



ANJ Sustainability Policy

Foreword

The ANJ Sustainability Policy is our commitment to Sustainable Development in the Oil Palm Industry. This policy is formulated in a way that it supports the United Nations 17 Sustainable Development Goals and links them to our Sustainable Development Approach. It demonstrates that we are practitioners of Responsible Development in the oil palm sector. The guiding principles of Corporate and Social Responsibility, Transparency, and No Exploitation thread through the entire policy. The foundation of this policy has three key elements: (1) Long-term economic viability (Prosperity), (2) Human well-being (People), and (3) Stewardship of natural resources and management of the environment (Planet). This policy aims to balance prosperity, the well-being of people, and environmental management.

The structure of the policy is such that it identifies the core components of each key element, ensuring maximum coverage and supporting our commitment to Sustainable Development. The coverage encompasses legal compliance, good governance, the recognition of human rights, and positive engagement with all stakeholders. Environmental stewardship prioritizes the protection of natural areas of importance and efforts to minimize and manage pollution in our business operations. We support Responsible Business Practices, which is the foundation for implementing all elements of the policy. Realization of this policy is dependent on business profitability.

We are guided by an adaptive management approach which allows us to incrementally achieve full requirements of sustainability. This policy is a living document and its implementation will be phased and continuous.

This policy is supplemented by a set of guidance which explains the approach taken towards implementing this policy. Various key elements are expanded to provide a better understanding of this policy.



ANJ Sustainability Policy

ANJ's commitment to sustainable palm oil production takes into consideration the 17 Sustainable Development Goals adopted by the United Nations General Assembly in 2015. In addition to this, we fully subscribe to the three key elements of Sustainable Development, which aim to satisfy the current environmental, social, and economic needs without sacrificing the sustenance of future generations. The elements being;

1. Long-term economic viability (Prosperity),
2. Human well-being (People), and
3. Stewardship of natural resources and management of the environment (Planet).

These key elements become the foundation pillars of our commitment to sustainability because we care about what we do, and how we impact others and the environment. In view of this, our commitment is extended to all associates and business partners in the oil palm sector. As a member of the Roundtable on Sustainable Palm Oil (RSPO), we aim to fully comply with the RSPO Principles & Criteria and its ancillary requirements. This is a long-term commitment.

Guiding Principles of the Sustainability Policy

1. **Corporate and Social Responsibility (CSR)**

Our CSR has two dimensions; stewardship and full cognizance of social needs. Our Corporate and Social Responsibility is guided by the key elements of this policy. Our CSR initiatives will consider the actual needs and aspirations of our employees, local communities and direct stakeholders. Specifically designed programs will ensure that they are long-lasting, beneficial, uplifting, and target specific.

2. **Transparency**

Our commitment to transparency is such that it is embedded in all elements of our Sustainability Policy. We shall promote accountability and transparency through effective reporting and communications.

3. **No Exploitation**

ANJ will not subscribe to any form of exploitation in all its business operations and practices. We are a company that practices fairness and provides equal opportunities. All elements of this policy are guided by our adherence to our commitment to No Exploitation of any kind and form.

Key Elements of Sustainable Development

1. Long-Term Economic Viability (Prosperity)

Long-term economic viability refers to the ability and capacity of a company to make a reasonable and sustainable profit.

Responsible Business Practice

Responsible Business Practice requires the company to take into consideration ethical, environmental, and social factors in striving for profitability.

- **Compliance with local laws and regulations, and international conventions**
ANJ complies with Indonesian laws and regulations, and relevant International Conventions, which includes respecting Human Rights and universal Labour Rights, and protection of Biological Diversity.
- **Commitment to Good Corporate Governance**
We are committed to promoting Good Corporate Governance (GCG) in all our business operations and this extends to our business associates and direct stakeholders. Fairness, Transparency, Accountability and Equal Opportunity is the core of our GCG.
- **Subscribe to fair and ethical Code of Conduct**
We will uphold a strict code of ethics in our business practices and decision-making. In doing so, fair treatment in all aspects of our business practice and operations is guaranteed.
- **Compliance to the requirements of RSPO Principles & Criteria**
We have a proven track-record of compliance with RSPO requirements and we intend to maintain this in perpetuity.
- **Traceability**
We will ensure full traceability of our supply chain and systematically ensure that sustainability requirements are adhered to along this chain.
- **Guaranteed good quality products**
We will guarantee that all necessary standards will be implemented to ensure that all our products derived from palm oil processing are of the highest quality and are in line with international standards.
- **Reporting and disclosure**
We will ensure that regular reporting of our sustainability progress and achievements occurs.
- **Commitment to continuous improvement**
We are committed to ensuring continuous improvement in all aspects of our operations and business practices. We will, over-time, identify the integrated linkages in our system through adaptive management.

2. Human Well-Being (People)

2.A. Social Responsibility Towards Employees

ANJ will ensure the well-being of our employees by adhering to the following social values and practices:

2.A.1. *Gender Equality*

Gender equality views that all employees and related parties, should receive equal treatment and not be discriminated against based on their gender. ANJ actively promotes the following in our management:

- **Women Empowerment**

We provide a positive work environment to encourage women to actively and confidently participate in our work force and take on leadership roles.

- **Women healthcare, childcare and reproductive rights**

We recognize the role of women in families and communities, and the importance of providing medical healthcare according to women's special role as mothers in communities. Therefore, we have developed a healthcare and childcare system that supports women in carrying out their function as a worker and their role as family caretaker. The development of a childcare system that is functional and supportive also contributes to family well-being.

- **Equal Opportunity**

In line with our commitment to GCG, we practice equal opportunity, without gender bias, for employment, fair wages and bonuses, and unbiased promotion without any form of discrimination.

2.A.2. *Human Rights*

Human Rights refer to our basic rights that should be respected by all and are guided by accepted universal principles and norms as follows:

- **Universal Declaration of Human Rights**

ANJ recognizes the Universal Declaration of Human Rights, which articulates fundamental rights and freedom for all. We respect these rights in our operations and business practices.

- **Zero tolerance for any discrimination based on race, religion, nationality, political views, physical conditions, and others**

We aim to create a working environment that is harmonious and non-divisive. Therefore, we do not accept any form of discrimination based on race, religion, nationality, political views, and physical and medical conditions affecting our employees and business associates.

- **Children Rights**

We recognize the United Nation Convention on the Rights of the Child (1990). ANJ will ensure that children in and adjacent to our management sites are given the right to be with their families with access to housing, adequate nutrition, clean water, electricity, and basic facilities. We will also provide them access to child healthcare, basic education, and protection from abuse and neglect.

- **Violence, Harassment, and Sexual Exploitation**

ANJ will not tolerate any form of violence, harassment and sexual exploitation in our management sites and work places.

2.A.3. Labour Rights

- **We do not use child labour, trafficked labour nor forced labour**

- **Employment conditions and benefits**

ANJ shall uphold the standards of the International Labour Organization (ILO). Our labour rights commitment includes implementing the strict regulation of no child, trafficked nor forced labor in all our business operations. We also promote fair and equitable benefits by providing medical insurance, retirement plans and annual, sick and maternity leave.

2.A.4. Safety and Security

Safety and Security aims to provide a safe and secure environment to enable employees to work without risk of injury and illness.

- **Occupational Safety and Health (OSH)**

We do not compromise health and safety standards in any of our operations and we provide safe environments to work in for all our employees. Adequate guidance and training is a priority.

2.A.5. Positive Engagement

ANJ is an open and transparent organization, we provide the platforms that supports and provide the following:

- **Socialization of the values and policies that we uphold;**
- **Functional Grievance Mechanism;**
- **Unbiased Conflict Resolution; and**
- **Continuous engagement with both internal and external stakeholders.**

2.B. Local Communities Engagement

ANJ is concerned about the well-being of all associated local communities and direct stakeholders. ANJ respects local communities and their rights to land and livelihoods. As such, we are committed to fully comply with the requirements of the RSPO standard and procedures relating to community engagement. In doing so, we will ensure that the following is the foundation of our local community engagement efforts:

- **Free, Prior and Informed Consent (FPIC);**
- **Respect local communities' land tenure rights, customary rights, and culture;**
- **Maintain continuous engagement with local communities;**
- **Ensure local community involvement and development;**
- **Facilitate grievance and conflict resolution, including land conflict resolution; and**
- **Socialization, education and awareness-raising.**

3. Stewardship of Natural Resources and Management of the Environment (Planet)

3.A. Protection of the Environment and its Management

ANJ's sustainable development approach considers the social, environmental, and economic needs. We take an integrated approach conserving high value areas within and adjacent to our operation sites. Our stewardship efforts will encompass the following:

- **Responsible development of new areas incorporating an integrated landscape approach;**
- **Total protection and conservation of independently identified HCV-HCS areas and primary forest;**
- **No land clearing for oil palm in independently identified HCV and HCS areas following RSPO protocols. Development of identified HCS areas pertaining to legacy cases will strictly follow RSPO's requirements and protocols;**
- **No new development in peat areas of any depth and conservation of peatland;**
- **Commitment to reducing Greenhouse Gases (GHG) emissions;**
- **Zero Land Burning; and**
- **Precaution when developing on fragile soils, slopes and water ways (including river basins).**



3.B. Stewardship of Developed Areas

We are committed to industry best practices, incorporating all environmental stewardship requirements. Best Practices are good operating procedures that allows management standards to be set. These procedures apply to the following:

- **Implementation of Integrated Pest Management (IMP);**
- **Water management in existing developed wetlands and peat areas;**
- **Waste management by implementing 3R method: Reduce, Reuse, and Recycle (composting);**
- **Minimize the use of chemicals, pesticides and fertilizers, and no use of paraquat;**
- **Reduction of pollution;**
- **Increase Energy Efficiency; and**
- **Going beyond industry best practices in the production of sustainable palm oil.**

ANJ is committed to all the guiding principles and key elements in this policy, and this will form the base of our sustainability operations. ANJ pledges to periodically review and update this policy based on new sustainable requirements arising in the sustainable oil palm industry. This is a living document.



This policy is effective as of 31 October 2019. With the issuance of this policy, the pre-existing Sustainability Policy issued on 5 July 2019 is revoked and shall be of no effect.

Jakarta, 31 October 2019

Board of Directors

PT Austindo Nusantara Jaya Tbk

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Geetha Govindan – Director

Lucas Kurniawan – Director

Naga Waskita – Director

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