



Tunas Sawaerma's Policy on Sustainable Palm Oil

PT. Tunas Sawaerma

Palm oil trees are amazing natural resources, high-yielding and high land efficiency compared with other similar crops. Blessed with the optimum natural characteristics and weather condition for palm oil tree cultivation, palm oil has become one of Indonesia's most successful agricultural products and largest agricultural exports with value reaching USD18.64 billion in 2015 and 8% annual growth. Palm oil has become one of Indonesia's economic anchors, contributing to 1.6% of the national GDP, providing livelihood for more than 4.5 millions people, most of them in rural, remote and poor areas. It provides the means of income and economic development to the country and its people.

Alongside with the increase of global demand for palm oil, stakeholders' concern towards sustainable and responsible palm oil practices has increased, especially in these last few years. As a response to this increasing concerns, PT. Tunas Sawaerma is committed to implement sustainable and responsible palm oil production, which includes compliance to all relevant law and regulations, conservation of biodiversity, eco-friendly operation, labor practices, protection of human rights, and improvement of local communities' livelihoods. It is critical for us that all parts of our palm oil products are produced in environmentally sustainable and socially responsible manner. We endorse the Indonesia Sustainable Palm Oil (ISPO) and as the primary sustainability standard for palm oil products and support the efforts of the ISPO to develop mechanisms to distinguish sustainable palm oil products.

SCOPE & BOUNDARY

This policy applies to all operation areas of PT. Tunas Sawaerma in Indonesia. It applies to all internal operation and all activities conducted within our operational areas by suppliers, workers, employees, visitors, and other third parties. The policy is designed to drive sustainable improvement and transformation throughout the company through collaboration with local and central government, industry associations, academics, local communities, customers, employees, and NGOs.

OUR COMMITMENTS

<p>Compliance to Law and Regulation</p>	<ul style="list-style-type: none"> • We are committed to comply to all relevant law and regulation of the Indonesian government. • We conduct routine communication with local and central government and contribute actively to the improvement of the Indonesian palm oil industry through industry associations and our support towards the government programs. • We do not collaborate with illegal and/or unregistered organization/institutions under the law of the Republic of Indonesia. • We encourage transparency throughout our operation through reports, public presentation, or other means of communication.
<p>Efficient Operation & Quality of Product</p>	<ul style="list-style-type: none"> • We are proud of what we do and committed to ensure the best quality of products for our customers. • We implement strict quality control mechanism throughout our operation, from seeds selection, plantation, harvesting, production and delivery of product to our customers. • We constantly strive to improve yield and efficiency through innovation and continuous improvement, namely integrated pest management system, agronomy, plant nutrition studies, and/or other best practices where applicable and suitable to our operation.
<p>Sustainable and Re-responsible Palm Oil Plantation</p>	<ul style="list-style-type: none"> • We do not develop peat lands and do not plan to develop peat land into our operational areas. • We commit to protect peat defined as soil containing greater than 65% organic matter, regardless of depth. • We collaborate with the local and central government and competent, legal, registered independent third party under the law of Indonesia to conduct High Conservation Value (HCV) and High Carbon Stock (HCS) studies for our operation areas. • We involve and conduct stakeholders' consultation, especially the local authorities, the government, local communities and our plasma farmers in conducting HCV and HCS studies. As the result, we are committed to develop our new palm oil plantation area in accordance with these studies and consultation results. • No slash and burn. We do not use fire for any operational purposes in our plantation area will maintain our long-standing zero burning policy.
<p>Protecting Human Rights and Respecting Local Culture</p>	<ul style="list-style-type: none"> • We prohibit illegal, abusive, forced or child labor within our operations anywhere in our plantations and mills. • We commit to the respect and protection of human rights, the rights of all workers, including contract, temporary, migrant workers, the elimination of discrimination in employment and the promotion of equal rights, the freedom of association and the right to collectively bargain.

	<ul style="list-style-type: none"> • We respect the rights of indigenous and local communities to give or withhold their Free, Prior and Informed Consent (FPIC) to the utilization of lands to which they hold legal, communal or customary rights. • We strongly against the use of forced labor, and will work with parties to resolve complaints and conflicts based on Indonesian government's regulations.
<p>Safe and Healthy Working Environment</p>	<ul style="list-style-type: none"> • We commit to provide our employees, workers and visitors a safe, healthy and secured working environment. • We commit to comply with national and/or international health and safety standard in our workplace. • We provide health and safety trainings and socializations to all employees, workers, and visitors. • We aim to achieve zero accident • We commit to provide all employees with the appropriate and adequate Personal Protective Equipment (PPE) and continuously promote health and safety culture to all employees and our contractors. • We avoid the use of hazardous chemicals and fertilizers in our operations.
<p>Contribution to Local Community and Local Economy</p>	<ul style="list-style-type: none"> • We commit to develop Plasma Palm Oil Plantation that is regulated by Indonesian regulation to contribute to economic growth of local community. • Support the integration of our Plasma farmers into the sustainable supply chain. • We commit to contribute to the local economy development through Corporate Social Responsibility activities and programs, which include infrastructure, healthcare, education, and other suitable social empowerment programs that can help boost welfare and livelihood of the local communities.

REVIEW ON POLICY

We will continue to offer sustainable palm oil products in support of our customer demands. We will monitor the implementation of this policy in our operation and processes and constantly improve operations related to palm oil plantation and production. To that end, this policy will be reviewed annually by the Management.

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PT. Tunas Sawaerma