

2022

SUSTAINABILITY REPORT

IndoAgri

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ABOUT INDOAGRI, OUR VISION, MISSION AND VALUES

(GRI 2-1)

Indofood Agri Resources Ltd (IndoAgri) is listed on the Singapore Exchange (SGX) and headquartered in Singapore. IndoAgri and its subsidiaries operate plantation and processing facilities to produce palm oil, rubber, sugar, cocoa, and tea. The group also operates research & development, seed breeding, manufacturing and marketing of award-winning edible oils brands.

Our Vision is to become a leading integrated agribusiness and a world-class agricultural research and seed breeding company.

Our Mission drives us: to be a high-yield, low-cost producer that continuously improves its people, processes and technology to deliver at the highest standards of quality.

Our Values guide our work: with discipline as the basis of our way of life, we conduct our business with integrity, we treat our stakeholders with respect, and together we unite to strive for excellence and continuous innovation.

OUR POLICY

Our [Sustainable Agriculture Policy](#) (Policy) is approved at Board level and guides all our sustainability programmes. It is available on our website and applies to all our operations, including our plasma smallholders and other third-party suppliers from whom we purchase for our factories. Key policy commitments to deliver sustainably produced products are:

- No deforestation; conservation of High Conservation Value (HCV) and High Carbon Stock (HCS) areas
- No planting on peat regardless of depth
- No burning
- Respect for Labour and Human Rights, including Freedom of Association and non-discrimination
- Free Prior and Informed Consent (FPIC)



Read more [online](#)



OUR SUSTAINABILITY REPORT (GRI 2-3, 2-6)

IndoAgri is proud to present its 11th annual Sustainability Report for the calendar year 2022. This report has been prepared in accordance with the Global Reporting Initiative (GRI) 2021 Standards and complies with the rules 711A and 711B of the Singapore Exchange Securities Trading (SGX-ST) Listing Manual and in line with the SGX-ST Listing Rules Practice Note 7.6 Sustainability Reporting Guide.

We have chosen the GRI reporting standards and principles to ensure stakeholder inclusiveness, accuracy, clarity, reliability, and comparability of the information presented in this report.

This report communicates our performance and progress against our Policy commitments and targets on material topics for the calendar year 2022. This report should be read alongside our Annual Report and [website](#). Relevant links are provided in the report. IndoAgri has not commissioned any third-party assurance on this report.

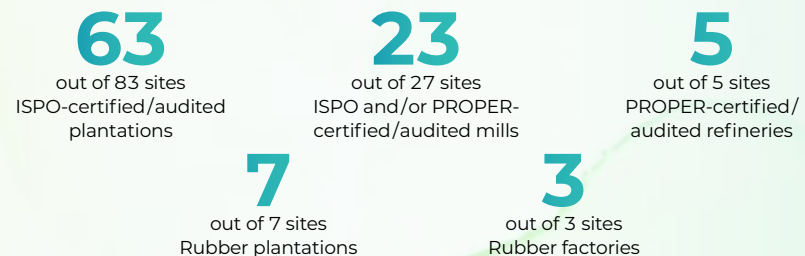
We welcome your feedback or questions at sustainability@indofoodagri.com. The GRI Content Index and previous reports are available [online](#).

Reporting Scope

The scope of this report covers our most dominant crop, oil palm, which occupies 83% of our total planted area, and our rubber operations, which occupy 5% of our total planted area. There have been no significant changes to the size, structure or ownership of our company compared to the previous report.

Our financial, employee, community and health & safety data constitute the whole Group (all operations in the scope of this report). Our responsible sourcing, and product data include only our downstream refinery operations.

Our environmental data includes the following sites in our palm oil and rubber operations:





CEO STATEMENT (GRI 2-22)

Our 11th annual sustainability report on our Environmental, Social and Governance (ESG) performance is guided by a formal materiality process and has been approved by the IndoAgri Board.



While the effects of the COVID-19 pandemic continued to recede during 2022, the year presented us with a new set of challenges. Geopolitical conflict, supply chain disruption, rising global protectionism and increasingly erratic weather patterns resulted in volatile commodity prices and operational difficulties. Despite these headwinds, we remain resilient and ever more committed to our sustainability objectives.

As a responsible producer of palm oil and edible oil products, we strive to balance the economic benefits we bring to society with the environmental and social impact of our business practices. We consider the impact of all our business decisions on the environment and our stakeholders, including the smallholders with whom we work and the communities where we operate. Our inflexible commitment to No Deforestation, No Peat, No Exploitation remains, and continues to guide our judgement and activities.

We recognise the importance of minimising our greenhouse gas emissions. As a vertically integrated agribusiness group, we benefit from the oversight of the whole value chain and can optimise the use of materials throughout our production process – from plantation to final product. We have continued lowering methane emissions at three of our aerated bunker composters and have achieved emissions reductions of up to 80% compared with conventional anaerobic composting. Furthermore, we have completely switched from using coal to palm shell as an energy source

at our Lubuk Pakam refinery and are in the process of implementing this change at two other refineries.

Innovation and evolution have enabled us to increase yields across our plantations. Through active crop management, nutrient analysis, improvements in fertiliser application, and increased mechanisation, we have been able to raise plantation productivity. We will continue to focus on cost control improvements and drive efficiency through digitalisation and streamlining of work processes.

Currently, 86% of our estates are ISPO certified, along with 20 of 27 mills and 84% of nucleus CPO production. We are close to achieving full transparency and traceability across our supply chain and are on track to achieve our goals of ISPO certification for all nucleus estates and mills by 2024, which has been extended by 1 year due to additional new planting. All FFB and palm kernels processed in our mills are traceable to their source estate, and 100% of CPO processed can be traced to the respective mills. Furthermore, our Tanjung Priok plant has obtained the “Good Manufacturing Practices” certification, which covers five areas: sanitation, hygiene, buildings, compliance, and pest control. We aim to achieve this certification for our remaining four plants during 2023.

We continue to focus on initiatives that benefit our smallholders. Our FFB Purchase Scheme provides price

assurance to smallholders, and our Seedling Provision Program gives farmers access to high quality seeds at subsidised rates. Additionally, in 2022 our Rejuvenation Scheme (Peremajaan Sawit Rakyat, PSR) helped 51 farmers replant mature plantation areas across 123 hectares. IndoAgri is continuing to support and assist our smallholders to obtain ISPO certification. We resumed operation of our Posyandu healthcare facilities during the year, where we provided educational programmes for pregnant mothers and medical screening for babies and children. These facilities and services are available to all who live in the communities where we operate, as are our Rumpin educational centres which provided tutoring and training to over 23,041 visitors in 2022.

We regret to report one fatality at our palm oil operations during the year. We have investigated this unfortunate incident and have implemented corrective actions to prevent reoccurrence. The safety and well-being of our employees are of paramount importance, and we strive to provide a comprehensively safe working environment. We have always aimed for the goal of zero fatalities, and we will continue to do so.

The nature of our agribusiness operations means we are particularly exposed to climate-related risks. While we have included such risks in our enterprise risk management (ERM) processes for many years, in 2022 we took steps to align our activities with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD). We are performing detailed scenario analyses and will be incorporating additional physical and transition risks into our ERM framework. The results will influence future strategic decisions and financial planning exercises, and we intend to provide more detail in our 2023 sustainability report.

I would like to thank all employees of IndoAgri for their support and engagement as we continue our journey in pursuit of our sustainability goals. Despite the challenges of 2022, we have made progress towards our targets thanks to the resilience, determination, and innovative attitude of our staff. I am confident that our joint endeavours will continue to benefit ourselves, our stakeholders, and the communities and environments in which we operate.

Mark Julian Wakeford

Chief Executive Officer and Executive Director



2022 AT A GLANCE

BUSINESS and PEOPLE



Vertically integrated agribusiness

294,488 hectares of nucleus planted area

83% under oil palm

17% other crops

27 mills

5 refineries

5 rubber processing

2 sugar factories

Workforce representation

73% permanent operational employees are registered with a union

27% remainder are covered by Company Regulation

Labour conditions and safety

100% elimination of Paraquat (since Mar 2018)

100% SMK3 management system sites

60 sites with SMK3 gold rating

Child labour

No registered worker <18 years old

ENVIRONMENT



Preventing deforestation

Zero clearance of primary forest, degradation of HCV areas, new planting on peat regardless of depth, or burning

100% of sites have HCV Management and Rehabilitation plans

Energy and water

2% reduction of energy consumption intensity in mills (2021 baseline)

14% decrease in absolute energy consumption in refineries (2021 baseline)

No change in water intensity in mills (2021 baseline)

8% decrease in absolute water consumption in refineries (2021 baseline)

99% of fuel used in mills from renewable sources

100% of milling waste reused by our estates and mills

Climate Change & GHG Emissions

2% reduction in GHG emissions from estate and palm oil mill operations

COMMUNITY



Health facilities

189 clinics

202 Posyandu

59 doctors

256 midwives / nurses

33 ambulances

Education facilities

145 day care centres

151 schools

728 teachers

15,460 students

20 Rumah Pintar

23,041 Rumah Pintar visitors

SOURCING and PRODUCT



Quality

100% refineries completed annual audits on quality assurance

Food Safety / Quality Management System

80% certified with ISO 9001/ FSSC 22000

100% of food safety audits completed for 100% self assessment of non raw material suppliers

ISPO-certified production

86% of all estates' hectareage

84% of nucleus CPO production

Supply chain traceability and transparency

100% of FFB processed in mills traceable to estates

100% of CPO processed in refineries traceable to mills

100% of PK processed in kernel crushers traceable to estates



OUR APPROACH TO SUSTAINABILITY

04 Governance and Management

04 Sustainability Governance

- Board Statement
- Whistleblowing Policy and Grievance Mechanism
- Risk management, business continuity and supply chain resilience

06 Material Topics and Management

08 Our Approach on Key Sustainability Focus Areas

- Responsible Sourcing
- People
- Community Relations
- Product Integrity



Our palm seed from Bah Lias Research Station, North Sumatra



Material topics	Goal/target	Updates for 2022
Responsible Business Conduct (RBC) (GRI 205-3)	Zero cases of bribery and corruption	Zero confirmed incidents of bribery and corruption in our operations in 2022

GOVERNANCE AND MANAGEMENT

(GRI 2-24)

Sustainability Management



Commitment

- Mission
- Policies
- Code of Conduct
- Values



Planning

- Government policy
- Corporate business systems
- Sustainability Programmes



Action

- R&D
- Management systems
- Certifications
- Stakeholders engagement
- Internal collaboration
- Training



Assess to Improve

- Indicators
- Targets
- Evaluation through audit
- Materiality review



Reporting

- Annual report
- Sustainability report
- Website

Our Vision, Mission, Values, Code and Policies commit us to responsible business practices and the highest standards of quality and conduct. We use a set of policies, targets, certifications, standards and programmes to guide our approach to sustainability and manage the risks and opportunities relating to our material topics. Requirements for oil palm ISPO certification and the specifications associated with the Indonesian Government's PROPER environmental initiative help us deliver on our commitments to good governance, no deforestation, no new planting on peatland regardless of depth, no burning, supporting smallholders, and ensuring land rights and human rights.

We ensure partners adhere to our standards and recognise the importance of engaging both internal and external stakeholders to translate our plans into action. Our sustainability data is recorded in an SAP enterprise information system that we use to track our progress against targets and our management approach is monitored through both internal and external audits, analysis of performance trends, and review of stakeholder feedback. Our regular internal audits, monitoring, and assessments are guided by the ISPO, ISO 14001 Environment Management System and the ISO 9001 Quality Management System, amongst other auditing frameworks and standards.

SUSTAINABILITY GOVERNANCE

(GRI 2-9, 2-12, 2-14)

Board Statement

The Board holds overall responsibility for sustainability governance at IndoAgri and considers sustainability issues in formulating our business strategy. The Board oversees the management and monitoring of our ESG impacts and material topics, including annual validation and approval of the material topics.

The Board is supported in its monitoring and management of sustainability issues by the Sustainability Think Tank, which is led by our CEO. At quarterly Board Meetings, our Sustainability Think Tank reports on sustainability performance, provides updates on recent sustainability developments, and shares decisions made in response to these developments.

Validation and approval of the material topics takes place at a Board meeting during which the Sustainability Think Tank also present reporting recommendations for consideration. The Board is responsible for reviewing and approving the annual sustainability report prior to its publication.



We are committed to preventing negative impacts on the environment, the economy and on the communities where we operate, including any negative impacts on people's human rights. We apply the precautionary principle in managing our material ESG topics. Our Board is kept updated on our sustainability performance by our Sustainability Think Tank. Led by our CEO, the Sustainability Think Tank comprises Executive Directors, Chief Operating Officers, the ERM unit, the R&D team, and sustainability representatives from each business unit. Our Audit and Risk Management Committee also receives a quarterly update on material sustainability risks and related concerns.

Whistleblowing Policy and Grievance Mechanism (GRI 2-25, 2-26, 3-3)

We are committed to ethical conduct and have zero tolerance for any form of corruption. These commitments are also demanded of our suppliers. All new hires receive induction training on our Code of Conduct, which prohibits bribery and gratification. Our whistleblowing policy enables employees to raise any concerns without fear of reprisal. More information on our whistleblowing policy can be found in our Annual Report.

To enable employee and community participation in the grievance process, we have internal and external grievance mechanisms in place. The process for raising internal grievances is available and is regularly socialised to our employees by email and through morning briefings. We share our external complaints procedure to village heads and communities where we operate. Our internal audit teams regularly review the input and output of our grievance mechanisms to ensure they are effective.

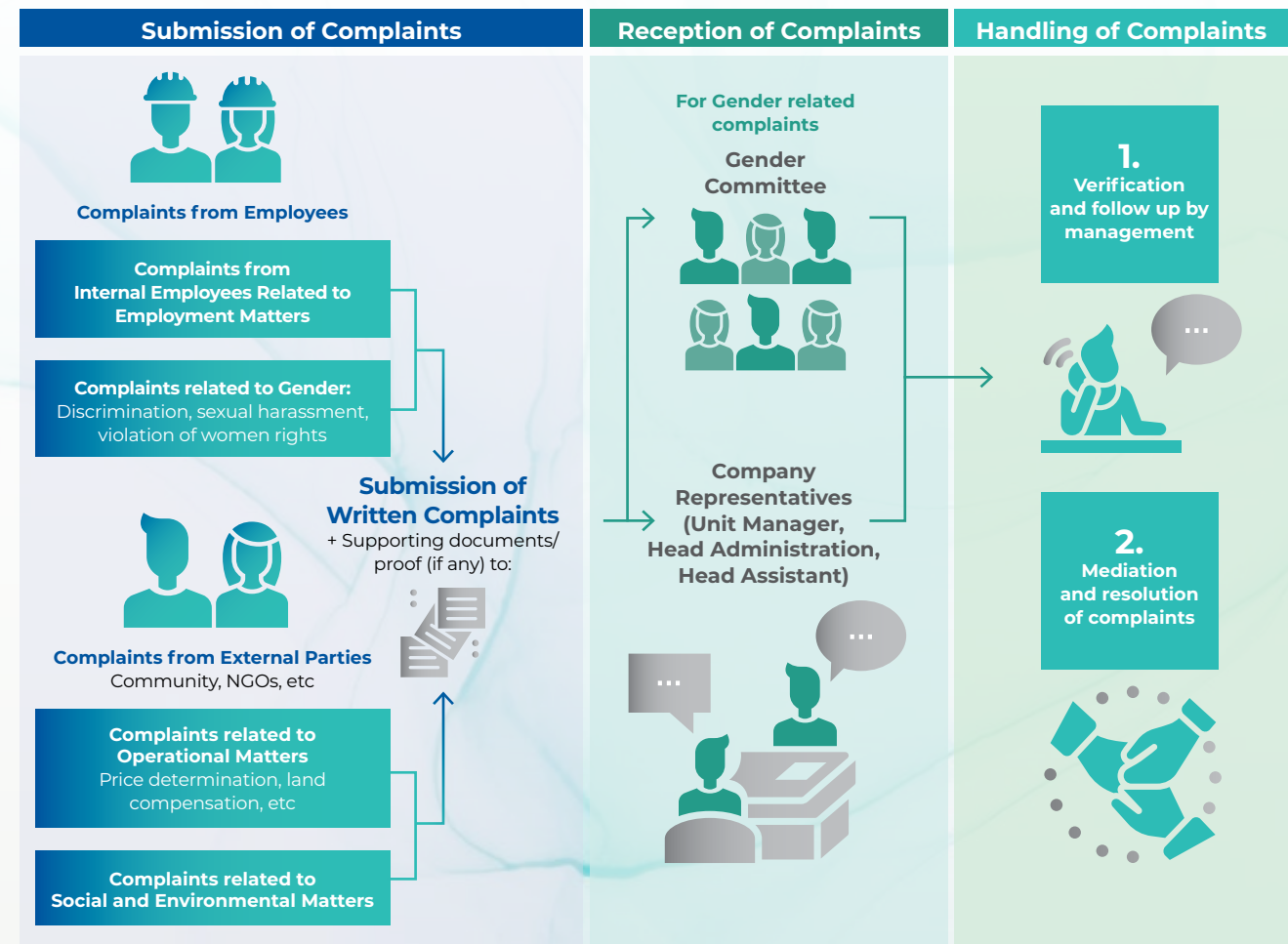


Details on our programmes, certifications, management systems, R&D innovation, sustainability governance structure and stakeholder engagement can be found [online](#)

Risk management, business continuity and supply chain resilience

We collaborate closely with our suppliers to anticipate and plan for any potential disruptions in supply, and we monitor government regulations and other restrictions in

Grievance Mechanism



order to minimise disruptions in delivering our products to customers. Additionally, we maintain a sufficient level of stock of our products on e-commerce platforms to ensure that they are always available to our customers.

Pandemic risks were added to our regular ERM framework in 2020. Our ERM function coordinates efforts across various departments to minimise the impact of pandemic

risk on our business. We continue to remain alert and manage business risks posed by the pandemic.

Automation, digitalisation and mechanisation within the Group accelerated as a result of the pandemic and we have updated our business continuity plans to include a more comprehensive scenario for future pandemics.



MATERIAL TOPICS AND MANAGEMENT (GRI 3-1, 3-2)

Our material topics are monitored by our Sustainability Think Tank and reviewed by our Board annually. This process ensures the topics remain relevant and are aligned with business and stakeholder expectations. With the help of an independent consultant, we conducted an in-depth, three-stage review:

1. Identification of material topics

Benchmarking against peers and industry-specific ESG topics was performed through desktop research and compared with previously identified material topics. Through this process, we were able to identify potential emerging topics while considering our sustainability context and ESG ratings such as SPOTT, Sustainalytics and MSCI.

2. Stakeholder engagement

The Sustainability Think Tank reviewed the list of 16 material topics. While no significant changes resulted from this stage of the review, minor refinements of the scope and names of some topics were made. For example, the proposed material topics of 'Rights of indigenous peoples and communities' and 'Community empowerment and relations' were combined into 'Community rights and relations'.

3. Validation

The final list of fifteen material topics was validated by the Board after presentation by the Sustainability Think Tank during a Board meeting.



Smallholders meeting in Musi Rawas, South Sumatra

All our material topics are managed under a set of six Sustainability Programmes, which conduct activities in compliance with our Policy. Through our Programmes, we contribute towards 15 UN Sustainable Development Goals (SDGs).

Sustainability Programmes	Material topics governed by or indirectly influenced by the programme		Corresponding SDGs
 Growing Responsibly Sets the policy framework for high standards of corporate governance and professional integrity.	<ul style="list-style-type: none"> Responsible Business Conduct (RBC) Product Quality and Safety Climate Change and GHG Emissions 	<ul style="list-style-type: none"> Water, Waste and Effluents Use of Fertilisers, Pesticides and Chemicals 	
 Sustainable Agriculture and Products Drives the adoption of sustainable practices in crop cultivation and the operation of refineries and mills.	<ul style="list-style-type: none"> Protection of Forests, Peatlands and Biodiversity Fire Control and Haze Prevention Climate Change and GHG Emissions 	<ul style="list-style-type: none"> Water, Waste and Effluents Use of Fertilisers, Pesticides and Chemicals Occupational Health and Safety (OHS) Yield Resilience and Innovation 	       
 Safe and Traceable Products Aims to ensure that all our CPO-derived products are traceable, safe, and beneficial for human consumption.	<ul style="list-style-type: none"> Supply Chain Traceability and Transparency Sustainability Certification 	<ul style="list-style-type: none"> Product Quality and Safety Yield Resilience and Innovation 	
 Smallholders Covers our efforts with the plasma and ex-plasma farmers, and supports the Indonesian government's Nucleus-Plasma scheme through the development of inclusive supply chains.	<ul style="list-style-type: none"> Smallholder Engagement and Livelihoods Community Rights and Relations Water, Waste and Effluents Use of Fertilisers, Pesticides and Chemicals Yield Resilience and Innovation 		
 Work and Estate Living Covers aspects relating to safety, health and wellbeing of our workers and their families, and to human rights.	<ul style="list-style-type: none"> Human, Child and Labour Rights Community Rights and Relations Occupational Health and Safety (OHS) Yield Resilience and Innovation Pandemic Resilience Protection of Forests, Peatlands and Biodiversity 	<ul style="list-style-type: none"> Fire Control and Haze Prevention Climate Change and GHG Emissions Water, Waste and Effluents Use of Fertilisers, Pesticides and Chemicals 	         
 Solidarity Seeks to improve the quality of life in the estates through capacity building, education and financial support.	<ul style="list-style-type: none"> Smallholder Engagement and Livelihoods Protection of Forests, Peatlands and Biodiversity Fire Control and Haze Prevention Climate Change and GHG Emissions Water, Waste and Effluents 	<ul style="list-style-type: none"> Use of Fertilisers, Pesticides and Chemicals Community Rights and Relations Occupational Health and Safety (OHS) Yield Resilience and Innovation Human, Child and Labour Rights Pandemic Resilience 	



Details on our Programmes can be found [online](#)



OUR APPROACH ON KEY SUSTAINABILITY FOCUS AREAS

Environmental Protection (GRI 3-3)

Our Sustainable Agriculture Policy guides our commitment to environmental conservation. We understand that we have a responsibility to minimise negative impacts on the environment and that we must act sensibly in relation to our resource consumption. In protecting forests, peatlands and biodiversity, we regularly evaluate environmental risks and actively conserve HCV and HCS areas.

Forest fires and haze severely impact the health of local and global ecosystems and communities. We take a resolute approach by actively monitoring hotspots and engaging stakeholders on fire prevention.

Resource consumption and disposal of waste are performed in a responsible manner. All our actions related to water – including withdrawal, consumption, and discharge – are regulated by Indonesian government laws and regulations. We also reuse 100% of our milling waste, either as organic fertilizer or as a source of energy for our boilers. We are constantly working to find new and innovative ways to replace synthetic chemicals with natural, environmentally friendly alternatives. Our research aims to reduce the use of fertilizers, pesticides, and other chemicals in order to grow oil palms in a sustainable and environmentally responsible way.

Cooperation and collaboration across the value chain contributes greatly to environmental protection. Consequently, we expect our suppliers to comply with our sustainability standards, in line with our Sustainable Agriculture Policy. Our ERM framework and whistle-blowing

mechanisms help to ensure compliance with relevant environmental regulations and mitigate associated risks.

IndoAgri understands that the climate crisis presents both risks and opportunities that are affecting the environment in which we operate; from the ecosystems our plantations rely on to the communities where we operate, and the people involved throughout our whole agribusiness value chain. To overcome climate change risks such as water scarcity and unpredictable weather patterns, we engage in

both mitigation and adaption action. We are progressively increasing our use of renewable energy, improving energy efficiency, and reducing GHG emissions, while engaging in R&D to produce seeds resistant to extreme weather conditions. We have also begun to analyse our exposure to climate risk in line with the framework established by the Taskforce on Climate-Related Financial Disclosures and provide more details in the Climate Change and GHG Emissions section on [page 21](#).



Simpai (Presbytis melalophos), one of the protected animals in our conservation area at Musi Rawas, South Sumatra



Responsible Sourcing (GRI 3-3)

It is important to our customers that we operate transparent supply chains and engage in responsible sourcing practices. Our commercial success relies on ensuring our customers have confidence in our products and their origins. We encourage our suppliers to adopt best practices by being transparent throughout their supply chains and responsible in their operations. We routinely assess and audit our suppliers to ensure standards are met. We also collaborate with smallholders to help them build capacity and improve the quantity and quality of yield.

To establish the traceability of each tonne of palm oil, we record the following:

- Name, parent company, address
- GeoCoordinates of plantation¹ and mill
- Nucleus or plasma KUD / group farmers profile and data
- Refinery dispatch number
- Certification status

In the agribusiness industry, third-party sustainability certifications guide best practices and provide assurance to our stakeholders. The ISPO certification, developed and mandated by the Indonesian Government, is an integral component of delivering on our Policy and commitments. As part of our commitment to responsible sourcing, we aim to have 100% of our mills and nucleus estates ISPO certified by 2024.

Smallholders play a crucial role in the palm oil industry and account for more than 40% of all oil palm cultivated in Indonesia. Recognising the role played by this group, we support and engage our smallholders through various capacity building and training programs. We also support smallholders we work with in obtaining ISPO certification.

¹ This includes batch barcodes for FFBs from our South Sumatra plasma estate.



FFB sorting process in Pahu Makmur POM, Kutai Barat, East Kalimantan

To reduce the pressure to convert new land and maintain continued commercial success, we focus R&D efforts on improving our agronomy techniques and enhancing our seed yield and quality. Results from these initiatives increase the resilience of our crops against the effects of a heating climate.

People (GRI 3-3)

The overall well-being of our employees is fundamental to our success. Our Sustainable Agriculture Policy and Labour Policy outline our commitment to respect and protect the rights of our workers, comply with Indonesian law, the UN Universal Declaration on Human Rights, and the International Labour Organisation (ILO) codes of practice ratified by the Republic of Indonesia². We strive to provide our workers with stable incomes, safe working environments, and improved job opportunities. We strictly enforce measures to prevent forced labour or child labour at all our sites.

All IndoAgri employees are paid above the legal minimum wage of their respective regions, which differs based on the sector, cost of living in each province, and collective labour agreement in that region. To ensure a decent living wage, we provide additional benefits such as housing, healthcare

² The nine "core" ILO Conventions ratified by Indonesia are:

- i. Forced Labour Convention, 1930 (No. 29);
- ii. Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87);
- iii. Right to Organise and Collective Bargaining Convention, 1949 (No. 98);
- iv. Equal Remuneration Convention, 1951 (No. 100);
- v. Abolition of Forced Labour Convention, 1957 (No. 105);
- vi. Discrimination (Employment and Occupation) Convention, 1958 (No. 111);
- vii. Minimum Age Convention, 1973 (No. 138);
- viii. Worst Forms of Child Labour Convention, 1999 (No. 182);
- ix. Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187).



Our workers in Refinery Surabaya, East Java

and education to all permanent employees and their families. We support our employees' rights to collective bargaining and they are free to register with their preferred labour union.

We are committed to providing safe workplaces for our employees. Our rigorous OHS management system aims to minimise negative health impacts and prevent accidents. All our sites are equipped with SMK3 (Indonesian OHS standard) management systems and undergo SMK3 refresher training every year to ensure operational compliance. In addition, workers are reminded and receive training relating to safety standards and operating procedures before they start work each morning.

Our Training and Development programmes provide professional development and career progression opportunities for our employees while meeting our needs for skilled, capable human resources.

Community Relations (GRI 3-3)

We recognise our ability, as a large palm oil company, to effect positive impacts on the lives of those living in and near the areas of our operations. We respect the rights of our communities, including the FPIC rights of indigenous people impacted by our operations. We make a conscious effort to maintain strong relations with these stakeholders and address their needs.

We comply with Indonesian law, the UN Universal Declaration on Human Rights and the ILO codes of practice ratified by the Republic of Indonesia.

We endeavour to empower local communities and improve socio-economic well-being. Under our Work and Estate Living Programme, we support communities and local governments in economic development, and also provide access to healthcare and education.



Learning activities in our high school facility in Kayangan Estate, Rokan Hilir, Riau

Product Integrity (GRI 3-3)

Product quality and safety are crucial to our commercial success. As palm oil is highly versatile and widely used across both edible and non-edible products, it is critical that we uphold high standards of product quality and process safety through food safety management systems and quality assurance at our refineries, as detailed in our Quality Policy and Sustainable Agriculture Policy. We are certified to local and international food safety standards such as Indonesia National Standard (SNI 5 refineries), ISO 9001 (4 refineries) and FSSC 22000 (1 refinery).



Preparation of fortificant (including Vit A) for the fortification process at Refinery Surabaya, East Java

Our customers expect full product traceability while regulators require complete information on ingredients and nutritional content. We strive to meet these demands and the demands of all other stakeholders. We comply with all regulations on food safety, consumer protection, quality and nutrition, labelling, and advertising. Our batch coding system enables us to trace all supplied CPO to their source milling sites. Our products and refineries are certified by an approved Halal certification system, LPPOM MUI, The Assessment Institute for Foods, Drugs and Cosmetics, and the Indonesian Council of Ulama.

BUSINESS OVERVIEW

INTRODUCTION

We are a diversified and vertically integrated agribusiness. Our operations span the entire supply chain, from plantation management and crop production, to processing refining, branding and marketing of edible oil products. We operate processing facilities to produce palm oil, rubber, sugar, cocoa and tea.

In Indonesia, our oil palm estates are largely located in rural Sumatra and Kalimantan, while our refineries are mainly located in major cities including Jakarta, Medan, Surabaya, and Bitung.



FFB Harvesting process in Nanga Silat Estate, Kapuas Hulu, West Kalimantan



CAPTURING VALUE ACROSS OUR OPERATIONS IN INDONESIA (GRI 2-6)



Seed breeding

At our R&D centres, we engineer more efficient, resilient seeds and planting materials.



2

R&D CENTRES



seeds

Plantations

In nucleus and smallholders' plantations, we grow oil palms, sugar cane, rubber, cocoa and tea in a responsible manner.

244,768

hectares of oil palm

16,074

hectares of rubber

14,056

hectares of sugar cane

19,590

hectares of timber, cocoa, tea

294,488

hectares of nucleus area covering all crops

90,551

hectares of plasma partnership for oil palm and rubber

>50,000

plasma smallholders partnered

Mills

At our mills, we process FFB into CPO and CPKO, latex into crumb and sheet rubber, and sugar cane into sugar.

FFB processing capacity

27

palm oil mills

7.2M

tonnes FFB processed per year

3.5M tonnes of FFB from our nucleus estates, plasma, and third parties milled into **736,000** tonnes of CPO and **180,000** tonnes of PK in 2022

701,000 tonnes of CPO sold: **76%** to IFAR refineries, **24%** to external parties

Rubber processing capacity

5

(3 crumb and 2 sheet) rubber processing facilities

33,000

tonnes crumb and sheet rubber per year

Cane crushing capacity

2

sugar cane mills

2.2M

tonnes sugar per year

Refineries

At our refineries, we refine CPO into higher value edible oil and fat (EOF) products.



CPO processing capacity

5

refineries

1.7M

tonnes CPO processed per year

Customers & consumers

Our EOF products are used by consumers for daily living and by customers as input for their products.



83%

of EOF products serve domestic consumers



All our consumer pack cooking oil brands are **fortified with Vitamin A**



Workforce Profile (GRI 2-7, 2-8)



52,927
workforce

33,325
permanent
employees

6,265
short-term
employees

13,337
seasonal contract
workers

18% | **82%**
female | male

95%
based in field and
processing sites

90%
based in Sumatra
and Kalimantan

5%
based in head and
regional offices

10%
based in Java
and Sulawesi

Employee statistics for IndoAgri can be found on [page 56](#) in the Appendix.

Oil Palm: Our Principal Crop

Our Agribusiness Group meets the evolving needs of our customers and stakeholders through our two seed breeding R&D centres: PT Sumatra Bioscience (Sumbio) in North Sumatra and PT Sarana Inti Pratama (SAIN) in Pekanbaru. Oil palm seeds developed at these centres use world renowned breeding populations from Southeast Asia and Africa and produce high-yielding seed material, free of genetically modified organisms.

As of 31 December 2022, 11% of our total planted oil palm estate areas of 244,768 hectares were immature estates. The average age of our oil palm trees is 18 years, of which 14% are under seven years old, a key indicator of our future CPO production.



Oil palm fruitlets in Sei Rumbiya Estate, North Sumatra

Rubber

We have rubber operations in North and South Sumatra, East Kalimantan, and Sulawesi. In 2022, we produced 5,200 tonnes of sheet and cup lump rubber. 52% of rubber products, comprising sheet rubber and crumb rubber, were sold domestically, and the rest was exported.



Rubber tapping in Sei Rumbiya Estate, North Sumatra

Our Other Crops

In Indonesia, our other crop operations include sugar, cocoa and tea.

In Brazil, we have sugar operations through a 36.21% joint venture, CMAA. In 2022, CMAA produced 650,000 tonnes of raw sugar, 303,000 m³ of ethanol and 401,000 MWh of electricity for export and domestic markets. CMAA achieved Bonsucro certification for 3.5 million tonnes of sugar cane. This represents 90% of our own cane production in 2022.



Our cocoa plants in Banyuwangi, East Java

Our Edible Oil Products

More than 83% of our branded EOF are sold in the Indonesian market. The remainder is exported.

In Indonesia, our cooking oils are sold under the leading brands Bimoli, Bimoli Spesial, Delima, and Happy. Our consumer margarine and shortening are marketed under the Palmia, Royal Palmia and Amanda brands, while their industrial equivalents are branded Palmia, Simas, Amanda, Malinda, and Delima.



Our edible oil products

PROTECTING OUR ENVIRONMENT

INTRODUCTION

Indonesia is one of the most biodiverse regions in the world, but the environment and society have been impacted by increasingly extreme weather patterns and other effects of climate change. IndoAgri is committed to operating as a responsible agribusiness and protecting our ecosystems, promoting their resilience and our long-term sustainability.

In this section, we explain our commitments and progress on environmental protection, including fire control, climate change mitigation and adaptation, resource efficiency, waste management and chemical usage.

Aligned with SDGs



Material topics and focus areas:

1. Protection of forests, peatland and biodiversity
2. Fire control and haze prevention
3. Climate change and GHG emissions
4. Water, waste and effluents
5. Use of fertilisers, pesticides and chemicals

Scope of section

Palm oil and rubber operations



*Breeding of natural pest control at Bah Lias Research Station, Simalungun, North Sumatra
Nimfa Sycaus, the assassin bugs of nettle caterpillar and bagworm on oil palm*



UPDATES FOR 2022

In this section



Protection of forests, peatland and biodiversity

No primary forest clearance on our sites

No degradation of HCV areas

No new planting on peatland since 2013

Maintained healthy water levels

Fire control and haze prevention

Zero burning for land clearing and replanting

Trained fire control team in every estate

Climate change and GHG emissions

2% reduction in GHG emissions from estate and palm oil mill operations

99% of fuel used in palm oil mills is from renewable products

Water, waste and effluents

No increase of water consumption intensity for mills, remained the same as 2021

8% decrease in refinery water consumption compared to 2021

100% hazardous waste disposed by an accredited 3rd party

64% of non-hazardous waste sent for recycling

100% of milling waste reused by our estates and mills

Protecting our environment

Material topics	Goal/target	Updates for 2022
Climate Change and GHG Emissions	Reduce energy consumption ratio in palm oil mills and refineries	<ul style="list-style-type: none"> 2% reduction of energy consumption per tonne of material processed in mills against our 2021 baseline 14% decrease in absolute energy consumption in refineries against our 2021 baseline
	Reduce GHG emissions from estate and palm oil mill operations	2% reduction in GHG emissions from estate and palm oil mill operations
Water, Waste and Effluents	Reduce water consumption intensity in mills and refineries	<ul style="list-style-type: none"> Water consumption intensity for mills remained the same as 2021 baseline 8% decrease in absolute water consumption in refineries against our 2021 baseline
	Maintain effluent levels to be within local regulation thresholds	All effluent levels within regulation thresholds
Fire Control and Haze Prevention	Continue to strengthen fire mitigation procedures	Completed 32 fire control training days in 51 estates in 2022
	Continue to engage local communities and villages on fire-fighting and prevention	Engaged 90 villages on fire prevention since 2016



Material topics	Goal/target	Updates for 2022
Protection of Forests, Peatlands and Biodiversity	Compliance with our policy of no deforestation and zero HCV loss	No primary forest or HCV areas was affected during new planting and replanting in 2022
Use of Fertilisers, Pesticides and Chemicals	To achieve 100% use of available organic fertiliser (Empty Fruit Bunches (EFBs) and Palm Oil Mill Effluent (POME) from our mills)	Achieved
	Improve Integrated Pest Management to reduce reliance on chemical pesticide use	4% increase in pesticides used compared to 2021*

* Increase was due to enhancement of weed control during the prolonged rainy season, and for replanting activities requiring more herbicides / insecticides to support immature plant growth.

PROTECTION OF FORESTS, PEATLAND AND BIODIVERSITY (GRI 3-3, 304-4)

We recorded zero primary forest clearance and degradation of HCV areas in 2022.

Our Sustainable Agriculture Policy governs our operations and the way we execute our procedures and practices. We are committed to the preservation of areas of HCV and HCS.

The HCS Approach Toolkit helps us establish whether areas of land can be used for planting or should be conserved. Identification of HCV areas is performed through our internal and third-party accredited assessments. Our HCV areas include riparian areas, indigenous land, and habitats for endangered species.

HCV Management and Rehabilitation Plans Across all IndoAgri sites

We operate a strict zero-tolerance policy across all our operations and suppliers against logging, burning, and hunting of protected species and wildlife. To prevent these activities and restrict access, warning signs have been installed and boundary pits have been set up along the perimeters of HCV areas. Our HCV Management Plans have been assessed and accredited by licensed assessors. To deliver on our HCV Management Plans, 100% of our sites have HCV Rehabilitation Plans. The map shows the locations of our sites, all of which have HCV Management and Rehabilitation Plans.

Our team of trained HCV personnel manage and monitor these areas.

HCV and HCS assessments are required before any new planting can take place. During new planting and replanting

in 2022, no primary forest or HCV areas was affected. Regular training on HCV Monitoring and Rehabilitation is conducted for employees in our estates to ensure that knowledge on HCV management and implementation of best practices remains current and relevant.



To date, we have identified **24,936 hectares** of HCV areas across our sites



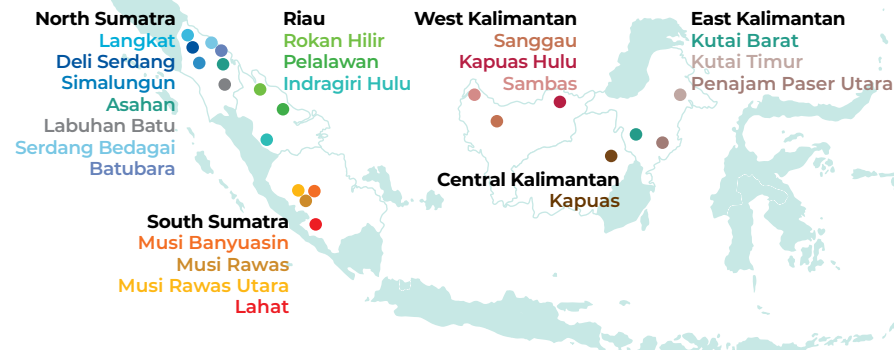
All of our sites have HCV Management Plans in place to monitor any disturbances to HCV areas



All of our sites have HCV Rehabilitation Plans to enhance biodiversity and promote afforestation, especially in riparian areas



Since 2016, we have planted approximately **195,732 trees** in over **783 hectares** of HCV areas





Bekantan Kahau (Nasalis Larvatus) in an oil palm plantation in Lupak Dalam, Central Kalimantan

Biodiverse ecosystems are critical to supporting life on Earth: healthy soil is dependent on microbes and invertebrates; trees and plants absorb carbon dioxide; and medicines have often originated from plants. IndoAgri understands that the nature of our business impacts biodiversity levels in our plantations. We are committed to reducing this impact and protecting biodiversity in our HCV areas. Our HCV assessments have enabled us to identify protected species that inhabit our concessions and surrounding areas. By performing biodiversity monitoring in estates, and conducting interviews with local communities, we track biodiversity indicators and the health of key species

in HCV areas. We also use drones to observe the condition of these areas. We are required to submit compliance reports containing data analysis and monitoring results to the government conservation agency (BKSDA) on a regular basis. In 2022, we commenced a research project, in conjunction with universities and the government, to help conserve the protected *Bekantan* (Proboscis) monkey within an existing concession area. These efforts will involve understanding the locations in which the *Bekantan* live, determining the population of the species, and ensuring their habitat is preserved. We have also been voluntarily helping the Government in protecting Taman Nasional Meru Betiri in East Java, near one of our estates. We have been assisting this conservation program by supporting security patrols and by ensuring protection of our adjacent HCV areas which act as a buffer zone to the conservation area. This gives additional protection for wildlife habitat and provides additional water catchment space.



The full list of protected species on our estates which are on the IUCN Red List or Indonesia's national conservation lists can be found on our [website](#)

Since 2013, there has been no new planting on peatlands and water levels in peatlands under our control have been maintained.

A third of the world's soil carbon is stored in peatlands. If drained or burned, peatlands can emit a significant volume of carbon dioxide, the major greenhouse gas driving the climate crisis. IndoAgri prohibits development on peat regardless of depth and complies with related regulations of the Government of Indonesia. All nucleus planting programs must be approved at the IndoAgri Executive Board level.

Our HCV management approach also applies to peatland (see [page 17](#)). Additionally, we maintain a minimum water table depth for our existing cultivated peatland and work closely with various stakeholders, including the Ministry of

Environment and Forestry, Ministry of Agriculture, and peat experts to ensure compliance. For more information on our commitments to peatland protection, please refer to our Sustainable Agriculture Policy on our [website](#).

Our initiatives include monitoring of water levels on estates using peat subsidence measurement, GIS remote sensing, and 3D flood risk modelling. We apply canal engineering techniques to ensure sufficient water distribution during dry periods. We have also conducted hydrographic and topographic mapping of the peatland planting for submission to the Government.

IndoAgri holds annual meetings with local government, labour unions, local NGOs and community representatives. These discussions enable stakeholders to raise and address any individual environmental concerns they may have.



Peatland monitoring in Muara Merang Estate, Musi Banyuasin, South Sumatra

Meranti tree (*Shorea leprosula*) reforestation initiative

We have established forests in several plantations with the aim of regenerating and preserving the natural environment. Our intent is to create a habitat for animals and plants to restore the quality of the environment and improve the balance of the ecosystem. The first plantation forests were successfully developed at Begerpang and Turangie Estates, North Sumatra in 2001. We planted Meranti trees as conservation plants between the oil palm plantations. Cited forests have created a natural haven for a variety of indigenous flora and fauna. Monitoring activities are carried out periodically by trained officers.



Measuring growth (diameter) of Meranti Tree at Begerpang Estate, Deli Serdang, North Sumatra



HCV Monitoring in Sei Rumbiya Estate, North Sumatra

FIRE CONTROL AND HAZE PREVENTION (GRI 3-3)

Forest fires cause significant negative impacts on the environment and on society.

The effects can be extreme and include loss of life, loss of biodiversity, and adverse health consequences for surrounding communities. Fires also incur long-term commercial, reputational, and financial costs to businesses. IndoAgri requires that all operations and suppliers comply with our zero-burning regulations as set out in our Policy. All land clearing – for example, of non-productive oil palms – must be performed mechanically, and good practices are shared with the communities.

In terms of implementing fire-prevention strategies, IndoAgri takes a forthright approach to hotspot monitoring and stakeholder education. Our ERM team sets out our strategy in responding to fire risks and related scenarios. Satellite images from the National Oceanic and Atmospheric Administration (NOAA) and the National Aeronautics and Space Administration (NASA) are monitored daily and compared with IndoAgri's concession maps to identify hotspots. On-the-ground checks are conducted by our estate managers and specialist fire teams to verify any potential hotspots. The ERM team, estate managers, and specialist fire teams are in constant contact, ensuring a swift and decisive response in the event of fire risk.

In 2022 we partially automated the satellite image monitoring process. Satellite images are now automatically downloaded from the government database and forwarded through email to the relevant estates for review. This has



Our fire fighters in Nanga Silat Estate, Kapuas Hulu, West Kalimantan

enabled more efficient use of resources which means staff can spend more time on analysis and investigation.

During the height of the COVID-19 pandemic, our ability to conduct training was limited. However, as restrictions on movement have been eased, our training program has expanded again. Our estates are equipped with vehicles and equipment for firefighting and our fire specialists are regularly trained in fire prevention and firefighting. Training is performed in collaboration with the Ministry of Environment and Forestry, the military, police, and the local government. IndoAgri delivered 32 fire control training days across 51 estates in 2022.

The number of fire incidents in 2022 was reduced from previous years, demonstrating the effectiveness of our proactive approach as well as more regular rainfall in 2022.

As of December 2022, we had a total of 207 fire towers across all our estates. We have plans to increase the number of fire towers, particularly in hotspot areas and on the boundaries we have with local communities. During the year, we continued with the implementation of our community collaboration programs to build local capacity and knowledge to prevent fires. Since the launch of the program in 2016, we have engaged 90 local villages.



Fire monitoring from tower in Sungai Dua Estate, Rokan Hilir, Riau



CLIMATE CHANGE AND GHG EMISSIONS (GRI 3-3)

Climate change poses a major threat to our environment and the well-being of future generations. As a large agribusiness, the most obvious impacts of climate change to our operations are clear: increasing temperatures result in a higher incidence of forest fires and drought, and increased severe and prolonged rainfall leads to more frequent flooding. We are in the process of analysing our exposure to climate risk in line with the TCFD framework (see boxed text, right). As we find ways to adapt to a changing climate, we also recognise our part in mitigating climate change.

Adapting to climate change

The biggest impacts that we face from climate change are rainfall-related – more frequent flooding at our plantations, especially in lowland areas. Natural water sources can be contaminated during flooding, and the raised water levels create difficulties in transporting clean water to operation sites. Flooding also affects operational activities in our plantations, causing damage to infrastructure, and resulting in delayed transportation of FFBs.

To mitigate the full effect of rainfall-related risks, our forecasting efforts have been improved. We use forecasts from the Meteorology Climatology and Geophysics Council (BMKG) as a basis for our planning, and map the topography of the land to fortify areas prone to flooding. We have also continued to develop other preventative initiatives such as increasing the efficiency of drainage systems, enhancing road accessibility in the wet seasons, and mobilising additional fire protection levels in the dry seasons.

Assessing and Managing Climate Risk in Accordance with TCFD

The nature of our Agribusiness operations means we are particularly exposed to climate-related risk. Consequently, we have made concerted efforts to identify, monitor and manage these risks through our ERM processes for a number of years. In 2022, we aligned our existing climate risk analysis structure with the Taskforce on Climate Related Financial Disclosures (TCFD) framework and are incorporating additional physical and transition risks into our ERM process. These risks, which have been signed-off by the Board, will inform future strategic decisions and financial planning exercises. We are performing detailed scenario analyses and we intend to provide a more comprehensive breakdown of our exposure to climate-related risk in our 2023 Sustainability Report, along with an indication of our mitigation efforts and documentation of all relevant disclosures in line with TCFD.

Our mitigation efforts

We take proactive measures in mitigating our impact on the climate. Our initiatives and policies relating to forest protection, peatland and biodiversity, utilising renewable energy, effluent composting, as well as fire control and haze prevention all play a part in reducing carbon emissions through the maintenance of ecosystem integrity.

We employ four key methods to reduce energy use and increase energy efficiency across our operations. Firstly, we have implemented ISO 50001 certified energy management systems (EnMS) in a number of our refineries and mills. Secondly, we have decreased the oxygen content in the combustion chambers of our boilers, leading to more efficient energy use. Thirdly, we have optimised the reuse of condensate water from our boilers meaning less water and energy is required for operation. Finally, we perform continuous review and maintenance of our boilers and optimisation of the operation parameters to ensure maximum efficiency. Our sustainability team continues working with colleagues from the Indofood Group to focus on best management practices.



99% of fuel used in mills is from renewable sources



25 energy managers and 9 energy auditors across all facilities, who identify and implement energy reduction initiatives

As 99% of fuel used in all our mills comes from renewable energy, our efforts are primarily focused on increasing the percentage of renewable fuel used in our refineries. Since the beginning of 2018, the boilers in our Lubuk Pakam Refinery, North Sumatra have switched from using coal to palm shell entirely. We are in the process of replacing the coal used in our Surabaya and Bitung refineries with palm shell. In addition, we are reviewing proposals received for the implementation of solar panels at our refinery in Surabaya.



We have started to improve the quality of our data collection and have initiated a pilot project to measure the amount of energy we are using in our shell-powered boilers. Our engineering department designed and installed a meter at the Begerpang mill in 2022 and, after review and post-implementation testing has been completed in 2023, we intend to extend the application of this device to other mills.

Despite our mills comprising a small amount of our overall non-renewable energy consumption, we are evaluating the installation of solar panels at sites in more remote areas that are not connected to the Perusahaan Listrik Negara (PLN) state electricity grid. The project is commencing with a pilot implementation at a mill in West Kalimantan in 2023 and will be replicated across other locations if successful. We expect to reduce diesel use by at least one fifth at these sites after installation of the solar panels.

We have adopted and implemented best practices in our crop operations based on the success stories and achievements of our palm oil operations. We are pleased to report that two rubber factories, two sugar factories, one tea factory and one cocoa factory are using renewable energy from palm shells and sugarcane bagasse.

The energy consumption per tonne of FFB processed at our mills decreased by 2% from 2.18 GJ/tonne in 2021 to 2.13 GJ/tonne in 2022.

Energy consumption per tonne of material produced at our refineries increased by 27% from 0.96 GJ/tonne in 2021 to 1.22 GJ/tonne in 2022 due to fluctuations in our processing efficiency and the disrupted supply of raw materials.

Energy consumption per tonne of rubber produced in our rubber factories decreased by 1% from 26.08 GJ/tonne in 2021 to 25.92 GJ/tonne in 2022.

Detailed energy consumption data is on [pages 53-54](#) in the Appendix.

Greenhouse Gas Emissions

Peat emissions make up 81% of our primary GHG emissions. These emissions are not a result of the disturbance of peat, but from naturally occurring, low-level methane emissions. As some of the estates included in our scope are in peat areas, peat accounts for the majority of our GHG emissions. While other sources of GHG emissions includes methane from POME, fuel usage in our mills and in the transport of FFB, chemical usage in mills and plantations, and nitrous oxide emission from fertilisers.

There was a decrease in total emissions from mills and estate operations by 2% from 2021 to 2022. This decrease is predominantly due to the implementation of an energy saving program at our palm oil factories which has optimized the efficiency of our boilers.

We are continuing to increase the number of facilities which have an energy management system certified to the ISO 50001 standard. Currently two refineries are certified, and we intend to certify at least two palm oil mills by the end of 2023.

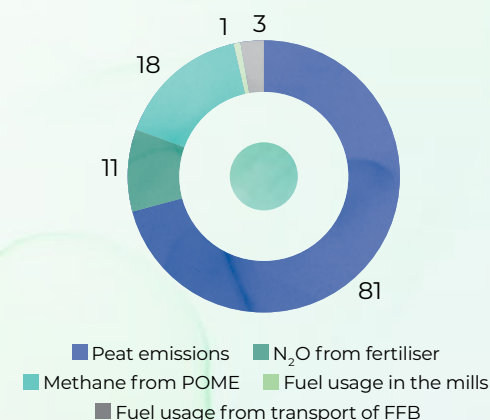
We have reduced methane emissions at three of our aerated bunker composters by up to 80% compared with conventional anaerobic composting and we plan to install aerated bunker composters in additional mills to further reduce our GHG emissions.

Detailed emissions data is on [page 54](#) in the Appendix.



Aerated Bunker Composting in Nanga Silat Mill, Kapuas Hulu, West Kalimantan

GHG emission sources (%)



Note: Fuel usage in the estates, chemical usage in the mills and plantations, and electricity emissions are all 0%.

WATER, WASTE AND EFFLUENTS (GRI 2-27, 3-3, 303-1,2,3)



Water Treatment Plant in Begerpang POM, Deli Serdang, North Sumatra

Water is integral to our operations, and our management of water is critical to the health of the environment and the communities where we operate. With the changing climate, global water availability risk is an increasingly important issue, even in tropical and subtropical regions. All our interactions with water (water withdrawal, consumption and discharge) are governed by Indonesian laws. We have acquired relevant permits that specify sources of water withdrawal, volume of water consumption, and discharge quality requirements. Prior to obtaining these permits, the authorities conduct an impact assessment relating to the water withdrawals of our operations. With such permits, we carefully draw water from rivers and the ground and manage our water interactions in line with government regulations. We also engage our suppliers to ensure they comply with water-related regulations, including those relating to wastewater treatment.

Water use efficiency

Water consumption is managed carefully at our estates, mills, and refineries.

- Our rubber and oil palm estates in tropical Indonesia are entirely watered by seasonal rainfall.
- 87% of mill water is from rivers. The rest is from groundwater and rain-harvest.
- 84% of water used in our refineries is from municipal sources while the remainder is from groundwater.
- 86% of water used in our rubber factories is from rivers, the rest is from groundwater.
- Water used in our offices and site accommodation in our plantations are from groundwater and rain-harvest.



At our mills and refineries, we reuse steam condensate for our boilers, which reduces both water and energy consumption.

- At our mills: we used 1.00 m³ of water per tonne of FFB processed in 2022. This is consistent with 2021.
- In refineries: absolute decrease in water consumption of 8% accompanied by a 36% increase in usage intensity per tonne of CPO processed. This increase was due to fluctuations in process performance and inconsistent supply of raw materials.
- At our rubber sites: we used 40.09 m³ of water per tonne of rubber processed. This represents a 7% decrease compared to 2021.

All our operation sites have been through a compulsory Environmental Impact Assessment ('AMDAL'). This takes place during the initial development of a site. Water sources that are important to sustain the local biodiversity and surrounding communities are identified under during HCV assessments (please refer to [pages 17-19](#) for more information). In 2022, we recorded no incidences of non-compliance in water use and wastewater management.

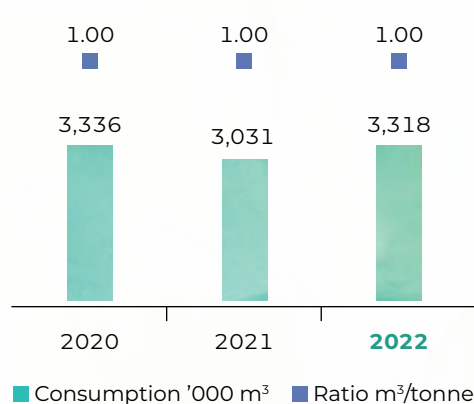
Waste and effluent management (GRI 306)

In order to improve process efficiency, lower cost, and reduce our impact on the environment, we adopt stringent measures for managing waste and effluent. All sites operate waste management systems compliant with Indonesian

regulations, and are guided by PROPER and ISO 14001 (Our PROPER ratings and ISO 14001 certification data are on [pages 55 & 58](#) in the Appendix).

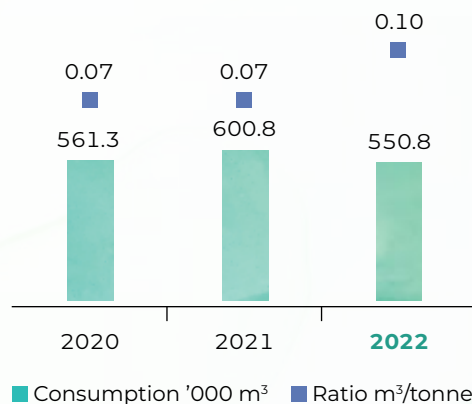
- At our mills: we produced an average of 0.83 tonnes of hazardous waste in 2022 (2021: 1.19 tonnes).
- At our refineries: we produced a total of 21,215 tonnes of hazardous waste in 2022 (2021: 28,098 tonnes), 81% of which was spent bleaching earth. We also produced a total of 2,176 tonnes of non-hazardous waste in 2022 (2021: 2,980 tonnes); 64% of this waste was sent for recycling while the other 36% was sent to landfill.
- At our rubber factories: we produced an average of 0.59 tonnes of hazardous waste in 2022 (2021: 0.76 tonnes).

Water consumption in palm oil mills ('000 m³)



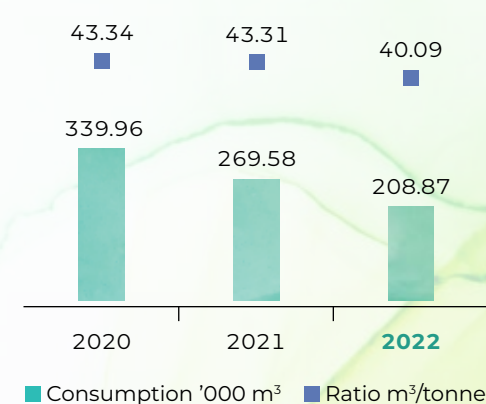
Note: Data from ISPO- and PROPER certified/audited palm oil mills (23 out of 27 mills). Water consumption ratio covers industrial usage in each mill. Ratio is based on average consumption in m³ per tonne of FFB processed.

Water consumption in refineries ('000 m³)



Note: Data from five refineries based on water consumption per tonne of material produced, in six processes: (i) tank yard (ii) refining CPO (iii) fractionation (iv) margarine (v) cooking oil filling and (vi) finished goods warehousing. Calculations are based on metered volumes. Water content of product is excluded.

Water consumption in rubber factories ('000 m³)



Note: Data from 3 factories with 3 crumb rubber and 2 sheet rubber processing lines. Water consumption ratio covers industrial usage in each factor. Ratio is based on consumption in m³ per tonne of rubber produced.

Milling waste is solid non-hazardous waste consisting of EFBs, fibre, and shells. 100% of milling waste is reused by our estates and mills as organic fertiliser or fuel for our boilers. The total mass of milling waste produced in 2022 was 1,466,912 tonnes (2021: 1,148,274 tonnes).

Effluent from milling, known as POME, is generated during the processing of FFB into CPO. Our solid waste and POME are managed in compliance with regulatory controls. Mill wastewater, such as POME, is treated on site. POME undergoes composting in aerated bunker composted in three of our mills, resulting in GHG emissions reductions.

- Mill effluent volume: we produced 1,799,494 m³ of wastewater from our 23 certified/audited mills, an increase of 6% from 2021 levels (2021: 1,697,113 m³).
- Mill effluent quality: the median Biological Oxygen Demand (BOD) was 1,364 mg/l at the 23 mills (2021: 1,623 mg/l), while the median Chemical Oxygen Demand (COD) was 4,773 mg/l at the 23 mills (2021: 4,709 mg/l).

The quality of effluent remains in compliance with regulatory controls. All effluents are sent to wastewater treatment plants before being released into water courses or municipal sewers.

- Refinery effluent volume: we produced 268,781 m³ of wastewater (2021: 328,190 m³).
- Refinery effluent quality: the median BOD was 17 mg/l (2021: 16 mg/l), while the median COD was 51 mg/l (2021: 56 mg/l).

In 2022, there were no recorded spills of effluent, CPO, or diesel during harvesting, processing, or transportation. No fines or law enforcement sanctions related to environmental regulations were imposed on IndoAgri in 2022. No significant complaints relating to the environment were received from our stakeholders in 2022.

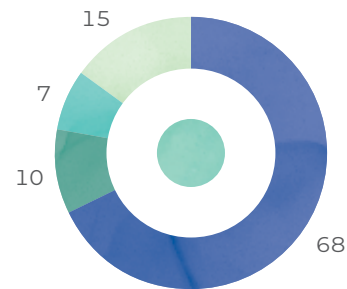
100% of hazardous waste is disposed according to national regulations and transported by an accredited third-party.



Using palm oil mill effluent as organic fertilizer, Nanga Silat Estate, Kapuas Hulu, West Kalimantan



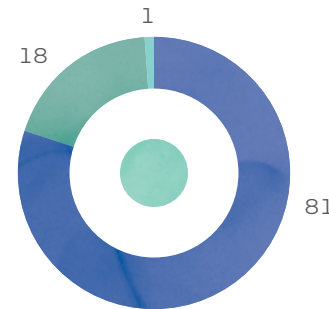
Hazardous waste from mills (%)



■ Lubricants ■ Battery ■ Oil Filter
■ Chemical Pail ■ Others

Note: Data from ISPO and/or PROPER audited and certified mills (23 mills). "Others" comprise rags, electric lamps, paint cans, clinical and laboratory waste, used cartridges, and contaminated goods.

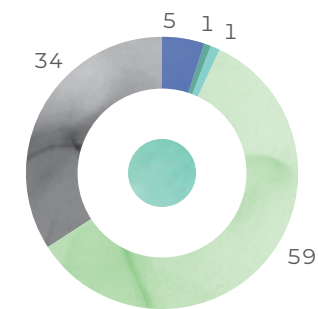
Hazardous waste from refineries (%)



■ Spent Earth ■ Fly Bottom Ash ■ Others

Note: Data from 5 refineries. "Others" consist of batteries, filter oil, lubricants, electric lamps, rags, clinical waste, carbon waste, sludge waste, used nickel catalysts, contaminated packaging and gloves, and used print cartridges.

Hazardous waste from rubber factories (%)



■ Lubricants ■ Battery ■ Oil Filter
■ Chemical Pail ■ Others

Note: Data from 3 rubber factories. "Others" comprise used turpentine, rags, electric lamps, paint cans, clinical and laboratory waste, used cartridges, and contaminated goods.

Mill BOD effluents (mg/l)



Refinery BOD effluents (mg/l)



Rubber factories BOD effluents (mg/L)



Mill COD effluents (mg/L)



Refinery COD effluents (mg/L)



Rubber factories COD effluents (mg/L)



■ IndoAgri's median BOD and COD (mg/l) ■ Maximum limit set by government regulation (mg/l)



USE OF FERTILISERS, PESTICIDES AND CHEMICALS (GRI 3-3, 301-1)

While oil palm is, per hectare of land used, the most efficient oilseed crop in the world³, we are constantly seeking opportunities to increase our palm oil yield without prompting a consequential increase our environmental impact (see [page 33](#) for yield resilience and innovation).

Fertiliser Consumption

The use of fertiliser is critical to the growth of a healthy and high-yielding crop. We are committed to using organic fertilisers while minimising the use of chemical substitutes. We are continually evaluating alternative fertiliser options such as controlled-release fertilisers and those developed using palm fronds. We are also scaling up soil and water improvement technologies and considering other natural improvements.

The soil productivity and age of trees in each plantation block are key factors in tailoring the appropriate fertiliser dosage. Whilst we administer fertiliser during planting and replanting, we also use leguminous cover crops to manage atmospheric nitrogen and improve the soil. EFBs and POME are also recycled for use as a soil improver and compost. To avoid the dilution and depletion of fertilisers, we avoid application during heavy rain and apply them at appropriate intervals.

Integrated Pest Management (IPM)

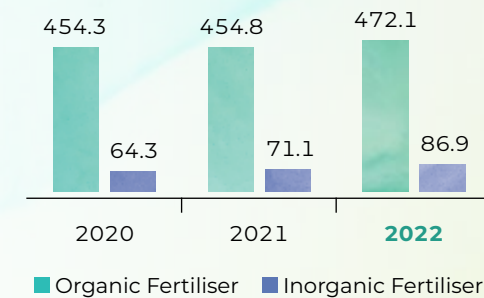
To reduce the environmental and health impacts presented by chemical pesticides, IndoAgri applies IPM techniques. These techniques have allowed us to achieve greater cost savings, lower the risks to human life, and enhance the richness of biodiversity in our ecosystem. We deploy only natural, biological, and mechanical controls, with chemical pesticides only being used when other controls have failed. We are currently developing biopesticides to control plant diseases and to cure infected palms. We have eliminated Paraquat – a toxic chemical pesticide – from our operations since March 2018.

Some examples of controls from our IPM are

- barn owls to control rat populations in our estates;
- leguminous cover crops to suppress weeds;
- encouraging natural habitats for predators and parasites of leaf-eating insects; and
- use of pathogens i.e. viruses and fungi to control leaf-eating insects.

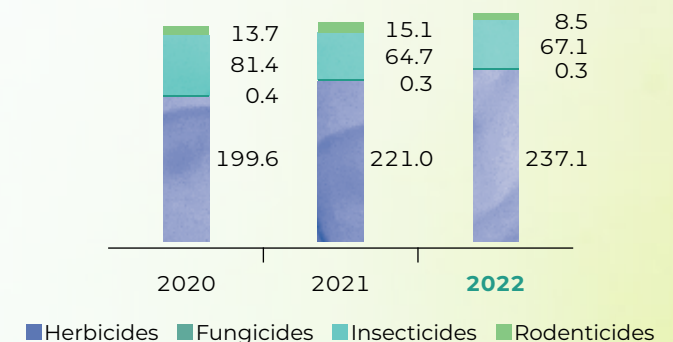
We recorded a 4% increase in total pesticide consumption from 301,200 litres in 2021 to 313,000 litres in 2022. The increase was due to enhancement of weed control during the prolonged rainy season, and for replanting activities that require more herbicides and insecticides to support immature plant growth. We will continue to enhance our pest monitoring and detection capabilities in an effort to reduce the use of pesticides.

Fertiliser consumption ('000 Tonne)



Note: Scope of data is 63 ISPO certified/audited palm oil estates and 7 rubber estates.

Pesticide consumption ('000 litres)



Note: Scope of data is 63 ISPO certified/audited palm oil estates and 7 rubber estates.

3 Murphy DJ (2014) The future of oil palm as a major global crop: opportunities and challenges, Journal of Oil Palm Research, 26, 1-24.

Helping smallholders reduce pests without the use of harmful chemicals

IndoAgri's research team is constantly considering alternative methods to protect our plantations and estates from pests. One avenue of development involves the production of bio-pesticides like Trichoderma, Cordyceps, Metarizhium and Beauveria, all of which belong to the fungus family. These fungi are effective against pests or pathogens found in our plantations and are considered much safer for both the environment and people.

In 2022, we partnered with smallholders in Mekar Sari Village, South Sumatra to train them on how to control the population of nettle caterpillars and bagworms. Training included a multi-step process beginning with an overview of these leaf-eating pests and an understanding of factors that contribute to their presence.

Participants were taught how to detect and perform a census of these pests, and then to determine their lifecycle

stage. Information on population control was also provided. This covered the implementation of biological controls, the consideration of natural enemies, options offered by harmless chemicals, and the use of the primary oil-palm pollinating insect, *Elaeidobius*. Other pest control tools were also presented and included fogging machines, K22 Bio and trunk injection options.



Developing Trichoderma as bio-pesticides in Bah Lias Research Station, Simalungun, North Sumatra



RESPONSIBLE SOURCING

INTRODUCTION

We are committed to maintaining a traceable and transparent supply chain. To help achieve this, we work with our smallholders and suppliers to ensure they operate in line with our Policy. Through continuous innovation and R&D, we develop planting materials and agronomy techniques to build yield resilience and sustainability in our own operations, in those of our smallholders, and in the wider palm oil industry.

In this section, we report on our work with our estates and independent suppliers to comply with our Policy.

Aligned with SDGs



Material topics and focus areas:

1. Sustainability certification
2. Supply chain traceability and transparency
3. Yield resilience and innovation
4. Smallholder engagement and livelihoods

Scope of section

Palm oil operations



Smallholders meeting in KUD Damai, Lahat, South Sumatra



UPDATES FOR 2022

In this section



Sustainability certification

86% of all estates' hectareage is ISPO-certified

84% of nucleus CPO production is ISPO-certified

74% of PK production is ISPO-certified

Supply chain traceability and transparency

100% of FFB processed in mills is traceable to estates

100% of CPO processed in refineries is traceable to mills

100% of PK processed in kernel crushers is traceable to estates

100% of mills audited to Policy requirements

Yield resilience and innovation

3,933 hectares of replanted area monitored by drones

Smallholder engagement and livelihoods

100% of plasma smallholders comply with our Policy

Responsible sourcing

Material topics	Goal/target	Updates for 2022
Sustainability Certification	By end 2024: ISPO certification for all nucleus estates	Achieved 86% of targeted hectareage*
	By end 2024: ISPO certification for all mills	Achieved certification for 20 out of 27 mills. Additional 2 mills have undergone first round audits and one has been through the second round of audit*
	By 2025: 100% of CPO we refine is ISPO-certified	On track. 75% of CPO we refined in 2022 was ISPO-certified
Supply Chain Traceability and Transparency	Capacity-building for third-party CPO suppliers	Online stakeholder engagement in 2022 due to pandemic restrictions
	By end 2025: 100% of our KUD will be ISPO certified	One KUD certified as of 2022, 10 are undergoing the ISPO audit process
Yield Resilience and Innovation	Annual replanting supplied by ganoderma-tolerant seeds since 2018	Achieved 100%

* Figures cover hectareage or number of mills that are already certified or have completed ISPO first stage audit. The certificate release date is subject to the accreditation period of the certifying body. Certified hectareages data performance compared to base year 2020.

SUSTAINABILITY CERTIFICATION (GRI 3-3, 308-1)

Created with the aim of cultivating a sustainable plantation industry, ISPO is a mandatory national certification applicable to all oil palm growers in Indonesia. To improve acceptance and competitiveness of Indonesian palm oil products in global markets, the Indonesian Government

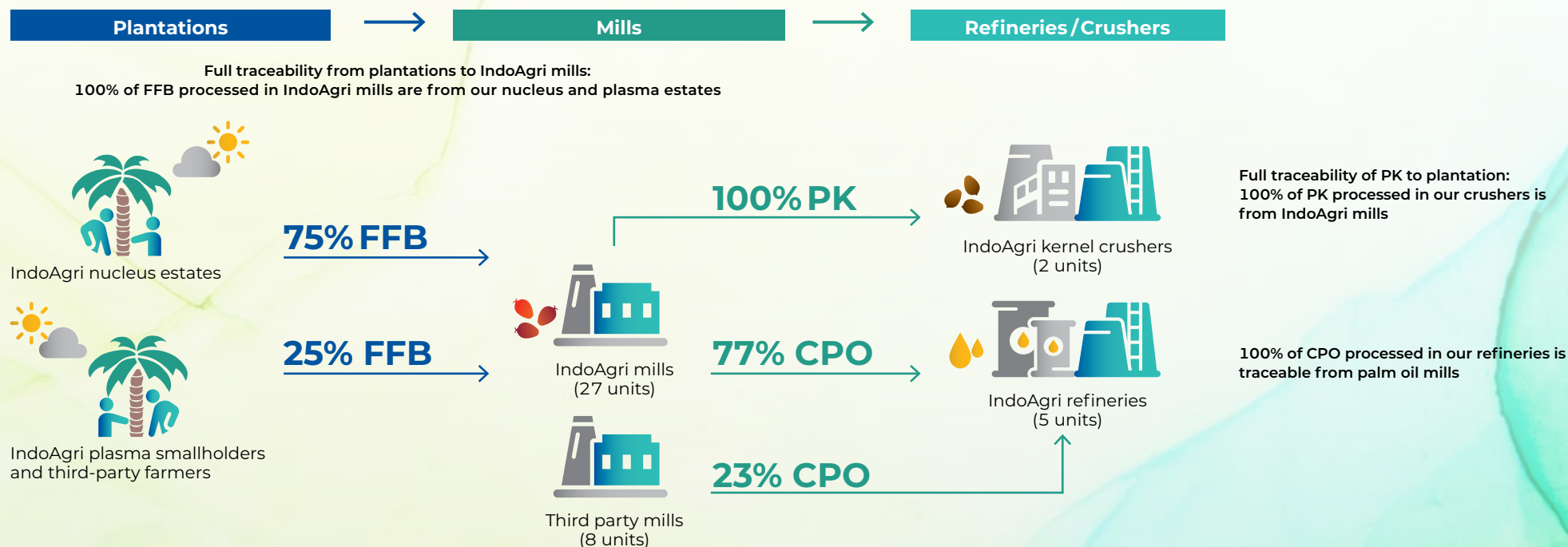
is working towards achieving international accreditation for ISPO.

All of our plantations have been registered for ISPO certification, with 86% having already been certified. We

will continue to support our smallholders in achieving ISPO certification so that they can meet the compliance deadline of 2025 (see [page 34](#)).

SUPPLY CHAIN TRACEABILITY AND TRANSPARENCY (GRI 2-6, 308-1, 414-1)

IndoAgri's palm oil supply chain traceability





Plantations

We ensure 100% of our plantations, including plasma smallholders, comply with our Sustainable Agriculture Policy. We monitor compliance through annual audits, which include reviews of our key commitments around no deforestation, conservation of HCV and HCS areas, no planting on peat, no burning, respect for labour and human rights, and FPIC.

We expect smallholders to meet the same FFB quality criteria as our nucleus plantations, and support them in improving their agronomy practices and achieving ISPO certification (see [page 34](#)).

Mills

All IndoAgri mills and third-party suppliers must formally accept our Sustainable Agriculture Policy. We assess risk levels of all our own mills on an annual basis as part of our risk management and audit process. We track the names, parent companies, ownership, structure, scale of operations and location coordinates of all our third-party suppliers.

Supplier engagement and assessment

(GRI 308-1)

We recognise the positive impacts that sustainable supply chains and procurement practices can have on the environment, the economy, and on society, including people's human rights. Our Policy and commitment to ISPO aligns with sustainable procurement practices that promote accountability, transparency, and fair opportunity. The scope of our Policy includes our nucleus and plasma estates, our mills, and all our third-party CPO suppliers.

We focus our Policy compliance audits on our internal supply chain as more than 77% of our CPO is produced by

our own mills. In 2022 we conducted 710 visits, workshops, and audits on 100% of our mills and their supplying estates. In addition to an assessment of Policy compliance, our reviews also focus on:

- agronomy (good agricultural practices, yield, soil health, crop protection);
- responsible operations (safety, biodiversity, peatland, fire risk, human rights, community engagement, FPIC);
- efficiency of operations (energy and water consumption, GHG emissions, waste production); and
- compliance with Government regulations and ISPO certifications.

We regularly engage with our third-party CPO suppliers to ensure they remain aware of their obligations and to help plan mitigating measures and build capacity in the event of major audit findings. We cease sourcing from suppliers who are non-compliant.

Our refineries are in the process of being certified to the ISO 50001 Energy Management System. This has resulted in more stringent requirements of the quality of CPO produced by our mills and third-party suppliers, as higher quality CPO requires less processing time and energy consumption. We assess the quality of every CPO shipment received. Suppliers that fail to meet our quality requirements are given a grace period in which to comply, but we will cease purchasing if they remain unable to meet our requirements.

In 2022, no sourcing from suppliers were disrupted due to reasons of non-compliance with our Policy or our CPO quality requirements. While all suppliers must meet regulatory and commercial conditions, we treat them equally with respect to price, quality, and capacity.

We implement initiatives to improve the agricultural productivity and sustainability certification of our smallholders in order to achieve a more resilient supply chain (see [page 34](#)). We also run various community projects which aim to improve local socio-economic development and provide micro-enterprise opportunities (see [page 45](#)).

Human rights assessment in our supply chain

Our Sustainable Agriculture Policy, Labour Policy, ISPO certification, Indonesian government regulations and the ratified ILO conventions guide our human rights assessments. Our certified internal auditors conduct these audits annually and any findings of non-conformity are reported for follow-up action. There were zero breaches relating to human rights reported through our whistle-blowing mechanism in 2022.

Our ISPO-certified operation units undergo annual external audits by independent bodies. Consequently, 100% of our ISPO-certified units were formally assessed for labour and human rights risk in 2022.

ISPO audits also include criteria for assessing human rights risks for new suppliers. The competence developed through the ISPO certification process also informs and guides other IndoAgri sites which are preparing for ISPO certification.

More information on our commitment to respecting human rights can be found on [page 09](#).

YIELD RESILIENCE AND INNOVATION (GRI 3-3)

Improvement in yield is a key factor affecting revenue growth. This applies to IndoAgri directly, and to our smallholders. By increasing the efficiency with which land is used, it reduces the need for conversion of land for agriculture use. Our ISO 9001-certified Bah Lias and SAIN Research Stations produce oil palm seeds which yield up to 34 tonnes of FFB per hectare. We use some of the seeds in our own plantations, but a large proportion is sold to external parties.

Factors affecting palm oil yield include the age of the trees, seed quality, soil and weather conditions, plantation management procedures, and the timely harvesting and processing of FFB. Our agronomy research teams

continuously experiment with improved techniques, such as sub-soil planting and fallowing to prevent Ganoderma disease. Some achievements by our team include advanced planting materials with shorter duration to maturity for harvest, and higher oil content. A focus has been on an increased application of mechanisation to improve productivity while maintaining accuracy and efficiency. This proved especially critical during the height of the pandemic when labour movement across plantations was limited. We also continue to explore collaborations with universities and research institutions to accelerate some of the important R&D programmes, such as Ganoderma research.



Use of drone in monitoring plantation operations at Bah Lias Estate

Use of Drones and UAV for monitoring of plantation operations

In East Kalimantan, the rainy season causes flooding in our estates that hinders harvesting activities and causes soil erosion. To mitigate such risks, we map out our estates to identify the lowest lying area which acts as a catch basin, as well as drainage route. We utilise drones and unmanned aerial vehicles (UAV) to conduct extensive ground surveys that produce detailed topographic data. These technologies overcome physical restrictions and speed up the mapping process. In South Sumatra, topographic data from the drones aid us in measuring and designing terraces, roads and drainages that maintain the area's accessibility even during heavy rains.

In North Sumatra, we use drones and UAV to identify individual trees with Ganoderma disease. Aerial pictures speed up the process of identifying and replanting diseased trees to prevent the spread of Ganoderma.

SMALLHOLDER ENGAGEMENT AND LIVELIHOODS (GRI 3-3)

More than 40% of oil palm land in Indonesia is cultivated by smallholders. This livelihood has lifted millions of rural households out of poverty and reduced inequalities between urban and rural populations. Due to the impact these smallholders collectively have on the environment, and the impact the palm oil industry has on them, it is important that these farmers are included in sustainable palm oil production approaches.

Smallholders are required to achieve ISPO compliance by 2025. Consequently, IndoAgri is continuing to support and assist our smallholders to obtain certification. We provide training at zero cost to the farmers and help them build financial independence to overcome the high costs of compliance.

The ISPO certification covers a range of industry best practices such as HCV area maintenance and protection, plantation management procedures, labour regulations, and legal aspects relating to health and safety. Our training provides smallholders with knowledge to meet these requirements, such as how to manage riparian areas in HCV zones and maintain water availability in the fields; something that is vital during periods of drought. As a result of this knowledge transfer, our smallholders are able to implement better cultivation and harvesting processes, leading to the twin benefits of reduced environmental impact and higher income.

As of 2022, one of our KUDs is ISPO-certified, and we are working with the rest of our smallholders to help them achieve compliance.

Stories from Our Plasma Farmers: Increased Income, Improved Infrastructure

Becoming a plasma farmer with PT Riau Agrotama Plantation (RAP), a subsidiary of PT Salim Ivomas Pratama Tbk (PT SIMP), changed 50-year-old Sumari's life. He has felt many positive benefits since joining in 2006. Not only has he seen an increase in his income, but the infrastructure in his village has also improved.

Sumari is a resident of Setunggul Village, Silat Hilir District, Kapuas Hulu Regency, West Kalimantan, a village that contains many transmigrants from Java Island.

"Previously the quality of the infrastructure here was very poor. There were roads but they were not maintained. Every rainy season it was difficult to pass. It was hard for us to go anywhere. As a result, daily necessities were expensive because getting here was difficult," said Sumari.

Prior to cooperating with PT RAP, according to Sumari, the income of village residents came from farming rubber. But at that time, they had difficulties because the tapped rubber had to be taken to the factory which was quite far away. With the road conditions being poor, extra costs were incurred to transport their crops.

"But since PT RAP has been established, the road has been repaired and employment opportunities have become wider. Our income is also getting better. Young people here don't need to migrate outside the village anymore," he said.

During his time as an oil palm plantation plasma farmer, Sumari said that he has received many benefits, especially from the help provided by the company. The assistance relates not only to technical operational guidance but also to sustainable agricultural procedures.

"From our companions, we got a lot of knowledge, from best practices in plantation management to sustainable agriculture. This is also our capital when we open our plantations independently," he said. He also hopes that the cooperation that has been built with the company will continue to grow and last for a long time.



Sumari, one of our plasma smallholders in Kapuas Hulu Regency, West Kalimantan



Assisting smallholder farmers with sustainable farming

Over the last 26 years, IndoAgri has formed a strong partnership with KUD Damai, from Sukoharjo Village, Kikim Timur District, Lahat Regency, South Sumatra. IndoAgri's guidance and advice has led to not only increased yields of high-quality fruit, but has also resulted in enhanced awareness of best practice palm oil management and an understanding of the benefits associated with sustainable farming.

"The assistance provided by IndoAgri to us has been very good. We really feel the benefits. Not only about production, but also about sustainable palm oil," said Suratman, the Head of KUD Damai.

"The training we get is practically complete. Starting from administrative matters to financial management. With the knowledge on best

practices, we have been able to ensure good governance of our oil palm plantations."

Suratman noted that IndoAgri's mentoring program, which has been running for many years, allows KUD membersto understand more about palm oil governance. In addition to regular meetings, administrators and members of KUD Damai are encouraged to consult with companions at any time to seek help and assistance.

Suratman hopes that the well-established relationship between IndoAgri and KUD Damai can continue.

"We have reaped the benefits. Hopefully it can be continued, for our children and grandchildren in the future," he said.



Suratman (left of picture), chairman of KUD Damai, Lahat, South Sumatra with KUD members

IndoAgri coordinates a number of smallholder initiatives. The Rejuvenation Scheme (Peremajaan Sawit Rakyat, PSR) involves partnering with smallholders to replant areas where trees have already matured. This was a particular focus in Riau during 2022, where we helped 51 farmers replant 123 hectares of plantation. The FFB Purchase Scheme provides smallholders with price certainty in a market where prices can be volatile, and the Seedling Provision Program helps farmers obtain high quality oil palm seeds that we provide to them at subsidised rates.

Despite the challenges faced in engaging a significant number of smallholders across all of the provinces where we operate, the Company believes that our continued engagement efforts will result in benefits to both parties.

Another challenge faced in 2022 related to the rising cost of estate development and smallholder expectations. When IndoAgri initiates a partnership with a smallholder, financing assistance is provided to help with estate upgrading costs; upgrades that are necessary for efficient and environmentally friendly operations in line with ISPO requirements. Inflationary pressures have led to diverging expectations relating to these costs and difficulties in forming new partnerships with smallholders.

OUR PEOPLE

INTRODUCTION

Rural Indonesia is highly dependent on the agriculture sector as it is a key driver of economic growth. IndoAgri employed over 52,000 people in 2022, and sourced from approximately 50,000 plasma farmers. We are committed to creating safe and healthy workplaces where human rights are protected and employees are given opportunities for professional development. In this section, we report on our initiatives and progress in improving labour conditions and ensuring the safety and wellbeing of our workforce.

Aligned with SDGs



Material topics and focus areas:

1. Occupational health and safety
2. Human, child and labour rights
3. Training and development

Scope of section

All IndoAgri operations



Our employees in Nanga Silat Estate, Kapuas Hulu, West Kalimantan

UPDATES FOR 2022

In this section



Occupational health and safety

- 1** fatality
- 16%** decrease in rate of high-consequence work-related injuries (excluding fatalities)
- 5%** increase in rate of recordable work-related injuries
- 7** estates obtained zero accident awards from the Ministry of Labour

Human, child and labour rights

- No** forced labour or child labour
- Comply** with minimum wage regulations
- Free** to participate in labour union of choice for all workers
- Full** compliance with government labour law

Training and development

- 27,075** hours of employee training (approximately 3,384 man-days)

Our people

Material topics	Goals	Updates for 2022
Occupational Health and Safety (OHS)	Zero fatalities (across total workforce)	We regret to report one fatality in our palm oil operations

OCCUPATIONAL HEALTH AND SAFETY (OHS) (GRI 3-3, 403-1,2,3,4,5,6,7)

IndoAgri recognises the responsibility we have for the health and safety of our employees and is committed to providing a safe working environment. All of IndoAgri's operations, workers and workplaces are covered by our OHS management system.

Our OHS management system operates in accordance with the SMK3 (Sistem Manajemen Keselamatan dan Kesehatan Kerja), Indonesia's national OHS management

system and also complies with OHS requirements set out in ISPO, and other certification standards.

As of 2022, 60 of our sites have achieved SMK3 Gold Certification, up from 55 in 2021. To ensure compliance, we provide annual SMK3 refresher training for workers across all our sites. In instances of non-compliance, we impose penalties in the form of warnings.

As 52% of our rubber products are exported internationally, all our rubber operations are also certified to the international ISO 45001 standard. This standard provides a framework to identify, control, and decrease OHS risks while integrating other aspects of health and safety such as worker well-being.

Data on our units certified to SMK3, and ISO 45001 is on [page 58](#) in the Appendix.



Each of IndoAgri's operational sites has an OHS committee, registered with the Ministry of Manpower, and consists of a committee head, OHS expert, security guard, and assistants. The OHS committee is responsible for ensuring that all sites comply with IndoAgri's OHS management system, and is the first line of response in emergencies, accidents and near misses. All incidents, including near misses, are investigated thoroughly by the OHS expert and assistants, who identify the cause of the incident and recommend corrective action, in discussion with workers, to prevent reoccurrence of similar incidents. Implementation of the corrective actions and their effectiveness is monitored by the Supervision Division.

We regret to report one fatality in 2022, which occurred during a harvesting period at one of our estates. The incident was investigated, and corrective actions were implemented to prevent future reoccurrence. Our company supported the family of our employee from the time of the accident and ensured release of the dependant pension. We also helped our employee's family to obtain compensation from the Indonesia's social security system (BPJS).

Risk assessments are essential to identify risks and hazards that could affect the safety of our employees. Using the Hazard Identification and Risk Assessment Tool (HIRAT), risk assessments are carried out at each estate and reviewed monthly by the OHS committee. After hazards have been identified, they are assessed based on risk level where high-risk hazards are prioritised for monitoring and control. The OHS committee then engages the workers determine an appropriate response.

To further enhance our risk assessment process, internal and external safety audits are conducted against the HIRAT form. Follow-up actions are identified and monitored in subsequent audits to ensure continuous improvement of hazard- and risk- management. Workers have the autonomy to remove themselves from dangerous work

situations, but if they are prevented from doing so, they can report such instances through IndoAgri's grievance mechanism (see [page 05](#) in Our Approach to Sustainability chapter) or their labour union. Workers can also directly express their concerns at daily safety briefings or monthly meetings with their respective OHS committees.

OHS training sessions, such as basic first aid delivery, are regularly conducted for our workers so that they are able

to be the first responder and help perform any first aid if an accident occurs at our sites. Daily meetings and safety briefings are held for workers in our estates, mills, refineries, and factories to promote protection from hazards through appropriate use of Personal Protective Equipment (PPE) as well as to inculcate a safety mindset. Apart from trainings and briefings, warning signs of danger are also placed at various locations of our estates to serve as a reminder to our workers to be mindful of their surroundings.



Our sprayer workers with complete PPE, Kayangan Estate, Rokan Hilir, Riau



A significant proportion of our operations take place outdoors, where exposure to climatic conditions is unavoidable. Consequently, it is important that our workers have access to good healthcare provisions. We ensure this by operating facilities such as first-aid posts and clinics where workers can receive medical care and attention. Additionally, our medical officers review the health condition of staff during daily morning briefings. To reduce the chance of injury when encountering dangerous wildlife, our workers receive training to help them recognise potential risks and understand the actions to take in such situations.

In the event of an accident, immediate analysis and first aid is provided by the onsite medical team. If the injury is serious, the medical team will assist with the transfer of the injured worker to the nearest trauma centre, or another care facility if a trauma centre is not accessible. Workers who have suffered injuries may only return to work once the appropriate documentation and clearance has been provided by the health care professionals.

For employees working in high-risk environments such as chemical sprayers and operators of generators in estates, welders and operators of boilers in mills, operators of heavy equipment, those working in engine rooms, workers handling effluent, or security officers across our operations, IndoAgri has developed and implemented SOPs which are in accordance with national regulations to safeguard their well-being. As there is an increased risk of chemical, respiratory, or audiometric-related health risks in the course

of their work, these employees undergo yearly health check-ups regulated by SMK3 to identify potential health problems. Workers receive detailed test results and may also be asked to participate during health audits. Employees identified to be at risk of health conditions are transferred to other jobs until subsequent test results return to normal.

We recognise the importance of applying high OHS standards not only to our own operations but also throughout our value chain. In line with our contractual agreements, suppliers are expected to comply with IndoAgri's OHS policies in addition to government regulations. We encourage our smallholders to comply as well, with the help of an appointed smallholder assistant in each KUD. As of 2022, seven out of 12 KUD have fulfilled SMK3 and ISPO requirements and passed the first stage of external audits by TUV Rheinland Indonesia. The remaining KUD are scheduled to do so within the next two years.

Detailed occupational health and safety data is on [page 55](#) in the Appendix.

Post-pandemic employee health

While the most stringent COVID-19 regulations were relaxed in 2022, some restrictions remained in place. As the risks associated with the virus persist, we continue to actively monitor the health conditions of all our employees and provide PPE gear such as face masks and hand sanitizer where necessary. We also continue to encourage our employees to participate in the Indonesian government vaccination and booster programme.



Morning safety meeting at Pahu Makmur Estate, Kutai Barat, East Kalimantan



Security Guards (GRI 410-1)

The safety of our workers and their families are of paramount importance. For this reason, we employ security guards to ensure that our operational areas are safe, and provide a conducive working and living environment for our employees.

Our security officers are trained to handle non-criminal cases and respect basic human rights. The training is delivered via our training centre, in partnership with military commando units and local police, with a focus on mental and physical strength in order to deliver a professional and trustworthy security service in accordance with the law⁴.



Our security training in Riam Indah Estate, South Sumatra

HUMAN, CHILD AND LABOUR RIGHTS (GRI 3-3, 406-1, 407-1, 408-1, 409-1)

No operations or suppliers were identified as having significant risk relating to collective bargaining, forced labour, or child labour in 2022.

We respect the rights of all our employees and we are committed to representing them fairly. We adhere to all national and local laws, including laws on employees' freedom of association and collective bargaining, decent pay and working hours, non-discrimination and equal opportunities, and the elimination of forced and child labour as stated in our Labour Policy.

Seasonal contract workers (GRI 2-8)

To cope with seasonal workloads, we hire contract workers when needed. We usually hire these workers from the local communities and priority is given to family members of permanent employees. Due to the job flexibility offered by such a position, contract employment in seasonal agricultural work remains attractive in rural Indonesia, enabling workers to have time for other personal commitments such as household responsibilities, or other income generating activities such as cultivating their own crops and running small businesses.

As detailed in our Labour Policy, the terms of our employment contracts – which include terms relating to working conditions and wages – must comply with Government regulations, our Code of Conduct, our Policy, and the Principles and Criteria of ISPO. As non-registered persons are banned from working on our sites, all seasonal workers are registered in our fingerprint recognition system.

⁴ Police Regulation No. 4 of 2020 and Government Regulation No. 43 of 2012.



Anti child labour signage in Rambong Sialang Estate, North Sumatra

IndoAgri provides opportunities for deserving seasonal workers to be promoted to permanent employees, dependent on job availability. Job vacancies are announced during daily morning briefings. They will also be posted on the announcement boards of our estates, mills, and the offices of respective village heads. Having considered their skills and duration of service, IndoAgri hired 1,015 contract workers (including seasonal contract workers) as permanent staff.

Child labour

Strictly abiding by the Indonesian laws, we prohibit those below age 18 from working at our sites. Based on our employee database, no registered IndoAgri worker is under 18 years of age. Our Labour Policy describes the proactive measures we take to prevent child labour from arising. As education is critical in drawing children away from fields,

we provide free education and day care facilities to the children of our employees in estates.

Along with conducting age and identity checks for each application, all employment contracts include a clause that forbids child labour in agricultural production. Signs across our plantation areas remind workers not to bring children and disciplinary action is taken against those who do not comply.

Diversity and equal opportunity

We are committed to upholding the principle of equal opportunity and supporting the inclusion of women across our operations, including addressing any barriers that may currently exist. Our Labour Policy sets out the role of Gender Committees in all our work units and how they champion the interests of women at work and home. We

have zero tolerance for sexual harassment and conduct regular socialisation initiatives to ensure all our workers are aware of our gender policies. This involves organising routine activities for employees to voice their concerns regarding discrimination and sexual harassment. All estates complete an annual questionnaire to show that their operations comply with government regulations on diversity and discrimination.

In accordance with Indonesian labour laws, all permanent workers are entitled to maternity and menstrual leave. Jobs of new mothers are reserved while they are on maternity leave. In 2022, 210 women took maternity leave (2021: 229), 75% or 157 women returned to the same job position (2021: 88%). The rest remained on leave or chose to leave the company. In 2022, there were no incidents of discrimination or harassment reported via our whistle-blowing facility or to our Gender Committees.

Freedom of association (GRI 2-30)

We comply with the Indonesian law on freedom of association and regularly communicate to all employees their right and freedom to register with their preferred labour union and bargain collectively. We believe there are no sites where the right to freedom of association is at significant risk. At the end of 2022, 73% (2021: 72%) of our permanent operational employees were registered with a union. The remainder are covered by a company regulation known as Peraturan Perusahaan which complies with government labour regulations.

Our Labour Policy describes the collective bargaining process. To discuss labour issues, benefits and workloads of our employees, we regularly engage the labour unions through bipartite meetings. In turn, lawful collective labour agreements that are made available to all workers are established.



Ensuring Freedom of Association for All Employees

We continue to maintain our commitment to guarantee freedom of association for all employees. Every worker is given absolute freedom to join a labour union as regulated by law. In Lahat, South Sumatra, Yugi Supardi, the Chairperson of PUK SPSI Kencana Sari POM, concurred with this genuine commitment. He considered PT Lonsum's attempts to fulfill this goal to be excellent.

As employees, we have complete freedom to join any labour union. "We are not faced with any obstacles, intimidation or discrimination. Currently, all workers at Kencana Sari POM have joined a union," stated Yugi.

All company policies relating to the interests of workers are well communicated with the labour unions. Yugi appreciated the mode of communication established between the union and the company. "If there are issues related to workers, we will definitely be involved," he added.

"We hope that the good communication between the company and the union will be maintained and continue to improve in the future," said Yugi.



Yugi Supardi, Head of PUK SPSI, Arta Kencana POM, South Sumatra

Fair wages and access to benefits

We commit to ensuring adequate compensation for all IndoAgri employees as disclosed in our Labour Policy. All workers receive a wage that is equal to or above the minimum wage set by their respective regional governments.

A myriad of initiatives to improve employee benefits, incentives and job satisfaction have been implemented by IndoAgri. In addition to our competitive remuneration, our Work and Estate Living Programme provides employees with housing, sports facilities, places of worship, educational institutions such as schools, and medical facilities. Please refer to [page 44](#) for our section on Community Relations and [page 46](#) for more information on healthcare and education facilities which employees and their dependants enjoy free of charge. IndoAgri employees also benefit from a government pension scheme, additional contributions from the company, and retirement packages (aligned with the Indonesian government's BPJS insurance scheme).

Data on remuneration as a percentage of the minimum legal wage is on [page 55](#) in the Appendix.

TRAINING AND DEVELOPMENT (GRI 3-3, 404-3)

As our people are our greatest asset, we constantly seek out ways to better manage our human capital. We have a specific budget allocated for training programmes every year. Guided by the Total Quality Management principles, our modules and initiatives seek to improve the career development, job satisfaction, and welfare of our employees. Through training and development, our employees are able to enhance their knowledge and skillsets which will help them in the long run especially with transferable skills.

For aspiring employees interested in leadership positions and career advancement, a multitude of programmes are provided. These include Managerial Development and Administrative Development programmes for aspiring estate, mill, and refinery managers. In 2022, we continued with our hybrid training programmes, conducting some virtually and others in person. Training topics range from environmental sustainability and technical agricultural skills to soft skills such as conflict resolution, effective leadership and problem solving.

We report a 2% of permanent employee turnover in 2022, compared to 9% in 2021. Employee statistics and other data on training hours, turnover rate and new hires are in the Appendix, on [pages 56-57](#).

All employees, staff-level and above, complete an annual performance and career development review. This appraisal process is an important milestone in our employees' career as their performances, strengths and areas of improvement are evaluated objectively. This allows IndoAgri to reward



Employees' training in Kayangan Estate, Rokan Hilir, Riau

and retain high performance employees with a competitive rewards package. It also helps implement the Balanced Scorecard for individual employees, which tracks their

performance against individual targets. The scorecard focuses on crop, cost, condition and social practices, as well as culture change and learning.

COMMUNITY RELATIONS

INTRODUCTION

We take pride in maintaining good community relations as they form a key foundation to our continued success. We actively listen to any concerns voiced by local stakeholders, as we strive to foster inclusive growth for rural communities in Indonesia. As an agribusiness, we respect the land rights of indigenous people, and play our part in ensuring the safety, health and well-being of communities where we operate.

In this section, we explain our progress on maintaining good relations with our host communities, contributing to their positive development and ensuring their wellbeing.

Aligned with SDGs



Material topics and focus areas:

1. Community rights and relations

Scope of section

All IndoAgri operations



Our Rumah Pintar in Nanga Silat Estate, Kapuas Hulu, West Kalimantan

UPDATES FOR 2022

In this section



Land Rights

100% compliance with all Indonesian regulations on land rights and land management

Health facilities and services

189 clinics in estates
202 Posyandu
59 doctors
256 midwives / nurses
33 ambulances

Education facilities

145 day care centres
151 schools
728 teachers
15,460 students
23,041 visitors to Rumah Pintar

Community projects

1 award from the Ministry for Environment & Forestry in recognition of our support for PROKLIM projects
8/20 Rumah Pintar are financially self-sufficient

Community relations

Material topics	Goals	Updates for 2022
Community Rights and Relations	Comply with all Indonesian laws and regulations on land rights and land management	Full compliance with regulations
	Maintain zero incidents of FPIC violations on new development area	Zero incidents of FPIC violations in new development areas

COMMUNITY RIGHTS AND RELATIONS (GRI 3-3, 413-1)

We believe in positively contributing to the well-being of communities where we operate. As an agribusiness operating in rural Indonesia, we aim to improve the socioeconomic status of our employees and their families, and the communities living in the vicinity of our operations. Beyond providing employment to thousands living in remote areas, we contribute to the holistic development of communities through initiatives in education, health, infrastructure, microenterprise, farming, culture, and humanitarian living.

Land Rights

As stated in our Policy, IndoAgri is committed to the principles of FPIC. We remain steadfast in respecting the rights of communities and indigenous people who might face difficulties as a result of complex land tenure systems in rural Indonesia.

For all land transactions we are involved in, we ensure that we are in compliance with Indonesian law and our Policy. Before development at an estate can commence, we must

conduct an Environmental Impact Assessment (AMDAL) and a Social Impact Assessment (SIA). The results of these assessments enable us to identify baseline conditions and likely social impacts of development. All of our operations have been subject to AMDAL and SIA, in accordance with Indonesian law. The local village government and community are provided with the assessment results along with our land development plans for their input and approval. Where there are cases involving land compensation, we have established certification and



Building Harmonious and Mutually Beneficial Cooperation with the Community

For more than 25 years, PT Lonsum has been working with residents and farmers in Sukoharjo Village, East Kikim District, Lahat Regency, South Sumatra. Puji Hayuni, 46 years old, a resident of Sukoharjo Village, still remembers the process of planting the first oil palm plantation in his village in 1996. It was his parents who handed over the land certificate to be managed as an oil palm plantation to PT Lonsum.

Puji, who is also the head of the Makin Maju Farmers Group, mentioned that at the time, there were no problems or coercions encountered when the certificates were handed to PT Lonsum. Residents of Sukoharjo Village voluntarily handed over their certificates and land to be managed as an oil palm plantation because they were aware of the benefits they would get.

“Alhamdulillah, since working with PT Lonsum there has been a significant improvement to the local economy. Previously, this area was only a transmigration area, the conditions were appalling. In the past, many residents did not have jobs. They had to join other people, and some were even forced to migrate out of their village to just work,” said Puji.

He also hopes that in the future the collaboration with PT Lonsum will continue and provide even more benefits to local residents. “We are also grateful to the company for continuing to provide assistance to residents here. Now many residents who have migrated have returned home. Because there are jobs here too. That’s why we are very grateful,” he said.



Puji Haryuni, resident of Sukoharjo Village, Kikim Timur District, Lahat regency, South Sumatra

confirmation processes for proof of ownership to ensure that the right person is compensated, with the village head present as witness. Our FPIC policies and processes for working with communities and governments on land tenure and rights enable us to promote open and transparent negotiation, inclusive decision-making, and clear agreements.

We go beyond regulatory compliance to advance the livelihoods of our farmers, suppliers, and their families

living in our development areas. All of our estates have community development and engagement programmes.

Members of the local community can file any complaints regarding land rights with IndoAgri or the Indonesian government. Our Grievance Mechanism will capture the complaints addressed to IndoAgri in which supporting documents are required to be submitted as proof, see [page 05](#). Complaints addressed to the government usually involve the local government office or land agency office

(BPN). In 2022, there were no recorded incidents of FPIC violations, violations of the rights of indigenous peoples, or significant land rights issues that arose involving IndoAgri.

Our Grievance Mechanism also captures complaints regarding other operational, social and environmental matters. These complaints are then sent to the relevant company representatives, who verify, follow-up, and mediate to achieve resolution. Issues can also be raised during community engagement events, such as during regular stakeholder meetings and fire trainings days.



Read more in our [Sustainable Agriculture Policy](#)

Access to Healthcare

We continue to ensure access to healthcare for the employees at each of our operating sites. In each estate, we have set up clinics and first aid posts for employees and their families. On a wider community level, we operate Posyandu with the objective of providing monthly health check-ups for mothers and babies, immunisation, food and nutritional supplements, and counselling. Posyandu are also equipped with additional infrastructure to promote maternal and infant healthcare.

In 2022, after the easing of Covid-19 restrictions, we were able to resume operation of our Posyandu. We conducted socialisation programmes for pregnant mothers so that they can learn how to maintain a healthy lifestyle throughout their pregnancies. Through the programme, we offered them the opportunity to receive routine medical check-ups and, in collaboration with the District Health Center, we provided health screening services to the children of our employees. However, we faced several challenges such as the lack of Cadres to cope with the increased Posyandu activity. To overcome this difficulty, we sought potential candidates from the spouses of our employees. We are



also performing a stocktaking exercise and are conducting a survey to determine the condition of each Posyandu, to determine post-pandemic requirements and gain an understanding of additional medical equipment that may be needed.

As of 2022, we have 189 medical clinics in our estates, 202 Posyandu and 33 ambulances, supported by 256 midwives / nurses and 59 doctors. Data on IndoAgri's healthcare facilities across Indonesia is on [page 59](#) in the Appendix.

Through our Cleft Lip Surgery Programme, we collaborate with hospitals and non-profit organisations to identify children born with a cleft lip or cleft palate, counsel their families, and provide examinations, surgery, as well as postoperative care and speech therapy.



Our clinic facility in Riam Indah Estate, South Sumatra

Helping Victims of the National Flood Disaster in Kapuas Hulu

When Kapuas Hulu Regency, West Kalimantan was affected by severe floods, PT RAP was able to provide support. One of the areas that was badly disrupted and damaged was Setia Usaha Hamlet, Sungai Sena Village, Silat Hilir District. At least 34 heads of families in the hamlet were victims of the direct impact of the flood.

The Head of Setia Usaha Hamlet, Niko Demus, then thought of relocating the affected residents to a safer place. "Our residents already had a location on a higher ground, but we felt the need to prepare a house site. For this reason, we proposed cooperation with PT RAP which is located in our hamlet to help build the site for the house," said Niko.

As evidence of PT RAP's commitment to contribute to the livelihoods of rural communities in its operational areas, residents' requests are fulfilled through the implementation of Corporate Social Responsibility (CSR) programs. PT RAP, in this case, prepared heavy equipment and experts to make house treads for flood-affected residents.

"We feel tremendous benefits from the implementation of this program. Residents have been able to build houses on the new sites made by the company," continued Niko.

Niko believes that continued cooperation will bring further benefits to an increased number of beneficiaries and expressed his appreciation to PT RAP for proactively addressing social issues in its service region.



Niko Demus, Head of Setia Usaha Hamlet, Kapuas Hulu Regency, West Kalimantan



Access to Education

To ensure that the community has access to education, we have Rumah Pintar (Rumpin) – which translates to ‘Smart Houses’ – situated in our oil palm plantations. Rumpin are typically equipped with books, children’s facilities, and a computer workstation. For students who require additional academic support on school subjects like Math and Physics, they can approach the Rumpin tutors. The Rumpin also promotes financial self-sufficiency by enabling members of the local community to sell artisanal products at these buildings. In 2022, one of the Rumpins - Rumpin Pulo Rambong collaborated with the village government by conducting freshwater fish farming socialisation. Participants were taught skills relating to farming of freshwater fish and how this could be conducted at their own homes without the need for a large space.

In 2022, 8 out of 20 Rumah Pintar were financially self-sufficient, and with the help of 19 tutors, have educated and upskilled 23,041 visitors. Data on IndoAgri’s education facilities across Indonesia is on [page 59](#) in the Appendix.



Our School Facility in Turangie Estate, Bahorok Distrik, Langkat Regency, North Sumatra

In 2022, revitalization programmes for Rumpin were started so children could continue to enjoy a conducive learning environment and seek help on academic subjects outside of school. We are also revitalising the physical condition of the Rumpin and recruiting new tutors so that the Rumpin can continue to serve as centres for community education and other communal events. We are also looking into collaborating with the local government to develop a wider breadth of enriching educational programmes.

Community resilience and food security

We recognise the impact the climate crisis is having on food production and supply chains and have developed our PROKLIM projects, part of Indonesia’s national programme to build community resilience and food security. These projects address the impacts of climate change through the implementation of mitigation measures and adaptation of existing processes and infrastructure in the areas of agriculture, waste and energy.

Through our PROKLIM projects, we help strengthen community resilience, contribute to a reduction in GHG emissions, improve local-level coordination to deliver climate change policies, and provide opportunities for local villages to adopt low-carbon technologies.

Examples of initiatives that have benefitted local communities include helping with crop diversification. This has generated additional income and has strengthened food security for households. The PROKLIM projects also provide assistance with water management and installation of facilities to protect against the impacts of floods, landslides and drought. We received one award from the Ministry for Environment & Forestry this year and have received 22 awards in total since the programme commenced in 2016. Introduction of the PROKLIM Principles and Criteria, which provide guidance on PROKLIM implementation, and have resulted in additional IndoAgri units taking part in the programme. Our aim is to



PROKLIM implementation in Cibaliung Estate, Rokan Hilir, Riau

continue to increase the number of participants, affording more of our communities an element of protection against the increasing impacts of climate change.

Inculcating sustainability in daily living

To encourage environmentally friendly habits beyond the work environment, we have established the IndoAgri Care & Ownership programme, led by the spouses of our local plantation employees. The programme aims to protect the environment and encourage sustainable behaviour among our employees and their families across our entire operating area – from plantations to factories and offices. It focuses on reducing paper and plastic use, managing waste, and saving water and energy.

PRODUCT INTEGRITY

INTRODUCTION

We are committed to delivering safe, healthy and high-quality products that our consumers can trust. We hold ourselves to high standards of food quality and safety, and market our products responsibly. In this section, we describe our safety standards, our contributions to consumer health, and consumer engagement efforts.

Aligned with SDGs



Material topics and focus areas:

1. Product quality and safety

Scope of section

EOF products



Our cooking oil brand, Bimoli

UPDATES FOR 2022

In this section



Product quality and safety

80% certified with ISO 9001/FSSC 22000

100% of non-raw material suppliers (packaging and ingredients) – self-assessment audits completed

100% of products and refineries are Halal-certified

Product integrity

Material topics	Goal/target	Updates for 2022
Product Quality and Safety	Quality and safety: comply with FSSC 22000 food safety management system	Full compliance
	Quality and safety: comply with Halal certification system	All products are Halal-certified
	Quality: complete annual audit on quality assurance	Audit completed for all refineries
	Quality: complete annual food safety audits for suppliers	97% Big Five* of supply tonnage to our refineries comes from sources that are audited annually** on food safety
	Continue to meet and exceed nutritional requirements as per Indonesian law	Met and exceeded all nutritional requirements as per Indonesian law

* Big Five refers to the top five raw material suppliers based on raw material tonnage supplied to our refineries.

** During the pandemic, self-assessment audits were conducted.

PRODUCT QUALITY AND SAFETY (GRI 3-3, 416)

Food safety

We take pride in producing safe and high-quality products that are trusted by our consumers. Formal change management processes ensure that we adhere to high standards of production. Our Quality Control teams responsible for product quality assurance undergo regular training on hygiene, safety, and Halal risk and control to stay updated on the latest food

safety standards. Our production sites and suppliers are also audited annually on hygiene, sanitation, and housekeeping.

In 2021 we implemented the additional standards required by FSSC 22000 (version 5.1) and obtained self-assessment evaluations from all vendors with an assurance against engaging in fraud. In 2022, three new packaging

vendors also provided their written commitment to this principle. Further confirmation that we are implementing best-practice processes was received in 2022 when PT SIMP's Refinery plant at Tanjung Priok was awarded the "Good Manufacturing Practices" certification. This voluntary certification facilitates product export and has a validity period of five years.



All IndoAgri product packaging meets the Indonesian National food safety standards. To meet the requirements of packaging standard Perka BPOM No.20 2019, all product packaging must pass 'migration' testing standards to confirm that contamination of products does not occur during transit or storage. These tests must be conducted by an independent third party. At present, 69% of our packaging has been successfully tested. We aim to have all remaining packaging approved by December 2023 despite there currently being no official compliance date.

In 2022, we recorded zero incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of our products. We also experienced zero incidents of product recall.

Nutrition

More than 80% our EOF products serve consumers in the domestic Indonesian market. Our cooking oils are marketed under our Bimoli, Bimoli Spesial, Delima and Happy brands, while our margarine and shortening consumer products are packed and sold under our Royal Palmia, Palmia, Simas and Amanda brands.

With the rise in diet-related illnesses such as undernutrition, micronutrient deficiencies and obesity, we are prioritising nutritional enhancement of our products, the elimination of partial hydrogenated fat and substituting it with interesterified (IE) oil. As partial hydrogenated fat contains trans-fat, we continue to develop our R&D capabilities in IE oil production, and we have successfully completed the trans-fat elimination from all our consumer products. We have also completed trans-fat elimination trials for our industrial products and aim to complete the substitution of partial hydrogenated fat with IE oil for the remaining eight industrial products by the end of 2023. Since January 2020, all of our consumer pack cooking oil brands have been fortified with Vitamin A in line with national requirements.



Read more [online](#)

Nutrition facts

Our products provide carotenoid (for vitamin A) and tocopherol (for vitamin E) to ensure consumers achieve a balanced diet and to mitigate risk of vitamin deficiency.



Our products are fortified with essential vitamins. These vitamins strengthen the immune system, eyesight and the developing foetus in utero. These vitamins also improve cell development, and promote a healthy nervous system.



OUR PRODUCTS

Indonesia

We take vitamin fortification beyond compliance. Whilst vitamins A and D are mandated by Indonesian law, as a manufacturer of high-quality food products, we aim to contribute to the healthy diet of Indonesians. For example, we have also added vitamins E, B1, B2, Niacin, Folic Acid and B12 in our table margarine.

Philippines



Our exported cooking oils to the Philippines are further enriched with vitamin A, as required by regulations in that market.



Palm oil contains the right sorts of fat (saturated and unsaturated fatty acids) which promote healthy growth, supple skin and energy storage. **Palm oil is free of cholesterol and trans-fat.**



PRODUCT INFORMATION, PACKAGING AND MARKETING (GRI 417)

Our marketing and communication of product information complies with all national and export market requirements as well as industry-specific regulations. To fulfil allergen management requirements by the National Agency for Drug and Food Control of Indonesia (BPOM), we are required to provide allergen information on the packaging of all our products.

In 2022, 99% of our domestic margarine and shortening packaging contained allergen information and 100% had been registered for packaging design changes. We expect to achieve a 100% allergen disclosure rate by mid-2023.

We recognise the important role we can play in contributing to the Indonesian government's targets on plastic waste reduction. Our product packaging complies with the Indonesian policy on Extended Producer Responsibility and we are actively exploring options with our suppliers for packaging which is fully recyclable and will not degrade food quality. Testing of a recyclable, transparent, multi-layer standing pouch, the production of which would be a world-first, is currently ongoing. We aim to have a viable product by 2025. We are also preparing to phase out bagged oil, in anticipation of changes to regulations.



Bimoli Packaging in our refinery in Surabaya, East Java

IndoAgri was proud to contribute cooking oil to the Ministry of Trade's 'MINYAKITA' cooking oil brand in 2022. We consistently support and participate in fulfilling the needs of DMO (Domestic Market Obligation) packaged cooking oil in accordance with the volume allocation determined by the government.

With increasing digitalisation efforts and elements of COVID-19 restrictions persisting in 2022, we engaged our customers through social media channels. Our cooking demos were hosted weekly on our Instagram page, [@Palmia_ID](#), and were well-received by individual consumers and SMEs. We continued to publish recipes on our website; an initiative that has also performed well.

CUSTOMER SERVICE AND SATISFACTION

The name of our brand is well known among all our customers and our products are also known for their high quality and price competitiveness. We regularly engage consumers to address their concerns on product quality, including communicating our sustainability progress and responsible supply chain practices, investigating areas of concern and making improvements based on feedback. We also conduct annual customer satisfaction surveys to obtain feedback on product and service quality. In 2022, we surveyed a total of 92 industrial customers and 97 distributors. We received a score of 111%⁵ for industrial customers and 120%⁶ for distributors.

Any consumer feedback relating to our products and services is addressed by Indofood Group's centralised Customer Service Centre, which is accessible via toll-free lines or e-mail. A systematic process ensures that every comment is recorded in a Customer Complaint Form. We have also opened channels of communication through our website and social media – Instagram and Facebook – accounts. All feedback received was responded to within two weeks. In 2022, we received 19 pieces of feedback from customers, most of which were product enquiries.

⁵ Our target score for industrial customers in 2022 was 3.75. We achieved a score of 4.15, which translates into 111% of the target score.

⁶ Our target score for distributors in 2022 was 3.57. We achieved a score of 4.26, which translates into 120% of the target score.



APPENDIX - DATA SUMMARY

ENVIRONMENTAL DATA

Energy Consumption in Mills (GRI 302-1, 3, 4)

Energy Consumption	2020		2021		2022	
	Gj ('000)	%	Gj ('000)	%	Gj ('000)	%
Fibre	4,573	62	4,194	64	4,458	63
Palm Shell	2,640	36	2,297	35	2,526	36
Total from renewable fuel	7,213	98	6,491	99	6,984	99
Diesel	101	1	86	1	91	1
Electricity	20	0	11	0	7	0
Total from non renewable fuel	121	2	97	1	98	1
Total Energy Consumption	7,334	100	6,588	100	7,082	100
GJ/Tonne of FFB Processed	2.20		2.18		2.13	

Note: Our intensity figures refer to the energy types listed for mills and refineries as shown and are based on energy consumed within the organisation. Data are not currently available on the overall breakdown of electrical, heating, cooling, and steam energy consumed: we are reviewing the data on these. No energy is sold off site. Data from ISPO and PROPER certified/audited palm oil mills (23 out of 27 mills). Percentage figures are rounded off.

Energy Consumption in Refineries (GRI 302-1, 3, 4)

Energy Consumption	2020		2021		2022	
	Gj ('000)	%	Gj ('000)	%	Gj ('000)	%
Palm Shell	137	2	110	1	80	1
Palm Olein	2	0	-	0	-	0
Total from renewable fuel	139	2	110	1	80	1
Diesel*	48	1	56	1	27	0
Coal	412	5	464	6	442	6
Gas**	7,144	91	7,479	90	6,398	90
Electricity	73	1	165	2	131	2
Total from non renewable fuel	7,677	98	8,164	99	6,998	99
Total Energy Consumption	7,816	100	8,274	100	7,078	100
GJ/Tonne Material Processed	0.99		0.96		1.22	

* Includes High Speed Diesel Oil and Marine Fuel Oil.

** Includes Liquefied Natural Gas (LNG) and Compressed Natural Gas (CNG).

Note: Data from five refineries (out of five) are based on consumption per tonne of material produced, in six processes: (i) tank yard (ii) refining CPO (iii) fractionation (iv) margarine (v) cooking oil filling and (vi) finished goods warehousing. Data are not currently available on the breakdown of electrical, heating, cooling and steam energy consumed. Percentage figures are rounded off.



Energy Consumption in Rubber Factories (GRI 302-1, 3, 4)

Energy Consumption In OC Mills	2020		2021		2022	
	Gj ('000)	%	Gj ('000)	%	Gj ('000)	%
Palm Shell	14	7	14	8	14	10
Rubber Wood	181	88	182	88	116	86
Total from renewable fuel	195	95	156	96	129	96
Diesel	6	3	2	1	2	1
Electricity	5	2	4	3	4	3
Total from non renewable fuel	11	5	5	4	6	4
Total Energy Consumption (GJ)	206	100	162	100	135	100
GJ/Tonne of Rubber Produced	26.29		26.08		25.92	

Note: Data from 3 factories with 3 crumb rubber and 2 sheet rubber processing lines. Percentage figures are rounded off.

GHG emissions (GRI 305-1, 2, 3, 4)

Emission Sources	Description	2020		2021		2022	
		tCO ₂ e ('000)	tCO ₂ e/tonnes	tCO ₂ e ('000)	tCO ₂ e/tonnes	tCO ₂ e ('000)	tCO ₂ e/tonnes
Direct Emission Estate	Land Conversion	193	0.26	(1.22)	(0.18)	(165)	(0.22)
Direct Emission Estate	Peat emissions	1,017	1.38	1,014	1.52	977	1.29
Direct Emission Estate	N ₂ O from Fertiliser	74	0.10	108	0.16	133	0.18
Direct Emission Estate	Fuel usage in the estates	-	-	0.00000428	0.00000001	0.00000043	0.000000001
Direct Emission Mill	Methane from POME	211	0.29	190	0.29	214	0.28
Direct Emission Mill	Fuel usage in the mills	8	0.01	6	0.01	7	0.01
Direct Emission Estate and Mill	Chemical usage in the mills and plantations	3	0.00	3	0.00	3	0.00
Indirect Emission Mill (Scope 2)	Electricity Emission	4	0.01	2	0.00	1	0.00
Transportation Emission (Scope 3)	Fuel Usage from Transport of FFB	35	0.05	34	0.05	33	0.04
Total Emissions from Mills and Estate Operations		1,545		1,235		1,204	
Emissions per Tonne of Palm Product			2.10		1.85		1.59

Note: Scope of data for 2022 covers 20 mills and 55 estates. Gases included in the calculations are carbon dioxide, nitrous oxide and methane. Calculations are based on site-specific data and published defaults (emissions factors and GWPs) using the ISPO GHG calculation method, which does not include carbon credits or carbon sinks. Peat emissions include only CO₂ emissions and are calculated following international guidelines. The calculation relates only to plantations and mill sites under our operational and financial control.



PROPER Evaluation and ISO 14001 Certification Status (GRI 2-27)

Region	PROPER	ISO 14001 certification
Sumatra	<ul style="list-style-type: none"> 10 mills, 2 factories and 1 refinery 2 mills 	17 mills and 1 refinery
Kalimantan	<ul style="list-style-type: none"> 7 mills 	8 mills
Java	<ul style="list-style-type: none"> 3 refineries and 2 factories 	2 refineries
Sulawesi	<ul style="list-style-type: none"> 1 refinery and 1 factory 	Factory and refinery implemented ISO 14001 (yet to be certified)

PROPER is the Indonesian Government's Environmental Management evaluation. Participation in the PROPER audit is subject to approval by the Indonesian Ministry of Environment and Forestry.

- Environmental management procedures are above the expected compliance level
- Environmental management procedures are in compliance with national regulatory standards
- Environmental management efforts are in place but do not fully comply with national regulatory standards

SOCIAL DATA

Health and Safety Data (GRI 403-9)

	2020	2021	2022
Fatalities	1	2	1
Rate of fatalities as a result of work-related injury ⁷	0.008	0.019	0.008
Rate of high-consequence work-related injuries (excluding fatalities) ⁸	0.016	0.010	0.008
Rate of recordable work-related injuries ⁹	1.22	1.92	2.01

Lowest Monthly Remuneration and Minimum Legal Wage

Region	Minimum legal wage (IDR)	IndoAgri lowest monthly remuneration (IDR) Male & Female	IndoAgri lowest monthly remuneration as a percentage of minimum legal wage Male & Female
Java	1,968,339 - 4,641,854	1,968,375 - 4,642,000	100% - 100%
Sumatra	2,607,100 - 3,370,645	3,145,309 - 3,683,022	109% - 121%
Kalimantan	2,486,796 - 3,369,310	2,692,906 - 3,779,250	108% - 112%
Sulawesi	2,509,905 - 3,394,489	2,510,000 - 3,871,050	100% - 114%

⁷ Rate of fatalities as a result of work-related injury is calculated as follows: No. of fatalities as a result of work-related injury x 1,000,000 divided by Total Hours Worked.

⁸ Rate of high-consequence work-related injuries (excluding fatalities) is calculated as follows: No. of high-consequence work-related injuries (excluding fatalities) x 1,000,000 divided by Total Hours Worked.

⁹ Rate of recordable work-related injuries is calculated as follows: No. of recordable work-related injuries x 1,000,000 divided by Total Hours Worked.



Employee Statistics (GRI 2-7, 2-8, 405-1)

	18 – 24 Years		25 – 35 Years		36 – 45 Years		≥ 46 Years		Total	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Education										
Academy and University (Strata 1, 2 and 3)	88	66	873	325	608	207	523	130	2,092	728
Diploma (D1-D4)	377	25	1,928	285	1,661	221	1,226	141	5,192	672
Senior High School	1,747	153	4,279	599	3,276	415	2,132	199	11,434	1,366
Junior High School	776	63	2,889	582	3,324	803	2,031	388	9,020	1,836
Primary School	1,544	145	4,697	969	5,714	2,126	3,743	1,649	15,698	4,889
Total	4,532	452	14,666	2,760	14,583	3,772	9,655	2,507	43,436	9,491

Level										
Manager and Senior Manager	-	-	5	6	115	19	312	36	432	61
Supervisor	-	-	77	37	134	31	124	29	335	97
Staff	72	42	645	103	346	47	328	48	1,391	240
Administrative / Operational	4,460	410	14,165	2,788	13,913	3,646	8,740	2,249	41,278	9,093
Total	4,532	452	14,892	2,934	14,508	3,743	9,504	2,362	43,436	9,491

Region										
Sumatra	3,029	183	9,806	1,557	9,578	2,087	5,924	1,327	28,337	5,154
Kalimantan	1,209	197	3,881	1,107	3,581	1,303	2,042	746	10,713	3,353
Java	262	60	971	227	781	278	1,067	254	3,081	819
Sulawesi	32	12	234	43	568	75	471	35	1,305	165
Total	716	63	9,390	987	11,642	1,581	7,739	1,207	43,436	9,491

Status										
Permanent Employee	716	63	9,390	987	11,642	1,581	7,739	1,207	29,487	3,838
Non Permanent Employee	1,576	71	2,432	267	1,011	250	552	106	5,571	694
Seasonal Workers	2,240	318	3,070	1,680	1,855	1,912	1,213	1,049	8,378	4,959
Total	4,532	452	14,892	2,934	14,508	3,743	9,504	2,362	43,436	9,491

Region	18 – 24 Years		25 – 35 Years		36 – 45 Years		≥ 46 Years		Total	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Sumatra	27	-	22	-	9	-	1	-	59	-
Kalimantan	6	-	4	1	-	-	-	-	10	1
Java	10	10	11	4	1	-	-	-	22	14
Sulawesi	-	-	1	-	-	-	-	-	1	-
Total	43	10	38	5	10	-	1	-	92	15

Region	18 – 24 Years		25 – 35 Years		36 – 45 Years		≥ 46 Years		Total	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Sumatra	22	1	252	6	204	9	27	6	505	22
Kalimantan	8	2	108	16	50	9	14	1	180	28
Java	2	1	38	26	10	4	51	2	101	33
Sulawesi	1	-	6	-	2	-	4	-	13	-
Total	33	4	404	48	266	22	96	9	799	83

Region	18 – 24 Years		25 – 35 Years		36 – 45 Years		≥ 46 Years	
	Male	Female	Male	Female	Male	Female	Male	Female
Sumatra	1%	1%	3%	0%	2%	0%	0%	0%
Kalimantan	1%	1%	3%	1%	1%	1%	1%	0%
Java	1%	2%	4%	11%	1%	1%	5%	1%
Sulawesi	3%	0%	3%	0%	0%	0%	1%	0%
Turnover Group	2%							



Training Hours (GRI 404-1)

Level	Total Participants		Employee Training Hours	
	Male	Female	Male	Female
Manager and Senior Manager	127	4	1,451	88
Supervisor	99	21	1,702	305
Staff	633	49	9,556	559
Administrative / Operational	1,678	96	12,557	857
Total	2,537	170	25,266	1,809

Level	Average Training Hours per Employee	
	Male	Female
Manager and Senior Manager	11	22
Supervisor	17	15
Staff	15	11
Administrative / Operational	7	9
Average	10	11

SMK3 Certification

Type	2020	2021	2022
Gold Rating	53	55	60
Palm Oil	39	41	45
Rubber	5	5	6
Tea	2	2	2
Cocoa	2	2	2
Refinery	3	3	3
Research	1	1	1
Bulking	1	1	1
Silver Rating	8	9	7
Palm Oil	7	8	6
Rubber	1	1	1

ISO 45001:2018 Certification

Type	2020	2021	2022
Total Certified	13	13	13
Refinery	2	2	2
Rubber	5	5	5
Tea	2	2	2
Cocoa	2	2	2
Office	2	2	2



COMMUNITY DATA

Medical Facilities

Medical Facilities	North Sumatra	South Sumatra	Kalimantan	Riau	Java	Sulawesi	Total
Division Clinic	42	31	17	38	2	1	131
Central Clinic	11	24	15	4	2	2	58
Ambulances	2	13	12	5	1	0	33
Doctors	1	2	1	3	0	0	7
Visiting Doctors	18	21	10	0	2	1	52
Midwives / Nurses	61	63	42	81	4	5	256
Posyandu	57	32	41	42	28	2	202

Education Facilities

School Facilities	North Sumatra	South Sumatra	Kalimantan	Riau	Java	Sulawesi	Total
Day Care Centres	12	29	59	44	1	0	145
Kindergarten	27	26	5	33	3	4	98
Primary Schools	5	17	1	17	1	1	42
Secondary Schools	2	1	0	4	0	0	7
High Schools	1	0	0	3	0	0	4
Teachers	95	159	21	428	14	11	728
Rumah Pintar	4	6	5	4	0	1	20



GLOSSARY

Analisis Dampak Lingkungan (AMDAL)

An environmental impact assessment which companies are required by law to undertake when starting a business or activity that will have an impact on the environment in Indonesia.

Badan Penyelenggara Jaminan Sosial (BPJS)

An authorised body established by the Indonesian Government to provide medical coverage for Indonesian citizens and residents.

Biodiversity

The variety of life forms within a particular ecosystem, biome, or habitat.

Biological Oxygen Demand (BOD)

A measure of the degree of water pollution by the amount of dissolved oxygen needed by aerobic biological organisms in a body of water to break down organic materials.

Carbon Footprint

A measure of the total amount of greenhouse gases, including carbon dioxide, methane and nitrous oxides, emitted directly or indirectly by an organisation, event, product or person.

Child Labour

A person under 18 years of age, according to Indonesian law, who is engaged in work that is mentally, physically, socially or morally dangerous and harmful, and that interferes with that person's schooling.

Crude Palm Oil (CPO)

Oil produced from oil palm fruits in milling process.

Food Safety System Certification (FSSC) 22000

A food safety certification scheme based on the existing internationally recognised standard ISO 22000 and complemented by other technical standards. This certification aims to provide an effective framework for the development, implementation and continual improvement of a food safety management system (FSMS).

Forced Labour

A person who is coerced to work under the threat of violence, intimidation, or undue stress or penalty.

Free Prior Informed Consent (FPIC)

Consent which represents the rights of a community to give or withhold its consent to proposed projects that may affect the lands it customarily owns, occupies or uses.

Fresh Fruit Bunch (FFB)

The fruit bunch harvested from the oil palm tree.

Global Reporting Initiative (GRI)

A non-profit organisation that promotes economic sustainability and develops an international standard for sustainability reporting.

Greenhouse Gas (GHG)

Gases, such as carbon dioxide, methane and nitrous oxide, which trap solar radiation and contribute to climate change and ozone destruction.

High Carbon Stock (HCS)

An area of land with large amounts of carbon and high biodiversity value.

High Conservation Value (HCV)

HCV land comprises certain critical ecological or socio-cultural attributes. A key part of HCV management is ensuring activity in forests does not have a negative impact on the critical ecological and socio-cultural attributes, a process that aligns with ISPO's requirements.

High-consequence work-related injury

According to the GRI Standards, a high-consequence work-related injury (excluding fatalities) is defined as an injury from which the worker cannot or is not expected to recover fully to pre-injury health status within 6 months.

HCV Assessment

Recording ecological or sociocultural attributes is part of a process that aligns with ISPO's requirements. HCV assessments use accredited third-party assessors.

Integrated Pest Management

The use of ecological pest control techniques to reduce pest populations and replace pesticides and other harmful intervention to minimise risks to human health and the ecosystem.

Indonesian Sustainable Palm Oil (ISPO)

A government effort led by the Ministry of Agriculture to support sustainable palm oil agriculture in Indonesia.

ISO 14000 series

A family of international standards for addressing environmental management.

Koperasi Unit Desa (KUD)

Village unit cooperatives to improve the economic and social well-being of rural communities in relation to agricultural activities.

No Deforestation

No new development on HCV areas within IndoAgri's operations and no primary forest clearance.

Nucleus

A system developed by the Indonesian Government for estates (nucleus) owned by plantation companies to develop oil palm plots (plasma) near their own plantation for smallholders.

Palm Kernel (PK)

Seed of the oil palm fruit, which is processed to extract crude palm kernel oil (CPKO) and other by-products.

Panitia Pembina Keselamatan dan Kesehatan Kerja (P2K3)

A health and safety committee responsible for monitoring IndoAgri's compliance to the SMK3 in the estates, mills and refineries.

Palm Oil Mill Effluent (POME)

Liquid waste or sewage produced from the palm oil milling process or refinery.

Plasma Partnership Scheme

Plasma smallholders are farmers who participated in the Plasma Transmigration Program (Perkebunan Inti Rakyat, also known as PIR-Trans), organised by the Indonesian government in 1987. Under the scheme, villagers from rural parts of Indonesia were relocated to oil palm growing areas and allocated with two hectares of farming land. The plasma farmers were partnered with local companies for initial financing of development and land preparation, planting materials, and technical knowledge. In return for this assistance, smallholders are committed to selling their crops to the company at a price set by the government.

Programme for Pollution Control, Evaluation and Rating (PROPER)

An Indonesian regulatory mechanism based on public disclosure of pollution records and environmental performance.

Recordable work-related injury

According to the GRI Standards, a recordable work-related injury is defined as any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, loss of consciousness, or significant injury or ill health diagnosed by a physician or licensed healthcare professional.

Sistem Keselamatan dan Kesehatan Kerja (SMK3)

Occupational health and safety management system according to Indonesia regulation.

Social Impact Assessment (SIA)

A methodology for analysing, monitoring and managing the social consequences of planned interventions and the social change processes arising from these interventions.

Stakeholders

A person, group, organisation, member or system that affects or can be affected by an organisation's actions.