

Draft Sustainability Policy

Jakarta, 10 April 2021

Mulia Inti Perkasa

Mulia Inti Perkasa is an oil palm plantation and milling company operates across regions in Indonesia. Headquartered in Jakarta, we manage plantations in East Kalimantan Province. Our primary business activities include cultivating Oil Palm Trees, harvesting and processing Fresh Fruit Bunch, producing Crude Palm Oil, Palm Kernel, Crude Palm Kernel Oil and Palm Kernel Shell.

With this Policy, Mulia Inti Perkasa committed to implement and publicly the policy as part of the contributions to sustainable oil palm onwards:

A. Scope

Effective immediately, the provisions in this Sustainability Policy apply to all entities under Mulia Inti Perkasa:

1. A list of corporate entities that under the Mulia Inti Perkasa is disclosed on our website. This list will be updated if any change occurred.
2. Mulia Inti Perkasa follow the group definition by competence institution such as Accountability Framework Initiative and other relevant organization/institution.
3. This policy also applies to our contractors and third-party suppliers from whom we source fresh fruit bunches.

B. Policy

1. Legal compliance

Mulia Inti Perkasa commits to:

- i. Strict adherence to all applicable government law, policies and regulations and, where appropriate, international law.
- ii. Raising awareness among all our staff of relevant laws, policies, and regulations in our operations.

2. Transparency and accountability

Mulia Inti Perkasa commits to:

- i. Have all plantations and mills audited for certification under the Indonesian Sustainable Palm Oil (ISPO) scheme by 20xx.
- ii. Publish a bi-lingual Annual Sustainability Report, commencing by xxxx 20xx.
- iii. Launch a Sustainability Dashboard at least by xxxxx 20xx.
- iv. Ensure that a mutually agreed and transparent grievance mechanism will be followed, be it a governmental or other mechanism, in the event of conflicting land claims and other complaints and grievances.

3. No Deforestation

Mulia Inti Perkasa commits to:

- i. No new plantation development until we identified and can effectively protect areas of High Conservation Value (HCV) and High Carbon Stock (HCS) within our land bank.
- ii. Adhere with the definitions and integrated approach set out by the HCV Resource Network and HCS Approach Steering Group.
- iii. Develop and implement a Recovery Plan to deliver tangible and long-term benefits to conservation and local communities, and to indemnify some of past harm caused by our operations. No later than by 31 Dec-2015 will we have begun to support:
- iv. Community-based forest management schemes as administered by the Indonesian Government such as: Social Forestry (Perhutanan Sosial) in line with our Community Development/CSR programme and/or;
- v. Ecosystem restoration concessions, degraded parts of national parks, protection forest reserves or wildlife conservation areas, collaborate with non-governmental and governmental stakeholders and/or;
- vi. New or ongoing conservation and forest/peat management programs operated by recognised NGOs, community groups, or other credible institutions and/or;
- vii. Projects that promote non timber forest product processing and trade that benefit local communities.

4. No New Peat Development

Mulia Inti Perkasa commits to:

- i. No new plantation development on peat land, regardless of depth.
- ii. Implementation of Best Management Practices for existing plantations on peat, including:
 - a. Restoration and protection of natural vegetation on remaining peat within our plantations.
 - b. Maintenance of ground water levels at maximum 40 centimetres and placement of piezometers at every 50-hectare block.

5. Fire Prevention

Mulia Inti Perkasa commits to:

- i. No intentional burning on plantations under our management control.
- ii. No procurement of Fresh Fruit Bunches (FFB) from oil palms planted on land that burnt by intention.
- iii. Continue operating its daily fire monitoring program (Hot Spot Monitoring & Fire Danger Rating) and immediate vicinity.
- iv. Equipping all plantations with fire prevention and firefighting tools in the event of fire outbreak.

- v. Actively engaging local communities in initiatives of fire and haze prevention through the Masyarakat Peduli Api.
- vi. Consistent reporting in of any fire incidents to the appropriate government agencies and always updated on dashboard.

6. No Exploitation

Mulia Inti Perkasa commits to:

- i. Conduct Free, Prior and Informed Consent (FPIC) in case land acquisition, plantation management or conservation activity affects their rights, land, resources, territories, livelihoods, and food security.
- ii. Meet security of environment and respecting human rights, whistle blowers, and community spokespersons to ensure their anonymity when requested.
- iii. Empower independent farmers by providing training, sharing knowledge, equipment and tools in improving their production and livelihood.
- iv. No exploitation of workers and communities.
- v. Zero tolerance on Child Labor, Force Labor, Discrimination, Sexual Harassment and Abuse of Power.
- vi. Pay wages at the legal minimum set by the local government in the regions where we operate.
- vii. Provide a conducive work environment that includes common facilities like place of worship, housings, child-care center, clinics, educational institutions and sport facilities.
- viii. Provide National Welfare Insurance Scheme (BPJS) to all workers and facilitate the formation of employee cooperatives.
- ix. Recognize and respect the right of all workers to form or to become member of labor unions.
- x. Provide equal opportunity and treatment for work.

7. Best Management Practices at Plantations and Mills

Mulia Inti Perkasa commits to:

- i. Deliver yield improvements in our plantations and improved Oil Extraction Rate (OER) through applied biotechnology R&D.
- ii. Stop the use of Class 1a (extremely hazardous) and Class 1b (highly hazardous) pesticides.
- iii. Expand and broaden our Integrated Pest Management (IPM) systems.
- iv. Work towards optimum nutrient recycling, soil improvement and waste reduction in our plantations and mills by using Empty Fruit Bunches (EFB) as mulch and field application of Palm Oil Mill Effluent (POME) on minerals oils.
- v. Continuously protect and manage river and ground water quality through HCV area management, water treatment before and after usage.
- vi. Develop and commence to implement within three years a plan for the significant reduction of greenhouse gas (GHG) emissions from all our operations;

8. Traceability

Mulia Inti Perkasa commits to:

- i. Establish supply chain mapping
- ii. Prevent sourcing FFB from suppliers who are not in compliance with this Sustainability Policy.
- iii. Develop and trial enhanced systems to track and trace FFB supply to our mills in 2022.

9. Implementation and monitoring

Mulia Inti Perkasa commits to:

- i. Develop a detailed Time Bound Plan and Milestones for the Implementation of this Policy within three months after the launch of this Policy.
- ii. Align Standard Operating Procedures (SOPs) at Group level.
- iii. Develop the robust Action Plan recommended from Gap Analysis using NDPE standards.
- iv. Commence awareness raising programs for our estate and mill management and other employees to familiarize them with this Policy.
- v. Inform other stakeholders, notably local communities in and near the plantations where we operate about this Policy.
- vi. Cease to procure produce from suppliers that are demonstrably involved in illegal activities, deforestation, new peatland development and socially abusive practices.
- vii. Regularly review the implementation of this policy. As new information and knowledge comes to light, Mulia Inti Perkasa will adjust and improve relevant components of this Policy and their implementation.
- viii. We welcome feedback from our stakeholders (including other growers, smallholders, trader- refiners, processors, brands, NGOs, and/or government agencies) to advance our Policy and Practices, through dialogue, research, technical advice, grievances or otherwise.

C. References

There are presently plenty of NDPE policies published by palm oil growers, trader-refiners, processor-manufacturers and investors. For the development of our policy, xxxxxx, Tbk gratefully used key language proposed and/or adopted by a variety of stakeholders. Some of the key sources are referenced below;

1. The Forest Trust "Responsible Palm Oil Policy sample template". 2018.
2. Wilmar International "Integrated Policy: No Deforestation, No Peat, No Exploitation". 6 December 2013.
3. Astra Agro Lestari Tbk. Sustainability Policy. September 2015.
4. Golden Agri-Resources (GAR) Social and Environmental Policy. October 2015.
5. Sime Darby Bhd "Responsible Agriculture Charter". September 2016.

6. Unilever “Sustainable Palm Oil Sourcing Policy– 2016”
7. Musim Mas Sustainability Policy. August 2017.

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