



Jakarta, September 2nd, 2024

**ASTRA AGRO FIRST PROGRESS REPORT ON ACTION PLAN IMPLEMENTATION
(AS OF AUGUST 2024)**

FOREWORD

Firstly, we would like to acknowledge the publication of the latest report from Friends of the Earth (FoE) in June 2024. We note that this report reiterates several points from the previous reports by WALHI and FoE, which have undergone independent field investigations and are currently being followed up with our Action Plan. Regarding the new issue of deforestation raised by the Genesis Bengkulu Foundation report, we have also issued an official statement on this matter (Attach the link). AAL invites all interested parties to actively participate in resolving these issues by focusing on the implementation of the Action Plan.

We officially launched our three-year Action Plan on July 21, 2024, and will now provide regular updates to stakeholders on its progress. Over the past month, in collaboration with EcoNusantara (ENS), we have undertaken several activities, including:

- Breaking down each point of the Action Plan in more detail to determine specific activities to be implemented.
- Discussing with the field team to further understand the issues related to the planned activities.
- Consulting with village heads and community leaders about issues in several target villages.
- Engaging with members of civil society through the ENS team to gather their perspectives on the problems faced by our three subsidiaries.

Additionally, we conducted internal team-strengthening workshops focused on effective community engagement, facilitated by ENS.

As we move forward with the implementation of the action plan, we will report what we have done regularly. Not all items will be immediately reported, as some require discussions with other stakeholders including communities (based on FPIC principles) and local government authorities. Where other stakeholders and external processes are involved, the progress will be made based on a set



timeline that has been agreed with those relevant stakeholders. Once the progress on these activities has been made, we will include them in the next progress report.

PROGRESS REPORT

This is the first progress update on PT Astra Agro Lestari's (AAL) Action Plan to implement the recommendations based on its assessment of the facts behind grievances raised by civil society. As we did with the original assessment, we will publish a regular series of these updates to keep our stakeholders informed of progress.

The AAL team together with the Eco Nusantara (ENS) team extensively engaged with relevant community members for over 10 months even before the action plan was published. The engagement involved meeting the village leaders, elders, local government agencies, community leaders, tribal leaders and others to build relations, understand concerns and gather feedback from the community members. FPIC principles were applied during this process, ENS as AAL's implementation partner made sure that the principles were followed, and communities were aware of what was being communicated.

For all three of the AAL subsidiaries, three activities are continuous: community engagement and needs assessment based on FPIC, livelihood support and existing CSR programs based on AAL's prior commitment to local community development.

The stakeholder engagement, needs assessments, and legal processes related to the HGU are still ongoing in PT ANA, but the socialization of the action plan has begun in the other two companies (PT LTT and PT MMG). These socialization events involved various local stakeholders as mentioned above, engaged in an open dialogue, to understand their needs and concerns and to obtain their input and feedback on the implementation of the action plan.

On the implementation level, PT LTT recorded some milestones. The below results are the realization of the action plan for the month of July.

As stated in the verification report, it was identified that the Towiora villagers need a new cemetery area (TPU), and the company is committed to facilitating this request. Significant progress has been made in the provision of this requirement and a suitable area of land for this purpose has been identified. The process of purchasing this land is in progress, with the process described below



The process of procuring land for the TPU has begun earlier, starting with the community search/identification of the potential location followed by an initial meeting between community leaders, government agencies and PT LTT management. In the meeting, the participants agreed that the follow up should be a survey of an identified location. Obtaining a suitable permit for the location was administratively complex, as the land is owned by other parties and therefore needs to undergo a change of land title from privately-owned to allocated for communal use. The process involved various discussions with local stakeholders through numerous meetings based on FPIC principles, with not only community members who have stakes in the area but also with government agencies responsible for land titling. In July 2024, a milestone was achieved in which all stakeholders agreed to proceed with the land conversion while administrative processes were being finalized. This was formalized under an MoU, which was signed by all parties. This process is also mentioned in our [quarterly report](#). The land clearing has started, and later in the process the TPU will undergo the relevant religious procedures. This will be followed by the establishment of supporting infrastructures. It is hoped that the TPU opening will be made official in October 2024.



Processed of MoU signing witnessed by the Towiora Village Head, Village Figure and Traditional Figurers



Bridge construction to connect the access to public cemetery location



Installation of 14 coordinate points around the public cemetery area

On a related note, PT LTT also recognizes the need to strengthen the capacity of the existing village fora with the help of ENS, local officials and other stakeholders.

Another item that was identified during the community engagement is the community's need for more access to a clean water supply. PT LTT has successfully built two clean water facilities and sanitation units (MCK) for two hamlets in the village of Towiora. This initiative will continue to be developed according to the needs of the community.

At PT Mamuang, we have been providing staple food assistance to the Kabuyu community since September 2023, and this program is still ongoing. We are also in the process of identifying potential income-generating programs to improve the livelihoods of the Kabuyu community, which will be taken into account during the next phase of AAL's community empowerment program.

Meanwhile, at PT ANA, we are continuously coordinating with the local government to resolve overlapping land issues. Regarding the release of PT ANA land to the Bunta community, as determined by the Governor of Central Sulawesi, PT ANA is committed to following the government's directives, with the land handover mechanism guided by government instructions.



Provision of staple food to 135 Kaili Tado community



As part of its implementation of the Action Plan and the regular monitoring of the monitoring well water, ambient air, samples from boilers and others, the company has sent H1 monitoring samples to a nationally-accredited laboratory in Makasar. The results were then reported to the local environmental department (DLH), which agreed to support the socialization of testing results with the villagers, in a collaborative approach to address this issue. This approach is set to continue in H2 2024.

This consultative process was held in July 2024 and people from the four surrounding villages, and representatives from DLH Donggala, participated in the event. On that occasion, PT LTT described its waste management processes and practices in detail and introduced a new grievance/whistleblowing channel mechanisms to the community. The officials from DLH Donggala also conveyed that the testing showed that the company's waste had not been polluting the surrounding environment. Additionally, the community representatives also asked to be involved more closely during the sampling of waste and surrounding water/air and also via visits to the mill's wastewater treatment facilities.



Socialization of PT LTT Environmental Quality Monitoring with the Environmental Service, Village Government and Community Leaders



Air Quality Monitoring



River and well water quality monitoring



Key Point of Progress

In summary, the three subsidiaries are navigating a complex landscape of community engagement, environmental management, and legal challenges. The company has made progress in developing a public cemetery and addressing community concerns in environmental pollution in PT LTT but there remains work to be done. This subsequent work will focus on the handover of the cemetery to the community, reaching out to the members of civil society and the appointment of competent third part(ies) that can mediate the discussions. In PT Mamuang, AAL has continued its staple food support for the Tado community in Kabuyu and begun conducting a needs assessment to explore livelihood programs that the company can support. Efforts are also being made to support the joint resolution of land disputes and advance the land handover process to the Bunta community, as per the directives and instructions of the provincial government of Central Sulawesi. AAL continues to be open to input from valued stakeholders and members of local communities who are to convey their concerns, if any, through the appropriate channels.