



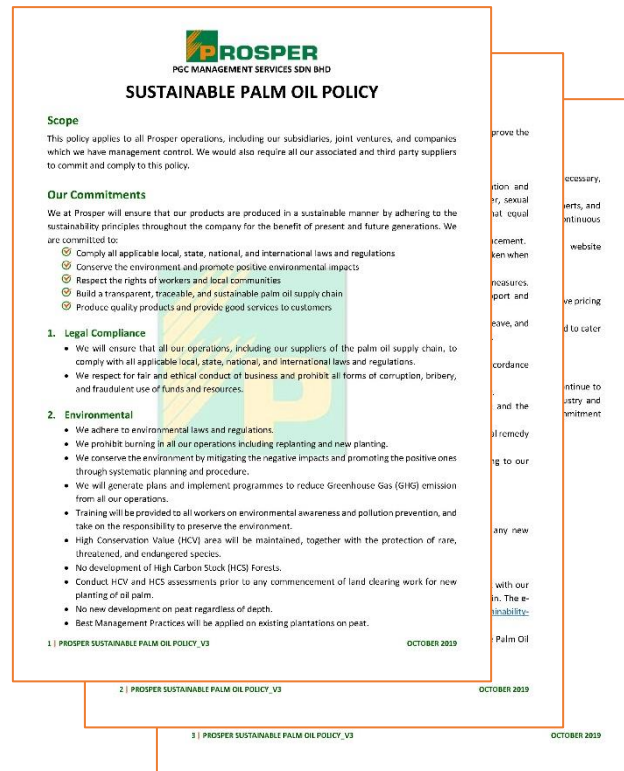
Sustainability Progress Report
October 2019 – June 2020

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Introduction

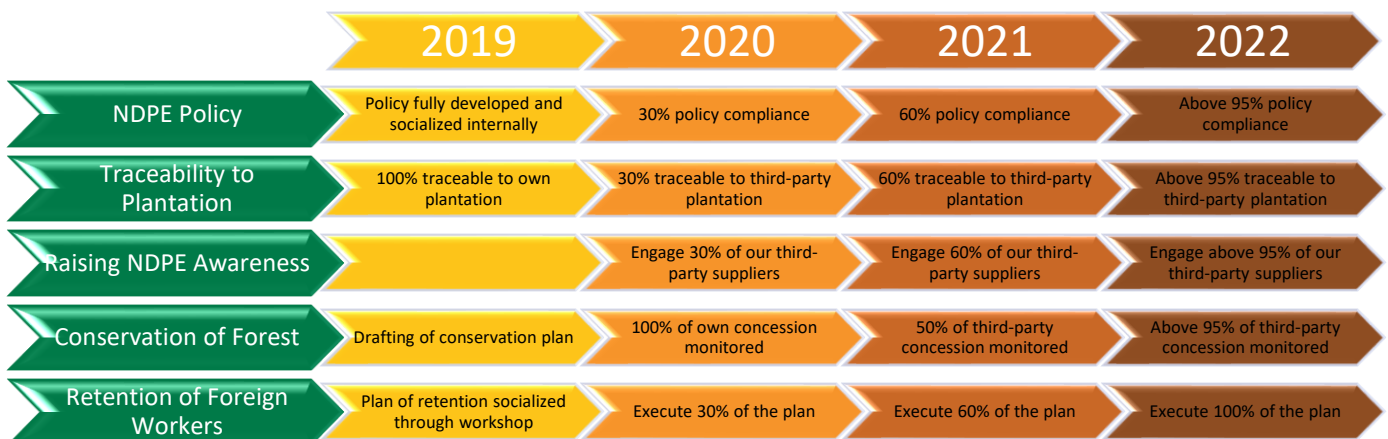
Prosper first published its Sustainable Palm Oil Policy in April 2019. The current October 2019 version was later revised according to advice from our consultant by adding in more comprehensive No Deforestation, No Peat, No Exploitation (NDPE) elements.



Our policy applies to all Prosper’s operations and third-party suppliers. We are committed to:

- ✔ Comply to all applicable local, state, national, and international laws and regulations
- ✔ Conserve the environment and promote positive environmental impacts
- ✔ Respect the rights of workers and local communities
- ✔ Build a transparent, traceable, and sustainable palm oil supply chain
- ✔ Produce quality products and provide good services to customers

This is the first report by us to update on our NDPE compliance progress based on the implementation timeline below:



Certification

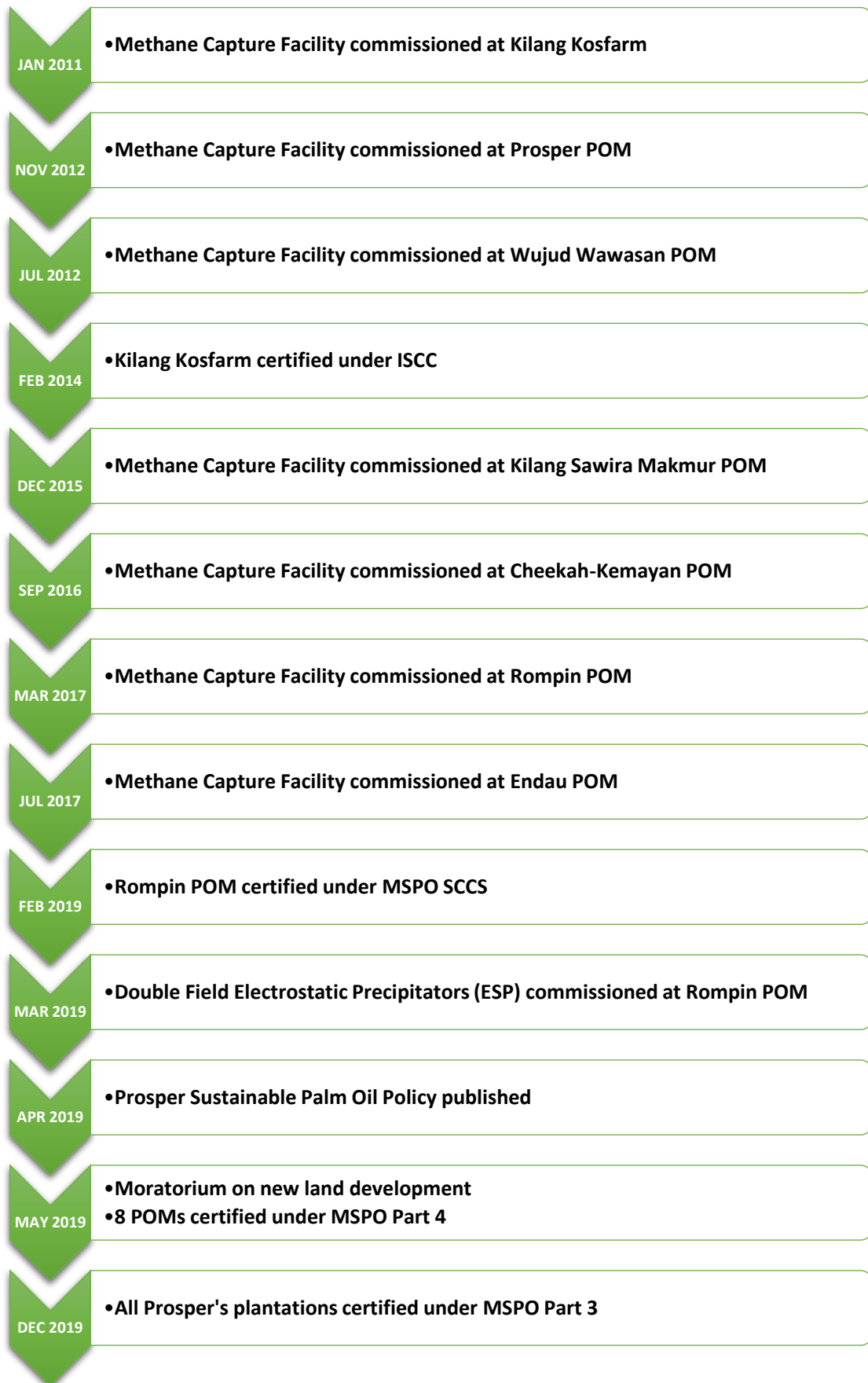
We obtained our first sustainability certification in 2014 when Kilang Kosfarm mill gets its ISCC certificate. The journey continues in 2019, and to date, all our palm oil mills and plantations are MSPO certified.

Operating Centre	MSPO Part 3	MSPO Part 4	MSPO-SCCS	ISCC
19,284 Ha of plantation	✓			
Wujud Wawasan POM		✓	SG	
Kilang Sawira Makmur POM		✓	MB	
Cheekah Kemayan POM		✓	MB	
Kilang Kosfarm		✓	MB	✓
Lian Hup POM		✓	MB	
Endau POM		✓	MB	
Rompin POM		✓	MB	
Merchong POM		✓	MB	
Tagar POM		✓	MB	
Prosper POM		✓	MB	



Sustainability Initiatives

Prosper has started environmental best practices even before we adopt sustainability and NDPE policy.





**Methane Capture Plant at
Cheekah Kemayan POM**



**Methane Capture Plant at
Endau POM**



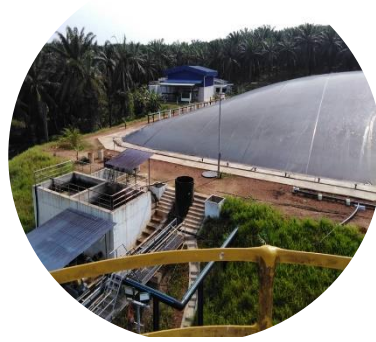
**Methane Capture Plant at
Kilang Kosfarm**



**Methane Capture Plant at
Kilang Sawira Makmur POM**



**Methane Capture Plant at
Prosper POM**



**Methane Capture Plant at
Rompin POM**



**Methane Capture Plant at
Wujud Wawasan POM**

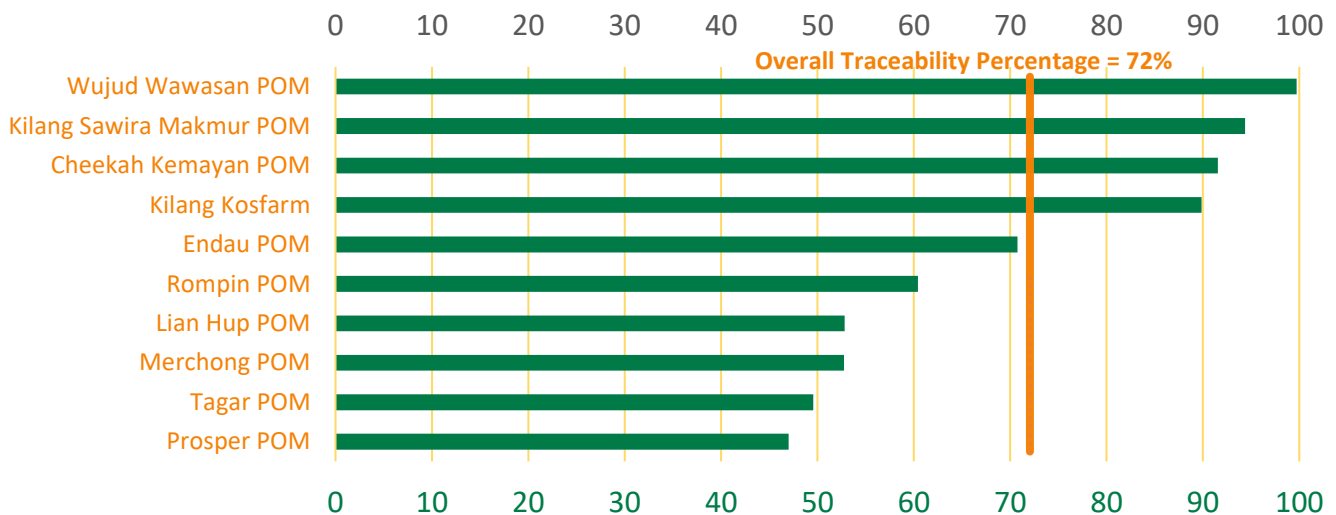


**Double Field Electrostatic Precipitators
(ESP) commissioned at Rompin POM**

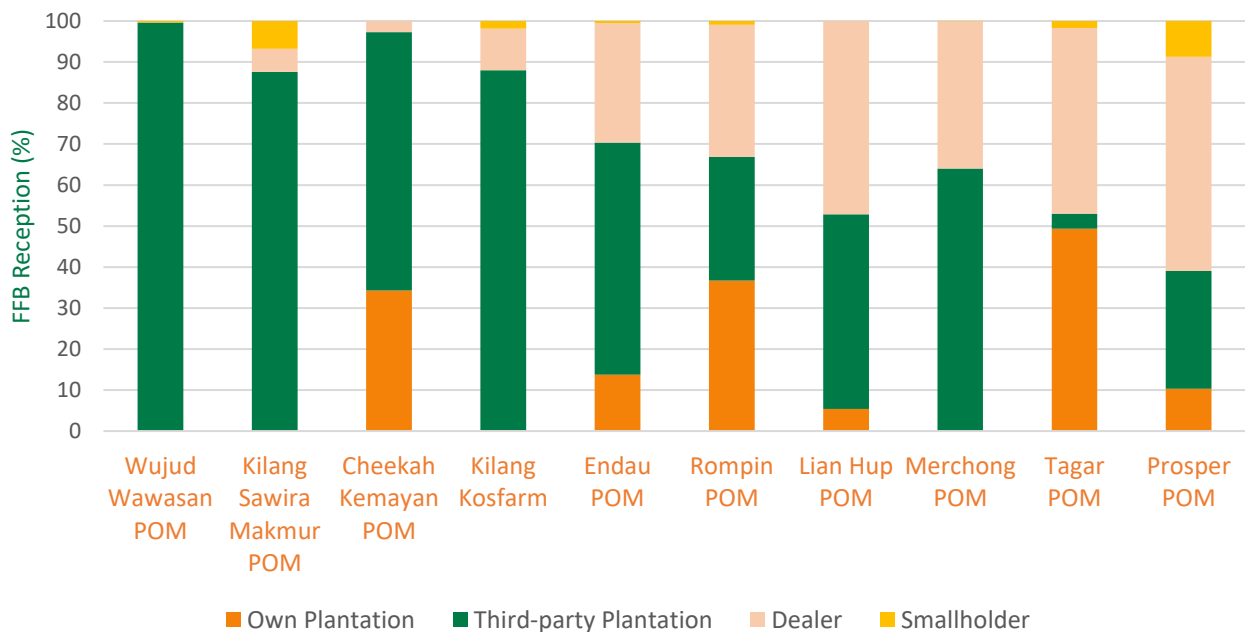
Traceability

Prosper started its traceability to plantation exercise on September 2019. As of June 2020, we have achieved an overall traceability percentage of 72% for all the 10 palm oil mills managed by us. During the process of conducting the traceability exercise, we encountered many challenges from the Fresh Fruit Bunches (FFB) suppliers, especially from the dealers and smallholders. Many were obviously not comfortable to reveal traceability information about their source of FFB and about the locations that their FFB came from, which were deemed trade secrets and confidential. Despite all these, we are committed to ensure that this exercise is progressing in accordance with our NDPE implementation plan.

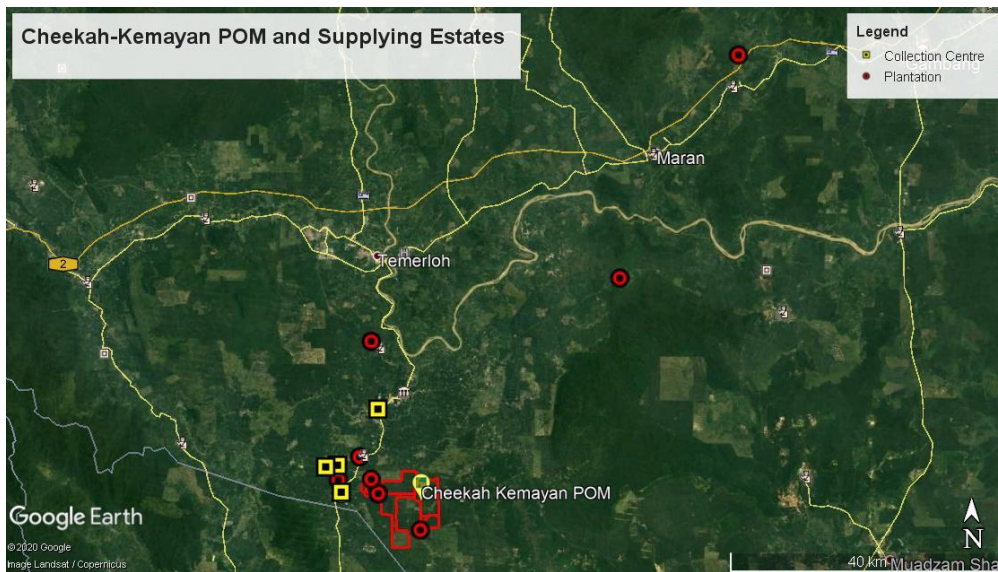
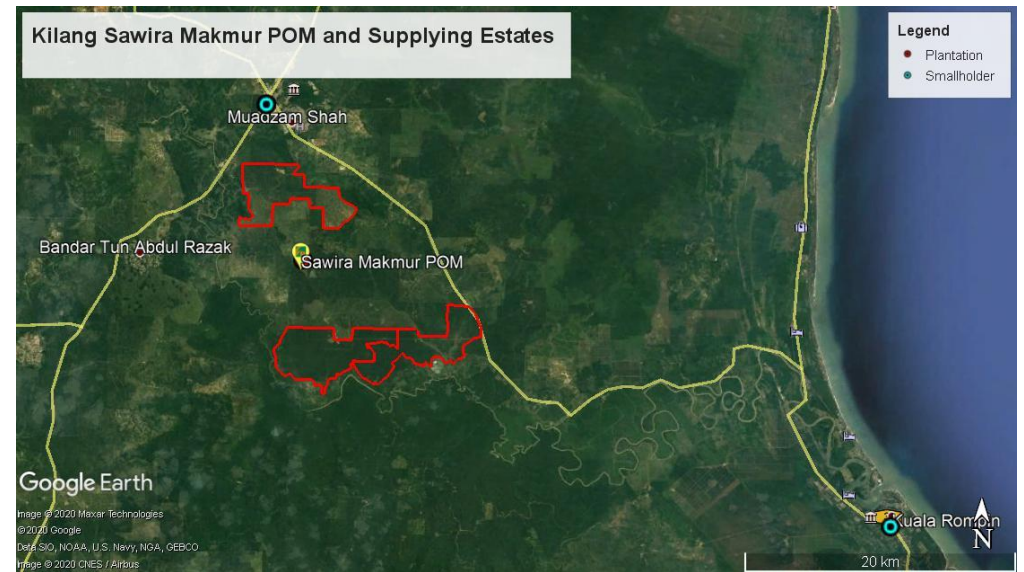
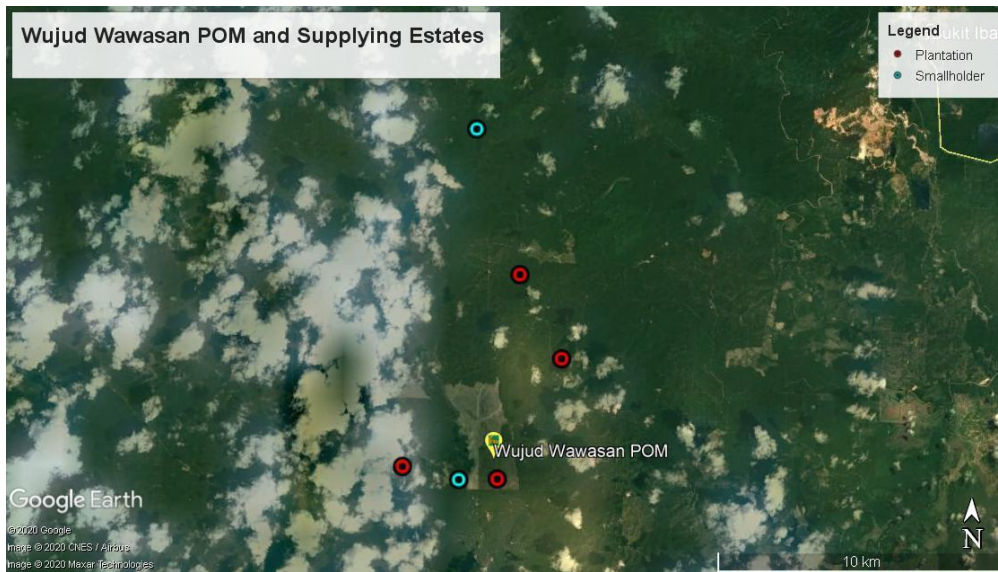
Traceability Percentage

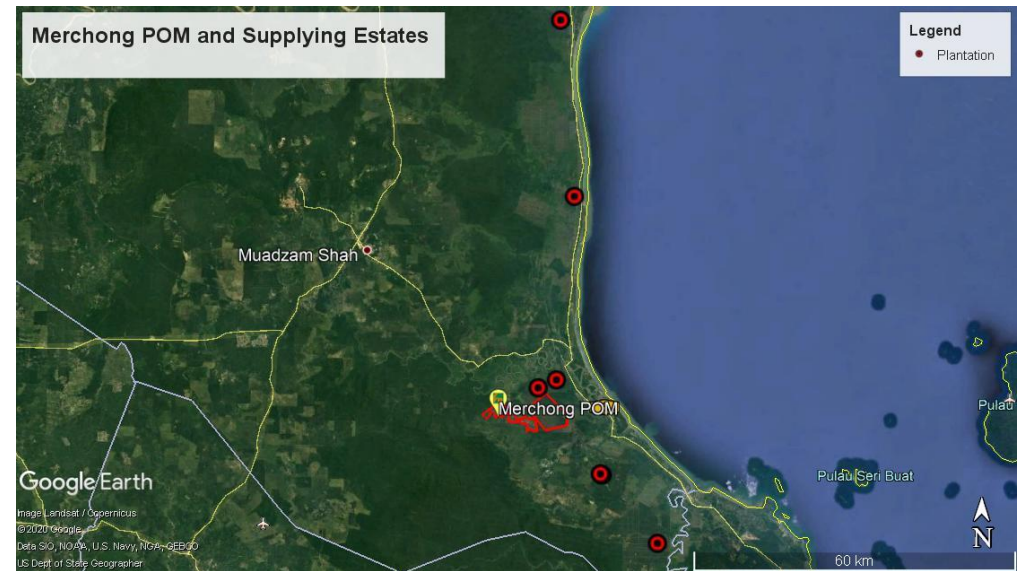
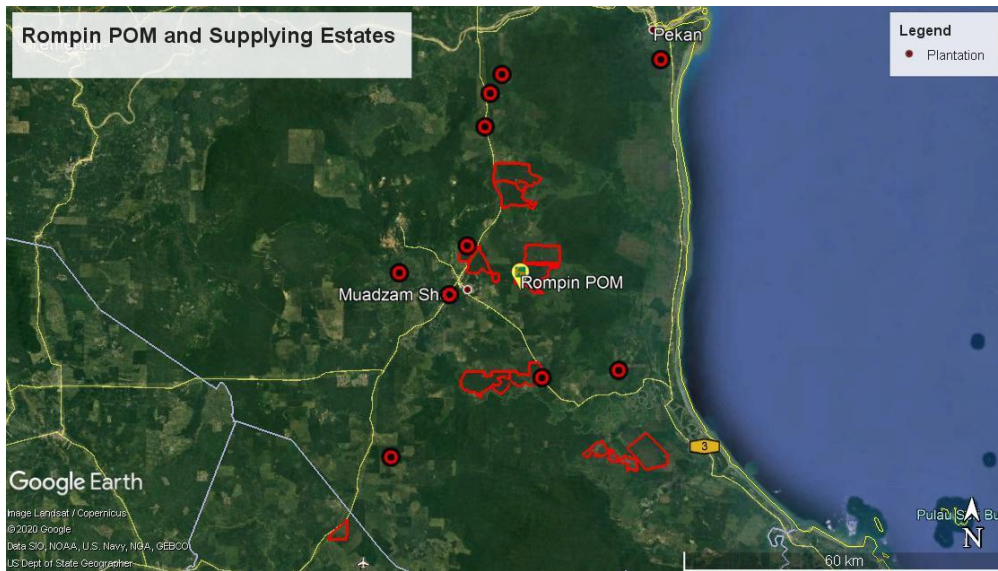


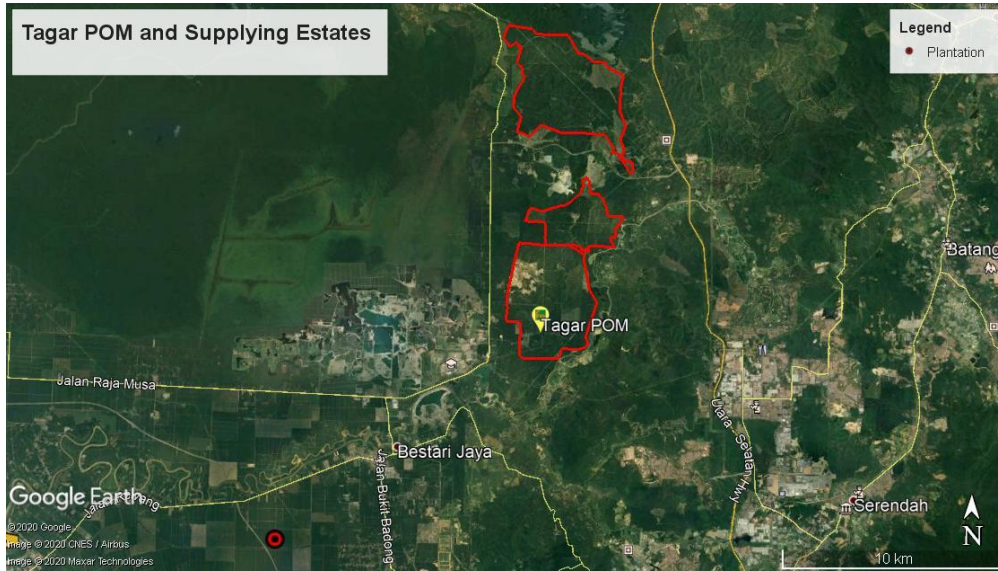
FFB Suppliers' Distribution



One of the major elements of traceability exercise is to acquire GPS coordinates and concession maps from FFB suppliers for monitoring purposes. As shown below, FFB suppliers map is generated using Google Earth:







Concession maps of our own plantations and some third-party suppliers are included into this first version suppliers map. More engagement sessions will be conducted in the near future to explain on our NDPE policy and acquire further information about their plantation. Data gathered from our suppliers are being used to monitor their activities using Global Forest Watch.

Socialization of NDPE Policy

As the Company has just adopted the NDPE policy in early 2019, the Management has taken steps to ensure that an ongoing NDPE awareness and socialization program be conducted from time to time, to ensure that all our employees are aware of the policy and its implementations. Since its launch, we have been providing training to all our employees from the palm oil mills and the plantation divisions on the core value and detail implementation plan of the policy.



Stakeholder Engagement

Our policy applies not only internally, but also to all our third-party suppliers. Therefore, we started with engaging our biggest FFB supplier, Far East Holdings Berhad, to inform them about our NDPE Policy and their roles in complementing our implementation plan.

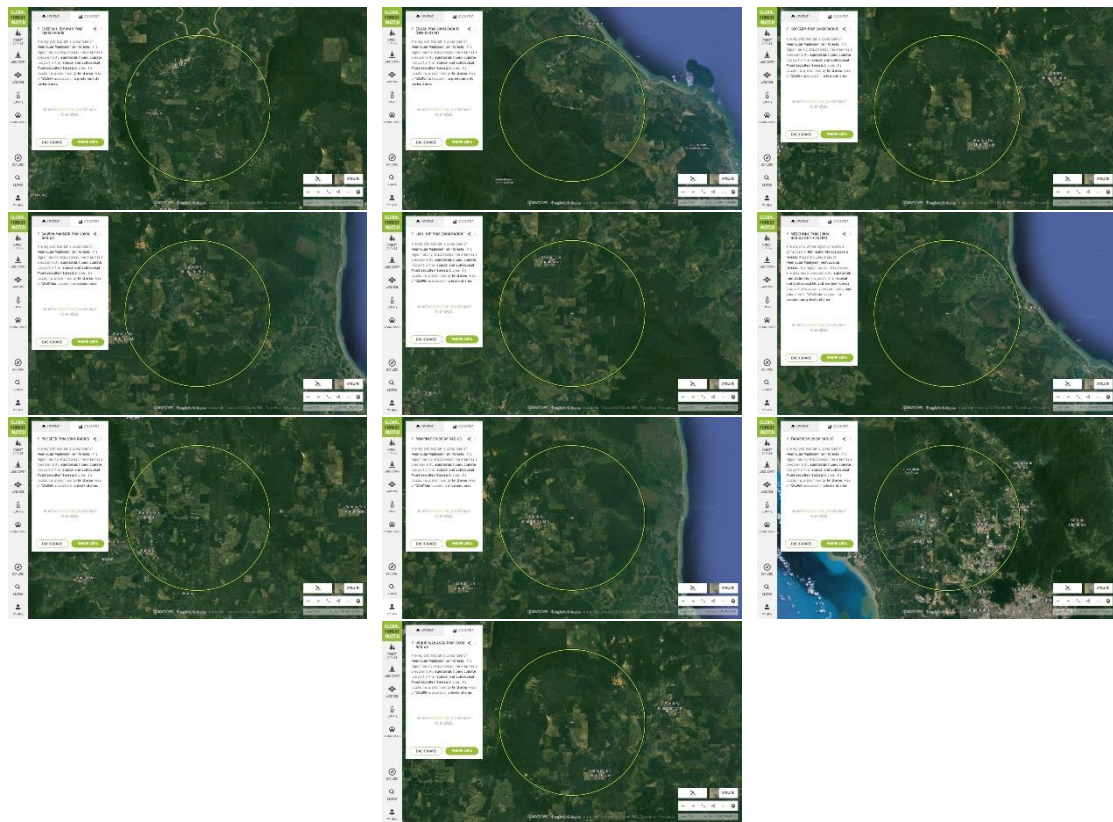


Regular stakeholder meetings are conducted at our palm oil mills and plantations to maintain the relationship with local communities and understand their needs. We also received invitation from buyers in collaboration with NGOs to conduct workshops and studies on our FFB dealers and smallholders.



Concession Monitoring

Our palm oil mills are receiving a sizeable volume of FFB from third-party suppliers. We have generated a 20km radius map surrounding our mills to monitor fire and deforestation activities in the region. It allows us to obtain first-hand information on these non-compliant activities and identify whether they are related to our suppliers.



Mapping of our own plantation concessions has also been completed.



Social and Labour

Various improvements have been made to strengthen the social requirements of our NDPE policy. The first would be installing passport lockers in Rompin Palm Oil Mill. We have started the briefing session to the mill's foreign workers on the importance of holding passport themselves. It is important for them to understand the reason and the need to hold their own passport, before we can start the passport returning process.



Workers need to understand the terms before they sign the employment contract with the company. This is to ensure that fair terms are agreed between the two parties. Currently we are using a bilingual contract which is in English and Indonesian language. We step up the game by hiring a professional translator to translate our employment contract into Hindi language for our Bangladeshi workers.

काम का अनुबंध

यह काम का अनुबंध दर्ज किया गया है .../..... / के द्वारा और बीच में
[.....]
.....]

यहाँ के बाद **नियोक्ता** के रूप में उल्लेखित किया जाता है और [.....] ,
एक इंडोनेशियाई नगरिक जिसका पासपोर्ट नंबर [.....] है, यहाँ के बाद **कर्मचारी** के रूप में उल्लेखित
किया जाता है, निम्न नियमों और शर्तों पर:

1. सामान्य प्रावधान

क. नियोक्ता और कर्मचारी एक रोजगार संबंध स्थापित करने के लिए सहमत हैं जिससे कर्मचारी एक ताद
(प्राग) के तेल के बागान में एक कर्मचारी के रूप में नियोक्ता के लिए काम करेगा प्रत्येक पक्ष के अधिकार
और दायित्व के साथ जो इस कार्य अनुबंध में उल्लेखित हैं।

ख. नियोक्ता कर्मचारी से ऐसे किसी भी काम का अनुरोध नहीं करेगा कि सिवाय इसके लिए वह यहाँ
सहमत हुए हैं, जो खतरनाक, गंदा या अपमानजनक हो या जो कर्मचारी के धार्मिक मूल्यों के विरुद्ध हो।

2. शर्तें (टर्म्स)

क. यह कार्य अनुबंध दो वर्षों में या उससे पहले समाप्त हो जाएगा, यदि किसी पक्ष द्वारा या आपसी
समझौते द्वारा समाप्त किया जाये।
ख. इस कार्य अनुबंध का नवीकरण किया जाएगा यदि दोनों पक्ष लागू नियमों के अनुसार इस पर सहमत
हों।
ग. इस कार्य अनुबंध के किसी भी नवीकरण को नवंबरी में इंडोनेशिया गणराज्य के दूतावास या
महामंत्रिालय द्वारा स्विकार किया जाएगा।

3. वेतन और भत्ता

वेतन
क. नियोक्ता कर्मचारी को हर महीने आमतौर वेतन के रूप में अरुपन 1100.00 रूबि (सर्विस के हर
दिन) के लिए अरुपन 42.31 के बराबर भुगतान करेगा, जो की हर महीने के 7 वे (सात) दिन भुगतान
कर दिया जाएगा। सौधे कर्मचारी को न के किसी सुलेय पक्ष द्वारा, जिसका प्रमाण कर्मचारी को प्रदान
किया जाएगा।
ख. वेतन का भुगतान नकद में या बैंक के गारंटी से किया जावेगा और वह कर्मचारी की गांग पर निर्भर
करेगा।
ग. नियोक्ता कर्मचारी का वेतन नहीं करेगा सिवाय नियोक्ता कर्मचारी और विनियमों के अनुसार, विशेष
रूप से इस कार्य अनुबंध के अनुच्छेद 7 पर आधारित हैं।
घ. कर्मचारी वेतन में वार्षिक वृद्धि का हकदार होगा, जिसका प्रतिशत संबंधित अवधि में कर्मचारी की
उत्पादकता और कंपनी की वित्तीय स्थिति के अनुसार भिन्न हो सकता है।



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