

ZERO DEFORESTATION POLICY, IMAGE ZERO, EXPLOITATION ZERO

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Aim:

Prosympac Agro Lestari acknowledges that while plantation development has made a significant contribution to economic development, deforestation and other unsustainable practices have had a negative impact on society and on the environment. Based on this reasoning, we collaborate with stakeholders such as entrepreneurs, traders, processors, NGOs, end-product user companies, financial institutions and other industry stakeholders in order to protect forests, peatlands and human rights and community rights. To prioritize this industrial transformation, we hereby declare this company policy:

1. Not Deforestation
 - a. Do not build in the High Carbon Stock Forest area (SKT or High Carbon Stock)
 - b. Do not build in HCV or High Conservation Value - HCV
 - c. Not burning
 - d. Progressively reduce GHG emissions (GHG or Green house Gas) on existing plantations
2. Not Building on Peatlands
 - a. Do not build on peatland at any depth
 - b. Using Best Management Practices on plantations that already exist on peatlands
 - c. Whenever possible, explore options for restoring peatland in collaboration with expert stakeholders and the community
3. Not to Exploit Humanity and Local Communities
 - a. Respect and support the General Declaration of Human Rights (Universal Declaration of Human Rights)
 - b. Respect and recognize the rights of all employees, including contracts for permanent employees, part-time employees and foreign workers (migrant workers)
 - c. Facilitate the inclusion of smallholders in the supply chain
 - d. Respect tenure rights over land
 - e. Respect the rights of customary law communities and local communities to provide or not to provide Free Prior and Informed Consent (FPIC) Agreements on operational activities on land as holders of legal rights to land, is common land (ulayat) or customary law
 - f. Resolve all complaints and conflicts through an open, transparent and consultative negotiation process.

PT Prosympac Agro Lestari will consult with communities, NGOs, industry partners and financial institutions in order to ensure that this policy is implemented effectively

Scope

All provisions in this policy apply without exception to all plant operations and to all suppliers of TBS or third parties where PT PAL is a customer or a third party in a trade relationship.

1. Zero Deforestation

Not Building in High Carbon Stock Forests.

Since 2011, research in Indonesia has sought to develop a pragmatic and robust operational method to identify land that is forest and must be maintained and degraded land that can be used for development. This research is still ongoing and has identified six types of vegetation "strata" as follows:

1. High Density Forest (HK3) or High Density Forest
Remaining natural forest, secondary forest with conditions approaching primary forest
2. Medium Density Forest (HK2) or Medium Density Forest
Remaining natural forests but conditions are more disturbed than HK3
3. Low Density Forest (HK1) or Low Density Forest
Looks like the rest of the natural forest but the conditions are very disturbed and are recovering with an older forest composition
4. Regrowing Young Forests or Young Regenerating Forests
Dominated by young trees that are growing back for 10 years but occasionally there are older forests in some places
5. Young Shrubs (BM) or Young Scrub
The area has only been opened in the last 10 years with the growth of several woody plants of pioneer species and similar cover grasses that cover the soil.
6. Open Land (LT) or Cleared / Open Land
The land that has just been opened, is dominated by grass or garden plants and some non-gardening woody plants.

PT PAL recognizes primary forests and high, medium and low density forests and forests that grow back as High Carbon Stock Forest (SKT). High carbon stocks do not apply to plantations or other agricultural land.

PT PAL understands that further research and pilot studies are ongoing in several locations to identify areas of HCS that can and must be maintained.

PT PAL also understands and supports that this research and development is based on the principle of natural ecological preservation that aims to identify and protect as much HCS forest as possible in the natural landscape. This work also includes a pragmatic assessment of social, economic and political factors that will have an impact on the sustainability of the identified HCV parts. For the time being until this method is completed, HCV forests will be protected.

Development is only possible to be done in the young scrub and open land. PT PAL will work with all stakeholders (government, civil society organizations in the social and environmental fields, local communities, etc.) to develop and implement an appropriate HCS threshold to protect high carbon stock forests, biodiversity and community rights and human rights. Temporary human beings still define social and economic opportunities and this will determine whether development can be carried out selectively in re-growing young forest areas, before this research and consultation is completed there will be no development of new land, for the time being and until it is determined then the standard This global policy is included in this policy. Regrowth Young Forests and other HCS forests will be protected and young shrubs and open land can be built. All plantation development activities must implement the latest HCS method to identify the HCS areas that will be protected.

1.1 High Conservation Value Areas

PT PAL has vowed to identify and protect areas with High Conservation Value (HCV) within all plantations that are becoming

FFB suppliers to factories in the supply chain are under the full scope of this policy.

PT PAL will continue the implementation of international best practices in the identification and management of HCV areas in accordance with Principles 5.2 and 7.3 and "RSPO Principles and Criteria for Sustainable Palm Oil Production 2017".

PT PAL recognizes that many non-forest areas also have High Conservation Values and also have high social and cultural values. PT PAL ensures that this non-forest HCV area is also protected in accordance with the full scope of this policy and does not receive FFB from suppliers identified that the plantation is in the area.

PT PAL will support the conservation and restoration of important forests, peatlands and other important areas in terms of ecology and culture that are in the natural landscape in the area around the plant. PT PAL will explore options related to implementing this together with stakeholders including the government and civil society. Areas identified as having significant social and cultural HCVs will be managed in order to maintain these values.

PT PAL will work with relevant authorities and take special measures to protect native animals and plants, especially endangered species and those that are threatened. Wild poaching of wildlife in plantations or forests is prohibited. Hunting, capturing, carrying out and trafficking wildlife on plantations is prohibited. PT PAL will provide a Forest sign board in an area of high conservation value

PT PAL respects the traditional rights of indigenous and community communities to hunt. PT PAL will work with these community groups in order to ensure that poaching is carried out in a controlled manner and in the areas designated for these purposes as long as their hunting activities are legal in accordance with applicable laws and regulations, not for commercial purposes, not involving threatened or endangered species, not causing risks to species sustainability in the long run and not having a negative impact on ecological processes that are important for agriculture and the preservation of local ecosystems.

1.2 Not Doing Burning

PT PAL will impose a "Zero Burning" policy which means that fire is not used in land clearing for preparation of new planting, replanting or other development in accordance with the full scope of this policy.

1.3 Gradually Reducing Greenhouse Gas Emissions in the Plant area

PT PAL will identify significant pollution and greenhouse gas (GHG) emissions, a plan will be prepared and implemented to reduce or minimize these pollutants and emissions. PT PAL will adopt and implement targets for GHG emission reduction and these targets will be achieved by processing factory waste to reduce methane gas emissions, avoid deforestation and use best practices in managing plantations on peatlands and whenever possible by restoring peatlands and peat forests to reduce emissions.

PT PAL will establish a monitoring system to provide regular progress reports on the reduction of pollutants and significant emissions from plant operations using appropriate equipment such as GHG equipment approved by ISCC or equivalent equipment.

2. Not Building on Peatlands

2.1 Not Building on Peatlands with Any Depth

Peatlands contain more than 65% organic matter. PT PAL will not accept any development on any peatland at any depth according to the full scope of this policy.

- 2.2 Best Management Practices for Existing Plantations in Peatlands
Where plantations have been built on peatland, PT PAL will work with expert stakeholders to ensure that Best Management Practices for peatlands, as defined by the RSPO and peatland experts, are adopted.
 - 2.3 Where possible, explore options for peatland recovery by cooperating with experts and community stakeholders
 - 2.4 With the end of the crop cycle on peatlands, PT PAL will explore the options available for the long-term recovery of peatlands and peat forests.
3. Not Exploitation of Manusai and the Community
 - 3.1 Respect and Support the General Declaration of Human Rights (Universal Declaration of Human Rights)
PT PAL is committed to upholding and promoting the General Statement on Human Rights for all employees, contractors, indigenous peoples, local communities and anyone affected by our operational activities in accordance with the scope of this Policy as a whole.
 - 3.2 Respect and Recognize the Rights of All Employees Including Labor Contracts, Part Time Employees and Foreign Workers (migrant workers)
PT PAL is committed to ensuring that the rights of everyone working in all operational activities included in the scope of this Policy are respected in accordance with the ratified regional, national and international laws and regulations. PT PAL is also committed to ensuring that it will use the best international practices if the legal framework is still not established. The following principles are the core elements that we will implement as part of this policy:
Anak Child labor - the company and its suppliers / sub-contractors will not knowingly use or promote the use of child labor and will take appropriate measures to prevent the use of child labor in relation to all activities carried out. The company will take corrective actions in cases where child labor is found to ensure that appropriate follow-up is carried out and assistance will be provided to protect children's welfare. Devinisi child labor is to employ children under 17 years unless they are married.
 - Forced and bonded workers - the company and its suppliers / sub-contractors will not knowingly use or promote the use of forced or bonded workers or conduct human trafficking (human trafficking) and will take appropriate measures to prevent the use of similar labor in relation to all activities do. Companies will take corrective actions in cases where similar power or trafficking is found to ensure that victims are referred to services available to help and foster them.
 - Appointment of ethical work - the company and its suppliers / sub-contractors must ensure that there are no direct or indirect levies or fees, either in whole or in part, in connection with recruitment for temporary or permanent employment positions including when using the services of an Employment Agent or private employment or at the time of recruitment carried out directly by the company.
 - Do not hold documents illegally - the company and its suppliers / sub-contractors will make maximum efforts to ensure that job applicants are not required to provide money guarantees or other guarantees as a condition of employment and do not experience detention of wages, identity cards, passports or travel documents and other personal property without their permission.
 - Occupational health and safety - the company and its suppliers / sub-contractors will protect their employees from threats to occupational health and safety that

are at risk of causing permanent disability, illness or loss of life. PT PAL will seek to protect employees, local communities and the environment from exposure to hazardous chemicals. The use of pesticide materials categorized by the World Health Organization as Class 1A or 1B is registered by the Stockholm or Rotterdam Conventions not used except in special and urgent situations. The use of Paraquat is prohibited. PT PAL will collaborate with stakeholders in establishing and implementing alternative pest control strategies so that they can completely avoid using these pesticides.

- Accident insurance at work - the company and its suppliers / subcontractors must provide accident insurance for all employees who bear medical care for those who have accidents and related illnesses

with his work, providing compensation for those who are sick and accidents due to work that cause loss of life or permanent disability.

Kerja Employment contracts - the company and its suppliers / sub-contractors will ensure that employees receive detailed information about their working conditions in writing and use the language they understand which is not limited to the nature of work performed, wage rates and wage arrangements, working hours, time off and other leave and all other employment benefits. In accordance with Disnaker regulations.

- Right of Association - PT PAL will respect the rights of the Company and respect the rights of all employees to form and become members of trade unions according to their choice and to bargain collectively. When the right to freedom of assembly and opinion is collectively limited by law, the company facilitates the right to freedom of association and bargains for all employees in parallel.
- Salaries - the company and its suppliers / sub-contractors will ensure that all employees are given a salary equal to or higher than the applicable regional UMP.

Kerja Working hours - the company and its suppliers / sub-contractors will ensure that all employees work not more than sixty (60) hours a week including overtime where overtime is voluntary and employees must take a minimum of 1 day a week (7 days).

Arsip Archive registration - the company and its suppliers / subcontractors will make transparent and credible recording records of the working hours and salaries of all of its employees.

Ormati Respect for diversity - the company and its suppliers / subcontractors will ensure that employees are protected from all forms of discrimination which constitute a violation of their human rights, will establish workplace practices that protect against discrimination or unlawful conduct and will endeavor to ensure that workers migrants receive good and equal treatment from other employees who carry out similar tasks.

Han Harassment and Torture - the company and its suppliers / sub-contractors will ensure the implementation of policies to prevent and correct harassment and abuse including sexual harassment and torture.

- Access to recovery - the company and its suppliers / sub-contractors will ensure that employees can access legal remedies and can access a credible complaint mechanism without fear of being blamed or dismissed.
- Principles of data protection - the company and its suppliers / sub-contractors will ensure the confidentiality of business affairs and ensure that they have been given permission and documented the permit before opening, describing, delivering or seeking confidential or personal information or obtain data relating to recruitment or appointment of employees.
- Accommodation - When providing a place to live, the company and its suppliers / sub-contractors who are partners in a long-term contract will ensure that the accommodation:
 - a) feasible and safe
 - b) separate and segregated residences are provided for unmarried men and women
 - c) there are no restrictions on preventing the right of employees to leave their place of residence during their free time
 - d) if there are no provisions in the laws and regulations of the country, the accommodation space provided is on average not less than 3.8m² per person
 - e) the sleeping room must be able to be locked from both inside and outside
 - f) each employee has a locked personal storage area.

3.3 Facilitating the Participation of Smallholders in the Supply Chain

Smallholders are a very important part of this industry because they are the core suppliers of FFB in the company so PT PAL will conduct continuous consultations with smallholders and provide technical assistance and support them to meet compliance requirements in accordance with the policy. PT PAL openly receives support from the government and civil society in supporting smallholders to meet the requirements and compliance.

3.4 Respecting Land Tenure Rights

Referring to the World Food and Agriculture Organization's Voluntary Guidelines on Responsible Governance of Tenure, PT PAL will respect tenure rights and recognize the duties and responsibilities related to tenure rights such as respect towards long-term protection and sustainable use of land, forests and fisheries. This is done by fully knowing the national obligations, the Constitution, regional and national legislation.

3.5 Respect for the Rights of Customary Law Community and Local Communities to Provide or Not Provide Approval on the Basis of Free and Prior Information or Prior, Prior and Informed Consent (FPIC) on Operational Activities Above the Land as Legitimate Rightsholders Is a Joint Land (Ulayat) or Customary Law

PT PAL has vowed to respect and recognize the long-term customary and personal rights of indigenous peoples and local communities and is committed to ensuring compliance with applicable laws and regulations and the best international practices related to FPIC are implemented, in accordance with the scope of this policy before initiating all new operational activities. PT PAL will contact international stakeholders to ensure that the FPIC process is carried out correctly and always improved.

3.6 Completing All Complaints and Conflict Through an Open, Transparent and Consultative Negotiation Process

PT PAL will develop and establish a process for handling those responsible for all complaints within the company. This process will be developed, reviewed and improved according to the needs of the situation and conditions, if needed, it will be in

consultation with stakeholders and will be open to the public. PT PAL is committed to actively promoting and supporting conflict resolution responsibly. This includes collaboration with relevant stakeholders in order to ensure that conflicts are resolved through a process that is mutually agreed upon and that respects customary and personal rights and ensures the free, prior and informed consent of the stakeholders for all agreements to resolve the conflict.

PT PAL is clearly and seriously committed to acting without using force and will do everything possible in all contexts to prevent the use of force or threats and the use of force.

PT PAL is committed to actively and constructively building relationships with all stakeholders including the community, government, customers and civil society at the local, national and international levels. This includes a commitment to provide information about the impact of PT PAL's operational activities openly to the public.

PT PAL will strive to ensure that information is provided in a format and language that can be understood by the affected stakeholders. PT PAL is also committed to negotiating clearly and transparently for all activities managed jointly.

4. Implementation Timeline

PT PAL will create a network of procurement sources with full traceability. At this time, PT PAL will not be involved in the construction of SKT, HCVs or peatlands or intentionally receive FFB from suppliers involved in the construction of SKT, HCV or peatlands. PT PAL understands that the company will need time to implement the Core Provisions described in this policy as well as understanding the need for immediate action to break the relationship between its operational activities from deforestation. In addition to immediately moving its development activities from SKT, HCV and peatland at the time this policy was announced, PT PAL hoped that suppliers could fully comply with all the provisions of this policy before 31 December 2019.

PT PAL will develop its own Action Plan and will provide information on progress made openly to the public and transparent in the hope that they will receive assistance, advice and feedback from various types of stakeholders including the government, NGOs, the community and its experts.

PT PAL will work with all stakeholders to continuously innovate and improve the implementation of this policy.

PT PAL will stop business relations with any supplier found by other stakeholders who have committed a serious violation of this policy and have not taken corrective action to correct the violation. However, despite the corrective actions taken, PT PAL will not do business with those who commit serious violations repeatedly. For example, suppliers who have been proven to burn or build on SKT, HCV or peatlands or arbitrarily violate human rights or communities and do not show progress in the corrective actions they carry out will be included in the blacklist.

5. Guidance for FFB Suppliers

PT PAL believes that the industry will be transformed so that it can contribute to environmental and economic prosperity through innovation, constructive dialogue and strong cooperation. PT PAL wants all FFB suppliers who work with PT PAL to be involved in implementing the core provisions of this policy.

Through PT PAL's own business activities and with the support of stakeholders, PT PAL will strive to foster suppliers so that they can better understand good and right palm oil cultivation so that they avoid deforestation, development on peatlands and not exploit fellow human beings and local communities .

6. Analysis and Review

PT PAL understands the importance of continuously reviewing the effectiveness of policies and practices for implementing these policies. PT PAL will carry out continuous analysis of the implementation process and will fully connect with all stakeholders in the process of continuous review and improvement. PT PAL's goal is to constantly improve implementation. With the emergence of new information and knowledge through both our experience and through research or the experience of others, PT PAL will make changes and adjustments to these policies in a way that is consistent with our goals to protect forests, peatlands, local communities and human rights.

7. Complaint Procedure

PT PAL has established a Complaint Procedure so that all employees, FFB suppliers and stakeholders can make complaints against any party. All complaints recorded in the Complaints Procedure and will be handled within the appropriate time and all investigations and findings will be reported if necessary to be carried out transparently with full information disclosure.

8. Application of Policy

PT PAL realizes that if this policy is not implemented strongly and consequently, the implementation of the policy will not go well. PT PAL will establish a clear assessment procedure to determine its own performance and supplier performance in relation to this policy. The strongest sanction owned by PT PAL is to stop business relations with its suppliers. PT PAL holds the right to terminate relations with any supplier based on their performance in relation to this policy.

9. Involvement of Stakeholders

PT PAL appreciates input from stakeholders and will contact NGOs, communities, government, employees, experts and other relevant stakeholders to help implement this policy. We will openly request and accept their input and ideas regarding performance and assessment of complaints and will immediately investigate and take action against the findings that there are violations of this policy. We will work with the government, companies, communities, NGOs and other parties to support the implementation of government policies that enable rapid changes in the industry so that they are free from forest destruction and exploitation.

10. Reporting

We will provide updated information in general regarding implementation This policy is quarterly and updated on a regular basis.