

Progress Update on Conflict Resolution and Capability Building Program (4th Progress Update - February 29, 2024)

PT Toba Pulp Lestari, Tbk (TPL) has been collaborating with Earthworm Foundation (EF) to improve community engagement and conflict resolution efforts since October 2022. Our commitment to transparency in conflict resolution has been reflected in our regular updates. Previously, we have outlined the progress from June to October 2023. This current update is the 4th update on the progress of activities in November 2023 - January 2024 as well as to update on planned activities for the remainder of the year.

I. PARTICIPATORY MAPPING IN SIONOM HUDON TIMUR AND SIMATANIARI VILLAGES

1.1 Follow-up of Public Consultation Results on Participatory Mapping in the Sionom Hudon Timur Village

Participatory mapping, following the principles of Free, Prior and Informed Consent (FPIC), was completed by TPL together with EF, and the community in Sionom Hudon Timur Village on March 11, 2023 and it was followed by a public consultation process on August 21, 2023. Various stakeholders, including local government representatives, customary leaders, the company, and villagers attended the public consultation.

We see the importance of understanding the different perspectives of various parties in addressing conflict resolution, especially the issue of overlapping boundaries between TPL and surrounding villages. It has also proven to be a valuable experience to strengthen our procedures and ensure learnings are taken into future work on participatory mapping with communities.

In 2024, we aim to establish Memorandum of Understanding (MoU) between TPL and the community to manage adjacent or overlapping land between TPL concessions and village boundaries without harming either party and for mutual benefit. The MoU reflects TPL's commitment to collaborative management practices in villages adjacent to the concession.

Operational activity plan in Sionom Hudon Timur in 2024

Location	Activity	2024 (Month)											
		1	2	3	4	5	6	7	8	9	10	11	12
Sionom Hudon Timur Village	The process of preparing an MoU agreement between TPL and the community												
	Signing process between TPL and the community												
	Further discussion regarding implementation plans for the agreement, including derivative frameworks such as shared governance or village regulations.												

Note: The timing of this plan may change according to the situation and conditions in the field

1.2 Participatory Mapping in Simataniari

Participatory mapping activities in Simataniari Village have been conducted in compliance with FPIC principles. During the participatory mapping process, we have coordinated with relevant stakeholders, including government agencies and communities. This mapping initiative is still in its early stages and requires thorough validation, verification, and refinement through ongoing consultations with community and relevant governments. Furthermore, it is essential to underscore the significance of heightened involvement and enthusiasm from both communities and governmental entities in contributing to and participating actively in these endeavors.

In November 2023, Earthworm coordinated with the Humbang Hasundutan Regency Government and 10 districts to discuss the fundamental need for definitive village maps. Participatory mapping activities in Sionom Hudon Timur Village and Simataniari were discussed in the meeting. Seeing firsthand how such a process can be conducted, the government representatives have expressed their support to accelerate participatory village boundary mapping in villages in the district.

For TPL, the full mapping exercise in Sionom Hudon Timur community and the work now started in Simataniari also gives us confidence that we are on the right path. But we also recognize that there is still considerable work ahead to strengthen our relationship with the community and key stakeholders.

Operational Plan at Simataniari in 2024

Location	Activity	2024 (Month)											
		1	2	3	4	5	6	7	8	9	10	11	12
Simataniari Village	Implementation of participatory mapping outreach involving all relevant stakeholders (community, village government, sub-district government, district government, forest management unit and civil society organizations)	■	■	■	■	■	■						
	Participatory mapping and training sessions on mapping methods for communities	■	■	■	■	■	■						
	Consultation on interim mapping results with the community, TPL and relevant authorities				■	■	■	■	■	■			
	Public consultation involving all relevant stakeholders				■	■	■	■	■	■			
	Formulating an agreement as an effort to resolve conflicts between the company and the community										■	■	■

Note: The timing of this plan may change according to the situation and conditions in the field

II. CAPACITY BUILDING PROGRAM THROUGH BUSINESS PROCESSES AND SOP REVIEW

2.1 Business Process Improvement and Standard Operating Procedures (SOPs)

Earthworm reviewed TPL's business processes and Standard Operational Procedures (SOPs) to thoroughly evaluate various elements including scope, objectives, work instructions, division of responsibilities and others, especially related to procedures for community involvement, grievance handling, and conflict resolution.

EF and TPL have engaged in a series of discussions and rigorous review processes of the SOPs related to land grievances. The objective was to identify issues and provide recommendations for each of the 39 SOPs related to land and concession grievances. One of the significant outcomes of the

TPL management will provide support and communicate SOPs to relevant departments and staff, with ongoing input from EF																		
Public dissemination of the summary of key SOPs and guidelines related to interactions with communities, such as FPIC guidelines, complaints handling procedures and conflict resolution with Earthworm’s support																		
Revising and updating SOPs based on lessons learned from monitoring and evaluation, along with a system review, including Key Performance Indicators (KPIs) and job descriptions																		

Note: The timing of this plan may change according to the situation and conditions in the field

2.2 Conflict Mapping

To enhance the team's understanding in formulating a more comprehensive conflict resolution plan, TPL have collaborated with EF to improve organization capabilities by implementing measures designed to strengthen the conflict mapping approach, ensure data accuracy, and strengthen proactive conflict management. This process forms the basis for documenting and understanding the signs of conflict, providing insights into the relevant factors, dynamics, and parties involved.

In September 2023, TPL and EF organized a workshop to comprehensively review land claims in TPL's operational areas. All participants in the workshop from 5 estates have identified indicative figures on the hectares of conflict and the number of conflicts with communities based on the categorization of conflict levels (severe, moderate and mild). The results of this workshop still require further technical validation and verification in the field to ensure accuracy in measurement and alignment with existing systems. Once final data is obtained, TPL and EF will prioritize the handling of land conflicts.

Conflict mapping activities planned for 2024

Activity	2024 (Month)											
	1	2	3	4	5	6	7	8	9	10	11	12
Improve mapping results through a rigorous verification process to increase the accuracy of conflict data and detailed conflict descriptions for standardized forms and classifications. Through Earthworm’s guidance, TPL will finalize a comprehensive conflict resolution plan to strengthen our capacity for effective conflict management.												
Conflict resolution training, which could potentially be accompanied by an SOP review workshop, aims to equip TPL with the skills and knowledge necessary for effective conflict resolution.												
With Earthworm support, TPL will standardize conflict data management across all divisions, including Social Capital (SoCap), Planning and TPL's five plantations. The goal is to create a uniform and comprehensive source of conflict data, simplifying reporting, analysis and decision-making for a more comprehensive conflict management strategy.												

Note: The timing of this plan may change according to the situation and conditions in the field

In enhancing its community engagement strategy and establishing a framework for handling grievances and conflicts responsibly, TPL will continue to foster relationships with local stakeholders and interact with various stakeholders, including the community, society, as well as the government by adhering to the principles of FPIC in activities that require an FPIC process.

TPL has committed to responding to all grievances through an open, transparent and consultative process, fostering collaborative engagement with communities and relevant stakeholders and has established a dedicated hotline to manage, address and resolve grievances responsibly and efficiently.

To submit a grievance, please use the following contact information:

PT Toba Pulp Lestari: Contact +62 812 621 0461 or email to: pengaduan@tobapulp.com

Earthworm Foundation: Contact +62 812 9598 3484 or email to w.daeli@earthworm.org

For a detailed understanding of our grievance mechanism, please visit:

<https://www.tobapulp.com/en/grievance-mechanism/>