

SUSTAINABILITY NEWS



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Kangkareng Perut Putih or Oriental Pied Hornbill is one of the biodiversity at PT GAS

“Pencegahan
lebih mudah dan
murah
dibandingkan
dengan tindakan
pemadaman.”

Anonim

“Sustainability is not
about choice, is about
business to move
forward”

Rudy Prasetya

“The Key to
Understanding the
Future is One Word:
SUSTAINABILITY”

Patrick Dixon

Editor's Message

To Insan Triputra,

Welcome to our first edition of SustainabilityNEWS.

With the presence of Sustainable Development Goals (SDGs) globally, the management keen to publish a bulletin regarding company commitment and contribution to sustainability.

In recent years, the company has been developing sustainability programs in order to produce sustainable palm oil by applying best practices in every action. By these actions, the company hopes can assist the government of the Republic of Indonesia to accelerate SDGs achievements.

Therefore, we would like to share our actions in form of a bulletin that will be published every two months. It will share information and knowledge on sustainability, as a means to update the sustainability progress to all employees.

We hope to receive constructive inputs from all Insan Triputra. If you would like to contribute an article, we are very delighted to have your article. Please contact us for further information at

information@tap-agri.com

Enjoy reading our bulletin
TAP-RED Team

Greetings From Us

Dear Insan Triputra,

We all know that palm oil is an important commodity for Indonesia. All its derivative products can be used in our everyday life, such as cooking oils, toiletries, biodiesel etc. This industry has contributed to economic growth, create job opportunities and can reduce the poverty rate, in other words, this is the best sector to meet criteria for Sustainable Development Goals (SDGs).

Currently, it is important for the government of the Republic of Indonesia to implement the SGD's in order to achieve the sustainable development and to boost social and economic development as well as environment. Therefore, the involvements from all stakeholders are very important.

As part of Indonesia, PT. Triputra Agro Persada (TAP Group) eagers to contribute to the achievement of SDG's targets in 2030. This is also in line with TAP Group's commitment in carrying out sustainable principles to produce sustainable palm oil under the company's vision to be "Excellence Plantation for the World". The company continues to show its serious commitment in applying best practices in every line of the business.

Previously, the United Nations General Assembly in New York, United States of America that was held in 2015 had ended the Millennium Development Goals (MDGs). This summit brought in a new era; SDGs. From the meeting, the 193-members States of the United Nations adopted the Agenda for Sustainable Development that will be valid until 2030.

In this era, SDGs is not focusing on Poverty only, it will go further on People, Planet, Prosperity, Peace and Partnership. These five focuses are expected to reduce poverty, achieve the equality, and tackling climate change for 2030. In order to achieve these three, 17 SDGs Goals and 169 Targets were formulated. These Goals and Targets are interconnected, and integrated with each other, and cannot be separated.

This tall order to achieve the goal is our responsibility. The action to eradicate poverty, fight inequality and tackle climate change need to be implemented. Our strong commitment for sustainability should be visible and encourage both the employees and the surrounding community.

Finally, we would like to say thank for the attention and support for the sustainability of the company.



This year, TAP Group initiated a new program, known as Prosperous Fire-free Village or Desa Makmur Peduli Api (DMPA). This sustainable program is an integration of Fire Free Village Program or Desa Bebas Kebakaran (DBK) with the Village Economic Empowerment or Pemberdayaan Ekonomi Desa (PED).

The PED provides assistance to all villages around TAP Group concessions with focus on economic development activities. The PED program primary pillars are social empowerment, economic development and environment prowess. This program will be carried out in all TAP Group's subsidiaries that are located in Sumatera and Kalimantan, gradually.

The DBK program is a wild-fire preventive initiative from TAP Group and its related stakeholders, namely the local governments and the village communities, in order to reduce and prevent the fires in surrounding concession. TAP Group has started this program since 2016.

How does it work?

Each village will be accompanied by one Village Assistant. The Assistant will report directly to the nearby Estate Manager or Area General Manager.



The Assistant will provide advice, guidance and coaching to farmers and business groups in the village. She/he also actively involves in the establishment of village-owned business entity (BUMDes) in order to make the business grow. In addition, the Assistant will also facilitate his/her villages in obtaining access to finance from other parties.

Other than that, the Assistant also responsible for education and engagement of the villagers on Prevention of the Forest and Land Fires (Karhutla) program that in line with DBK. They will socialise the danger of Karhutla to the villages with related stakeholders.

The Program Implementation in 2018.

The first PED program has been implemented at PT. GBSM. The program provides assistance to all villages around PT. GBSM with focus on economic empowerment activities.

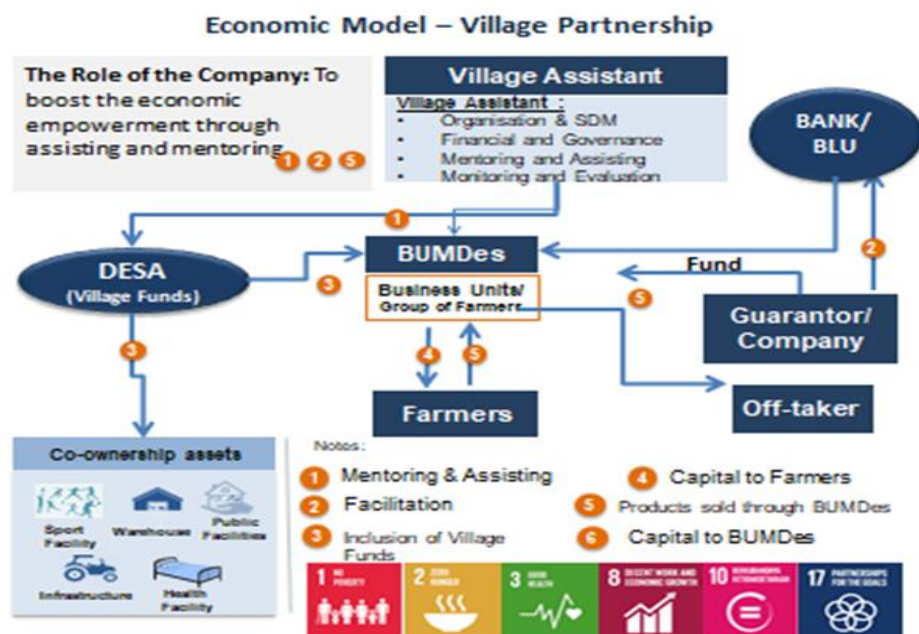
In this year, there are three Village Assistants at PT. GBSM, PT. HPM and PT. YWA.

Road Maps and SDGs.

Hopefully, by the year of 2020, the company will have 13 Village Assistants that can assist DMPA program, which consists of 49 villages that located around TAP Group plantations.

With this program, the company hopes that could contribute to the Economic Equality Policy program from the government of the Republic of Indonesia, especially in the development of disadvantaged villages.

Lastly, the DMPA program is also expected to support the government of Indonesia to fulfil SDGs Goals, namely no 1, 2, 3, 8, 10, and 17. With this program, TAP Group is proven in supporting the Indonesian government to accelerate the SDGs' achievements.



the forgotten village and now headed to prosperity.

In this edition, we are sharing the PED program in one of TAP Group subsidiaries, namely PT. GBSM. This year, PT. GBSM has started the program in Muara Dua village. The village is located in Seruyan Hilir sub-district, Seruyan District in Central Kalimantan.

Why is Muara Dua village?

The Muara Dua village is one of the isolated villages near PT. GBSM. Couple years ago, this village had a limited access for transportation; the local community could only use a small wooden boat as for transportation on the Seruyan River. Then, in the year 2014, PT. GBSM had built roads in order to give them a new transportation access.

The PED Program

Other than road transportation, PT. GBSM also has started the PED program. This program could strengthen the economic activities in the village by developing the economic resources and working together with related stakeholders.

Currently, there is 145 head of families or 545 people live in this village.



Klotok, the Transportation in Muara Dua Village

Farmers, fresh-water fishermen, cattle ranchers, and palm oil gardening are their livelihood.

developed a PED program; which is the freshwater fish cages business.

Why the PED Program?

"Give the hook, not the fish"

Maybe we all often hear or read this quote on the Corporate Social Responsibility's literacy. It means that the design of a CSR program should be given in a form of economic empowerment program. Thus, the society can discover and develop their economic resources independently. However, the activities need to be assisted.

Why the freshwater fish cages?

Due to the village community lives on the river bank, it would be very easy to utilise the river in order to increase the community economy.

Since a long time ago, the community has engaged in fish farming, however, they are still lacking in knowledge and capital. Thus, this business has not sustainable.

Therefore, the PED program is needed to increase their economic productivity and welfare.

After the potential assessment has been conducted, the company



Muara Dua Village



The Community in Muara Dua Village

SUMBER MATA PENCAHARIAN MASYARAKAT DESA MUARA DUA



Source of livelihood of Muara Dua Village

How Does PED program work?

In order to make this program runs sustainably, BUMDes, through its business unit, will give training and allocate the capital for freshwater fish farming business. With this, all parties; the business units, the regional and the central governments will be integrated one and another. Aside from that, it will be very easy to supervise the economic activities.

In addition, the bank will give their trust and provide funding for the community.

With this program, the quality of life in the village will be increased, therefore, the equitable welfare can be realised.

What's Next?

The next promising potential development is agricultural business, such as vegetables and livestock.

Currently, the price of vegetables is expensive due to the community need to purchase it outside their village. Therefore, it would be a good opportunity for the community to grow their own

food and sell it.

In addition, cattle and chicken farms are also important business for the community. By having these farms, the community can meet their needs and they can sell to other villages.

Therefore, by implementing this program, the company can fulfil the SDGs targets no **1**, **2**, **3**, **8**, **10**, and **17**.

Contributor: Edi Susanto
Photos : Edi Susanto
Infographic: M. Hendriansyah



Fresh water fish cage



Cattle in Muara Dua Village

Forest & Land Fires, Let's Prevent it Together

In the last few years, Forest and Land Fires (Karhutla) has become important issue for Indonesia. The drought on peatlands, long dry season and opening new areas by using the fire (mostly done by the local community), are the key factors for causing the fire. The smoke from the forest fire can also harm the communities, bring down the economy and disturb neighbouring countries.

Therefore, the governments work together with companies and communities in order to socialise the danger of Karhutla to villages in surrounding areas. This preventative action needs to be done regularly.

Why is this necessary?

The involvement from all parties is an important key in order to reduce Karhutla. All parties are expected to remind each other and work together to socialise the danger of Karhutla to villages around their concession.



Simulation of Forest Fires at PT. GBSM, Central Kalimantan

How?

The government and companies prevent Karhutla by having regular training with related stakeholders. This action can build awareness and cooperation, as well as to prevent the Karhutla.

With these fire preventative actions, we can reduce the economic loss and society can have a healthy life again.

Therefore, this action can contribute to SDGs achievement, especially No **13**, the Climate Action.

Documentation:
Fandy Permana,
Agung Setyawan



The socialisation of Karhutla Prevention in East Kalimantan



PT GBSM socialised the Karhutla Prevention in Jahitan Village with the community and the local government in Central Kalimantan.

TAP Actions To Prevent Forest Fires

The Forest and Land Fires (Karhutla) that happened in 2015 was a disaster for all of us. The Karhutla caused casualties and the haze caused respiratory infection for the community in surrounding areas. Aside from that, the haze also impacted the neighbouring countries. Serious action to prevent it is necessary to avoid similar catastrophe happen again in the future.

In 2016, TAP Group and its subsidiaries had simultaneously initiated the "Fire-Free Village" program (DBK) as a form of participation in overcoming Karhutla. Together, the local government, the village communities and the company formed a Joint Action Forum as a preventive action in order to prevent Karhutla in surrounding concession. In this forum, all related stakeholders will involve and take their part seriously.

The aim of DBK is to minimise the risk of Karhutla in surrounding areas. It is a communication and strategy platform between the stakeholders in order to coordinate efficiently, to increase the society awareness regarding the danger and the penalty of Karhutla, and to improve the society's ability to prevent the fires.

Through this program, TAP Group



Fire-Fighting Simulation at PT. GBSM.

facilitated the implementation of fire prevention training and conducted regular joint patrols with District Leadership Forum (Muspika) in surrounding villages.

Since the program started, TAP Group and its subsidiaries have been able to keep the estates fire-free. This means that there are no fire cases within the concession area to date.

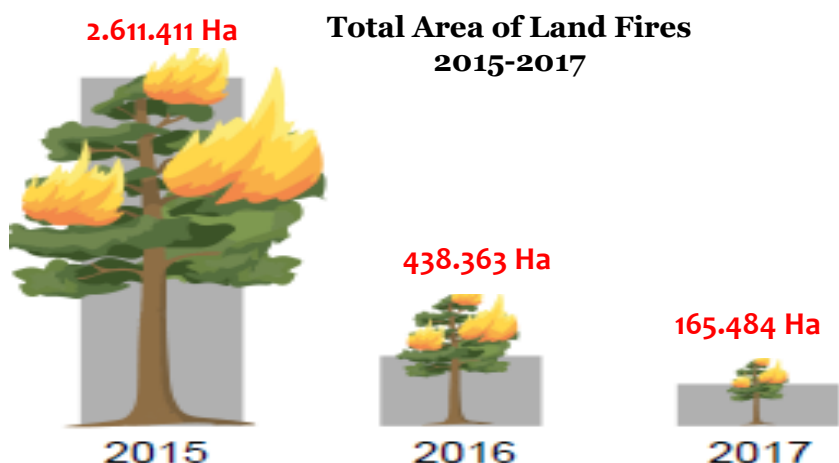
In addition, based on the Ministry of Environment and Forestry of the Republic of Indonesia (KLHK) report, the level of Karhutla dropped dramatically in 2017 compared to previous years. This is a proof of the success of the prevention efforts that have been carried out by the government, business sectors, and the community around

the plantation area.

In the year of 2018, TAP Group improved the DBK program by adding the Cluster Karhutla Prevention program based on government recommendation. The program is expected to support and complement the related programs that have been carried out so far. With this program, all stakeholders required to work together in order to prevent Karhutla. By implementing it, all stakeholders hope that Indonesia can be free from smoke in 2019.

With the DBK program, TAP Group has taken initial initiatives to reduce the negative impacts on the environment. This is also in line with one of SDG's Goals, No 13 regarding the Climate Change.

Contributors: Arief Hergunanto & Agung S
Documentation: Agung Setyawan



Source: the Ministry of Environment and Forestry of the Republic of Indonesia



TAP Group conducted the fire fighting training with Mangala Agni, Palangkaraya, Central Kalimantan, March 2018

Palm Oil Supports National Food & Energy Security

The growth on the palm oil in recent years has made Indonesia as one of the world's largest producers. The sector has been the economy's most important export to date.

This industry plays a significant role in Indonesia; it can contribute to regional development as well as the source of poverty alleviation. Its derivative products also have a strategic function to support food and

The Role of Palm Oil Industry for Indonesia



energy security; raw materials for cooking oil and biodiesel. In a short, Palm oil is Indonesia's best sector in agriculture.

What happened in 2015?

The low global oil prices in 2015 weakened the global prices of other commodities, such as the Crude Palm Oil (CPO) price. In 1,5 years period, the CPO price dropped by 51% from the highest position in a year before.

This caused huge losses for Indonesia; millions of palm oil farmers lost their income, the palm oil companies were losing profit, the biodiesel industry stopped working, and the government's revenue was low. In addition, the weaker rupiah made Indonesia's exports cheaper in foreign markets. These resulted Indonesia's economy to be fragile.

Therefore, the government and the stakeholders needed to take serious action to maintain the sustainability of the palm oil industry.

Why BPDPKS?

In order to maintain the palm oil industry, it needed an incentive program from industry to industry.

Therefore, the government implemented a policy on collecting funds from palm oil export and formed The Indonesian Oil Palm Estate Fund (BPDPKS). The agency is responsible to collect, manage and redistribute the Oil Palm Plantation Fund in order to increase the demand from the industry. This action believed can stabilise the price of the palm oil.

How BPDPKS Works?

In order to support the development of sustainable palm oil industry and to encourage energy security, the BPDPKS signed a financing agreement on biodiesel fuel. The financing is an incentive, it is not a subsidy and the source is not from the state budget (APBN). This is a part of an effort in order to increase the domestic demand.

How to resolve the crisis?

The price of palm oil can be maintained by increasing the export value as well as the national consumption. Therefore, Biodiesel Mandatory 20% (B20) is the key to overcome the crisis.

By implementing B20 can boost domestic consumption, reduce the import of fuel diesel, and increase the foreign exchange.

And indeed this program proved to help to increase CPO prices!

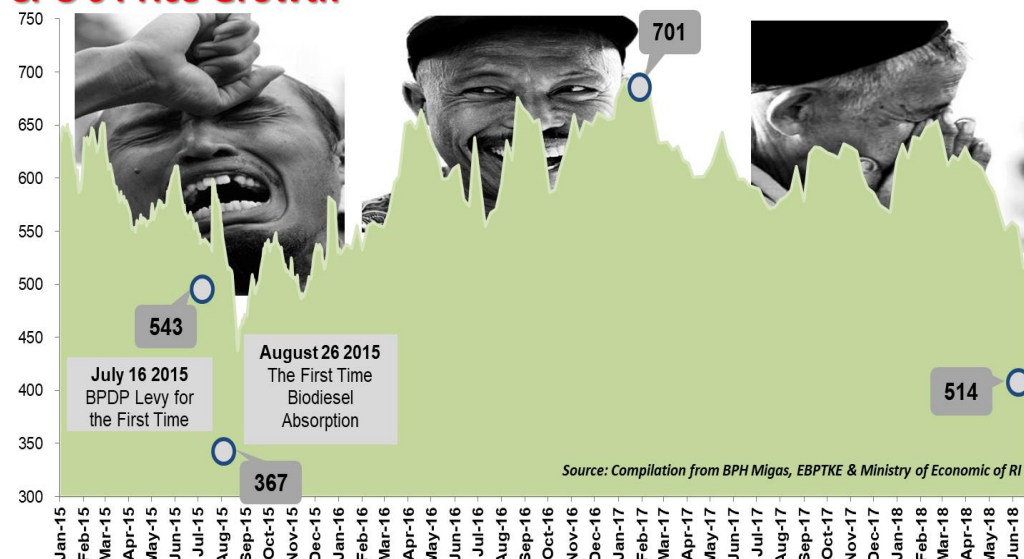
In addition, B20 program also can increase the absorption of CPO in the domestic market. It will support national energy security as well.

Where is TAP Group's Role in this Program?

TAP Group plays an active role in ensuring the B20 program implemented. This is an important step for the company to contribute directly to the progress of the national palm oil industry.

Contributor: Batuwoka L

CPO's Price Growth



In the last few years, many regulations had been established by the Government of the Republic of Indonesia which impact sustainability of palm oil industry.

As a company that implement the Good Corporate Governance and Good Agriculture Practices in its business, TAP Group is responding positively and will support the all regulations.

Therefore, it is important to always bear in our mind the consequences and causes if the company doesn't apply and implement the regulations.

Below are the regulations that Company has to adhere.



PERPRES 9/2016 ONE MAP POLICY	PERPRES 88/2017 PPTKH	PERPRES 86/2018 AGRARIAN REFORM	INPRES 8/2018 OIL PALM MORATORIUM
Presidential Decree to solve problems of overlapping maps and permits.	Presidential Decree to resolve community land tenure problems in the Forest Zone	Presidential Decree to reduce inequality of land ownership and landowning, solve the agrarian disputes / conflicts, prepare TORA, distribution and legalization	Presidential Instruction to postpone new licenses and implement applicable legislation relating to Oil Palm Plantation Business Licenses (Evaluation).
Law/ Regulation	Company Obligations	Sanctions	
UU 5/1960 – UUPA o PP 40/1996 - HGU, HGB & Right of Use o PP 11/2010 - Neglected Land o PERMEN 5/2015 - Location Permit o PERMEN 7/2001 - HGU	o Reporting HGU Realisation/ year o 20% of Scheme Smallholders o Utilising GHU Area based on the valid permit	o HGU Revoked o Deduction of HGU for TORA o Deduction of Neglected Land/ HGU for TORA	
UU 41/1999 – Forestry o PP 104/2015 – PPFKH o PERMEN 51/2016 – PHPK	o The release of forest area : 80% for Company and 20% for Community (TORA)	HGU Deducted for TORA	
UU 39/2009 – PPLH o PP 57/2016 – PPEG o PERMEN 14/2007 – FEG	o HGU for Peat Protection	HGU Deducted	
UU 39/2014 – Plantation o PERMEN 98/2013 – Plantation Business Permit (PBP)	o Reporting of PBP every 6 months o 20% of obligation for Scheme Smallholders	HGU Revoked	



In TAP-Mile, we share TAP Group's important achievements.

One of TAP Group, PT. Brahma Binabakti (PT. BBB) had signed an Agreement with the Village Unit Cooperative (KUD) Akso Dano regarding of the Replanting Program in Muaro Jambi Regent Office in Jambi, Sumatera.

This agreement signified the company's commitment in order to produce high-quality products. The company will apply best practice agronomy as well as using the superior certified seeds for this program.

In term of providing the financial support for developing KUD Akso Dano's plantation, PT. BBB collaborated with Bank Syariah Mandiri (BSM).

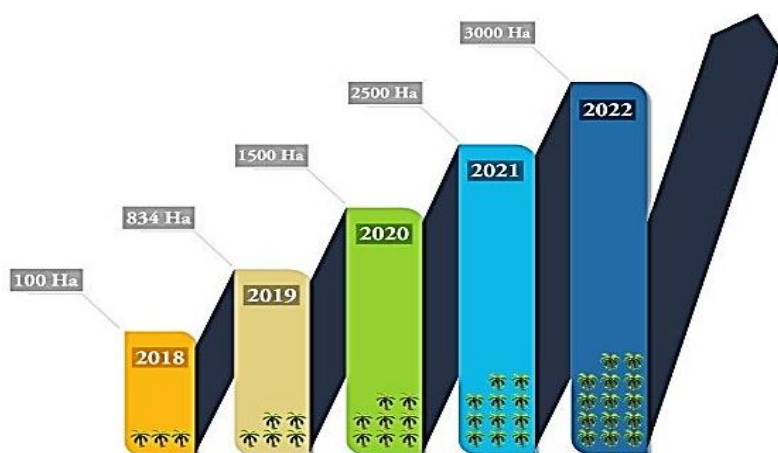
This program hopes to increase the scheme smallholders' welfare and income that have been developed by PT. BBB.

Attendances on the signing ceremony were the Muaro Jambi Regional Secretary, Fadil Arief, the Head of Muaro Jambi District Plantation & Livestock Services,

the Head of the Muaro Jambi Regency Cooperative, SME, Industry and Trade, the Sekernan District Head, Kiemas Ismail, the Chairman of KUD Akso Dano, Amrullah, and the BSM Executive Business Officer, Bagus Hudiono Boesono.

With this agreement, TAP Group has fulfilled the Goals of the SDGs, especially No. **1, 2, 12, 15** and **17**.

Documentation: Tim PT. BBB



Road Map Replanting PT. BBB



MoU signing by CEO PT. BBB, George Oetomo

Do you know oil palm by-product known as SOLID can be used as a fertilizer?

You don't believe it?

Solid is one of the oil palm by-products other than Empty Fruit Bunch, Palm Oil Mill Effluent (POME), fibre, shell and ash.

Not all of palm oil mills produce Solid because it depends on the process and the tools/ instruments being used. If Solid is applied correctly and right on target, it can reduce the use of inorganic fertilisers such as Urea. Solid contains rich Nitrogen.

All TAP Group's mills that produce Solid use this by-product as an addition of fertiliser supplement.



Utilising Solid as organic fertilisers, is already in line with company's mission "Green Plantation for Better Quality of Life". This is also comply to the Indonesian Sustainable Palm Oil (ISPO) and Roundtable Sustainable Palm Oil (RSPO) standard.

The appropriate of the use and the implementation of by-product is already in accordance with one of the targets of SDGs which is number **12** (Responsible Consumption and Production).

Contributor: Verrie S
Documentation: Kokoh T



TRIPUTRA AGRO PERSADA