meningkatkan produktivitas tanah, memberikan pengakuan hak atas tanah yang dimiliki baik secara pribadi, negara, dan tanah milik umum yang pemanfaatannya untuk memenuhi kepentingan masyarakat, kebijakan ini pada dasarnya merupakan kebijakan yang berpihak pada upaya peningkatan kesejahteraan masyarakat melalui proses legalisasi aset, redistribusi tanah dan perhutanan sosial.

Khususnya bagi sektor swasta terutama sektor yang berbasis lahan seperti perkebunan dan kehutanan, program reformasi agraria menjadi penting untuk diperhatikan tidak hanya untuk memenuhi aspek legal semata tapi juga dapat menjadi upaya untuk penyelesaian berbagai konflik lahan yang terjadi dengan masyarakat dan pada akhirnya dapat fokus pada peningkatan produksi dan keberlanjutan usaha.

Saat ini dengan munculnya desakan pasar internasional terhadap pemenuhan persyaratan keberlanjutan usaha menimbulkan berbagai inisiatif swasta untuk dapat memenuhi persyaratan tersebut, diantaranya telah disepakati mulai dari skema Roundtable on Sustainable Palm Oil (RSPO) maupun kebijakan internal perusahaan seperti yang dimiliki oleh group Wilmar³ dan group GAMA⁴. Dalam kebijakan yang dikeluarkan tersebut terdapat peluang yang cukup besar terhadap pelibatan pihak swasta untuk saling mendukung berbagai program pembangunan berkelanjutan khususnya di Kabupaten Kubu Raya.

Berpatokan pada alokasi perhutanan sosial yang dikeluarkan oleh KLHK sendiri terdapat di potensi 157 desa yang seluas 68.000 Ha yang dialokasikan sebagai areal perhutanan sosial dengan 28.000 Ha diantaranya merupakan areal gambut. Hingga akhir tahun 2018 ini tercatat di Kalimantan Barat telah terdapat 80 izin pemanfaatan Perhutanan Sosial dengan 14 diantaranya berada di Kabupaten

¹ <http://www.kuburaya.go.id/asset/12388>

² <http://www.kemendagri.go.id/asset/12388>

³ <http://www.wilmar.com.sg>

⁴ <http://www.gama.com.sg>

⁵ <http://www.kemendagri.go.id/asset/12388>

Peat Management & Protection

The conservation of remaining natural forests on peat land in PT GAN poses a major challenge that requires community support. This, in turn, requires us to carefully socialize the change in land use in the area, which is less material to some communities but very significant to others whose rights to oil palm smallholder units (plasma) is foregone.



Socialization of Peat Conservation and Orangutan protection on 13-14th June 2019 in Dusun Re'es & Muara Baru, in collaboration with GAN - KPH Kuburaya & SPORC Kalbar.



Socialisation of Peat Conservation and Orangutan protection on 19th July 2019 in Dusun Re'es & Lingga Dalam-Pancaroba, in collaboration with GAN – BKSDA – IAR

Meanwhile, as reported last February, PT GAN continues to implement government authority instructions for peat land management, including the maintenance of ground water levels at a maximum of 40 cm in accordance with Regulatory Requirements.

Peat Management & Protection

As per requirements of the Ministry, the Restoration of the Hydrological Function of Peat Ecosystems is ongoing. Submissions to KLHK has been done for following companies :

1. PT THIP – Riau
2. PT JJP – Riau
3. PT GAN – West Kalimantan
4. PT SUM – West Kalimantan
5. PT AAN – West Kalimantan
6. PT PLD – West Kalimantan
7. PT BAS – West Kalimantan
8. PT PTW – West Kalimantan
9. PT WKN – West Kalimantan
10. PT SAM – West Kalimantan

On 17 – 19 September 2019, PT GAN, Gama and Aidenvironment organized a workshop with peat expert representatives to review PT GAN's remediation plans and activities so far. Another visit is schedule on 12 – 15 November 2019 with representatives from Mighty Earth to Sumitomo Corporation to study their peatland water management and conservation measures at PT Mayangkara Tanaman Industri (MTI) in Kubu Raya, West Kalimantan.

Peat hydrological function recovery program:

There is an on going program plan to **close 442 canals in areas that have been cleared but not cultivated at PT GAN**. A study is in progress on how to utilize the canals for fish farming for food-and income for the communities. A Pilot Trial Project on fish farming has been started.

Peat Management & Protection



Landscape-based Kapuas Delta management in a KHG - Peat Hydrology Area



Sign of peat protection



Canal Blocking with overflow



Ombrometer to monitor rainfall



Water Level peg in canal



Piezometer

Social Justice

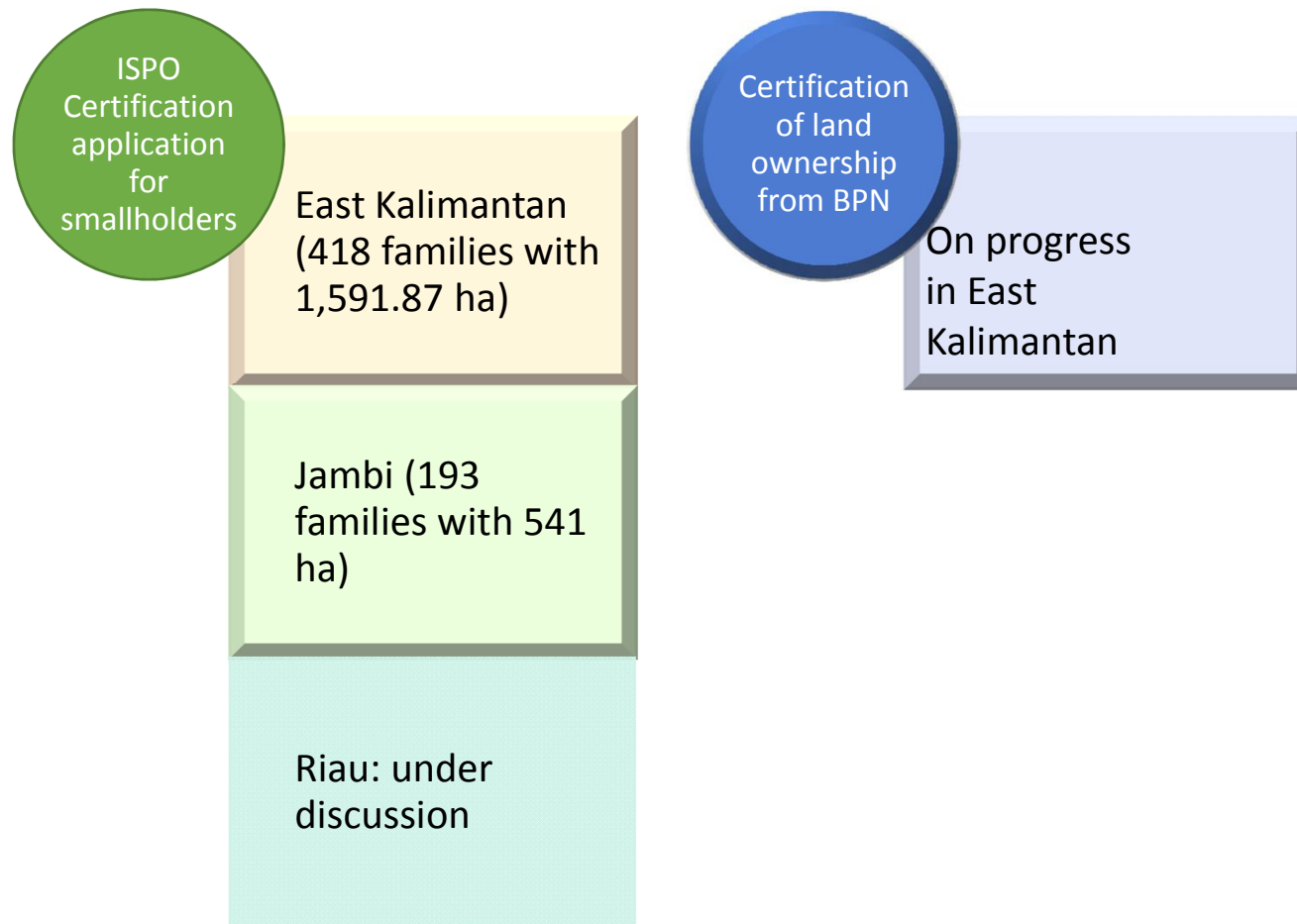
As part of our regular CSR Program, KPN Plantation has begun providing National Health Insurance (Type C Hospital) coverage at PT. Tritunggal Sentra Buana (TSB) in East Kalimantan for 120 families and at PT. Berkah Sawit Utama (BSU) in Jambi for 144 families. The coverage is provided to families in the local community that live below the poverty line, according to the Indonesian government's definition. This collaboration with BPJS will be extended to our other companies in various region.



Providing health insurance for local community members in the vicinity of our estates who live below the poverty line – PT. TSB & PT. BSU

Social Justice

We provide regular support & assistance to Independent Smallholders around our plantations, by enabling them to apply for land rights certificates and sustainability (Indonesian Sustainable Palm Oil - ISPO) certification.



Fire Prevention

Companies under KPN Plantation faced the threat of a wildfire outbreak in and near its land bank once again in 2019. Aware of the upcoming risk associated with the extended dry season, we organized a Fire Prevention Collaboration Workshop on 4 May 2019 with stakeholders in Kubu Raya , West Kalimantan.

Bengkayang Kapuas Hulu Kayong Utara Ketapang Kubu Raya Landak Melawi Mempawah

Gama Plantation Gelar Workhsop Kolaborasi Cegah Kebaran Lahan

Sabtu, 4 Mei 2019 12:08



Gama Plantation Gelar Workhsop Kolaborasi Cegah Kebaran Lahan

Gama Plantation Gelar Workhsop Kolaborasi Cegah Kebaran Lahan

PONTIANAK - Gama Plantation gelar workshop Kolaborasi Multipihak cegah kebakaran lahan bersama dengan stakeholder terkait dan para pekerja media baik online maupun media massa.

Agenda tersebut digelar di Hotel Neo Pontianak juga diikuti oleh perwakilan dari dinas kehutanan Provinsi Kalbar, Dinas Perkim LH Provinsi Kalbar, Dinas Perkim Kabupaten Kubu Raya dan Badan Restorasi Gambut (BRG).

Fire Prevention

Fire emergency response simulation, exercises and equipment checks were undertaken in PT PLD Kubu Raya in February 2019

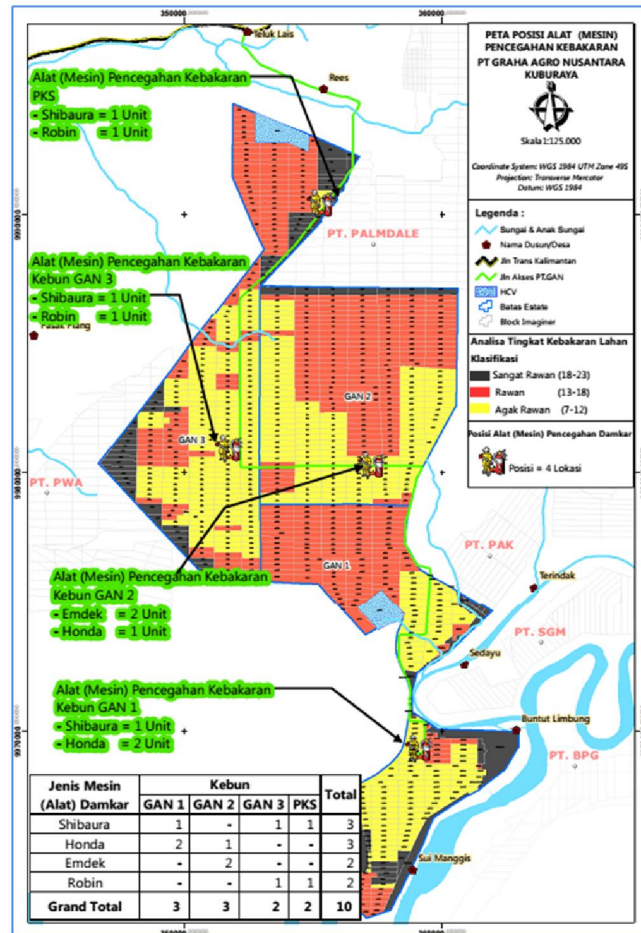


APEL Siaga as a part of fire mitigation was conducted in collaboration with related stakeholder namely Local Gov. , KPH, Manggala Agni, Police and Head of Village around concession in Kubu Raya, W. Kalimantan on 27 to 29 May 2019.



Fire Prevention

Our Fire Monitoring and Preparedness Program is comprehensive:



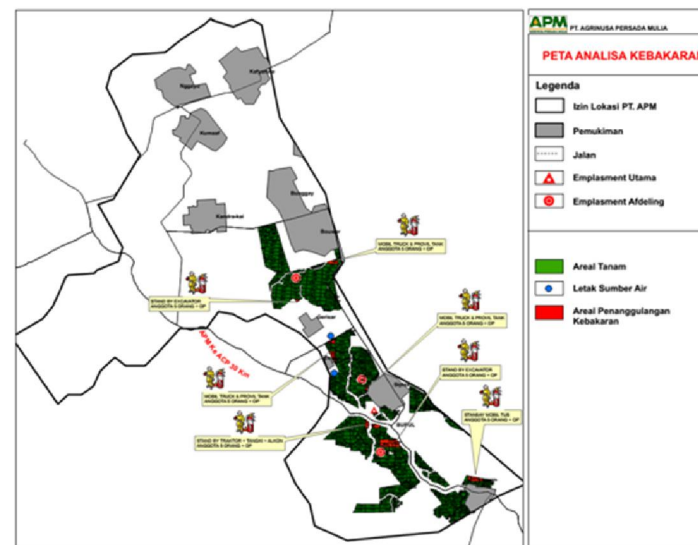
Map of potential fire-prone areas as a basis for the placement of equipment & fire fighting teams in PT GAN (above).



Car donations to Teluk Bakung village for community fire prevention patrol program in PT GAN Kubu Raya.



Socialization of fire prevention to the community during dry season in PT APM Merauke.



Map of potential fire-prone areas as a basis for the placement of equipment and fire fighting teams in PT APM (left).

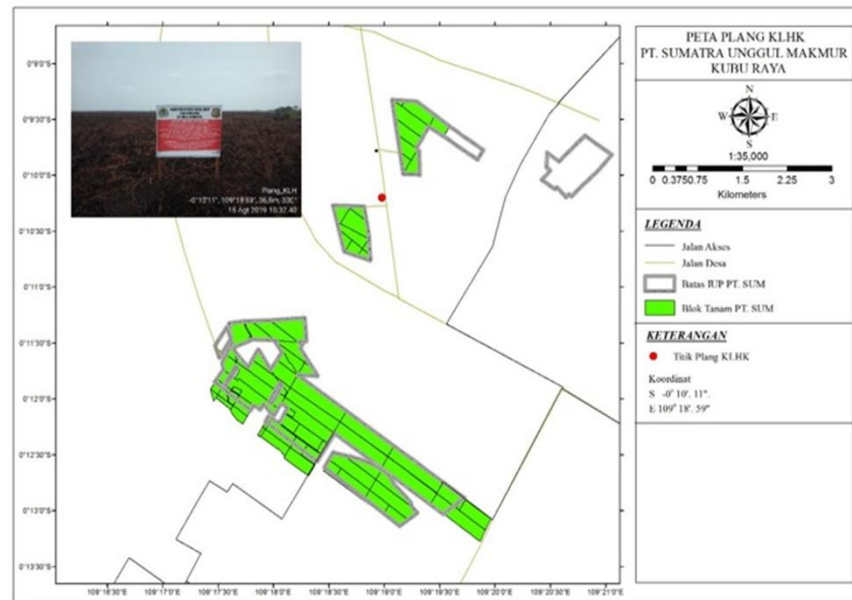
Fire Prevention

2019 Fire incidents update:

During the fire outbreak in September 2019, three of our plantations namely PT SUM and PT PLD in Kubu Raya West Kalimantan and PT THIP in Riau were mentioned in the newspaper and online news and were seized by KLHK because of suspected fire violations.

Field inspection by related authorities revealed that the fire spots occurred outside of these three concessions and the area with the suspected violation belonged to the local community. In some cases, the effected areas were subsequently planted with crops.

The owners of the effected areas have been identified and the police have begun legal proceedings against the landowners who have cleared land by burning.



Location of Fire Spot near PT SUM which have been seized by KLHK



Field inspection by the authorities in the vicinity of PT SUM. The burnt area was planted with corn by local community from Rasau Jaya Village

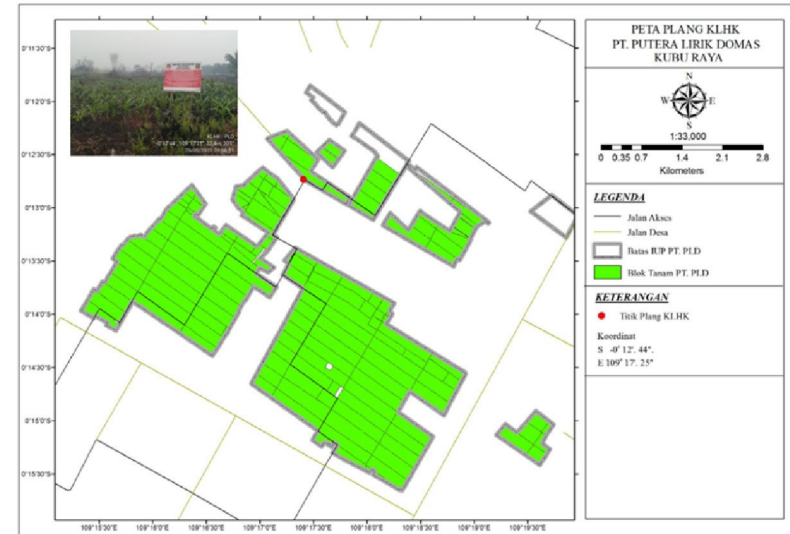


Fire Prevention

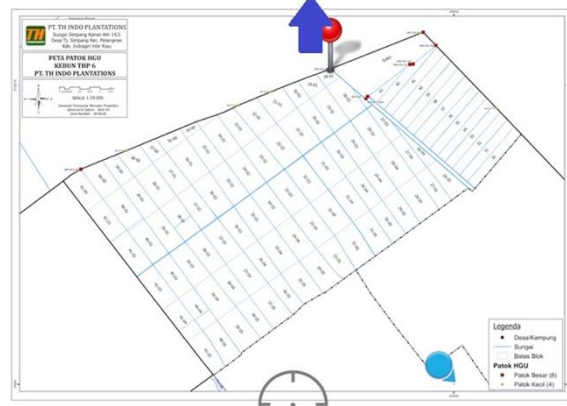
2019 Fire incidents update – PT PLD, W. Kalimantan and PT THIP, Riau



The ex burnt area that have been planted with corn by local community in Kubu Raya



Location of Fire Spot near the boundary of PT PLD which have been seized by KLHK



Location of the fire hotspot near the boundary of PT THIP which had been seized by KLHK

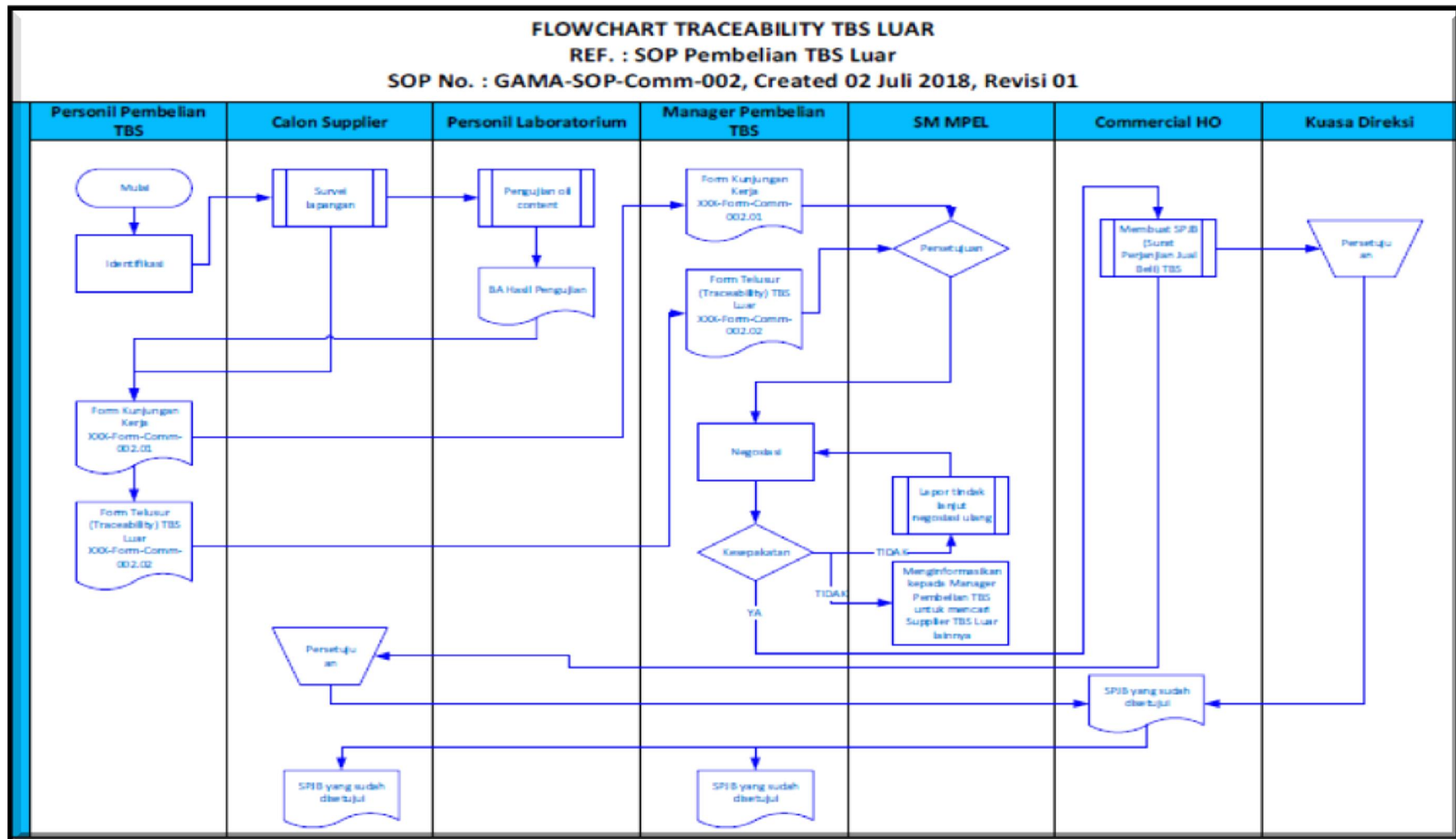


The burnt area belong to local community members. If these areas are planted with oil palm, we will not purchase the FFB for our mills in compliance with our NDPE policy.



Transparency & Accountability

The group commenced the implementation of a traceability system to ensure the legality of externally purchased FFB. The method and results of this system will be elaborated on in future progress reports.



Transparency & Accountability

KPN Plantation Group member companies that have obtained ISPO certifications are:

1. PT PTW – West Kalimantan
2. PT PANP – West Sumatera
3. PT BSU – Jambi
4. PT SIP – South Sumatera
5. PT JJP – Riau
6. PT CRS – Riau
7. PT THIP – Riau
8. PT TSB – East Kalimantan

Member companies that have passed Stage 1 - ISPO certifications Audit are:


1. PT WKN – West Kalimantan
2. PT GAN – West Kalimantan
3. PT AJP – East Kalimantan
4. PT WKSM – West Sulawesi
5. PT KAMU – West Sumatera

Member companies that have obtained ISCC certification are :

1. PT BSU – Jambi
2. PT THIP - Riau

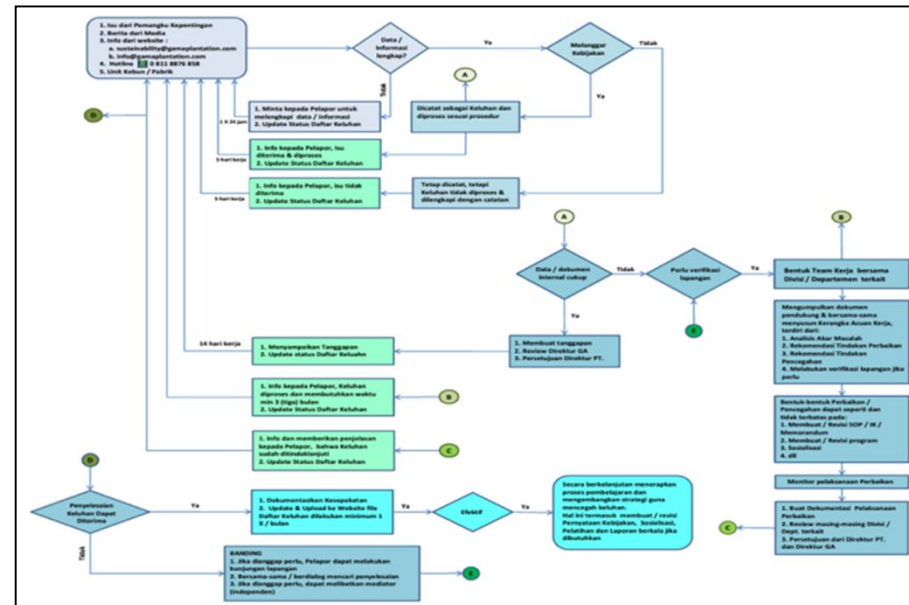
Transparency & Accountability

We have adopted a grievance procedure to enable our internal and external stakeholders to voice their grievances and concerns on any issue.

 KPN Corporation Gedung Garuda Tower, 43 rd floor Jl. HR Ratuana Said Kav. C22 Jakarta Selatan 12940		STANDARD OPERATING PROCEDURE Date created: 01 October 2019 Effective: 07 October 2019 Title: Penanganan Keluhan terhadap Perusahaan (Handling Complaint against Company)		SOP No: KPNCORP-SOP-HC-005 Division: Human Capital Revision No: 00 Page 2 of 11	
1. RUANG LINGKUP: Standard Operating Procedure (SOP) ini mencakup prosedur dalam proses penanganan keluhan terhadap Perusahaan baik keluhan/pengaduan yang datang dari pihak internal maupun eksternal mulai dari tata cara penyampaian keluhan/pengaduan ke Perusahaan, proses penerimaan keluhan/pengaduan dan pengolahan informasi yang masuk ke Perusahaan, sampai dengan proses penanganan keluhan/pengaduan oleh Perusahaan.			1. SCOPE: This Standard Operating Procedure (SOP) covers all the procedure of handling complaint process that is received by Company either from internal or external starting from the procedure of addressing complaint, process of receiving complaint, and organizing information received by Company, up to the process of complaint handling by Company.		
2. TUJUAN: 2.1 Sebagai pedoman untuk melaksanakan prosedur dan kebijakan dalam menangani keluhan/pengaduan yang diajukan pemangku kepentingan yang berasal dari pihak internal maupun eksternal Perusahaan. 2.2 Menjelaskan mekanisme/tata cara penyampaian keluhan/pengaduan hingga upaya penyelesaian keluhan/pengaduan. 2.3 Sebagai pedoman dalam mencapai visi dan misi, serta mengimplementasikan core values Perusahaan.			2. PURPOSES: 2.1 To be used as a guideline to implement the procedure and policy in handling the issue complained by interested parties either internal or external party of Company. 2.2 To describe the mechanism/procedure of addressing complaint and way to find solution. 2.3 To be used as a guideline in order to achieve vision and mission, also the implementation of the Company's core values.		
3. DEFINISI: 3.1 Keluhan yang dimaksud dapat berupa keluhan yang berkaitan dengan masalah yang timbul dalam hubungan kerja dan/atau penyimpangan atas syarat-syarat kerja yang diatur dalam Perjanjian Kerja Bersama (PKB)/ Peraturan Perusahaan (PP)/ketentuan lainnya yang dialami karyawan dalam melaksanakan tugas dan tanggung jawab karyawan dalam Perusahaan atau dapat berupa keluhan yang datang dari Pihak Ketiga terkait dengan hubungan kerja atau bisnis dengan Perusahaan. 3.2 Pengaduan adalah pemberitahuan yang disertai permintaan oleh pihak yang berkepentingan kepada penerima keluhan/aduan untuk menindaklanjuti keluhan/pengaduan terhadap seseorang/Perusahaan yang telah merugikan pihak pelapor/pemangku kepentingan.			3. DEFINITIONS: 3.1 Complaint mentioned here is issue that happens in work relationship and/or a infraction on work terms settled in Mutual Work Agreement/Company Regulation/other regulation which is done by employee in doing the assignment and responsibility in Company or a complaint comes from Third Party about work or business relationship with Company. 3.2 Another kind of complaint is an information about an issue with request by informant to complaint receiver to follow up the complaint aimed for a person/Company that has inflicted the informant/interested party.		

DIAMING menjadi atau menggantikan SOP ini.

The method and results of this system will be elaborated on our website and in future progress reports.



Time Bound Plan

The KPN 60-Month Time Bound Action Plan tracks our performance on a quarterly basis. The full plan is available on our website [kpnplantation.com].

NOTE : D = Done, P = Planning & OG = On Going

ACTIVITY / POLICY / MILESTONE		STATUS PER 15 AUGUST 2019	2017	2018	2019				2020				2021				2022				2023			
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
I. Policy : Stop Work Order																								
1	Biweekly Monitoring by Aidenvironment	To date, there have been no land clearing activities and / or land cover changes		D	D	D	On Going																	
2	Independent 3rd party monitoring	No new evident of breach found in PT GAN (Kubu Raya - West Kalimantan and PT ACP & PT APM - Papua) ***			D	D	D	On Going																
II. Policy : Forest Protection																								
1	HCV & HCS assessment as defined and integrated approach defined by the HCV Resource and HCS Approach Steering Group	a. PT ACP & PT APM - Papua by PT Ecology • Initial scoping (17 to 25 June 2019) • Full assessment & Approval by HCRN b. PT GAN - West Kalimantan by PT Kyara • MOU & Agreement (target 23 Aug 2019) • Initial scoping • Full assessment & Approval by HCRN				D																		
							On Going																	
							OG																	
							P																	
							Planning																	
2	Review the integrated HCV area management and monitoring program with carbon stock assessments using the HCV Resource approach and HCS Approach Steering, especially for PTs that have conducted HCV studies before 2015 and have potential areas for HCS (Forest Vegetation & Regeneration)	a. PT BSU - Jambi by PT Aksenta b. PT PTW - West Kalimantan by PT Aksenta c. PT WKN - West Kalimantan by PT Aksenta d. PT THIP - Riau by PT Aksenta							P															
										P														
											P													
												Planning												
3	Scoping & Establish a Recovery - Remediation Program integrated with the Conservation Area Program (CAP). Areas to be remediated are HCV-4 and degraded peat after December 2015.	Using aerial photographs, GIS is conducting a land cover analysis to determine the potential areas for HCV and HCS in the not planted concession area					OG																	
4	Conservation Area Program (CAP)	a. Conservation Area Finalization Determine the Conservation Area Program after GIS has finished conducting land cover analysis b. Conservation Area Pilot Project - PT BSU Jambi • SOPs Revision • Development of Field Technical Guide • Natural Nursery Regeneration • Instalation of Camera Trap to monitor wildlife • Co-management of Conservative Area with BKSDA Jambi & University of Jambi								Planning														
							OG																	
							OG																	
							OG																	
							OG																	
										Planning														

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Snapshot of our TBP

Summary

Since our commitment in July 2018, considerable progress has been made by company management and estate management of the respective group member companies:



1. The Stop Work Order is adhered to and monitoring is in place.
2. A comprehensive NDPE policy is being implemented.
3. Standard Operating Procedures are aligned with the NDPE policy, and plantation managers are instructed accordingly.
4. Our concession maps are shared at the request of interested parties.
5. HCV-HCS Scoping studies are guiding the Conservation Management Plans and Recovery work. Land conflict cases are being addressed; a new grievance procedure has been adopted. Fire prevention is high on our agenda.
6. We commenced implementing Recovery Plans and Remediation work to conserve, wisely manage and restore remaining forest and peat areas in and around the land bank of companies with Recovery liability. .
7. Our revised Time Bound Plan is available to interested parties.
8. We will continue to regularly report about progress made and constraints encountered.



KPN CORP
PLANTATION DIVISION

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