




2021 Implementation Progress Summary


1st Phase
 2nd Phase

(As of February, 2022)

Implementation Commitment	Milestones	Six-Month Progress	Next Step
Policy, Systems & Management	Release the 2021 NDPE Implementation Plan	<p>A time-bound implementation plan for the year 2021 was released in March, 2021.</p>	<p>A time-bound implementation plan for the year 2022 will be released in April, 2022.</p>
	Socialize the NDPE Policy with staff, suppliers and stakeholders	<p>PT BIA held a NDPE socialization session in which all the Division Managers attended to better understand and lead the staffs to sincere fulfilment in April 2021 and February 2022.</p> <p>Although there were restrictions for socialization under the COVID-19 situation, PT.BIA emphasized the importance of NDPE compliance in such occasions as holding employee safety workshops, Plasma meetings, and conducting CSR activities such as medical equipment donation.</p> <p>PT.BIA continued to impose combined NDPE socialization from various topics to minimize gathering activity under the COVID-19. We also inform our current and potential customers about our NDPE commitment and progress in every initial stage of engagement.</p> <p>POSCO INTERNATIONAL and PT.BIA regularly evaluate our NDPE commitment and implementation progress through benchmarking other palm oil growers and sustainability initiatives such as ZSL's SPOTT palm oil assessment toolkit.</p> <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div>	<p>NDPE Policy will be updated to be applied to plasma smallholders and palm oil outgrowers.</p> <p>NDPE socialization activities will be continued intensively to help all employees, suppliers including plasma smallholders and outgrowers, and other stakeholders to understand the policy.</p>

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Policy, Systems & Management	Develop procedures to assess the supply chain's compliance with the NDPE Policy	<p>To assess the supply chain's compliance with the NDPE Policy, PT.BIA conducted initial assessments based on the supply chain evaluation form that is commonly used in the industry.</p> <p>PT.BIA has completed the suppliers' due diligence checklist and began to utilize it to assess the existing and potential suppliers' NDPE compliance. The checklist consists of 5 categories which are 1) Company identity, 2) Social, 3) Environmental, 4) Traceability and 5) Transparency. PT.BIA has established a Traceability to Plantation procedure (SOP/PKS/11) to be in effect starting April, 2022, taken into account the company's long-term plan to broaden the operation.</p>	The evaluation form will be updated in accordance with any updates to our NDPE Policy.
Environmental Conservation and Management	Develop remediation and compensation plan, as required by the RSPO RaCP	<p>PT.BIA's Remediation and Compensation Plan(RaCP) developed in line with the NDPE implementation and RSPO certification was endorsed by RSPO in July 2021.</p> <p>The RaCP consists of the Remediation Plan for managing riparian buffers inside the PT.BIA estates and the Compensation Plan that includes various activities for the conservation and sustainable management of the environment outside the concession.</p> <p>Our RaCP was developed to be implemented in the course of 25 years, following the four principles stated in the RSPO's Remediation and Compensation Procedures, that are Additionality, Long-Lasting, Equitable, and Knowledge-Based, to ensure proper and fair outcomes during the implementation period.</p> <p>The plan will be carried out by transparently communicating with relevant stakeholders including indigenous peoples in the region.</p> <p>Since the endorsement of the plan, PT.BIA has organized its internal execution team for the Remediation Plan and recruited the project manager for the overall implementation of the Compensation Plan. The project manager and the project execution team are establishing detailed implementation plan for the first five years of the Compensation Plan.</p>	<p>In 2022, socializations will be held for local stakeholders once the detailed implementation plan for the year 1 is finalized.</p> <p>We will also broaden the involvement of various stakeholders such as related government, academics, Civil Society Organizations, and local NGOs to support PT.BIA's vision in environmental conservation and community development.</p>

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Environmental Conservation and Management	Update the HCV management and monitoring plans	<p>PT.BIA commissioned new HCV assessment that has been endorsed by RSPO in 2020 with the Environmental Remediation of 434.21 hectares that are located solely in riparian buffers. There are no peat areas nor steep slopes that require remediation. HCV 6 areas have not been converted to oil palms and will continuously be protected. The total size of HCV management area is 6,718 ha.</p> <p>The Remediation Plan has been endorsed by RSPO in July 2021. The plan is designed to restore the environmental functions of the identified riparian zones including riverbank stabilization, flood protection, filtration of chemical pollutants, reduction of run-off, mitigation of soil erosion, and improvement of water quality and benefits for biodiversity. PT.BIA's methods of remediation activities will follow the Best Management Practice Guidelines for the management of river buffers and other relevant SOPs. There will be no chemical application in these areas, and only manual weeding and maintenance activities will be undertaken near water bodies. The Remediation Areas have already been delineated and demarcated with boundary markers, and HCV signboards have been put in place.</p>	HCV areas will be continuously managed and monitored in accordance with the long-term plan.
	Monitor and record any non-compliant deforestation and hotspots/fires in the company estates	<p>As a member of RSPO, PT.BIA monitors and records all hotspots or fires in the company estates using the RSPO Hotspot Hub (https://www.rspo.org/hotspot-hub). The RSPO Hotspot Hub dashboard shows hotspot data gathered from the FIRMS platform published by the NASA.</p> <p>PT.BIA is also operating the Monitoring Team and the Patrol Team to prevent fires. The Patrol Team performs regular monitoring on major safety hazards in respective estates. In addition, internal drills are conducted regularly to respond to and promptly extinguish fires and rescue patients. (continues)</p> <div data-bbox="638 1209 1632 1525">  </div>	PT.BIA will continue to reinforce the emergency response unit and support its local community to monitor and manage fire or non-compliant deforestation by providing training and equipment.

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Environmental Conservation and Management	Monitor and record any non-compliant deforestation and hotspots/fires in the company estates	<p>In November 2021, PT.BIA held a socialization event about forest and land fires with Merauke regency police.</p> <p>As of February 2022, PT.BIA has more than 55 fire marshal personnel and 7 fire watchtowers in operation.</p> 	
Protection of, and Respect for Human Rights	<p>Develop the capacity of staff on FPIC, grievance handling and conflict resolution</p> <p>Develop the capacity of staff on human resources management</p>	<p>After the online training session conducted on conflict resolution, FPIC, and grievance handling with Earthworm Foundation in September 2020, the company decided to hold a follow-up training session on-site in 2021. However, due to the spread of COVID-19 in Papua and Jakarta, PT.BIA plans to resume relevant capacity development programs in 4Q of 2021 or the following year, depending on COVID-19 circumstances and restrictions.</p> <p>To promote the talent development of staff, the farm training team established a training system by integrating farm operation training and safety training.</p> <p>PT.BIA employees attended a total of 31 different capacity-building programs between March 2021 and February 2022. The detailed list of the programs is attached as below.</p> <p>To advance the sustainable operation of the plantation, internal assessments are made in accordance with ISPO and RSPO regulations to take stock of plantation operations from the aspects of environmental conservation and human rights protection. (continues)</p>	<p>PT.BIA will continue to make sure that the staff are fully informed of FPIC and grievance handling procedures by offering training and capacity development session</p> <p>PT.BIA will continue to establish a systematic education and talent development plan.</p>

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Protection of, and Respect for Human Rights

Develop the capacity of staff on human resources management




**Training of HR and SUSTAINABILITY
2021
PT BIO INTI AGRINDO**

No	Name of Training	Period	Organizer
1	Socialization for Occupational Safety and Health	1-Mar-21	PT.Bio Inti Agrindo
2	Training for using fire fighting equipment	8-26 March 2021	PT.Bio Inti Agrindo
3	Certified Training for Document Management	15-Mar-21	Alijabar Anugrah Sejahtera
4	Certified Training for heavy equipment operator	16-21 March 2021	Geo Mandiri Kreasi
5	Certified Training for Crane operator	31 March - 5 June 2021	Geo Mandiri Kreasi
6	Changes of ISPO Certification based on Permentan No. 38 Tahun 2020	31-Mar-21	SMART SPOTT
7	Training for Maintenance Failure Analysis of Engine Component	5-9 April 2021	STC Trakindo in Balikpapan
8	Rimba Collective Project	13-Apr-21	Lestari Capital
9	Understanding and Implications of UU Cipta Kerja	16-18 April 2021	Arcatra Consultant
10	Socialization of NDPE Policy for Division managers of all Estate	20~22 April 2021	PT.Bio Inti Agrindo
11	Certified Training for Implementation AMDAL - UKL/UPL	27-29 April 2021	ISC Safety tools
12	Training for Fire Prevention	11 May 2021	Internal
13	National Employment Workshop	16-17 May 2021	LPHI Indonesia
14	Drivers test	17 May - 3 June 2021	PT.Bio Inti Agrindo
15	Training for Fire Prevention	27 May 2021	PT.Bio Inti Agrindo
16	Training and Understanding of Sustainability Policy	28 May 2021	PT.Bio Inti Agrindo
17	Training in facing emergency situations	18~29 May 2021	PT.Bio Inti Agrindo
18	Security guards' training	21-Jun-2021	PT.Bio Inti Agrindo
19	Training for Occupational Safety and Health for Drivers	22 June 2021	Trakindo
20	Training Implementation of Work accident insurance and death	13-14 July 2021	LPHI Indonesia
21	Certified Training of Occupational safety and health	5-17 July 2021	Geo Mandiri Kreasi
22	Measuring Corporate Progress towards Sustainability Policy in Indonesia	19-Aug-21	CDP
23	Training for The Port Planning and Development	30-Sep-21	Abupi Learning Center
24	Training for The Log Out Take Out (LOTO)	14~15-Oct-21	Phitagoras
25	Workshop on National Industrial Relations	29~30-Nov-21	Lembaga Pusat Pengkajian Informasi Nasional (PUSPIN)
26	Training for The Human Capital Manager - BNSP (National Board of Profesi)	3~12-Dec-21	Butterfly Consulting
27	Training for The ISPO Auditor Certification	5~11-Dec-21	Mutu Institute
28	Training for Lead Auditor of RSPO Principle and Criteria	29-Nov~4-Dec-21	RSPO
29	Training for The Application of Occupational Safety and Health	13~14-Jan-22	Lembaga Pusat Pengkajian Informasi Nasional (PUSPIN)
30	Training for The Hazard Identification and Risk Assessment (HIRA) and Lo	26~27-Jan-22	Phitagoras
31	Training for POPAL (Waste Management and The Operational Authority)	01-Mar-22	Mutu Institute

In addition, the HR department of PT.BIA and the Labor Union had an internal QnA session about the updated PKB (Collective Labor Agreement). Some major issues that were addressed in the session were the improvement of salary scale for the site workers in Papua, clarification on the issue of law amendment on the required claiming age of the provident fund benefits (BPJS Ketengakerjaan), among others.



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	Promote sub-contracted plantation workers to join PT.BIA's workforce	<p>Sub-contracted plantation workers are being promoted to join PT.BIA's permanent workforce following the set probationary period. The internal promotion process has been underway for two years since the establishment of the long-term transition plan.</p> <p>As of February 2022, PT BIA has 2,424 of permanent workers, 991 probationary workers, and 0 casual workers. The number of permanent workers has increased compared to the number in October 2021, which was 1,365 permanent workers, 47 probationary workers, and 5 casual workers.</p>	PT.BIA will continue to promote the probationary workers to become the permanent workforce.
Protection of, and Respect for Human Rights	Implement the Plasma oil palm plantation project	<p>Through the continuous engagement of the Plasma Cooperative, a total of 6,867 ha of the plasma areas were turned over to the Plasma Cooperative by August 2021. The size of plasma area is being disclosed through PT. BIA's website and it fully satisfies the estate size criteria (20%) based on IUP area as specified in the applicable plasma regulations of Indonesia.</p>  <p>Under our plasma project, plasma areas are ultimately transferred to local community members to create jobs, promote economic activities and improve the community's welfare. We have engaged in substantial and sincere communication and consultation on the issues that should precede any transfer of plasma areas, including the composition of the plasma plantation cooperative in reflection of customary rights and sufficient understanding on plasma project operations on the part of cooperative members.</p> <p>Regular weekly meetings were held with the cooperative's management committee at the plasma office that serves to proactively express and share opinions between the company and the cooperative.</p>	Regular weekly, monthly, and yearly meetings will be held between the cooperatives and PT.BIA to continue to share opinions on the management of plasma plantation.

Implementation Commitment	Milestones	Six-Month Progress	Next Step
Protection of, and Respect for Human Rights	Conduct regular due-diligence activities to monitor and raise awareness of PT.BIA employees on human rights protection and ethical management	<p>As planned by the POSCO INTERNATIONAL Headquarters, the checklist used for human rights due diligence was completely overhauled. The checklist segmented the areas of human rights due diligence by additionally reflecting UNGC's Guiding Principles on Business and Human Rights, the Modern Slavery Act and the Anti-Human Trafficking Act, and included questions on the protection of basic human rights to further raise the bar. The checklist was designed in a way to be applied to POSCO INTERNATIONAL's major overseas corporations and offices, including PT.BIA. As COVID-19 has aggravated since 2020, however, the resulting hygiene and safety concerns made it difficult to conduct due diligence. Human rights due diligence will resume once the COVID-19 pandemic subsides.</p>	<p>POSCO INTERNATIONAL and PT.BIA will carefully monitor the COVID-19 situation to decide when to resume human rights due diligence without safety concern.</p>
Engage with relevant stakeholders and transparently communicate on the progress of sustainability implementation	Develop and publish grievance logs on the Sustainability Dashboard	<p>The Grievance Procedure has been established for PT.BIA to address grievances from various stakeholders concerning the PT.BIA's oil palm operations and its NDPE Policy compliance. We recognize the importance of transparent grievance mechanisms and provide feedback to all grievances that are officially submitted through our channels.</p> <p>We have been benchmarking the industry's successful cases of publishing grievance logs that show the progress made on stakeholder engagement.</p> <p>POSCO INTERNATIONAL and PT.BIA have been making drafts of the grievance case that was received in December 2019 through OECD Korea National Contact Point (KNCP). The detailed course of engagement will be published on PT.BIA's Sustainability Dashboard.</p>	<p>Grievance Logs will be published on the Sustainability Dashboard in 2Q, 2022.</p>
	Publish 6-month progress reports	<p>PT.BIA publishes 2nd phase 6-month progress report for 2021 on its NDPE Policy implementation to improve transparency and promote communication with various stakeholders.</p>	<p>Annual progress report will be published one year after the annual implementation plan is released.</p>

- **Blood Donation in Cooperation with the Indonesian Red Cross' Merauke Office**

PT.BIA held a blood donation event in the operational field of the company in March 2021 in conjunction with the local government of Uililin and the Red Cross foundation in Merauke to help the foundation resolve the shortage of blood supplies.



- **Safety and Environmental Management Inspection**

PT.BIA carried out internal safety & environmental management inspections of its entire estates, mills, port, offices and staff accommodations in April, 2021.

- **Monthly Medical Support Program**

PT.BIA supports monthly medical check-ups in cooperation with the Muting public health center. PT.BIA employees and their families, including expectant mothers, infants and children, as well as the residents living near PT.BIA can visit the clinics located inside the company estate to get vaccination or consult the doctors.

About 200 infants and children get vaccination every month through this program.

● Cleft Lip Surgery Support

PT.BIA supported the cleft lip surgery conducted by an Indonesian naval hospital and Smile Train (NGO) in June, 2021. This benefited 15 patients with cleft lip in Papua who underwent the operation free of charge.



● Voluntary Mangrove Forestation

In June, 2021, PT.BIA staff at the Jakarta office volunteered to plant of mangrove trees to help restore the mangrove swamp in Indonesia with the aim of preserving the local environment and adapting to climate change.



● Medical Equipment Donation

In June 2021, POSCO INTERNATIONAL donated hospital equipment such as electrocardiograms, audiometers, and other equipment to PT.BIA's clinics to improve the medical services provided to PT.BIA's employees and local residents. In July 2021, PT.BIA donated personal protective equipment to the Merauke government to help prevent the spread of COVID-19.



● Construction of Water Supply Facilities in Kindiki Village

PT.BIA completed the construction of clean water supply facilities in Kindiki Village, Ulilin District, Merauke Regency, and Papua in November 2021. The initial survey of this activity was carried out by the Company with an independent party in June 2021. After five months of cooperation between PT.BIA and Kindiki Community, 455 residents in the village gained access to clean water that flows directly to their respective water taps.

