



PERMATA HIJAU GROUP

Date : 01st September 2015
To : Permata Hijau Group Plantation Manager
Subject : Sustainability Policy

In order to support the improvement of the global climate patterns and reducing the negative impacts of the global climate change, especially Indonesia whose having levels of biodiversity, the company is committed to manage the palm oil plantation and its downstream industry in accordance to the sustainable principles in economic, social and environmental.

The guidelines and principles of the company sustainability policy are as follows:

1. Economic Perspectives (Business)

- a. Practices good business ethics based on Company code of conduct and principles.
- b. Complying to the National and International Law and Regulations.
- c. Building traceable and Sustainable supply chain.

2. Social Perspectives (community)

- a. Respect for human rights in the work place and organization and providing health insurance by applying the SMK3 (Work Healthy and Safety System Management).
- b. Continually improving the competence and welfare of workers.
- c. Respect the rights of the community as well as applying the principle of FPIC (Free Prior Informed Consent).
- d. Responding to the inputs for the company consistently and transparently.
- e. Implementing the CSR (Corporate Social Responsibility), that will have positive impacts towards the community.

3. Environment Perspective

- a. Compliance with the prevailing laws and regulations for managing the plantation area, and do not establish new plantation in the protected forest / High Conservation Value (HCV) areas.
- b. Assessing High Carbon Stock (HCS) before establishing plantation area.
- c. Increasing the usage of environmental friendly renewable energy in operation to minimize the amount of glasshouse gas emission.
- d. Do not establish new plantation in peat land and those which has been planted shall managed in accordance with prevailing laws and regulations.
- e. Implementing the waste management in accordance with the prevailing laws and regulations.
- f. Applying zero-burning policy during the development of new plantation. Whereby during the land clearing, the wood debris is stacked neatly and left to decompose for providing nutrients to the plants.

Thus this circular is made, to be known, as guidance and to be implemented with full responsibility.

Permata Hijau Group

Jhonny Virgo
Director