CONSERVATION
Policy Manual

(MAN-CSV-001)

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REVISION HISTORY

No	Date	Brief Description of the Revision

VALIDITY SHEET

The Company Policy Manual on Conservation has been approved by the Board of Directors of PT Austindo Nusantara Jaya Tbk. to come into force on October 1, 2018.

Istini T. Siddhartha President Director	**Geetha Govindan** Director	**Lucas Kurniawan** Director
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1. BASIC PRINCIPLES

1.1. Supporting Responsible Development

PT Austindo Nusantara Jaya Tbk. and its subsidiaries (ANJ) are committed to responsible development with the aim of producing high quality food products while considering the protection of biodiversity in the company's area.

1.2. Supported by everyone at ANJ

All parties need to support the implementation of this policy as a commitment to environmental sustainability.

1.3. Continuous Improvement

ANJ is committed to implementing an adaptive approach in implementing this policy, including making continuous improvements through periodic updates to improve the Conservation Policy.

2. ETHICAL PRINCIPLES

2.1. Professionalism

All process implementers are expected to work professionally by upholding honesty and independence to be able to reach the best achievements.

2.2. Obeying the Laws and Regulations as a Citizen's Responsibility

The management plan needs to comply with all laws and regulations, including derivative regulations, at their respective work locations.

3. CORPORATE COMMITMENT TO PROTECT CONSERVATION AREAS

3.1. ANJ has designated areas identified as HCV areas as company conservation areas with the following objectives:

3.1.1. Maintain the availability of water sources for the company's business.

3.1.2. Maintain the balance of the ecosystem, to avoid the emergence of pests that can damage the plantation and the ecosystem.

3.2. For areas developed by the company based on its location permit, the company will set aside at least 20% of the area as conservation area. The Company ensures that the conservation areas that have been identified in each operating unit are preserved and will not be planted or developed for business purposes without going through the following process:

3.2.1. an in-depth study by an independent party on the impacts of developing the area,

3.2.2. approval from RSPO (if related to oil palm plantations), and

3.2.3. joint decision by the Board of Directors and the Board of Commissioners.

Peatlands and riparian areas will not be planted with oil palm for any reason. The size of the conservation area must be pursuedto reach a minimum of 20% of the planted area of the company's estate.

3.3. The company is committed to manage conservation areas to maintain biodiversity balance contained therein by collaborating with government agencies and other competent institutions.

3.4. The company is committed to protect animal species in the protected and endangered criteria from hunting activities and maintain the population balance of other animals, which are part of the food chain of protected animal species.

3.5. The company conducts collaborative research activities on the habitat and behavior of protected animals with competent researchers throughout the company's concessions, publishes and disseminates the results of the

research, and provides continuous training related to the management of the company's conservation areas and the protection of protected and endangered animal species to the community, company employees, contractors and other partners.

3.6. The company will investigate and impose strict sanctions on company employees who hunt, keep, injure, and kill protected or endangered wildlife.

3.7. The company is committed to evaluate and report the management activities of all conservation areas to the relevant government agencies and openly report these activities in Sustainability Reports.

3.8. Every employee, contractor and other partners are prohibited from catching, hunting or bringing animals, flora or germplasm outside of the company's conservation areas and operations without permission from the company's Conservation Department.

4. CRITERIA FOR HCV AREAS AND RIPARIAN AREAS

4.1. Criteria for HCV Aaeas are:

4.1.1. forest areas containing significant value at the national, regional and global levels, and is in critical condition due to the high environmental, socio-economic, socio-cultural, biodiversity and landscape values attached to it.

4.1.2. serves as a support for life and climate at the local level, as a water catchment area, as a habitat for various types of protected species and a sacred or hallow place for the indigenous people who live in and around the area.

4.2. Based on the High Conservation Value (HCV) guidelines, there are 6 (six) types of high conservation areas consisting of 13 (thirteen) sub-values. The six types of HCV are;

4.2.1. Areas with significant levels of biodiversity (HCV 1)

4.2.2. Landscape areas important for natural ecological dynamics (HCV 2)

4.2.3. Areas with rare or endangered ecosystems (HCV 3)

4.2.4. Areas that provide natural environmental services (HCV 4)

4.2.5. Areas that have important functions to fulfill the basic needs of local communities (HCV 5)

4.2.6. Areas that have an important function for the cultural identity of local communities (HCV 6).

4.3. The six values referred to in point 4.2 can be broadly grouped into 3 (three) categories as follows:

4.3.1. Biodiversity – HCV 1, 2 and 3

4.3.2. Environmental Services – HCV 4

4.3.3. Social and Cultural – HCV 5 and 6.

4.4. The riparian area is defined as the area along the left and right side of the river including artificial / primary irrigation canals that beneficially maintain the function of the river.

4.5. The riparian area includes the riverbank area, which is the part that is only flooded during the rainy season and the area outside the bank that will accommodate the overflow of water in the rainy season and has higher soil moisture.

4.6. The riparian area is included in the local protected area which existence must be maintained.

5. DETERMINATION OF HCV AREAS

5.1. Determination of HCV areas in the company's operational area (inside the Location Permit or Cultivation Rights Title/HGU) is determined through HCVA (High Conservation Value Assessment) or HCV (High Conservation Value) identification which should only be carried out by competent people or agencies that have been registered by High Conservation Value Regional Network (HCV-RN).

5.2. This HCV identification activity will result in the following:

5.2.1. Types of HCV found in the company's operational area.

5.2.2. The diversity of plant and animal species found in the company's operational environment with information about their status information (endangered, protected, etc.)

5.2.3. HCV Management and Monitoring Plan of the identified area

5.3. For the development of new plantations, ANJ will identify HCV areas before the company's operations begin, so that the HCVs in the company's area can be properly maintained and managed.

6. DETERMINATION OF RIPARIAN AREAS

6.1. Permanent streams are streams that carry water for at least ten months throughout the year almost every year. The water body can be in the form of muds, gravels or rocks appearing to the surface. This type of waterway is classified into two categories, namely:

6.1.1. Large rivers – with a water body width of more than 30 m, the riparian buffer width is set at 100 m on each side of the water body.

6.1.2. Small rivers - with a water body width less than 30 m, the riparian buffer width is 50 m on each side of the water body.

6.2. Temporary streams or drainages are ditches that drain rainwater during heavy rains. This water body is composed of soil and is usually covered with fallen leaves and plants. For temporary streams, an area 5 m wide measured from the top of the bank to the nearest oil palm tree is set as a buffer zone.

6.3. Artificial drainage is an artificial ditch that only drains water when it rains heavily. The water body and its two banks are composed of soils and plants. A buffer zone is not required, but the water cannot be contaminated with fronds, fertilizers, or other chemicals.

6.4. For swamps or former areas of logging or other activities, if it contains water on its surface lasting for 6 months throughout the year, an area of 50 m wide around the swamp is designated as a buffer zone.

6.5. For springs with running water for at least ten months throughout the year almost every year, a area of 200 m around the spring is set as a buffer zone.

6.6. For coastal and mangrove areas or tidal areas, an area of 100 m wide measured from the maximum high tide during normal times is set as a buffer zone.

6.7. The dominant peat riparian area (Buffer Zone) is determined based on the HCV identification process (HCVA) by competent personnel.

7. MANAGEMENT OF HCV AREAS

7.1. Area marking by making area boundary markings.

7.2. Protect the area through:

7.2.1. Installation of HCV area signboards and prohibition boards for activities that threaten HCV areas in strategic locations, namely access ways to HCV areas and areas prone to disturbance.

7.2.2. Routine or periodic surveillance and patrols on HCV areas that are prone to disturbance.

7.3. Planning for the construction of plantation roads, canals, and other infrastructure must avoid HCV areas. If the development of access ways must pass through an HCV area, negative impacts on the HCV area must be minimized.

7.4. Develop and monitor management plans of protected plant and animal species populating the HCV areas.

7.5. Inventory of Non-Timber Forest Products (NTFPs) such as honey, rattan, etc. in the HCV areas.

7.6. Supervise and control the utilization of NTFPs to remain in accordance with sustainable use concepts.

7.7. Carry out an accelerated rehabilitation or enrichment program for plants in protected areas that have experienced a decline in stand quality or where degradation has occurred.

7.8. Maintain water sources (inundation areas, cover crops, soil pits/*rorak* etc.) inside or adjacent to HCV areas within the plantation area.

7.9. Prevent water pollution by using environmentally friendly agricultural chemicals in the garden area.

7.10. Controlling fire risk in HCV areas by making firebreak buffer areas, forming fire fighter teams, building fire control towers and providing fire control units.

7.11. Extermination of exotic plants around HCV areas slowly to prevent spreading.

7.12. Create programs and provide training for employees.

7.13. Conduct counseling and outreach to the community.

7.14. Establish good communication and build partnerships with the community to control forest encroachment, hunting or catching animals and extracting wood from HCV areas.

8. MANAGEMENT OF RIPARIAN AREAS

8.1. The management of riparian areas is one of the requirements in the environmental impact analysis and implementation of the High Conservation Value (HCV) identification study.

8.2. The company's objectives for managing riparian areas considers from various aspects, including:

8.2.1. Environmental – providing of wildlife corridors and erosion control.

8.2.2. Protection of riparian vegetation – providing clear operational boundaries with respect to management.

8.2.3. Economical – providing a source of protein (fish) for the community.

8.2.4. Clarify land ownership status to avoid occupation and land claims.

8.3. The steps that need to be taken in restoring the land use of the riparian area or buffer zone into a protected area are as follows:

8.3.1. Location inventory and area marking.

8.3.2. Counseling to employees and communities around the area about the benefits and functions of riparian areas.

8.3.3. Restoration of hydrological functions, by increasing the ability of rivers to accommodate river overflows during the rainy season and restoration of their ecological functions by planting local species and enriching vegetation.

8.3.4. Planting vetivers, legumes (controlled) and inserting intercrops on river banks whose vegetation has been converted to oil palm.

8.3.5. To determine and ensure the quality of river water, a water analysis must be conducted every 6 (six) months.

8.3.6. The treatment of oil palm plants that are already in the riparian area can use chemicals, but it is necessary to make a closed ditch between the river and oil palm plantations, to prevent river water pollution .

8.3.7. The company takes water samples in the upstream, midstream and downstream rivers for further laboratory analysis to determine the quality of river water and water biota.

9. REPLANTING OF OIL PALM

The replanting project carried out at ANJ's management units should pay attention to the following:

9.1. Map the boundaries of HCV Areas including riparian areas and areas around springs, the size of which follows the existing provisions (point 6 of this policy)

9.2. To minimize the proliferation of pest beetles for oil palm plants, oil palm plantations located in riparian areas and around springs are uprooted.

9.3. To restore the function of riparian areas as buffer areas for sedimentation and river water pollution, native/local plant species will be planted that provide economic value to the community in the form of non-timber forest products.