

PT Toba Pulp Lestari – transforming our community engagement approach

(1st Progress Update)

In 2022, PT Toba Pulp Lestari Tbk's (TPL or 'Our') management recognised the importance of making further improvements to our community engagement approach in line with the commitment to recognize and respect the rights of communities. Earthworm Foundation (EF) was engaged in October 2022 (see <https://www.tobapulp.com/wp-content/uploads/2022/10/PT-Toba-Pulp-Lestari-Engagement-with-Earthworm-Foundation.png>) to serve as an external resource that will independently review TPL's internal processes as well as gain a deeper understanding of the community and stakeholder perspectives.

EF released a public update to share preliminary findings from visits on the ground in North Sumatra in October and November 2022 (see <https://www.earthworm.org/pages/statement-on-earthworms-engagement-with-toba-pulp-lestari-december-2022>).

TPL take the findings shared by EF very seriously and we are committed to further understanding any concerns linked to its community engagement approach and to taking concrete action to address these.

TPL reaffirms its commitment to:

- Respect the rights of indigenous peoples and local communities in accordance with the Universal Declaration of Human Rights and national laws; and
- Uphold the principle of Free, Prior, and Informed Consent (FPIC) adhering to international best practice(s) with all related stakeholders.

TPL's action plan consists of internal process optimization, data collection, participatory mapping and grievance management. Implementation of the plan started in February 2023 with specific targets, clear inter-departmental responsibility (e.g. top management included) and resource management, and a progress tracking system that allows room for adjustment. The involvement of our top management and key stakeholders will allow strategic decision making to respond to dynamic circumstances.

The table below displays more details of TPL's action plan. The timelines are indicative and will be subject to community consent and the engagement of other key actors, including government.

No.	Action Plan	Expected Output by July 2023	Timeline											
			2023 (Months)											
			1	2	3	4	5	6	7	8	9	10	11	12
1	Gap analysis of existing community and social engagement internal business process and selecting key community for deep dive.	Detailed time-bound action plan with clear responsibilities, expected outcome, and internal mechanism to update progress and escalate key decisions.												
2	Engaging with selected community.	Land Tenure Study and Participatory Mapping in a first selected village. The lessons learned from this action will feed into strengthening actions 3 and 4 below for other cases within TPL's operation.												
3	Establishing Grievance Handling Mechanism and strengthening internal capacity.	Key Internal System update (e.g. grievance mechanism, conflict resolution, etc.) and conflict resolution capability improvement.												
4	Conflict resolution with selected community.	Conflict resolution plan and process of resolving conflict.												

TPL management is aware that these changes will take time to bring about meaningful improvements in how stakeholders and importantly the community perceives TPL as a company. TPL recognises the importance of engaging and learning from stakeholder feedback and concerns, especially the communities who live in and around TPL areas.

TPL is committed to operating transparently, and a further public update on TPL's progress against this action plan will be provided in July 2023. At this time, we will also update on the actions being implemented in the second half of 2023.