Sustainability
Report 2024

ASIAN AGRI

Transforming Lives by Responsible and Sustainable Growth

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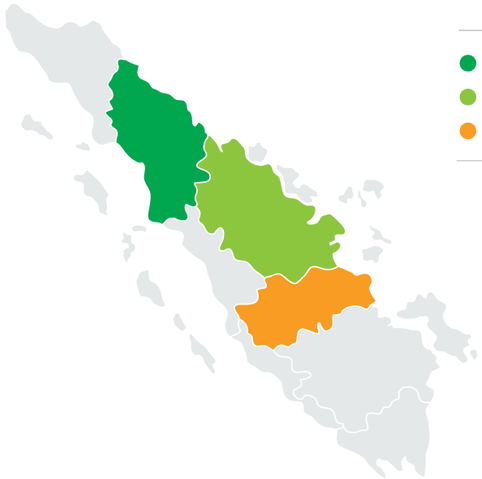
About this Report

BOUNDARY AND SCOPE OF THIS REPORT GRI 2-2, 2-3

This Sustainability Report marks our eighth publication since our inaugural report in 2015. It provides a comprehensive overview of the activities and performance of the 13 companies within the Asian Agri Group for the reporting period from January 1 to December 31, 2024. Published annually, this report reflects our ongoing commitment to transparency and accountability in sustainability practices. Our operations span across three provinces, managing a diverse range of assets that form the foundation of our sustainability initiatives:



23
Mills

12
Kernel Crushing Plants (KCPs)

11
Biogas Plants

30
Own Estates

As a private company, we maintain confidentiality regarding specific financial information, including total assets, net sales, and total capitalization.

REPORTING FRAMEWORK

This report aligns with the Global Reporting Initiative (GRI) Standards and specifically covers GRI 1: Foundation 2021, GRI 2: General Disclosures 2021, GRI 3: Material Topics 2021, GRI 13: Agriculture, Aquaculture, and Fishing Sectors 2022, along with the latest GRI Topic Standards. We have followed the GRI principles for report content and quality to provide a thorough account of our sustainability initiatives.

For a detailed list of disclosures referenced in this report, please refer to the GRI Content Index on page 117.

EXTERNAL ASSURANCE GRI 2-5

We engaged an independent third-party assurance provider, PT SGS Indonesia, to ensure the credibility of the data and information presented in this report. The data has been verified in alignment with the GRI Universal Standards 2021 and the AA1000 Accountability Principles Standards (2018). Senior executives from our Management Committee actively participated in the selection and assurance process.

For further details on the assurance statement and the scope of data verification, please refer to page 114.

POINT OF CONTACT GRI 2-3

At Asian Agri, we greatly value your input, which supports our continuous efforts to improve and align with stakeholder expectations.

For any comments or feedback on our sustainability practices or data reporting, please contact us here.

This report is published on the Asian Agri website.

Message from Our Managing Director GRI 2-22

Sumith Fernando
Managing Director

Dear Stakeholders,

As I step into my role as the new Managing Director, I am proud to present our 2024 Sustainability Report. Building on our company's strong legacy, I reaffirm that sustainability remains the cornerstone of our long-term success and value creation. Our unwavering commitment to responsible growth, environmental stewardship, and social progress continues to drive every facet of our operations.

This Sustainability Report reflects our alignment with world-class practices and our proactive approach to addressing complex global challenges. It highlights our efforts in supporting our people and communities, upholding human rights, ensuring health and safety, and protecting the environment. Additionally, the report showcases our achievements in 2024 and outlines the foundation for the next phase of our commitment to equitable and sustainable palm oil production.

2024 marked the hottest year ever recorded, with extreme weather events causing widespread devastation globally. In Indonesia, unpredictable rainfall patterns significantly impacted business operations, particularly in Riau. [1]Floods, while prevalent in prior years, escalated in both intensity and human impact, leaving communities and industries grappling with unprecedented challenges.

Asian Agri 2030 (AA2030), is designed essentially to tackle these climate change challenges head-on. It emphasizes transparency, business resilience and concrete actions against deforestation. Importantly, it also strengthens our compliance with the European Union Deforestation Regulation (EUDR), underscoring our commitment to sustainable and traceable palm oil production. At its core, AA2030 prioritizes the needs and human rights of our smallholders and communities, ensuring inclusive and equitable growth.

Transforming Lives

We are proud to say that we have already achieved 72% of our 2030 target for 100% Indonesia Sustainable Palm Oil (ISPO) Certification among smallholders, successfully partnering with 55 out of 76 cooperatives (KUDs). Through these partnerships, we have continued to guide and support smallholders toward long-term sustainability, overcome short-term mindsets by raising awareness on sustainable farming practices, and shared premiums that reinforce its tangible benefits. These efforts, complemented by collaborations with local NGOs such as Bentang Oasis, have been instrumental in equipping independent smallholders to meet Roundtable on Sustainable Palm Oil (RSPO) requirements and strengthen their independence. To date, 1,373 out of 5,000 farmers (27%) have successfully achieved the RSPO certification. Additionally, a key part of improving smallholder livelihoods is increasing productivity through replanting, and in 2024, we successfully replanted 3,484 hectares.

Driving Climate Solutions

Climate change continues to present unprecedented challenges to agricultural operations, and Asian Agri is no exception. Last year, extensive flooding disrupted our plantation activities, resulting in a decline in Crude Palm Oil (CPO) yields. We experienced 5% yield decrease from 5.33 tons CPO/ha in 2023 to 5.04 tons CPO/ha in 2024. This not only caused financial losses but also underscored the vulnerabilities of our labor-intensive, outdoor-dependent operations.

In response to these challenges, our AA2030—Climate Positive goal drives our efforts to reduce greenhouse gas (GHG) emissions and transition toward a carbon-neutral future. We have developed a comprehensive Carbon Roadmap that provides a clear, actionable framework to achieve carbon neutrality by 2030. This roadmap outlines ambitious targets and sets specific milestones, demonstrating our proactive approach and determination to make measurable progress in the face of climate change.

Our decarbonization efforts are multifaceted. We are committed to 100% renewable energy use for milling and processing activities, with 90–95% of our energy comes from renewable sources such as mesocarp fiber, biogas, palm kernel shells, and empty fruit bunches (EFBs). A key milestone in this journey is the operation of 11 biogas plants, which capture and convert methane into renewable energy.

Furthermore, we are contributing to the broader decarbonization of the aviation industry through supporting the development of Sustainable Aviation Fuel (SAF). By repurposing by-products and residues from our production processes as SAF feedstock, we are not only reducing waste but also supporting a crucial initiative in climate change mitigation. One of our mills has achieved certification under the International Sustainability and Carbon Certification's (ISCC) Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), a globally recognized standard for sustainable aviation fuel production.

Advancing Responsible Agricultural Practices

We have made significant strides in minimising our reliance on chemical inputs at our plantations. We have achieved 31% of pesticide reduction target, a milestone that not only enhances the health of our plantations but also protect surrounding ecosystems.

Protecting Nature

Ecosystems play a vital role in sustaining life and supporting sustainable agriculture. Biodiversity conservation is thus an integral part of Asian Agri's commitment to environmental stewardship, and a priority within the regions where we operate. This also aligns with our broader commitment to the AA2030 goals and our overarching No Deforestation, No Peat, No Exploitation (NDPE). In Jambi, we identified key areas for conservation and are actively working to protect and restore these ecosystems. One of them is Biang Sari Customary Forest (HABS), where we collaborated with CFES[2] to empower local communities to protect and manage the forest sustainably through Spatial Monitoring and Reporting Tool (SMART) Patrol training. Additionally, we supported forest rehabilitation efforts, including seed collection, nursery development, and tree planting to restore degraded areas and enhance biodiversity.

Charting our Course for 2025

Asian Agri remains steadfast in our commitment to achieve **AA2030** goals and drive sustainable innovation. Key focus areas for 2025 include advancing the milestones outlined in our **Carbon Roadmap** and enhancing our climate resilience, starting with conducting Climate Change Risk Assessment (CCRA) in 2025. Significant efforts are underway, including undertaking global carbon certifications for biogas plants under both Agriculture, Forestry and Other Land Use (AFOLU) and Non-AFOLU, as well as Sistem Registri Nasional (SRN) audits and carbon certification preparation for additional biogas facilities.

We are also strengthening our technology-driven supply chain to ensure compliance with the EUDR requirements, while supporting smallholders. To promote sustainability, we are improving seed productivity to maximise yields per hectare, eliminating the need for plantation expansion. In 2024, we introduced our high-yielding DxP Topaz seedlings at the 4th Indonesian Palm Oil Smallholders Conference & Expo (IPOSC 2024), aiming to expand access for smallholders in Kalimantan. Our Topaz seeds were honoured with the "Preferred Oil Palm Seeds for Smallholders and Industry" award at the 2024 Indonesia Palm Oil Awards.

In Gratitude

Our progress stands as a testament to the dedication of our employees, the resilience of our smallholders, and the unwavering support of our partners and stakeholders. Your trust and collaboration drive us to uphold the highest standards of sustainability and transparency. Thank you for being an indispensable part of our journey, as we continue to build a more sustainable and resilient future together.

Sumith Fernando
Managing Director

[1] The World Meteorological Organization (WMO) has confirmed 2024 as the warmest year on record, with global temperatures averaging 1.55°C above pre-industrial levels. According to Swiss Re, a leading global reinsurer, this record heat has contributed to the increased frequency and intensity of natural catastrophes observed throughout the year.

[2] Community Forest Ecosystem Service (CFES) is a non-profit organization dedicated to community-led forest conservation and ecosystem restoration

Our Year in Summary

100% of our oil palm plantations are certified with RSPO, ISPO, and ISCC

1 new mill built in 2024

1 new kernel-crushing plant built in 2024

3,396 ha of company-owned estates replanted in 2024

100% FFB traceability to plantation and mills, as well as **100% PK traceability** to mill maintained

3,484 ha of smallholders' plantations replanted

IDR **5.37 billion** in premium sharing distributed

534 independent smallholders certified by RSPO

11 Cooperatives (KUD) certified by RSPO

54 surrounding villages supported with SME program, cumulatively

120 students became scholarship awardee from Yayasan Sayap Garuda

33.3 hours of training provided for each employee, on average

19 full-press machines added as part of our upgrade for more efficient recovery of waste oil, cumulatively

100% of operational estates, mills, and offices, covered in our GHG emission calculation in accordance with GHG Protocol

139,122 MWh is generated from renewable fuels, becoming the majority source of our electricity

0 fire incident occured

1 village received a financial reward in recognition of their successful efforts in preventing fire incidents in their area

No-land use change maintained

Fully maintained our sustainability certifications with detailed in Obtaining Sustainability Certification section

90% reduction of methane emissions in our 11 biogas plants

31% reduction of pesticide use

90% of biogas yield used for power generation (around 40% of total power generated)

About Asian Agri

ASIAN AGRI AT A GLANCE GRI 2-1

Asian Agri is a group of privately held companies dedicated to palm oil cultivation and processing, as part of the Royal Golden Eagle (RGE) Group. Founded in 1979, Asian Agri was established through PT Inti Indosawit Subur (PT IIS) in North Sumatra. We are one of Asia's leading palm oil producers with an annual production capacity of approximately one million tons of crude palm oil (CPO).

Our headquarters is in Medan, North Sumatra with two regional offices in Pekanbaru, Riau and Jambi, and a representative office in Jakarta. In 2024, we expanded our production capacity with one new mill and kernel-crushing plant (KCP). Currently, we manage 30 estates, 23 mills, 12 kernel-crushing plants (KCPs), and 11 biogas plants across North Sumatra, Riau, and Jambi. Our operations encompass seedling nurseries, plantations, and the processing of Fresh Fruit Bunches (FFBs) into CPO, Palm Kernels (PK), and Crude Palm Kernel Oil (CPKO). Our products serve both domestic and international markets, primarily in Asia and Europe.

OUR GROUP OF COMPANIES GRI 2-2

Asian Agri Group operates under PT Inti Indosawit Subur which controls 12 other companies:

No	Company Name	Business Location
PT Inti Indosawit Subur (PT IIS)		**Riau and Jambi**
1	PT Nusa Pusaka Kencana (PT NPK)	North Sumatra
2	PT Supra Matra Abadi (PT SMA)	North Sumatra
3	PT Indo Sepadan Jaya (PT ISJ)	North Sumatra
4	PT Rantau Sinar Karsa (PT RSK)	North Sumatra
5	PT Andalas Intiagro Lestari (PT AIL)	North Sumatra
6	PT Hari Sawit Jaya (PT HSJ)	North Sumatra
7	PT Saudara Sejati Luhur (PT SSL)	North Sumatra
8	PT Gunung Melayu (PT GM)	North Sumatra
9	PT Rigunas Agri Utama (PT RAU)	Riau and Jambi
10	PT Tunggal Yunus Estate (PT TYE)	Riau
11	PT Mitra Unggul Pusaka (PT MUP)	Riau
12	PT Dasa Anugerah Sejati (PT DAS)	Jambi

OUR OPERATIONS IN 2024 GRI 2-6

Our Sites

23 Mills

12 Kernel Crushing Plants (KCPs)

11 Biogas plants

30 Own estates

22,422 People in the workforce

Our Annual Capacity

Mills: **1,285 tons** FFB/hour

KCPs: **1,260 tons** PK/day

Biogas Plants: **20 MWh** Potential capacity of electricity

Planted Area

Own estate: **93,735 ha**

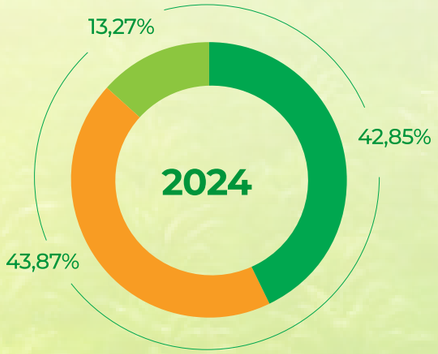
Plasma scheme smallholders: **52,885 ha**

Partnering independent smallholders: **34,843 ha**

Our Production

Total CPO: 907,216 MT

- Own estates: **437,724 MT**
- Plasma scheme smallholders: **104,993 MT**
- Independent smallholders and outgrowers[3]: **364,499 MT**



CPO Yield (mature): 5.04 MT CPO/Ha

Total CPKO: 121,777 MT

Total TOPAZ seeds sold externally: 18.62 Million seeds

[3]Based on Roundtable on Sustainable Palm Oil (RSPO), an outgrower is defined as an oil palm farmer with more than 50 hectares in size who produce FFBs for sale, but does not own a mill. An outgrower can be independent, i.e. independent grower, or associated with a mill, i.e. scheme outgrower.

In 2024, we experienced a decline in production compared to 2023. Despite the considerable efforts we have made in plantation and mill operations such as the construction of a new mill and ongoing innovation in developing higher-yielding seeds, there are still inherent natural factors that affect our productivity in ways that cannot be anticipated. We continue to observe a challenging phenomenon characterized by a widening gap in production trends, with the downward trend becoming increasingly prolonged. Factors such as extended rainfall periods and flooding significantly impact our operational capabilities, a challenge that is not unique to our organization but common across palm oil plantation companies. This decline in productivity is closely interconnected with the broader impacts of climate change, presenting a critical reminder of our responsibility to increase our contributions towards mitigating its progression.

OUR PRODUCTS

Information of Asian Agri's products is published and can be found on our website.

OUR VALUE CHAIN GRI 2-6

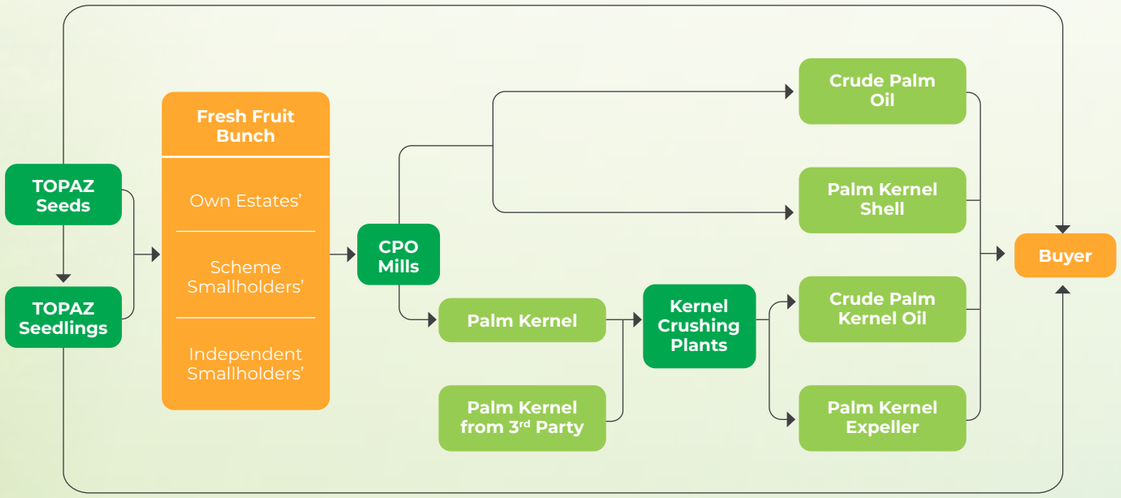
Our business is agrarian in nature, and we are committed to adopting practices that promote sustainability in cultivation and production. We produce premium DxP (*tenera*) TOPAZ seeds, cultivate and process FFBs at our palm oil mills and KCPs, and produce CPO and CPKO. The TOPAZ seeds that we plant on our estates are also available for our customers, and we guarantee that only the highest-quality seedlings are sold to local smallholders and to other buyers.

Our top-quality FFBs are carefully harvested across 30 estates using sustainable practices and subsequently processed at our CPO mills. We source FFBs from over 27,000 scheme smallholders, more than 7,500 independent smallholders, and various outgrowers, including small to medium-sized oil palm companies and agents, in alignment with our responsible sourcing policy. After extracting CPO from the mesocarp, we retain the PKs for further processing. These PKs are delivered to our 12 KCPs for CPKO production, supplemented by additional PKs from 62 third-party suppliers.

Our Products, including CPO, PK, PKS, CPKO and PKE, are supplied to our customers for further processing into a wide range of end products, such as cooking oils, biofuels, and other derivatives.

The map of our 23 mills, 12 KCPs and their respective traceability report can be found on our website.

Please refer to page 43-45 for more information on how we maintain supply chain traceability.



OUR PURPOSE, VISION, AND CORE VALUES GRI 2-23

We seek to improve livelihoods through sustainable resource development, with the goal of becoming a leading, well-managed, and sustainable palm oil company that creates meaningful impacts for the environment and society. To achieve this vision, we are committed to consistently implementing our Core Values in all aspects of our actions and behaviours across the organization.

Our Purpose	Our Vision
Improving lives by developing resources sustainably.	**To be one of the largest, best managed, and sustainable palm oil companies, generating value for the Community, Country, Climate, Customer, and Company.**

Our Core Values
TOPICC

Complementary Team
We are aligned by our common purpose and work together as a **complementary team**

Ownership
We take **ownership** to achieve outstanding results and seek value at all times

People
We develop our **people** to grow with us

Integrity
We act with **integrity** at all times

Customers
We understand our **customers** and deliver best values to them

Continuous Improvement
We act with zero complacency and always strive for **continuous improvement**

OUR MANAGEMENT GRI 2-9, 2-11, 2-12, 2-13, 2-18

Our Managing Director is the highest authority responsible for decision-making and overseeing the company's management and operations. The Managing Director is supported by the Management Committee, which includes senior executives such as the Head of Operations and the Group Financial Controller. This committee provides support in strategic areas such as operations, human capital, social responsibility, finance, and information technology. Together, the Managing Director and the Management Committee work to align all decisions with the organization's long-term interests.

The performance of the Managing Director and the Management Committee is assessed internally using a Balanced Scorecard[4]. This evaluates the company's annual performance and facilitates necessary adjustments or improvements to enhance business operations and organizational structure.

For more details on governance practices at Asian Agri, please refer to our Sustainability Governance chapter on pages 25-30.

[4] The Balanced Scorecard is a performance management tool widely used for strategic planning and assessment in organizations. It involves identifying Key Performance Indicators (KPIs) across four perspectives: financial, customer, internal processes, and learning and growth.

Asian Agri's Milestones Over the Years

1979
Acquired 8,000 Ha landbank in North Sumatera

1981
Established its first Palm Oil Mill in Gunung Melayu, North Sumatera

1987
Group's flagship company: PT. Inti Indosawit Subur was incorporated to initiate Plasma Schemes in Jambi and Riau

1989
Established state of art R&D center in Bahilang Plantation, North Sumatera

1991
Developed and handover the first plasma scheme estate to farmers

1994
Implemented zero burn policy

1996
Conceived TOPAZ 1, a superior seed variety which can produce higher yields

2002
Established Asian Agri Learning Institute in Buatan Plantation, Jambi

2003
Committed to no more new land expansion and developments, focusing on land intensification instead

2005
Established the Oil Palm Research Station (OPRS) - seed-producing facilities in Topaz, Riau

Imposed a moratorium on forest clearance and peatland development including for all smallholder partners

2006
Became an RSPO Member

2007
Established tissue culture laboratory to clone oil palms in Kerinci, Riau

Achieved the ISO14001: Environmental Standard certification for all plantations and mills within the Group

2012
Produced more than 1 million MT CPO

Launched our independent smallholders program in North Sumatra, Riau, and Jambi

2013
Held Indonesia's largest number of smallholder partners with ISCC and RSPO certification

Achieved 100% ISCC certification for own estates

Developed a Sustainability Policy which sets out our commitments to NDPE

2014
Achieved 100% ISCC certification for smallholders

Committed to achieving FFB Traceability to Plantation (TTP)

2015
Initiated replanting program for scheme smallholders' plantation

Commissioned five biogas plants and six KCPs

2016
Launched FFVP in all three provinces

Launched the first traceability verification program for smallholders in Jambi

2017
100% plasma scheme smallholders' plantations
Obtained RSPO certification

Our independent smallholders with Amanah Association became the first to be ISPO certified

2018
Kick-started independent smallholders replanting

Fulfilled our 'One to One' (1:1) partnership commitment

Achieved our first ISPO certificate for a plasma scheme smallholder

Commissioned two more biogas plants and three more KCPs

2019
Achieved 100% ISPO certification for our own estates

Stopped using paraquat in all our estates

Completed FFB Traceability to Plantation project

Commissioned three more biogas plants

2020
Carried out SDGs prioritization exercise, to integrate with our approach to sustainability

Commissioned one more mill and one more KCP

2021
Asian Agri's smallholder partnership was featured by Grow Asia as a case study to demonstrate alignment with ASEAN RAI

Obtained waste and residue certification for 100% of our mills

2022
Launched Asian Agri 2030, our ambitious sustainability targets for 2030

Achieved 100% RSPO certification for all plantations

2023
Awarded Green PROPER from MoEF for 3 Mills

Commissioned one more biogas plant

2024
Constructed a new integrated mill and kernel-crushing plant (KCP) in Riau.

Our Approach to ESG and Sustainability

OUR MATERIAL TOPICS GRI 3-1, 3-2

Our material topics highlight important areas for our business to operate sustainably. It provides clarity to keep that our Environmental, Social, and Governance (ESG) strategy remains aligned with the evolving ESG landscape. Our most recent materiality assessment took place in 2023, following the previous conduct in 2021. No further updates have been made since then. The 2023 assessment was carried out in three stages:

1. Identifying Emerging Sustainability Topics

Our process started with desktop research on the current trends in reporting frameworks, palm oil certifications, and both local and international regulations. This led to the identification of 36 key ESG topics pertinent to the company and of interest to a diverse range of stakeholders.

2. Materiality Assessment Survey and Interviews

To understand what matters most to our stakeholders, we asked them to rate 36 different ESG topics that affect our business in 2023. A total of 44 responses were collected from our online survey – 14 internal representatives and 30 external stakeholders. We also organized detailed conversations with six external and five internal stakeholders to hear their thoughts in person.

Our management team was actively involved in this process. We heard from many different groups who work with us, including government officials, customers, banks, journalists, suppliers, smallholder farmers and their cooperatives, certification bodies, NGOs, industry platforms, and universities . Their input helps us focus on the sustainability issues that matter most.

3. Assessment Results and Analysis

We carefully reviewed all feedback and narrowed it down to 21 important ESG topics. similar topics were grouped together, resulting in 11 key material topics that shape our sustainability strategy.

The material topics are consistent with ones reported in 2023, with two changes:

- We added a new topic called 'Production Optimization and Efficiency.
- We updated Corporate Governance to Sustainability Governance to better reflect its broader scope, as sustainability governance encompasses corporate governance while specifically highlighting sustainability-related oversight and responsibilities.

All these material topics connect directly to our Asian Agri 2030 (AA2030) strategy and support the United Nations Sustainable Development Goals (UN SDGs).

MATERIALITY MATRIX OF KEY ESG TOPICS

11 Material Topics (21 Key ESG Topics)

Environment

Emission and Energy Management
- 4 Emission
- 8 Energy

Biodiversity and Conversation
- 6 Conversation of Areas with HCV & HCS
- 11 Biodiversity

Pest, Soil, and Fire Management
- 12 Fire Prevention and Management
- 13 Pesticides Use
- 16 Soil Health

Water and Waste Management
- 14 Water and Effluents
- 20 Waste

Social

Smallholder Empowerment
- 1 Smallholder Empowerment

Human Rights and Employment Practices
- 15 Human Rights
- 21 Employment and Employment Practices

Health and Safety
- 10 Occupational Health and Safety

Community Development
- 2 Local Communities Empowerment
- 19 Indirect Economic Impacts

Governance

Sustainability Governance
- 3 Sustainability Governance
- 7 Compliance with Laws and Regulations
- 17 Stakeholder Collaboration
- 18 Anti-Corruption

Supply Chain Traceability
- 5 Supply Chain Traceability

Production Optimization and Efficiency
- 9 Production Optimization and Efficiency

Definition of Material Topics

Material Topic	Definition
Sustainability Governance GRI 205, 206	The highest standards in sustainability governance, conducting business with integrity, and ensuring freedom from corruption. This includes strict compliance with regulations and proactive collaboration with stakeholders.
Smallholder Empowerment GRI 203, 413	Empower our smallholder partners by enhancing their productivity, strengthening their sustainable farming practices, and improving their livelihoods.
Supply Chain Traceability GRI 13.23	Promote responsible sourcing through a fully traceable supply chain, involving rigorous monitoring and engagement with suppliers to uphold high sustainability standards.
Health and Safety GRI 403	Prioritize the prevention of work-related fatalities, injuries, and illnesses by fostering a safe and healthy work environment and ensuring the healthiness of food for consumers.
Human Rights and Employment Practices GRI 201, 202, 401, 404, 405, 406, 407, 408, 409, 410	Protect human rights of all workers in our operations and supply chain, also nurturing a motivated, skilled, and productive workforce through training, competitive benefits, and remuneration.

Material Topic	Definition
Community Development GRI 413, 13.9, 13.14	Empower local communities through development programs that enhance infrastructure, education, health, and cultural engagement.
Emission and Energy Management GRI 302, 305	Manage risks, reducing greenhouse gas (GHG) emissions across our operations, and increasing the use of renewable energy, methane capture, and reducing energy consumption.
Biodiversity and Conservation GRI 304, 13.4	Identify, conserve, and manage High Conservation Value (HCV) and High Carbon Stock (HCS) lands and forests, including peatland management, establishing riparian zones, and preventing habitat loss to protect biodiversity.
Production Optimization and Efficiency GRI 13.9	Optimize yield on existing land by using superior seeds, engaging in research and development, leveraging technology, and implementing best practices to achieve maximum production efficiency.
Pest and Soil Management GRI 13.5, 13.6	Maintain soil health and responsibly managing pesticides, fertilizers, and other chemicals to prevent land and water contamination.
Water and Waste Management GRI 303, 306	Ensure efficient water consumption, responsible water discharge, and proper recycling of organic waste and treatment of inorganic waste.

The relevant GRI Topic Disclosures for each material topic are available in greater detail in our GRI index on page 117-128.

STAKEHOLDER ENGAGEMENT GRI 2-29

Transparent, open, and consistent communication with our stakeholders is vital in the success of our business and operations. Our goal is to foster strong, trust-based, and mutualistic relationships with stakeholders. We use various channels to gather valuable feedback, such as forums, training sessions, site visits, and consultations.

The following is a detailed overview of our stakeholder engagement activities in 2024. It outlines the key stakeholder groups identified based on their interests and impact on our business, along with the most effective engagement methods and their frequency for each group. It also indicates topics and concerns raised by these groups and our corresponding responses. We remain committed to continuously evaluating and refining our stakeholder engagement strategies to keep them effective and relevant.

Stakeholder Group	Engagement method and frequency	Topics of Interest	Asian Agri's Response
Government Bodies (e.g. Ministries and Agencies).	· Site visits (as required) · Seminars, forums (as required) · Sustainability reports (annually) · Annual report (annually) · Website (periodically)	· Company's compliance with regulations and No Deforestation, no peatland development, no burning (NDPE) commitment · Company's contribution to national agenda such as supporting smallholders and reducing GHG emissions	· Develop clear Communication of the company's compliance to regulations and the company's performance in meeting with the standard
Buyers	· One-on-one engagement (regularly) · Sustainability reports (annually) · Website (periodically)	· Company's sustainability commitments and performance, particularly regarding traceability and reducing GHG emissions	· Develop clear communication of the company's policies and performance on traceability and GHG emission reduction
Employees	· Internal meetings (regularly) · Training (based on topics, twice a year) · Sustainability reports (annually), annual report (annually) · Website (periodically)	· Employee welfare, development, and benefits	· Regularly review and improve our approach to employee attraction, management, and retention
Independent and Scheme smallholders	· One-on-one engagement (regularly, daily) · Training, field studies, and other engagements through our smallholder empowerment programs (regularly)	· Support for replanting, fertilization, harvesting, certification compliance, and quality seeds	· Develop and refine our smallholder empowerment programs are fit-for-purpose and adequately meet their needs
Local Communities	· Direct engagement through our community programs and Fire Free Village Program (regularly) · Grievance mechanism (for socialization; annually)	· Free, Prior and Informed Consent (FPIC) concerns · Company's sustainability commitments and performance, particularly regarding education, health, infrastructure, etc.	· Develop and refine communication and implementation of FPIC commitments · Provide relevant and effective support through community programs and the Fire Free Village Program
Industry Groups and Trade Associations	· One-on-one engagement (as required) · Multi-stakeholder forums and events (as required, regularly) · Sustainability reports (annually)	· Company's sustainability commitments, initiatives, and progress · Opportunities for collaboration	· Attend as spokesperson in several events and FGDs · Participate in exhibitions
Certification Bodies (e.g., RSPO, ISPO, ISCC)	· Audits (annually) · Site visits (annually) · Training (as required) · Forums (as required) · Reporting (annually)	· Company's sustainability commitments and performance on issues such as no deforestation, no peatland development, and no exploitation.	· Ongoing improvements in our understanding of certification requirements.
Non-Governmental Organizations (NGOs)	· One-on-one engagement (as required) · Multi-stakeholder forums (as required) · Sustainability reports (annually) · Website (periodically)	· Company's sustainability commitments and performance on issues such as deforestation, peatland development, and traceability. · Grievances lodged by stakeholders.	· Develop clear communication of all sustainability commitments through our policies and reporting. · Investigate and respond to grievances raised.
Banks and Financial Institutions	· One-on-one engagement (as required) · Sustainability reports (annually), annual report (annually)	· Company's sustainability commitments, initiatives, and progress. · Company's financial performance. · Opportunity to collaborate on smallholder replanting program.	· Shared information on our sustainability policy, commitments, programs, and progress.
Media	· One-on-one engagement (as required) · Multi-stakeholder forums (regularly) · Website and social media (ongoing) · Sustainability reports (annually)	· Company's sustainability commitments and performance on issues such as employee welfare, fires, smallholder partnerships, and quality seeds.	· Issuing press releases. · Develop clear communication of all sustainability commitments through our policies and reporting.
Academia and Students	· Site visits (as required) · Educational programs (e.g., field trips for high school and university students to learn about oil palm, if programed; regularly)	· Research and learning purposes, such as comparison between scheme smallholders and other schemes.	· Research and learning purposes, such as comparison between scheme smallholders and other schemes.
International Stakeholders (e.g., European Parliament, EU Ambassadors)	· Site visits (as required) · One-on-one engagement (as required)	· Company's sustainability commitments and performance on issues such as traceability.	· Build capacity and knowledge on agricultural practices in Indonesia.

Our Collaboration in 2024

We recognize that collaboration plays a crucial role in enhancing our operational quality, bolstering community connections, and retaining our workforce, all of which lead to improved company performance. Through collaborations, we keep ourselves informed about the latest trends and best practices in sustainable palm oil production.

In 2024, Asian Agri continued to strengthen sustainable farming practices through its collaborative SMILE (Smallholder Inclusion for better Livelihood & Empowerment) program with Apical and Kao. A major milestone was achieved when PKMB (Perkumpulan Kotani Mandiri Bersama), a farmer group in Merlung Village, Jambi, received RSPO certification.

We continued our active participation in the Fire-Free Alliance (FFA), collaborating with industry leaders like Apical, Musim Mas, and APRIL Group to prevent forest and land fires. A highlight from 2024 was our Fire Readiness Drill and prevention training conducted in Balai Adat Segati Village, Pelalawan Regency.

Asian Agri aligns with GAPKI's vision for sustainable palm oil production through the development of superior DxP Topaz seeds and seedlings, which were showcased at IPOSC 2024. With a focus on enhancing smallholder palm oil production, the event provided a platform for Asian Agri to demonstrate its commitment to sustainable agriculture through innovative seed development.

Asian Agri, in collaboration with the Tanoto Foundation and the Medan City Health Office, hosted Medan Sehat Bersama, a health initiative aimed at improving community well-being. This program reflects Asian Agri's commitment to corporate social responsibility by promoting public health awareness and access to essential medical services. Through this initiative, Asian Agri continues to support sustainable community development alongside its commitment to responsible palm oil production.

MEMBERSHIPS GRI 2-28

We have cultivated partnerships and memberships with of the following national and international organizations and associations:

No	Memberships
1	Roundtable on Sustainable Palm Oil (RSPO)
2	Fire-Free Alliance (FFA)
3	Tropical Forest Alliance 2020
4	Sustainability Assurance & Innovation Alliance (SUSTAIN)
5	Indonesia Employers Association (APINDO)

No	Memberships
6	Indonesian Palm Oil Producers Association (GAPKI)
7	Badan Kerja Sama Perusahaan Perkebunan Sumatera (BKSPPS)
8	Indonesian Bioenergy Power Producers Association (APLIBI)
9	Indonesian Germplasm Expedition Consortium
10	Oil Palm Genome Project (OPGP) Consortium

GRIEVANCE MECHANISM GRI 2-16, 2-25, 2-26

We are committed to addressing grievances brought forward by our stakeholders through a clear and transparent process, in accordance with our established grievance mechanism. Since 2014, we have formalized this mechanism to efficiently resolve issues and protect stakeholders from retaliation. Every grievance submitted has been diligently addressed in line with our grievance procedure, which is publicly available on our website.

We greatly appreciate the input from our stakeholders as a valuable means to improve the implementation of our Sustainability Policy. The grievances may pertain to areas such as land disputes, labor relations, human rights concerns, and Occupational Health and Safety (OHS) issues, among others.

We offer various reporting channels for grievances, which are available to both internal and external stakeholders:

For internal stakeholders:
Employees

Logbooks:
Placed in all Asian Agri's Plantations and mills. There are two types of logbook based on the topic issues for employee to share their concern:
a). Disruption Logbook: regarding disruptions to operations or hazardous work environment.
b). Compliant Logbook: regarding employee rights.

Email and telephone:
Employees may also file confidential reports through email and telephone to protect their anonymity. Posters about the Whistleblowing channel are displayed in every Asian Agri office.

For external stakeholders:
Goverment, Suppliers, Smallholders, NGOs, Media

Email, telephone, fax, or postal mail:
Grievance Submission Form can be submitted confidentially to raise their concerns on any issues, such as pollution, fires in our concessions, allegations of corruption, harassment or non-compliance. All reports will be treated confidentially and if deemed appropriate, updates will be made publicly available.

Critical concerns are also addressed through our internal grievance procedure and shared with the appropriate department head. If an issue is considered particularly critical, it can be escalated to the head of the HR Department through private discussions between the relevant department heads. If deemed necessary, the matter can be brought up in a larger group meeting, including with the Management Committee and the Managing Director. In 2024, there were no critical concerns reported that warranted the involvement of the Management Committee or the Managing Director, in line with Grievance Mechanism Procedur.

For additional details on our grievance reporting channels, please visit our website.

Process for Handling Grievance

Any received grievance will be identified and verified by our Grievance Committee, composed of key personnel from various functional departments. The committee oversees that all grievances—whether from internal or external sources—are properly acknowledged and addressed.

If a grievance is deemed valid, the relevant departments will conduct field verification. The committee will then develop a time-bound action plan to resolve the grievance. They will also monitor the progress of the plan and provide internal updates regarding the case.

In situations where grievances involve FFB suppliers, Commercial Department will carry out field verification, and if non-compliance is identified, the FFB supplier is required to implement corrective actions within three months. If the supplier fails to address the issue or comply with company policies, the FFB Department will consider imposing penalties or suspensions.

In 2024, there were four grievances raised by RSPO regarding hotspot detections. In response to the grievance submitted via email, our Fire, Estate, and Sustainability departments conducted on-site visits to verify the coordinates provided by RSPO, but these did not correspond to any hotspots.

All of our detailed and updated grievance information is published on our website.

SUSTAINABILITY CERTIFICATIONS

Sustainable palm oil certification schemes are essential to improve our market access and uncovering valuable opportunities and benefits for our business. The majority of our mills and kernel crushing plants have received certifications, such as the Indonesian Sustainable Palm Oil (ISPO), the Roundtable on Sustainable Palm Oil (RSPO), and the International Sustainability and Carbon Certification (ISCC). We actively apply the standards and principles of these certifications throughout our plantations and facilities.

Certification	Description
Indonesian Sustainable Palm Oil (ISPO)	A mandatory certification established in 2011 by the Government of Indonesia for all palm oil growers and millers in the country. · We have certified 100% of our plantations and mills in 2019
The Roundtable on Sustainable Palm Oil (RSPO)	A global multi-stakeholder initiative that provides an international standard for the management of sustainable palm oil. · We became a member of RSPO[5] in 2006. · We have certified 100% of our plantations in 2022. · We certified 20 out of our 23 mills in 2022. The remaining three are not included in the RSPO time-bound plan.
The International Sustainability & Carbon Certification (ISCC)	An international certification system established based on the European Union (EU) Directive aimed at implementing environmentally, socially, and economically sustainable production of bio-based feedstocks and renewables in global supply chains. · We have certified 100% of our plantations and mills in 2013. · We obtained waste and residue certification for 100% of our mills in 2021.
Kosher	The OU (Orthodox Union) Kosher is the world's largest and most widely recognized kosher certification agency, certifying over 1 million products in 105 countries around the world. · We have been Kosher certified since 2016 for our mills and kernel crushing plants.
Good Manufacturing Practices (GMP)	Certification scheme that provides independent verification and certification that the basic manufacturing practices and prerequisites necessary for the implementation of an effective Hazard Analysis Critical Control Point (HACCP) food safety program are being followed. · We have been GMP+ certified since 2015 for our palm kernel expeller products.
International Organization for Standardization 9001	Certification based on a standard developed and published by the International Organization for Standardization (ISO) titled "Quality Management Systems-Requirements". · We have obtained ISO 9001 certification for Asian Agri Learning Institute (AALI) and Topaz nursery (OPRS).
International Organization for Standardization 14001	International standard that specifies requirements for an effective environmental management system (EMS). It provides a framework that an organization can follow, rather than establishing environmental performance requirements. · We have obtained ISO 14001 certification for plantations and factories in 3 provinces: North Sumatra, Riau, and Jambi since 2005.
Green Gold Label (GGL)	Sustainable certification for biomass products that has been recognized and applied throughout the world. · We obtained the GGL certificate in December 2021, ensuring that our palm kernel shells (PKS) come from sustainable sources.
Halal Certification from Indonesian Ulema Council (Majelis Ulama Indonesia)	Certification ensuring compliance with Majelis Ulama Indonesia (MUI) / Indonesian Ulema Council Halal standards for our products. · We obtained Halal certification for all our mills in 2024, reaffirming our commitment to producing responsibly processed palm oil products that meet Halal requirements.

For more information on our participation in these certifications, refer to our company website.

[5] As Asian Agri is not a legal entity, we have registered our holding company, PT Inti Indosawit Subur to RSPO.

Sustainability Governance

MANAGEMENT APPROACH GRI 3-3

We represent a commodity sector that serves a demanding market and societal needs. The sustainability context is therefore established in how we approach our operations and products. Asian Agri's business activities inherently influence a broad spectrum of environmental, social, and economic outcomes. Our operations impact ecosystems, contribute to local community development, and interact with global supply chains, which underscores the importance of embedding sustainability into every aspect of our business. Sustainability Governance is key in this regard, as it helps maintain that we are aligned with current ESG practices that encourages ongoing improvement in the way we operate, how we manage our supply chain, and our influence and interaction with affected communities, including how we address impacts on their human rights.

On the environment, Asian Agri is and has been involved in protection initiatives, regardless of evolving sustainability trends. Throughout our operations, we actively limit deforestation, protect peatland with best management practices, and mitigate our forest fire risks. We also aim to empower local communities and improve societal welfare while embedding sustainability practices within and beyond our company. This requires key collaboration and partnerships with smallholder and external holders, which we pursue to maximize our positive impact.

Our established governance structure, upheld by our Sustainability Policy, oversees the progress towards our sustainability goals and our set targets for AA2030, supporting their achievement. Compliance, business ethics, anti-corruption and a collaborative mindset are key principles to our approach, as elaborated in the following sections.

BUSINESS ETHICS AND ANTI-CORRUPTION

GRI 2-15, 205-1, 205-2, 205-3, 206-1

Ethical conduct is an important priority for us. We adhere to a stringent Company Policy and the RGE Global Code of Conduct, with core elements that include a ban on burning, safeguarding workers' welfare, promoting equal rights, and maintaining a zero-tolerance stance on child labor, sexual harassment, and workplace violence. Both the policy and code serve as a comprehensive guide for employees and suppliers, outlining acceptable behaviors while strictly prohibiting corruption, bribery, anti-competitive practices, and fraud.

To address potential conflicts of interest, employees are required to avoid activities or relationships that might compromise impartiality. Any involvement in external business activities must receive prior written approval. Employees are instructed to report potential conflicts to their department or HR manager, escalated to the Managing Director if necessary. These guidelines are clearly stated in our Employee Handbook to prevent and mitigate conflicts, with non-compliance resulting in disciplinary actions, legal repercussions, or termination. Similar standards apply to new suppliers, who must disclose any relationships with employees during the registration process to maintain transparency. As of the reporting period, there were no identified or disclosed incidents related to conflicts of interest. This includes situations involving cross board membership, cross shareholding with suppliers or other stakeholders, the presence of controlling shareholders, or transactions and relationships with related parties.

Our commitment to fair competition is reflected in our strict policy against anti-competitive practices. Prohibited actions include price fixing, market sharing, bid rigging, and the exploitation of dominant market positions. Employees are expected to comply with Competition Laws in all business dealings, including interactions with competitors, trade associations, customers, and suppliers.

Our ethical standards are reinforced through multiple channels:

- Mandatory participation in annual refreshers and training on the Company Policy, including anti-corruption and anti-bribery measures for all employees.
- The policy is prominently displayed in offices and critical operational areas.
- Regular risk assessments in high-risk departments, such as procurement, commercial, finance, and estate and mill operations are conducted to identify and strengthen safeguards against corruption and fraud.

In 2024, we report zero incidents of corruption or anti-competitive behavior, underscoring our unwavering commitment to ethical and responsible business practices. No public legal cases regarding corruption were brought against the organization or its employees during the reporting period.

Our anti-bribery and corruption procedure can be read here.

COMPLIANCE WITH LAWS AND REGULATIONS GRI 2-27

Asian Agri is committed to conducting its business with the utmost integrity, with full adherence to Indonesia's laws and regulations. We develop and maintain Key Performance Indicators (KPIs) that support compliance and are ingrained in our company culture.

Compliance and sustainability are subject to ongoing monitoring and evaluation at the management level, supported by well-defined long-term programs. We conduct regular field visits for monitoring and implement internal audits to be carried out by a specialized team. These audits cover various areas, including compliance, finance, and operational practices such as water usage and waste management.

Tax compliance reflects our commitment to contributing to the development of the country and its communities where we operate. We rigorously adhere to Indonesian tax regulations such that our tax contributions are accurate, timely, and fully compliant with current laws. Internal processes are in place to maintain accountability and precision in all aspects of our tax obligations.

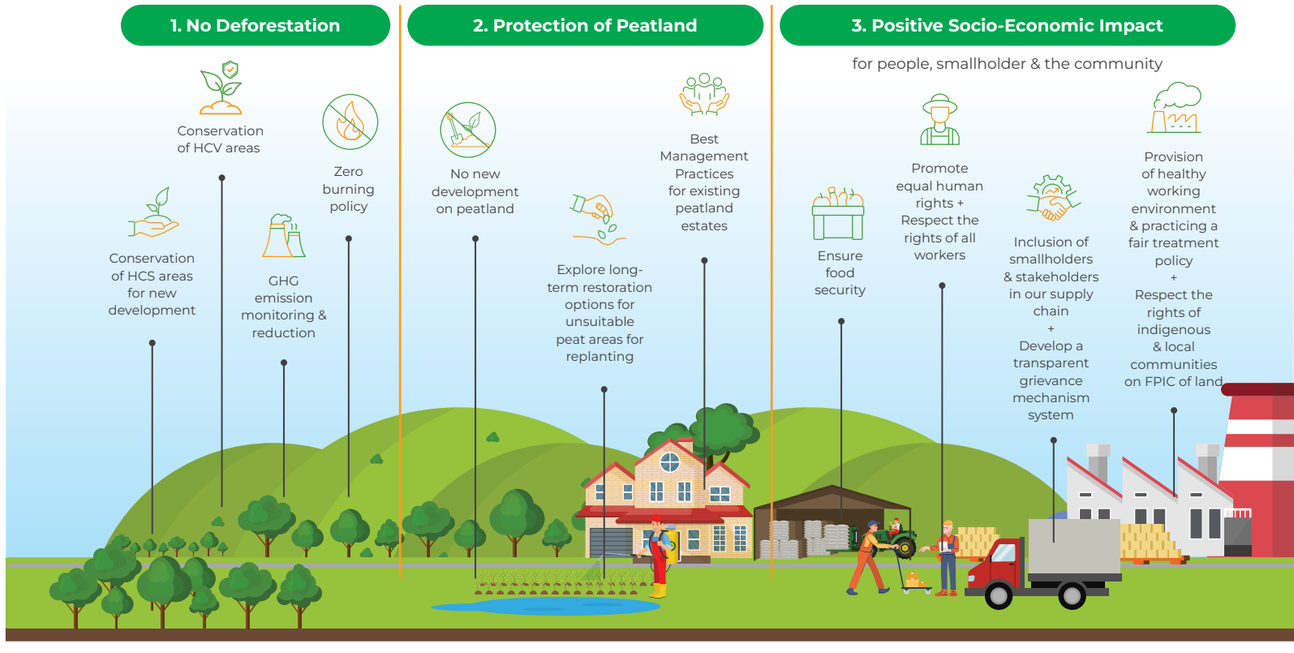
OUR SUSTAINABILITY POLICY GRI 2-23

Our Sustainability Policy underscores our commitment to producing palm oil and its derivatives in a manner that is responsible and sustainable. It encompasses our adherence to the principles of "No Deforestation, No Peat, and No Exploitation" (NDPE). It aims to protect areas of high conservation value (HCV) and high carbon stock (HCS), safeguard peatlands, and create positive socio-economic outcomes for individuals, smallholders, and communities.

*Since 2003, we have stopped the expansion of plantation land and maintained a planted area of approximately **94,000 hectares.***

We aim to improve yield without encroaching on new land or developing peatlands, a simultaneous abstain from deforestation and planting in areas cleared after our designated cutoff date.

Our estates have undergone comprehensive internal assessments and ongoing studies to verify their suitability for plantation activities. These evaluations that include high conservation value assessments, peatland mapping, social conflict mapping, and Social and Environmental Impact Assessments (SEIA), enables us to develop effective conservation and management strategies.



Zero Burning' and 'No-Peat' Policy

Preventing hotspots and fires is a fundamental priority for our responsible operations. We acknowledge the complexities and challenges associated with fire prevention and management within our industry and throughout Indonesia. In 1994, we established a strict 'zero burning' policy for all land clearing activities related to future replanting, positioning ourselves as early leaders in this initiative. This zero-burning approach is a cornerstone of Asian Agri's company policy and is mandated for our suppliers and smallholders as well.

We are equally aware of the significant risks associated with dry peatlands, which are highly flammable and can contribute to the spread of forest fires. To mitigate this risk, we have adopted a stringent 'no-peat' policy that explicitly prohibits any new developments on peatlands, regardless of their depth. Additionally, for existing plantations on peatlands, we implement best management practices, including maintaining water levels through responsible water management, applying sustainable land use techniques, and enhancing fire prevention measures.

For more information on our strategies for protecting peatlands, please refer to pages 89.

Fire extinguisher inspection

SUSTAINABILITY GOVERNANCE STRUCTURE GRI 2-9, 2-12, 2-13, 2-14, 2-17, 2-24

The significance of sustainability in Asian Agri is recognized at every level, from operational staff to management, reinforced through systematic efforts reflected in our KPIs and high-level annual reviews.

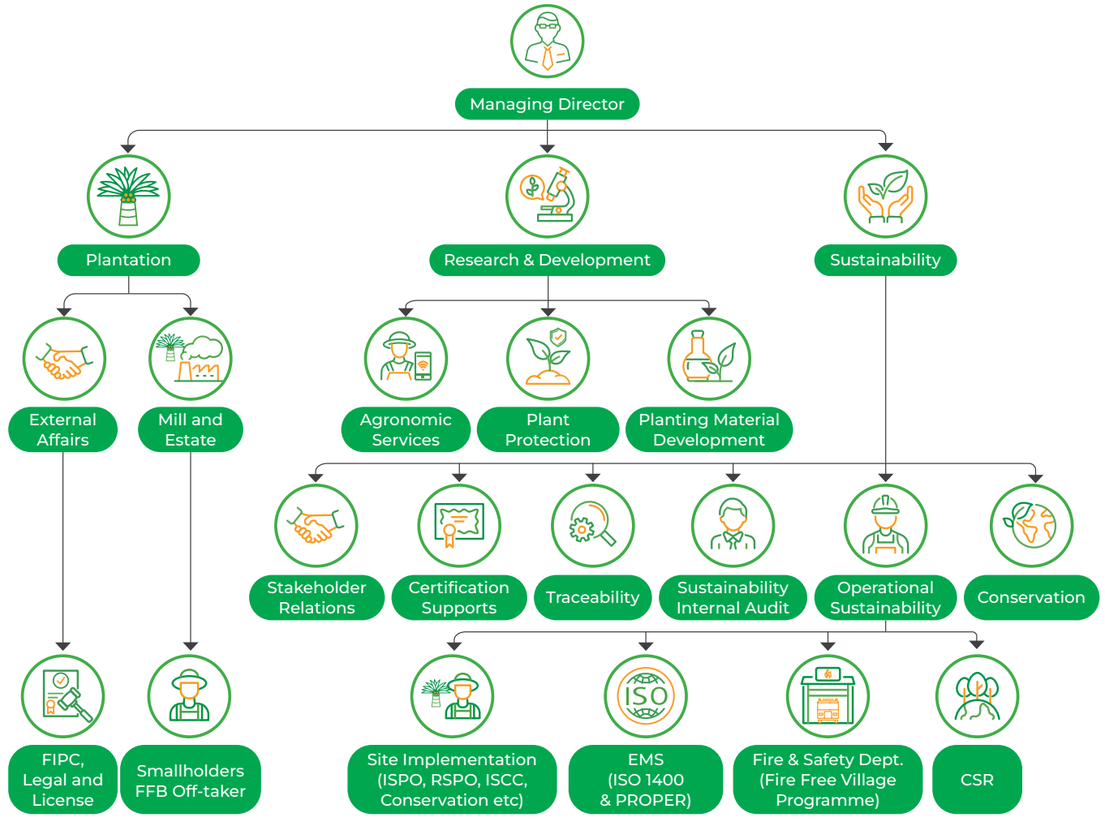
In 2005, Asian Agri formed a dedicated sustainability team tasked with developing an overarching sustainability strategy, setting goals and KPIs, and coordinating the execution of initiatives across various departments. The team's responsibilities cover critical areas, including:

- Maintaining existing certifications
- Exploring new certification opportunities to align with market demands
- Addressing sustainability challenges such as NDPE policies and grievance resolutions
- Responding to global and national sustainability trends and initiatives
- Supporting traceability projects and engaging with NGOs and other stakeholders
- Monitoring and reporting on sustainability operations across different platforms

The Sustainability Department is led by the Director of Sustainability and Stakeholder Relations, who reports directly to our Managing Director. The Managing Director's responsibilities include making pivotal decisions, allocating necessary resources, and overseeing the commitment to sustainability along with the implementation of the NDPE policy. The Department Head of Sustainability in turn provides regular updates on sustainability, which keeps the Managing Director informed on key topics, such as certification statuses, project advancements, performance monitoring, and sustainability reporting.

Additionally, our Sustainability Internal Audit team conducts rigorous internal assessments to prepare for external audits, supporting continuous improvement in our sustainability performance.

Our management recognizes the importance of continuous learning and knowledge-sharing to drive a sustainable palm oil industry. As sustainability-related topics evolve, shaping the industry landscape, we actively engage in workshops, seminars, and industry forums to stay ahead of emerging trends and best practices. The Managing Director and senior executives further enhance their collective knowledge through leadership programs and external advisory engagements, ensuring informed decision-making on sustainability matters. To strengthen our industry presence, we regularly send senior executives to key events such as the Indonesia Palm Oil Conference (IPOC). Additionally, we participated in the Indonesian Palm Oil Stakeholders forum, reinforcing collaboration within the sector. Beyond leadership engagement, our senior managers and team members also take part in sustainability leadership programs and technical skill-building initiatives, ensuring that sustainability principles are effectively embedded across all levels of our organization.



Our sustainability performance is evaluated and integrated into various benchmark ratings. Since 2015, we have undergone annual assessments through the Sustainable Palm Oil Transparency Toolkit (SPOTT). We have also submitted our responses to the CDP Forest (formerly known as the Carbon Disclosure Project) since 2018. In the latest disclosure cycle, we received a score of B for CDP Forest.

As part of our compliance initiatives, we actively participate in Program Penilaian Peringkat Kinerja Perusahaan dalam Pengelolaan Lingkungan Hidup (PROPER), also known as the Public Disclosure Program for Environmental Compliance, under Indonesia's Ministry of Environment and Forestry. Our mills' performance against PROPER indicators is continuously monitored by our digital platform.

ASIAN AGRI 2030 – OUR CONTRIBUTION TO THE SDGS GRI 2-22

Asian Agri is dedicated to aligning its operations with the United Nations Sustainable Development Goals (UN SDGs). This commitment supports Indonesia's broader development needs while addressing the specific priorities of local communities. To achieve this, we conducted an initial assessment to identify areas where our business strengths align with these goals. This process supports alignment with the criteria of all 17 UN SDG indicators.

In 2022, we introduced a new sustainability strategy called Asian Agri 2030 (AA2030). This framework is guided by clearly defined KPIs and targets to strengthen our alignment with the SDGs. AA2030 focuses on four main pillars; building partnerships with smallholders,

driving community development, advancing climate protection, and promoting responsible production practices. The progress made toward these AA2030 targets are presented at the start of each chapter.

SDG Target Aligned with AA 2030

Smallholder Partnership

Intensive Engagement with Smallholders for Better Livelihood

- **Double smallholder income** through replanting program.
- **100%** completion of smallholders' replanting program.
- **100%** ISPO certification for smallholders.
- **5,000** independent smallholders to be RSPO certified.

Inclusive Growth

Encourage Strong Participation to Achieve Best Quality of Life

- **Zero extreme poverty** surrounding our operational area.
- Establishment of Small-Medium Enterprises that covers more than **500,000 ha.**
- Provide **5,000** sets of school essentials to children through our **Bag-to-School** programme.
- **Optimize recovery** of waste oil.

Climate Positive

Promote Sustainable Palm Oil through Best Management Practices

- **One to One** restoration area.
- **Net Zero** emissions from land use.
- **Optimize methane capture facilities** for all mills.
- **100%** renewable energy for our operations.

Responsible & Sustainable Production

An Integrated Course of Action to Establish Sustainable Product

- **No new land use change** for plantations.
- Promote **eco green** for sustainable operations.
- Implementing **circular economy** best practices.
- Reduce **50%** pesticide usage.

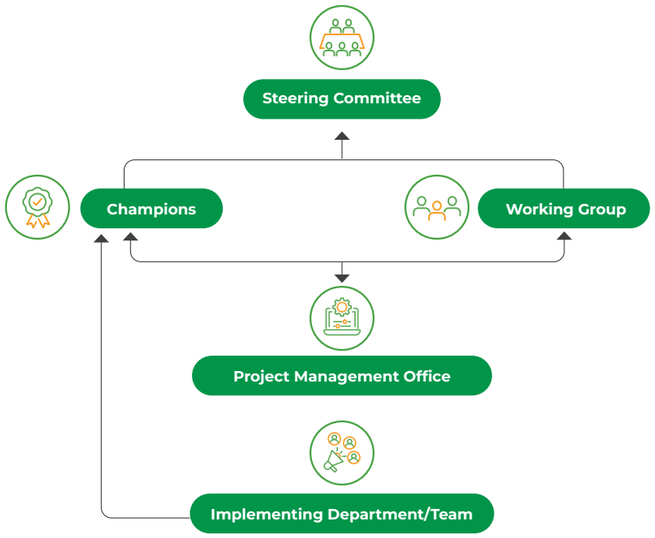
Further details on our AA2030 progress are available on our website.

AA2030 Governance

We have a dedicated governance framework that integrates AA2030 into our business operations. This framework is guided by a steering committee chaired by our Managing Director, with strategic support from RGE Directors. Together, they provide oversight and direction to drive the successful execution of the AA2030 strategy.

Operational leadership is entrusted to designated AA2030 Champions, including key figures such as the Head of Operations and the Head of Sustainability. These leaders drive the implementation of the strategy and are supported by the AA2030 Project Management Office, along with various Implementing Departments and Teams.

Our AA2030 working groups are also essential in its execution and ensuring its objectives are effectively communicated throughout the organization. Both the AA2030 Champions and working groups are required to submit regular progress and performance updates to the steering committee as an act of accountability and alignment with AA2030 objectives.



What's next?

1. Maintain compliance with Indonesian laws, regulations, and related certifications as well as uphold our Sustainability Policy.
2. Regularly assess our sustainability performance and develop strategies for enhancement based on continuous evaluations.
3. Stay informed about emerging trends and proactively anticipate future developments.

Smallholder Partnership

Asian Agri supported our cooperative throughout the land replanting process, starting with the submission of replanting documents in 2022, the disbursement of BPDPKS funds in August 2023, and finally, the initiation of replanting at the end of September 2023. Asian Agri representatives also visited several smallholder cooperatives, providing cattle and guidance on proper care. As part of this support, I received a male and female calf as a start-up investment, valued at IDR 20 million. Today, I own seven cattle, six of which are Bali Cattle. Female cattle can now sell for up to IDR 10 million each, while males range from IDR 17 to 20 million. Asian Agri has played a crucial role in ensuring a steady income for my family during the replanting period, providing both financial stability and long-term economic opportunities.

- ***Udiyono, an oil palm smallholder who partners with Asian Agri in Riau***

Smallholders are vital to our operation, supplying FFBs which contributes more than 50% of our total CPO production. We engage with more than 35,000 scheme and independent smallholders, extending our best practices to their own operations. We believe that our success is intricately linked to the development of our smallholder partners; their empowerment and sustainability awareness are key to our industrial and business strategy.

Through consistent and transparent engagement, we have established a supply chain that prioritizes both transparency and ethics, enhancing the traceability and sustainability of our products. We are committed to provide training, essential facilities, and market access to both scheme and independent smallholders in our operational areas, to enhance their productivity, financial returns, and their ability to manage environmental issues arising in their palm oil plantations.

Our approach to develop our smallholder partners aligns with our commitment to the Sustainable Development Goals (SDG), particularly SDG 1 (End poverty in all its forms everywhere), SDG 2 (End hunger, achieve food security and improved nutrition and promote sustainable agriculture), and SDG 8 (Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all).

AA2030 TARGETS AND PERFORMANCE FOR SMALLHOLDER PARTNERSHIP

AA2030 Target	Our Progress in 2024
Double smallholder income through replanting program (target yield 30 ton of FFB/ha)	**1.01x tons fresh fruit bunches (FFB)/ha** As of 2024 average productivity for all replanted plantations, from the baseline of 15 tons FFB/ha. One of the replanted KUD can already achieve 1.87x tons FFB/ha at 5 years old. The 2024 average productivity is lower than in 2023, primarily due to the inclusion of newly producing replanted areas aged between 2-4 years, which currently yield only 0.68x tons FFB/ha. These lower-yielding areas have brought down the overall productivity for the year.
100% completion of smallholders' replanting program	**Up to 31.5% completed** Replanted more than 18,900 ha of smallholder land since 2016, including 3,484 ha replanted in 2024 alone.
100% Indonesian Sustainable Palm Oil (ISPO) certification for smallholders[6]	**72% completed** 55 out of 76 KUDs have been ISPO audited and 37 KUDs have already obtained ISPO certificates. Of these, 11 certified in 2024 only. The other two KUDs have completed Audit Stage 1, while 16 others have reached Audit Stage 2.
5,000 independent smallholders to be Roundtable of Sustainable Palm Oil (RSPO) certified	**Up to 27% completed** 1,373 independent smallholders are RSPO certified by 2024. We started RSPO certification for independent smallholders in our Corporate Shared Value (CSV) program in 2020.

[6] ISPO certification for smallholders is still a voluntary scheme until 2025 (referring to Presidential Regulation No. 44/2020)

Smallholder Empowerment

MANAGEMENT APPROACH GRI 3-3

At Asian Agri, we see ourselves as pioneers in partnering with smallholders, having established and maintained strong, collaborative relationships for over 35 years. Our core belief is in fostering mutually beneficial connection that support both our business growth and the development of smallholders and local communities. This approach has led to lasting positive impacts on the local economy, environment, and community welfare, while respecting the human rights of smallholders.

We acknowledge smallholders manage around 40% of the nation's oil palm planted area, making them central to our community-focused strategy.[7]. In addressing the challenge of declining yields, we prioritize replanting initiatives and encourage smallholders to adopt advanced agricultural techniques and superior seed varieties, such as our TOPAZ seeds which have been approved and certified by the Ministry of Agriculture of the Republic Indonesia.[8] While financial readiness remains a challenge for smallholders, collaboration with stakeholders, such as *Badan Pengelola Dana Perkebunan* (BPDP), is established to provide support. Our primary goal is to enhance CPO production per hectare as a key measure of productivity.

We aim to achieve both lasting and positive outcomes with smallholders in these areas:

Economic Impact

Contribute to the Government of Indonesia's strategic plan for sustained economic growth and rural development.

Social Impact

Improve smallholder livelihood, finances, and entrepreneurship, contributing to their increased overall quality of life.

Environmental Impact

Increase yield productivity without further land expansion, promote alternative land clearing methods, prohibit the use of fires, and implement sustainable farming practices.

Doubling smallholder income through replanting program

At Asian Agri, we strive to improve the livelihood of smallholders with an ambitious goal to double the income by 2030. We aim to achieve this primarily through our replanting program aimed at doubling the smallholders' yield productivity from a baseline of 15 tons of FFB per hectare to a target of 30 tons FFB per hectare. Currently, decreasing productivity is influenced by aging trees and difficulties in harvesting tall palms, resulting in a baseline yield of 15 tons of FFB per hectare. To address this and increase the amount of FFBs twofold, we monitor the average yield productivity among smallholders participating in the program annually. This also includes facilitating their access to Topaz seeds, ensuring the implementation of best management practices, and providing support to cultivate the oil palm effectively to enhance productivity.

100% completion of smallholders' replanting program

Asian Agri is committed to support 100% of smallholders, or approximately 60,000 ha, to complete the replanting program by 2030. Since our first replanting efforts in 2016, we have provided support for 18,930 ha, representing 31.5% of the smallholder area. We demonstrate the significance and advantages of replanting to smallholders through the use of our high-quality Topaz seeds that improve and produce substantial yield. To support the success of this approach, we monitor and assist smallholders in managing their land with the same care as our own estates. We apply best management practices (BMP) and utilize the same fertilizers and pesticides when necessary. This commitment to improved management is expected to result in increased yields.

[7] https://www.solidaridadnetwork.org/wp-content/uploads/2023/04/Briefing-paper-EUDR-and-palm-oil-smallholders.pdf
[8] https://www.asianagri.com/en/business/topaz-seeds/

100% Indonesian Sustainable Palm Oil (ISPO) certification for smallholders

We empower our smallholders by providing the necessary support for them to comply with sustainability standards, particularly through government-mandated certifications like the Indonesian Sustainable Palm Oil (ISPO). This certification is specifically designed for Indonesia and emphasizes adherence to local regulations while promoting sustainability within a national framework. Our journey began in 2017 when our independent smallholders, members of the Amanah Association, achieved the first-ever ISPO certification. This was followed by tsecuring ISPO certification for our scheme smallholders in KUD Bukit Potalo in 2018. We are actively pursuing ISPO certification as required by the government, with a goal of achieving 100% certification for all smallholders by 2030. Our team is strengthened to provide support and guidance to our smallholders throughout the certification process as well as constant reminders of its mandatory requirement and.

5,000 independent smallholders to be Roundtable of Sustainable Palm Oil (RSPO) certified

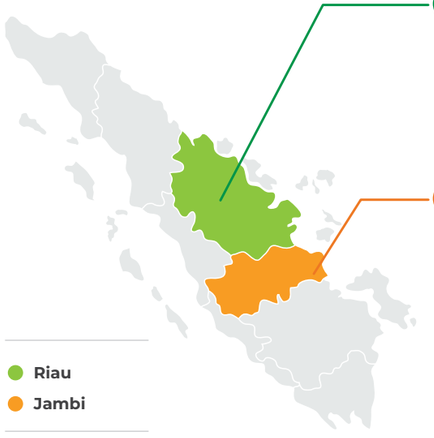
In addition to ISPO, we are committed to help our smallholders meet sustainability standards through the Roundtable on Sustainable Palm Oil (RSPO) certification. Our journey commenced in 2012 when we received the initial certification for our scheme smallholders. By 2017, we had successfully assisted in certifying 100% of our scheme smallholder plantations in Riau and Jambi. As part of our AA2030 target, we aspire to obtain RSPO certification for 5,000 independent smallholders by 2030, further solidifying our dedication to fostering sustainable palm oil cultivation and enhancing the livelihoods of our smallholder communities. Similar to the ISPO, we offer extensive support and guidance to independent smallholders throughout the RSPO certification process and explain the benefits of obtaining the certification.

ASIAN AGRI'S JOURNEY IN EMPOWERING SMALLHOLDERS

We work with two categories of smallholders to drive sustainable growth: scheme smallholders and independent smallholders,

Scheme Smallholders

Scheme smallholders or plasma smallholders, are part of Indonesian Government's Plasma Transmigration Program (Perkebunan Inti Rakyat), established in 1987 to relocate rural farmers to palm oil cultivation areas. Each rural farmer was allocated two hectares of land for oil palm cultivation with an additional 0.5 hectares for housing and agriculture. Asian Agri was an early participant of the program and we now partner with these smallholders through contractual or credit agreements. These scheme smallholders are located in Riau and Jambi.



Riau	
Regency	**District/Village**
Pelalawan	Ukui, Buatan, Penarikan
Kampar	Gunung Sahilan
Indragiri Hulu	Peranap

Jambi	
Regency	**District/Village**
West Tanjung Jabung	Tungkal Ulu
Batang Hari	Muara Bulian
Tebo	Bunga Tebo

Scheme smallholders from Riau and Jambi in 2024

Scheme Smallholders	Riau	Jambi	Total
Number of scheme smallholders	14,718	12,357	27,075
Number of scheme smallholder groups	691	522	1,213
Number of scheme smallholder cooperatives	38	38	76
Total planted area by scheme smallholders (Ha)	29,436	23,449	52,885

Our initiatives to support scheme smallholders can be found on pages 37-40.

Independent Smallholders

Independent smallholders operate without contractual relationship with companies or organizations, and act independently on how they finance and manage their plantations. This results in a diverse range of plantation holdings. Many of these smallholders, particularly those with smaller landholdings, face challenges in accessing sustainable practices, quality planting materials, and financial resources.

Our initiatives to support independent smallholders can be found on page 40-42.

Milestones

The following timeline highlights key milestones that we have achieved in our journey.

1987
Pioneered scheme in Riau and Jambi through the Indonesia government's Transmigration Program (PIR-Trans)

1991
Successfully developed the land and handed ownership of our first scheme plantation back to smallholders

2005
Imposed a moratorium on forest clearance and peatland development, including for all our smallholder partners, and have continued to focus on improving productivity in the existing land we manage

2012
Launched our independent smallholders program in North Sumatra, Riau and Jambi, building on our successes of working with scheme smallholders

2013
Achieved milestone of having Indonesia's largest number of smallholder partners with ISCC and RSPO certification

2014
100% of our scheme smallholders achieved ISCC certification

2015
Our scheme smallholders started replanting program

2017
Our independent smallholders with Amanah Association became the first to be ISPO certified

100% of our scheme smallholders fully repaid the loans they received from us in 1987

100% of our scheme smallholders achieved RSPO certification

2018
Succeeded in achieving our 'One to One' (1:1) partnership commitment, where 1 Ha of our own plantations is matched with 1 Ha of smallholder plantations

Achieved our first ISPO certificate for a scheme smallholder (KUD Bukit Potalo)

Our independent smallholders started replanting program

2019
100% of the palm oil produced by our scheme smallholders were ISCC and RSPO certified

2020
Launched the Smallholder Inclusion for better Livelihood & Empowerment program (SMILE) project, a collaboration between Asian Agri, Apical and Kao

2021
Our smallholder program was featured by Grow Asia, a non-profit set up by the World Economic Forum and the ASEAN Secretariat, as a case study of responsible investment in Indonesia's palm oil sector

2022
Secured our first ISPO certification in Jambi (KUD Makmur Rezeki)

Established our commitment to secure ISPO certification for our scheme smallholders as part of our AA2030 pillar

2023
Awarded the PSR Award for outstanding FFB productivity by the Ministry of Agriculture

2024
Distributed over IDR50 billion since the premium sharing program began

Supporting Our Scheme Smallholders GRI 203-1, GRI 203-2, GRI 413-1, 13.23.4

We aim to help scheme smallholders maintain high production levels through our dedicated smallholder programs. Our initiatives include funding scheme smallholder programs by allocating a portion of the premiums earned from sustainable palm oil. This enhances their operational performance and simultaneously promote sustainable practices. We distributed the premium sharing, which was provided in kind. This means the support was delivered through goods, services, or assistance rather than direct cash.

In 2024, a total of

IDR5.37 Billion

was allocated for premium sharing to fund various programs, which include but are not limited to:

- **improving agronomic skills and knowledge**
- **enhancing livestock cultivation**
- **renovating and building village and plantation infrastructures**

The decrease from 2023 is due to the realization of programs from 2022 carried over to 2023, making the premium sharing in 2023 higher than 2024.[9]

In 2024, gross earnings of smallholders in Riau were approximately 1.8 times the provincial minimum wage, while those in Jambi earned about 1.7 times their provincial minimum wage. Since 2021, our smallholders in both provinces have consistently earned gross incomes of at least 1.7 times the provincial minimum wage, safeguarding their financial stability. By working together with our smallholders, we commit to improve their welfare and promote sustainable economic growth in their communities through the oil palm industry.

Scheme smallholder income trends compared with provincial minimum wage in IDR*

* These figures are based on FFB volume supplied by smallholders in 2024.
[9]The premium sharing is separate from the CSR budget and is aimed at smallholders, for which the total amount of assistance is not disclosed.

Establishing Strong Partnerships through our Plasma Management Team

*Our Plasma Management Team consists of over **150 specialized** personnel of Asian Agri who comprehensively oversee our scheme smallholder programs.*

Our Plasma Management Team is responsible for engaging with our smallholder cooperatives to provide technical and commercial supports, including the management of FFB sales and daily monitoring of our Best Management Practices (BMP) guidelines while also ensuring compliance with certification standards such as ISPO and RSPO. Through our Plasma Management Team, we seek to establish strong partnerships based on trust and transparency with our scheme smallholders.

Under the leadership of the Plasma Manager, the team conducts regular meetings with representatives from scheme smallholder cooperatives and farmer groups to maintain open, transparent, and direct communication between Asian Agri and our scheme smallholders. Engagement methods include counselling, price discussions, and providing access to fertilizers, with visits occurring 2-3 times a week at different cooperatives and follow-up visits every month or two. The team consists of office staff who handle administrative tasks and data collection, while field staff, primarily foremen, manage fruit collection and logistics. These gatherings serve as a platform to discuss technical challenges or grievances they might have.

Our Scheme Smallholder Empowerment Programs

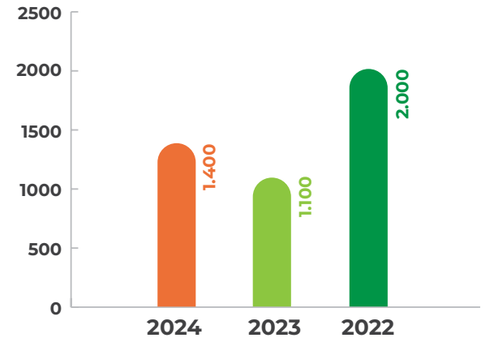
- Knowledge Sharing on Palm Oil Management
- Obtaining Sustainability Certifications
- Replanting
- Fire Awareness and Prevention

Knowledge Sharing on Palm Oil Management

We hold knowledge-sharing sessions with our smallholders regularly to improve their understanding of industry best practices. We maintain ongoing communication to thoroughly understand their needs and deliver essential support. Specialized assistance is also extended to smallholders with limited resources to develop their smaller-scale plantations. In 2024, we successfully provided training sessions to at least 1,400 smallholders and their representatives. Our dedicated team at Asian Agri frequently conducts educational and training sessions that focus on five key areas:

1. Oil palm best management practices;
2. Update training on ISPO and RSPO certification;
3. First aid and occupational health, safety, and environment (OHSE) practices;
4. Fire prevention techniques; and
5. Replanting programs, including comparative studies with other smallholders.

Smallholders and representatives training attendants in 2022-2024



Obtaining Sustainability Certifications GRI 13.23.3

We empower smallholders to meet our sustainability standards by assisting them in obtaining certifications such as the RSPO, the ISPO, and the International Sustainability and Carbon Certification (ISCC).

Our support extends to the preparation of their plantations to meet the criteria. Such initiative is beneficial to smallholders, as it includes specialized training, continuous support, and guidance throughout the certification assessment process. Attaining these certifications enables smallholders to command a premium price for their produce that result in increased profits. The additional income can be reinvested into their operations in the form of external trainings and workshops, improved infrastructure for cooperative buildings and supporting facilities, and diversified

income streams through livestock farming, all of which contribute to an improved quality of life.

It is important to note that certifications are issued both for the plantations and the produced oil. Currently, all our scheme smallholders' plantations are RSPO and ISCC certified. As part of our AA2030 goals, we aim to have all cooperatives under scheme smallholders certified by ISPO and achieve RSPO certification for 5,000 independent smallholders by 2030.

Overview of Asian Agri's targets and progress on the certification for smallholders

Certification	Asian Agri's Journey	Target	Progress
	• In 2012, we received the first RSPO certification of our scheme smallholder. • In 2017, we assisted certifications for 100% of our scheme smallholder plantations in Riau and Jambi.	RSPO certification for 5,000 independent smallholders by 2030.	Certified 534 independent smallholders in 2024.
	• In 2017, our independent smallholders in Amanah Association obtained the first ever ISPO certification for independent smallholders in Indonesia. • In 2018, we achieved the first ISPO certification for our scheme smallholders in KUD Bukit Potalo.	Begin ISPO certification as mandated by the Government by 2024. 100% ISPO certification for smallholders by 2030.	18 cooperatives (KUD) audited for ISPO certification in 2024 alone. 11 of them were certified in 2024.
	• In 2013, we achieved the first certification for our scheme smallholders. • In 2014, we completed 100% of the certifications for our scheme smallholders.	Maintain the certifications of scheme smallholders.	Maintain the certifications of scheme smallholders.

Replanting

In line with AA2030 targets, Asian Agri is committed to support 100% of smallholders, or approximately 60,000 ha, to complete the replanting program by 2030. After replanting, oil palm trees typically require up to three years to produce fruit, which often results in a significant income decline for smallholders from their inability to sell FFBs during this period. This financial pressure may lead smallholders to postpone replanting and further affect oil palm production.

Our comprehensive replanting program supports smallholders in three main areas:

- **Financial Assistance:**
  We facilitate scheme smallholders' access to Topaz seedlings and their funding for replanting resources. Asian Agri serves as a guarantor for smallholders seeking loans from banks, financial institutions, or the Indonesian Plantation Fund Management Agency (BPDP). We also collaborate with public institutions like BPDP to provide similar financial aid, acknowledging the national significance of the replanting program for sustainable palm oil. Improved access to funding enables the smallholder to purchase high-quality seeds, which are essential to improve harvests and overall productivity, considering the 25-year productive lifespan of oil palms.

- **Land Preparation:**
  We assist smallholders in preparing their land for replanting as part of our commitment to sustainability. This six-month process includes responsibly felling old trees, chipping wood, tilling and fertilizing soil, setting up planting points, and holding soil.

- **Alternative Livelihood Sources:**
  We understand the financial challenges during the growth period of new oil palms. As such, we assist smallholders to diversify and find alternative income sources, including the provision of livestock (such as cattle, day-old chickens, fish, goats, cows, and stingless honeybees, locally known as kelulut), as well as vegetable seeds for farming. We also support the development of non-agricultural ventures like handicraft production. Our goal is to support smallholders' well-being as they navigate this waiting period during the growth of new oil palms.

Cooperatives (*Koperasi Unit Desa*/KUD) Joining or Continuing Replanting program in 2024

Location	Cooperative
Ukui, Riau	• KUD Sawit Subur • KUD Trani Maju • KUD Mekar Abadi • KUD Karya Tani
Buatan, Riau	• KUD Jaya Makmur • KUD Sumber Rezeki • KUD Bhirawa Bakti
Peranap, Riau	• KUD Bukit Makmur
Tungkal Ulu, Jambi	• KUD Sawit Mulia • KUD Bina Usaha • KUD Sawit Kita
Muara Bulian, Jambi	• KUD Barokah • KUD Budi Sari • KUD Makmur Rezeki

Fire Awareness and Prevention

We work closely with our smallholders to improve their knowledge and skills in utilizing alternative land-clearing methods, in alignment with our zero burning policy. This initiative includes the provision of heavy machinery and training to facilitate land clearing without relying on slash-and-burn practices.

For more details on Fire Awareness and Prevention, please refer to the Fire-Free Village Program section on pages 90-92.

Supporting Our Independent Smallholders

GRI 13.23.3, 13.23.4

The plantation sector in Indonesia encounters challenges in independent smallholders' adoption of sustainable practices, which often leads to lower profit from lower yields. They arise from the limited awareness of sustainable practices, insufficient management support, and restricted access to funding.

We consider smallholders as vital partners in our supply chain, contributing approximately half of our FBB supply. This partnership is strategic and enables collaboration with independent smallholders while ensuring a stable supply from our own plantations and scheme smallholders.

To support independent smallholders, Asian Agri has initiated various programs, such as the Corporate Shared Value (CSV) since 2012 and Smallholder Inclusion for Better Livelihood & Empowerment (SMILE) program. In 2024, independent smallholders supplied 43.7% of Asian Agri's total FFB demand. Of this, 12.9% came from our CSV program, contributing 5.7% to the overall FFB received.

Corporate Shared Value (CSV) Program

Our CSV program currently assists 7,555 independent smallholders across North Sumatra, Riau, and Jambi, overseeing a combined total of 34,843 hectares of land.

Independent Smallholders Across North Sumatra, Riau, and Jambi in 2024

Independent Smallholder under Corporate Shared Value	North Sumatra	Riau	Jambi	Total
Number of CSV smallholders	2,134	1,536	3,885	7,555
Total planted area by CSV smallholders (ha)	14,311	5,268	15,265	34,843

This program is built upon the successes of our scheme smallholder initiatives, aiming to extend our resources to support independent smallholders, which includes:

- Training offers on best practices in palm oil production and management;
- Support in forming legal entities or cooperatives;
- Improved access to quality seeds, equipment, and funding for replanting; and
- Guidance in obtaining sustainability certifications.

*In 2024, our efforts enabled **1,373** smallholders to pursue the RSPO Certification through the RSPO Independent Smallholder Standard (RISS) certification scheme.*

Our efforts facilitated 1,373 smallholders to pursue RSPO Certification through the RSPO Independent Smallholder Standard (RISS) certification scheme by the end of 2024, achieving 27.46% of the AA2030 target. As part of the same initiative, 534 independent smallholders successfully attained RSPO certification during 2024 alone.

The Smallholder Inclusion for better Livelihood & Empowerment (SMILE) Program

The SMILE program is a collaborative initiative involving Asian Agri, Apical, and Kao. Launched in 2020, this partnership spans the supply chain, with Asian Agri as an upstream producer, Apical as the mid-stream processor, exporter, and trader, and Kao as the downstream producer.

The program aims to support approximately 5,000 independent smallholders managing about 18,000 hectares in North Sumatra, Riau, and Jambi by 2030. Through tailored engagements, webinars, and workshops, our specialists provide guidance to these smallholders on yield improvement, effective management of their estates, sustainability certifications, and ultimately benefit from the returns from certified palm oil production. By doing so, the program seeks to enhance smallholders' welfare through better prices for certified palm oil while addressing their limited bargaining power and vulnerability to market fluctuations. It seeks to create a collaborative platform for a more sustainable and traceable supply chain.

To support RSPO certifications within this program, we partner with various organizations. Since 2021, we have collaborated with FORTASBI[10] to manage KUDs in North Sumatra and Riau. The work in Riau was completed in 2023, while the partnership for North Sumatra is still ongoing. We have also cooperated with Yayasan Setara Jambi and Bentang Oasis for KUDs in Jambi. These partnerships are crucial to equip independent smallholders with the necessary resources to meet the sustainable palm oil production standards as outlined in RISS.

[10] Forum Petani Kelapa Sawit Berkelajutan Indonesia

Structured in three phases from 2021 to 2030, the SMILE program is dedicated to helping smallholders obtain RSPO certification and secure direct premiums from Kao as the buyer. Our goal is to empower independent smallholders to become self-reliant and adopt sustainable practices in their oil palm plantations. We provide customized support to help them both obtain and maintain their RSPO certificates.

Benefits of the SMILE Program to PKMB Cooperative: Highlighting a Fruitful Partnership

Novie Zulhi, an independent smallholder from the Smallholder Inclusion for Better Livelihood & Empowerment (SMILE) program, received recognition for his cooperative as a Newly Certified Independent Smallholder Group for 2023/2024. Under Novie's leadership, the Perkumpulan Kotani Mandiri Bersama (PKMB) cooperative has expanded significantly. Initially, PKMB comprised 211 members managing 330 hectares of oil palm plantations. Since achieving RSPO certification in 2023, the cooperative has grown to 471 smallholders overseeing over 750 hectares, with plans to certify the remaining land by December.

The SMILE program has engaged 3,489 independent smallholders since its launch in 2020, focusing on improving welfare and economic stability by addressing productivity challenges. The program emphasizes Good Agricultural Practices (GAP) and promotes sustainable, climate-resilient farming techniques. Novie's achievement highlights the program's success in enhancing smallholders' livelihoods, enabling them to benefit from premium prices offered by Kao for their certified products, which supports essential needs like fertilizers and pesticides.

Company leaders, including Ivan Novrizaldie from Asian Agri and Chandramohan Nair from Apical, emphasized the collaborative efforts behind the SMILE program and its role in promoting sustainability throughout the supply chain. The achievement of 1,373 RSPO certifications reflects significant progress towards building a sustainable palm oil industry that benefits all stakeholders.

What's Next?

- We will increase our support for smallholders through improved communication, stronger collaborations, and the effective use of our Topaz seeds to increase FFB yield productivity, allowing our smallholders' replanting program to reach 30 tons of FFB per hectare across 60,000 hectares of replanting land by 2030.
- We will expand our support for smallholders through effective preparation for their plantations. This includes providing specialized training and continuous guidance throughout the certification assessment process to support the remaining 28% of our scheme smallholders achieve ISPO certification and 73% of our independent smallholders obtain RSPO certification.
- We aim to expand our CSV program by prioritizing outreach and guidance for independent smallholders, supporting them in enhancing their livelihoods through RSPO certification. Our goal is to achieve a 50% increase in the total number of certified smallholders beyond the initial target.
- We will enhance our performance through third-party monitoring by gathering constructive feedback from smallholders, experts, external consultants, NGOs, and certification bodies regarding our progress and performance to date, while ensuring we address any grievances effectively.

Responsible Supply Chain

MANAGEMENT APPROACH GRI 3-3

At the core of Asian Agri's ability to provide products to customers lies a steadfast commitment to a responsible supply chain. It puts us on the path of ensuring human rights violation prevention within the supply chain and emphasizes safe working conditions and zero tolerance for child and forced labor. It is a key to minimize environmental and social impacts while adhering to sustainable, ethical, and equitable practices.

A cornerstone of this commitment is traceability, which provides global customers with confidence in the integrity and the sustainability of the company's palm oil products. Asian Agri began implementing a traceable supply chain in 2014, part of our efforts to be attuned and prepared for heightened regulations, such as the European Union Deforestation Regulations (EUDR). Our proactive approach involves mapping the supply chain, conducting site visits to FFB suppliers' oil palm plantations, listing out compliance documents, and conducting verification using GPS coordinates to overlay the National Spatial Map of Indonesia, which ultimately lead to the implementation of polygon mapping for FFB suppliers.

We embrace technological advancements and digital solutions to enhance traceability efforts through our own geographic information system (GIS) team. This is planned to be focused on the process of working closely with smallholders, which requires additional efforts and careful alignment with established criteria. Through digital innovations, Asian Agri aims to develop a more efficient, accurate, and dependable system to track its supply chain.

Our FFB and Palm Kernel (PK) Suppliers

We source from a total of 194 suppliers, representing a diverse group ranging from smallholders managing plantations under 25 hectares to outgrowers with plantations exceeding 25 hectares. These suppliers deliver their produce to our mills through various channels, including:

- **Direct:** Smallholders sell their produce directly to Asian Agri (46% of total suppliers)
- **Group:** Smallholders gathered through associations and cooperatives such as *Koperasi Unit Desa* (KUD), Asosiasi, and *Gabungan Kelompok Tani* (Gapoktan) to sell their produce through these organizations (21% of total suppliers)

- **Agents/Dealers:** Independent intermediaries facilitating transactions (33% of total suppliers)

In addition, our Kernel Crushing Plants (KCP) source PK from both company-owned mills and third-party mills situated in North Sumatra, Riau, and Jambi. The table below provides a list of our KCP suppliers:

KCP Suppliers

Region	2024	2023	2022
North Sumatra	24	19	13
Riau	24	16	6
Jambi	14	8	8
Number of suppliers[1]	62	43	27

In 2024, we saw a decrease in new FFB and PK suppliers compared to 2023. This decline was due to a reduced availability of FFBs that resulted from the year's low crop cycle and increased competition from new palm oil mills. Meanwhile, our total PKs still increased compared to 2023 figures, as we broadened our supplier base to address the challenge of each supplier providing relatively small quantities. The table below highlights the number of new suppliers over the past three years:

Asian Agri New Suppliers Over the Last Three Years

	2024	2023	2022
New FFB Suppliers	24	28	41
New PK Suppliers	20	23	9

[1] Some suppliers are supplying to more than one KCP, so the total might not be the sum of each region.

Asian Agri has implemented the Asian Agri Connected Mill (AACM) system to track the amount of FFB sent to its palm oil mills for better efficiency.

Commercial Department

In 2014, we established a Commercial Department to oversee the traceability of FFBs and PKs across our operations and supply chain. The Department consists of two key roles: FFB and PK Sourcing Officer and FFB Quality Officer—both reporting directly to the Sourcing Manager.

The FFB and PK Sourcing Officer plays a critical role in identifying potential suppliers, verifying their documentation, conducting site visits, and engaging with them to help full compliance with our sustainability policies and requirements. On the other hand, the FFB Quality Officer is dedicated to monitoring the quality of FFBs delivered to each mill.

Together, these helps maintain a sustainable supply chain while upholding the highest quality standards.

MAINTAINING 100% TRACEABILITY

GRI 13.23.2, 13.23.3

FFB Traceability to Plantation Level

For Asian Agri, ensuring traceability is a cornerstone of our commitment for a sustainable supply chain, as it enables us to track our FFBs and products back to their source plantations. This guarantees legal sourcing while ensuring production in areas are free from environmental and social conflicts.

We publicly committed to achieving 100% FFB traceability in 2014, and since 2017, we have fully realized this goal at the plantation level. Our strategy is anchored in a robust framework for supplier identification and engagement, supported by comprehensive sourcing guidelines. To promote responsible sourcing, we have established a Standard Operating Procedure (SOP) for FFB sourcing, along with an internal FFB Sourcing Policy that guides our procurement processes. It serves as an essential internal reference to uphold compliance and traceability standards. By utilizing advanced technology, remote sensing, and online monitoring tools, we acquire accurate and up-to-date traceability information. This not only strengthens our operations but also empowers our smallholders, improving their monitoring, management and access to financial resources.

We continuously strive to enhance the collection and traceability of data from all suppliers while maintaining meticulous documentation of our FFB sources. To support this, our GIS team assists suppliers in mapping data, strengthening traceability and monitoring efforts.

The timeline below highlights the significant steps towards achieving complete FFB traceability to plantations:

Asian Agri Traceability Initiatives and Milestones

2014

- Publicly pledged to achieve FFB traceability to plantations.
- Began our journey by identifying and listing our FFB suppliers.

2016

Partnered with The Sustainable Trade Initiative (IDH) and Yayasan Setara Jambi to support traceability initiatives for independent smallholders in Jambi.

2017

- Successfully reached 100% FFB Traceability to plantations.
- Established a Commercial Department to further drive our traceability goals.

2018

Completed a third-party assurance process for our 100% FFB Traceability through Meo Carbon Solutions – SNV, covering 20,000 smallholders in North Sumatra and Riau Provinces.

2019

Released a joint statement between Asian Agri, Meo Carbon Solutions and SNV to provide assurance for 100% FFB Traceability.

2020

Mapped and traced 10,000 independent smallholders to their plantations, marking the successful conclusion of our collaboration with IDH and Yayasan Setara Jambi.

2023

- Enhanced traceability systems through digitalization to align with EUDR compliance preparation.
- Re-verified GPS coordinates of oil palm plantations from FFB suppliers, focusing on creating polygon maps for plantations over four hectares and confirming compliance for smaller plantations.

Refer to pages 32 and 39 to see the percentage of smallholders who have obtained sustainability certifications, the majority of whom supply our FFB.

PK Traceability to Mill Level

Since 2017, We have consistently maintained a 100% PK traceability for our mills, ensuring that all our PK suppliers for our KCPs are fully traceable.

Verified information regarding our suppliers and their location is readily accessible on our website.

ENSURING SUPPLIER COMPLIANCE

GRI 2-23, 2-24, 205-2, 308-1, 308-2, 414-1, 414-2

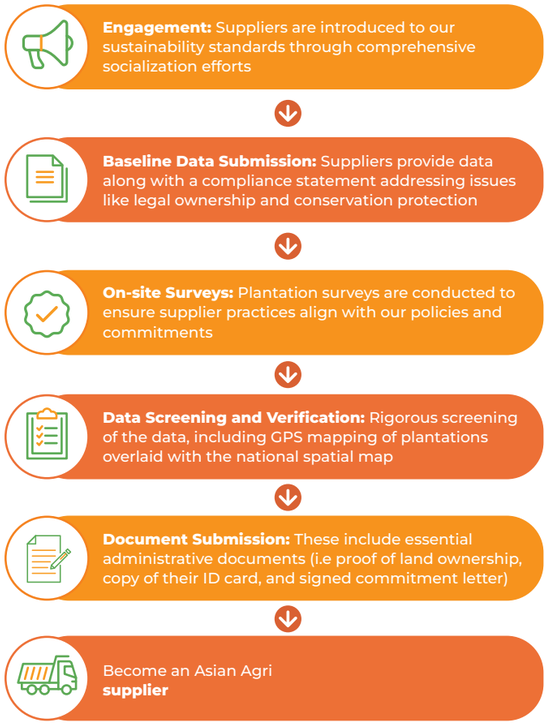
Adherence to our sustainability standards is critical to fostering a collaborative effort throughout the supply chain to achieve our sustainability objectives. To guarantee supplier compliance, we focus on two key approaches: engaging suppliers with our sourcing policies and actively monitoring their practices.

These processes are particularly necessary for independent smallholders, who are newer partners compared to scheme smallholders with whom we have built long-standing relationships.

1. **Engagements on Sourcing Policy**

   Independent smallholders introduced to our sustainability requirements at the outset of their partnership with us. These standards align with our NDPE policies and sourcing guidelines.

   At this stage, our smallholders provide their data and information, verified through rigorous checks to facilitate compliance with our standards. The steps of this process are outlined in the chart below:



Key data requirements from our suppliers include the following:

- Supplier name and address (personal or legal entities);
- GPS coordinates of plantations and mills;
- Plantation area in hectares (Ha);
- Estimated production volumes; and
- Any relevant required documents.

All FFB suppliers undergo an environmental impact screening process prior to engagement. This is especially important for scheme smallholders, which supply approximately 12% of our total FFB, due to their connection to certification. Furthermore, every new FFB and PK supplier (third-party) is required to sign a contract that affirms their compliance with our policies on human rights, NDPE (No Deforestation, No Peat, and No Exploitation), and anti-bribery and corruption. These policies explicitly prohibit practices such as forced labor, child labor, and any form of corruption. By integrating these requirements into binding agreements, we ensure that our expectations for responsible business conduct are clearly communicated and consistently upheld across our supply chain.

In 2024, no scheme smallholders were found to have significant negative environmental and social impacts, as evidenced by their certificates. In the same year, we intensified supplier screening to meet EUDR requirements. Adhering to a cutoff date of 31 December 2020, all of our suppliers must now be deforestation free. We have also upgraded our verification processes, including re-verifying the GPS coordinates of plantations smaller than four hectares and creating polygon maps for areas of four hectares or more.

We uphold compliance with the following Indonesian laws and regulations:

- Land use rights
- Environmental protection, forest management and biodiversity conservation
- Recognition of third-party rights and human rights, as protected under international law
- Adherence to the principle of free, prior, and informed consent (FPIC) as per the UN Declaration on the Rights of Indigenous Peoples
- Compliance with tax, anti-corruption, trade, and customs regulations

Smallholder and outgrower FFB supplies are accompanied by a due diligence statement, which includes:

- Collected information
- Risk assessments
- Risk mitigation measures

These steps involve documenting information, conducting risk assessments, implementing mitigation actions, reviewing data annually, and providing these records to authorities when required.

For more information on our suppliers, refer to our supply chain map.

2. **Supplier Monitoring**

   We actively monitor our FFB once to twice a year, as part of our efforts to maintain transparency throughout our value chain, particularly during the registration process and whenever concerns arise about potential new land development in restricted areas.

   We deploy inspection teams to supplier plantations, especially those located near high-risk zones, and gather perimeter coordinates of these plantations (in a polygon format) to confirm that no oil palms are cultivated in prohibited areas. This data enables us to map plantation locations and cross-check them against provincial spatial plan, helping to verify both legality and compliance with environmental standards. Each supplier is allocated a specific volume of FFBs they are permitted to supply, based on the size of their plantation. Any sudden increase in FFB volume triggers an investigation to determine whether the supplier may have expanded their plantation into unregistered or restricted zones.

   Random checks and surveys are also conducted on supplier plantations to prevent and mitigate violations of our social and environmental policies, such as the use of child or forced labor. In cases of policy breaches, we carry out a thorough verification process to determine the appropriate response. For severe violations, such as cultivating in restricted areas, immediate suspension of the supplier is enforced. Minor issues, such as improper use of personal protective equipment (PPE) or incomplete driver registrations, result in warnings and the development of a corrective action plan. These plans typically include a resolution deadline of three months following the formal report of the incident.

What's Next?

- We remain committed to adopting best practices throughout our operations, ensuring the integrity of our business while promoting transparency and traceability across our supply chain.
- We will aim to digitize our supply chain custody processes, advancing our traceability methods and streamlining operations.

Inclusive Growth

Asian Agri's achievements are inherently built and connected by people - our employees, workers, surrounding communities, and consumers. We uphold global standards by promoting human and labor rights as defined by the Universal Declaration of Human Rights (UDHR) and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. Our approach is further shaped by the United Nations Guiding Principles on Business and Human Rights (UNGPs), which inform the development of our human rights framework. This commitment encompasses our full workforce, including temporary staff, suppliers, and business partners. We also rigorously follow the Free, Prior, and Informed Consent (FPIC) framework in all activities that may impact Indigenous and local communities as part of our advocacy for people's rights. This is guided by the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and the standards set by RSPO.

We aim to build an environment that attracts and retains talent, fosters inclusivity and respect, guarantees safe and healthy working conditions, safeguards worker rights, and contributes to community growth. These objectives are integral to achieve our AA2030 targets, particularly those under the inclusive growth pillar, which aims to elevate living standards through the following initiatives:

- **Promoting Quality Education:** by providing educational support to underprivileged children near our operational areas.
- **Vocational Training:** to enhance worker skills in areas like palm oil harvest theory, management, and mechanics.
- **Micro, Small, and Medium Enterprises (MSME) support:** by providing training and capital to people in our operational areas.

AA2030 TARGETS AND PERFORMANCE

AA2030 Targets	Our Progress in 2024
Zero extreme poverty surrounding our operational area	**34.7% achieved** We provided vocational training for 1,736 out of 5,000 people, equipping them with proper skills. This training is offered to a diverse group, including workers, students and villagers from surrounding communities.
Establishment of a small-medium enterprise that covers more than 500,000 ha	**34% achieved** We supported the establishment of SME programs in 54 out of 159 surrounding villages across three provinces.
Provide 5,000 sets of school essentials to children through our Bag-to-School program	**27.1% achieved** We provided 1,355 education packages out of total 5,000 packages to students.
Optimize recovery of waste oil	**19 press machines upgraded/added in 2024 alone** Upgrading and/or adding nineteen presses in our twelve factories full-press machines allows for more efficient recovery of waste oil.

Human Rights and Employment Practices

MANAGEMENT APPROACH GRI 3-3

Asian Agri places its workforce at the forefront in creating positive industry, business and social development in the workplace. We are fully committed to this mindset by upholding integral human rights and labor standards throughout our operations, a including our temporary staff, suppliers, and partners. Our fundamental principles:

- Zero tolerance for forced labor and child labor
- Gender equality and the protection of women workers
- Equal opportunities, non-discrimination, and a harassment-free workplace
- Supporting worker rights to freedom of association and collective bargaining

Our industry and workforce are dynamic in nature. This requires us to actively assess labor rights risks within our operations through various means, such as audits, routine checks, worker committees, and collaborations with trade unions. These attempts to regularly update and improve our policies and practices help safeguard the well-being of our employees and partners.

Our primary considerations are to enhance productivity, improve employee welfare and benefits, and offer meaningful career development and growth opportunities. This includes ensuring all employees receive a decent living wage on the stance of inclusivity and fair treatment. Our commitment extends towards to the provision of competitive compensation packages and social security benefits for employees and their families, in strict compliance with applicable legal requirements.

OUR WORKFORCE PROFILE GRI 2-7, 2-8, 401-1

As of December 2024, our company has a total workforce of 22,422 individuals, comprising 1,102 employees and 21,320 workers. They are stationed across our operational areas, including North Sumatra, Riau, Jambi, and Jakarta, and are engaged in activities at our estates, mills, and offices.

In our internal classification, the term “employees” refers to staff-level personnel up to senior leadership, who hold formal employment contracts and are responsible for a wide range of roles, from entry-level assistants and managers to strategic and supervisory positions. They are located at our headquarters, regional offices, estates, and mills, and are involved in both operational oversight and broader organizational functions.

Separately, we classify “workers” as our non-staff operational workforce, who also hold direct employment contracts with the company. These workers are categorized as either permanent or temporary, depending on the duration of their contracts. In 2024, this included 9,978 permanent workers and 11,342 temporary workers. Their roles include harvesting, fertilizer and chemical application, pest control, mill operations, equipment handling, driving, and site security. We confirm that all workforce members were directly employed by Asian Agri, and no workers were engaged through third-party.

While we distinguish between employees and workers for internal purposes, all individuals are directly hired by the company and work under our supervision, following our schedules. Asian Agri does not employ individuals without a guaranteed number of working hours. All directly hired personnel are engaged under employment contracts that specify regular working hour expectations. As such, there were no individuals working under non-guaranteed or zero-hour arrangements in 2024.

The table below represent the number of employee and worker based on terms of employment, region, and gender.

Number of Employees and Workers Based on Terms of Employment

Year	2024			2023			2022		
Gender	**Female**	**Male**	**Total**	**Female**	**Male**	**Total**	**Female**	**Male**	**Total**
Number of employees and workers	5,008	17,414	22,422	4,599	16,558	21,157	4,977	16,579	21,556
Number of employees	128	974	1,102	124	986	1,110	116	920	1,036
Number of workers	4,880	16,440	21,320	4,475	15,572	20,047	4,861	15,659	20,520
Number of permanent workers	9,250	728	9,978	586	8,955	9,541	635	9,664	10,289
Number of temporary workers	7,190	4,152	11,342	3,889	6,617	10,506	4,352	6,915	11,267

Number of Employees and Workers based on Region

Year	2024					2023					2022				
Region	North Sumatra	Riau	Jambi	Jakarta	Total	North Sumatra	Riau	Jambi	Jakarta	Total	North Sumatra	Riau	Jambi	Jakarta	Total
Number of employees and workers	8,826	9,042	4521	33	22,422	8,728	8,328	4,069	32	21,157	8,744	8,525	4,254	33	21,556
Number of employees	487	400	182	33	1,102	498	386	194	32	1,110	479	349	175	33	1,036
Number of workers	8,339	8,642	4,339	-	21,320	8,230	7,942	3,875	-	20,047	8,265	8,176	4,079	-	20,520
Number of permanent workers	3,909	4,381	1,688	-	9,978	3,941	3,866	1,734	-	9,541	3,825	3,769	1,659	-	9,253
Number of temporary workers	4,430	4,261	2,651	-	11,342	4,289	4,076	2,141	-	10,506	4,440	4,407	2,420	-	11,267

Note (GRI 2-4):
To improve clarity and ensure alignment with our internal workforce classification, we have revised the way we present workforce data in SR 2024. As a result of this change in methodology, the workforce figures for 2023 and 2022 have been updated to reflect the revised classification.

Over the past three years, our workforce numbers remained consistent, amidst regular fluctuations due to the cyclical nature and short-term requirements of our operations. In our oil palm plantations, the peak cropping season runs from June to October, followed by the low cropping period from November to May. This seasonality influences our employment strategies; we often require additional workers to harvest and transport FFBs during the high crop season, while temporary workers are typically reassigned to tasks such as EFB application, frond pruning, and road maintenance during the low crop season.

Significant pests, disease outbreaks, and other unforeseen events may also require additional workers. Replanting may also result in workforce adjustments, usually a temporary reduction during the replanting phase, with staffing levels typically returning to normal within two years.

The chart and table below represent the total number and rate of new employee hires during the reporting period, by age group, gender, and region.

Number and rate of workforce hired by age group in 2024

Age Group	Worker	Employee	Total	% from total worker and employee
18-30	2,251	81	2,332	10.4%
31-50	1,609	23	1,632	7.3%
>50	43	6	49	0.2%

Number and rate of workforce hired by region in 2024

Region	Worker	Employee	Total	% from total worker and employee
North Sumatra	1,365	52	1,417	6.3%
Riau	1,552	36	1,588	7.1%
Jambi	985	22	1,007	4.5%
Jakarta	0	6	6	0.0%

Number and rate of workforce hired by gender in 2024

Gender	Worker	Employee	Total	% from total worker and employee
Male	2,871	160	3,031	13.5%
Female	1,032	20	1,052	4.7%

UPHOLDING HUMAN RIGHTS GRI 2-23

At Asian Agri, a key priority of ours is to safeguard human rights throughout our supply chain. To strengthen our approach, we conducted Human Rights Assessments at the end of 2019 and the start of 2022. These assessments laid the groundwork for our Human Rights Policy, which was first introduced in December 2019.

Our Human Rights Policy was updated in January 2023 to maintain alignment with both national and international standards and to incorporate additional provisions.

Our Human Rights policy:

- acts in accordance with:
  - the International Bill of Human Rights[12]
  - the UN Guiding Principles on Business and Human Rights
  - the UN Declaration on the Rights of Indigenous People
  - the Internal Labor Organizations' (ILO) Declaration on Fundamental Principles and Rights at Work
- adheres to local and national regulations, as well as international treaties ratified by the Indonesian government
- respects the ten principles of the United Nations Global Compact (UNGC)[13]
- refers to international standards and voluntary initiatives addressing human rights challenges.

This policy applies to all employees and business divisions, with suppliers encouraged to uphold comparable human rights standards. It outlines our commitment to employee rights, stakeholder engagement, governance, grievance mechanisms, and addressing human rights concerns. Core focus areas include equal opportunity, harassment prevention, women's rights, freedom of association, and the eradication of child and forced labor. Implementation is overseen by the System and Operational Audit team through regular monitoring and periodic review.

Our Human Rights Policy can be read here.

Forced Labor and Child Labor GRI 408-1, 409-1

We conserve a rigorous policy against forced and child labor that is enforced in all our company operations as well as our subcontractors. Our subcontractors sign a commitment letter that maintains a zero-tolerance stance towards forced and child labor. We also enforce severe penalties, including the potential termination of a contract in the case of policy infringement. Our forced and child labor policy extends to our suppliers, aimed to prohibit the involvement of children working in plantations. We engage families through the provision of childcare and educational facilities, both as a preventive measure and to equip children with skills for better opportunities. Our employees conduct daily inspections in our work areas to maintain compliance of our policy.

Diversity, Gender Equality, Equal Opportunities, and Non-Discrimination

GRI 405-1, 406-1

Asian Agri is committed to fostering a diverse and inclusive workplace where non-discrimination and equal opportunity are upheld as fundamental principles. Our management approach promotes fair treatment for all employees, regardless of ethnicity, national origin, religion or belief, disability, gender, sexual orientation, union membership, political views, or age. This commitment spans all aspects of employment, from recruitment and performance evaluation to working conditions and representation. Women account for 22.3% of our total workforce in 2024. To support their inclusion, we actively work to prevent violence and harassment against women while promoting their integration into the workplace.

To advance these efforts, we have established a Gender Equality Committee that meets twice a year to address issues related to discrimination, harassment, and equal opportunities. This committee also facilitates knowledge-sharing sessions and workshops on topics such as health, family matters, and other relevant social subjects.

We enforce a zero-tolerance policy against bullying, harassment, and violence in the workplace. We are dedicated to upholding human rights and cultivating an environment of mutual respect and trust. These principles have been clearly communicated to all employees, along with information on how to access support when needed.

[12]Universal Declaration of Human Rights, International Covenant on Economic, Social and Cultural Rights, and International Covenant on Civil and Political Rights.
[13]Asian Agri respects the principles of the UN Global Compact, but we have not been a signatory of the UN Global Compact.

In 2024, we did not receive any reports of discrimination from our employees.

The table below represents the individuals within the organization's governance bodies/board and employee by gender, age, and other indicators of diversity.

Employee Category	2024		2023		2022	
	Female	Male	Female	Male	Female	Male
Board	0%	100%	0%	100%	0%	100%
Senior Managers	6%	94%	6%	94%	6%	94%
Middle Managers	15%	85%	15%	85%	12%	88%
Staff	11%	89%	11%	89%	11%	89%
Total	**12%**	**88%**	**11%**	**89%**	**11%**	**89%**

Employee Category	2024			2023			2022		
	18-30	31-50	≥51	18-30	31-50	≥51	18-30	31-50	≥51
Board	0%	50%	50%	0%	0%	100%	0%	0	100%
Senior Managers	0%	45%	55%	0%	45%	55%	0%	49%	51%
Middle Managers	3%	78%	19%	2%	78%	20%	0%	78%	22%
Staff	62%	35%	3%	69%	28%	3%	62%	34%	3%
Total	**44%**	**45%**	**11%**	**50%**	**39%**	**11%**	**45%**	**44%**	**11%**

Ethnicity	2024	2023	2022
Batak	28.1%	25.5%	27.7%
Chinese	1.4%	1.6%	1.5%
Javanese	40.3%	40.9%	42.2%
Minang/ Malay	3.2%	11.4%	12.3%
Others	27.1%	20.6%	16.3%

Freedom of Association and Collective Bargaining GRI 2-30, 407-1

We recognize the critical role labor unions play in fostering constructive relationships and open dialogue between workers and the company. We fully support our employees' right to participate in union activities, affirming their freedom to engage in collective bargaining and union membership.

Membership empowers our workers to effectively communicate their needs and objectives. All of our permanent workers which is approximately 44% of our workforce are union members.

Through the Indonesian Worker Union (*Serikat Pekerja Seluruh Indonesia Sumatra*, or SPSI), we have formalized a collective work agreement ratified by all 160 member companies of the Agency for Corporation of Sumatra Plantation (*Badan Kerja Sama Perusahaan Perkebunan Sumatera*, or BKSPPS). This agreement addresses key employment matters, such as working hours, leave policies, wages, overtime rates, holiday allowances (*Tunjangan Hari Raya*/THR), social security benefits, health and safety measures, and termination procedures.

In the event of disputes, SPSI provides workers with support in seeking mediation through the Manpower Office. It also assists in the escalation of labor-related issues to governmental labor services or the courts, if necessary. Some of our employees are also affiliated with the Indonesian Trade Union Confederation (*Konfederasi Serikat Buruh Seluruh Indonesia*, or KSBSI), which offers comparable benefits to those provided by SPSI.

For employees who are not members of a labor union, typically those at the staff level and above, their working conditions and terms of employment are set out in individual agreements made at the time of hiring. While these employees are not covered by collective bargaining agreements, the provisions in their contracts are aligned with the principles and standards outlined in our collective agreements. This ensures consistency and fairness in employment practices across our workforce.

HUMAN RIGHTS AND SECURITY GRI 410-1

Asian Agri values our security personnel, not only in safeguarding our operational areas but also in fostering positive relationships with local communities and upholding human rights.

Most of our security staff are recruited from the surrounding local areas of our operations. We have also outsourced personnel from certified security providers to guard our significant facilities, such as Clonal Oil Palm Production Unit (COPPU) and Asian Agri Learning Institute (AALI). Our security teams undergo comprehensive training as part of our Human Resources Module that covers security practices alongside environmental and operational security topics. These sessions are conducted internally, with occasional support from military and police personnel. Around half of our security personnel have received specific training on human rights principles. Asian Agri remains committed to regularly evaluating their performance to promote responsible conduct, prevent misuse of force, and uphold respect for human rights within the communities they serve.

FAIR WAGES AND EMPLOYEE BENEFITS

GRI 2-20, 202-1, 201-3, 401-2, 401-3, 405-2

We are dedicated to providing fair compensation and incentives that promote the well-being of our workforce. In alignment with the 2018 RSPO Principles and Criteria, we perform a Decent Living Wage (DLW) analysis annually to maintain fair wages and benefits for all employees. This process adheres to the RSPO guidelines for DLW implementation and is verified by auditors each year. The results consistently affirm that our workforce receives compensation and benefits that meet RSPO DLW standards.

Initial salaries for new hire employees at all levels are evaluated based on several factors, including qualifications, expertise, prevailing market salary benchmarks, internal and external comparisons, and prior employment history. In 2024, the remuneration and employment conditions for all our workers, from entry-level to temporary workers, followed or exceeded the local minimum wage standards in their respective provinces and districts.

Employee and Worker Benefits

Benefit	Employees	Workers
Healthcare insurance	✓	✓
Performance bonuses and incentives	✓	✓
Allowances (e.g. house, car)	✓	✓
Trainings	✓	✓
Leave (including marriage, sick, and parental)	✓	✓
Scholarship for children	✓	✓
Special awards (e.g. length of service)	✓	

Our basic salary structure does not discriminate based on gender. Differences in base salaries for our employees are based on criteria such as educational background, skills, and experience.

Through the Sayap Garuda Foundation, we provide scholarships to our employees' and workers' children who exhibit exceptional academic performance at the elementary, middle, and high school levels. This initiative reflects our commitment to support and recognize the dedication of parents and provide more educational opportunities for the next generation.

Scholarship recipients in 2024

Region	Elementary School	Junior High School	Senior High School	Total
North Sumatra	19	12	9	40
Riau	20	12	8	40
Jambi	20	12	8	40
Grand Total	**59**	**36**	**25**	**120**

We foster a workplace that supports families by offering parental leave for both mothers and fathers. This is in adherence to the Indonesian regulations.

		North Sumatra		Riau		Jambi		Jakarta		Total	
		Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Total workforce[14] entitled to parental leave		266	4,130	470	4,311	110	1,760	10	23	856	10,224
Total employees that took parental leave		8	164	3	90	2	31	2	3	15	288
Employees returned to work after parental leave ended in 2023	Number	8	163	3	90	2	31	2	3	15	287
	Rate	100%	99%	100%	100%	100%	100%	100%	100%	100%	99%
Employees who are still employed 12 months after parental leave	Number	8	163	3	90	2	31	2	3	15	287
	Rate	100%	99%	100%	100%	100%	100%	100%	100%	100%	99%

Salary Increment, Bonus, and Retirement Package

We adopt a structured approach to determining salary increments for different staff categories. Our workers' annual salary adjustments are based on individual performance, current roles and salaries, and internal equity. This process also incorporates external economic conditions and market benchmarks for comparable positions. Evaluations are conducted regularly by the Compensation & Benefit Manager, an independent entity, who submits findings to the Board of Directors for final approval.

Conversely, salary adjustments for our employees are guided by local minimum wage regulations and collective bargaining agreements with unions. These adjustments are assessed by the Operational and Strategic Human Resources teams before they are submitted to the Managing Director for approval. Permanent employees also undergo additional performance-based reviews as part of the salary adjustment process.

Both our workers and employees are eligible for bonuses. Workers' bonuses are determined by individual performance, overall company performance using the Balanced Scorecard, and market benchmarks. For permanent employees, bonuses are based on company performance, achievement of individual KPIs, and prevailing industry standards.

Our employee handbook details retirement information, including retirement age, joint employee-company contributions to old-age security benefits, pensions calculated under Law Number 11 of 2020 and Government Regulation 35 of 2021, and severance payments or awards granted by the company. Employees also have the option of annual contractual re-employment, subject to mutual agreement.

Employee Facilities

Asian Agri is committed to provide for our employees and their families who reside on-site in mills and estates with access to the following essential facilities:

Housing	Residents are equipped with standard furniture, access to water supplied by the mill or estate, electricity, and building maintenance services.
Health facilities	We offer free and accessible medical care to all employees and their families; each estate and mill is outfitted with a clinic and ambulance.
Education	We provide free childcare, preschool, and elementary education, complemented by additional resources such as school buses and libraries.
Transport	Vehicles are made available for convenient transportation within and across the estates.
Sports facilities	Recreational amenities, including soccer fields, tennis courts, and badminton courts, are accessible to employees and their families.
Places of worship	Churches or mosques are constructed or renovated in each estate and mill to support the spiritual needs of the community.

TRAINING AND DEVELOPMENT GRI 404-1,404-2

We prioritize efforts that allow our employees to grow in both their professional and personal spaces. To achieve this, we have implemented various initiatives, such as training and development programs to attract and retain top talent. This encourages a culture of continuous improvement, boosts productivity, and improves workplace engagement and relationships.

[14] Workforce in the table refers to employees and permanent workers

Our employees undergo mandatory training, skill enhancement, specialized programs for entry-level roles, and targeted sessions for high-risk areas, such as safety, first aid, and emergency response. There are certain training programs that are to be taken at a recurring basis, such as the annual refreshers for Standard Operating Procedures (SOPs). We also provide tailored agricultural training that covers topics like harvesting, fertilization, and other Best Management Practices (BMP) activities. For employees nearing retirement, our HR team offers transition assistance and retirement preparation programs.

The planning and achievement of training objectives is overseen by the Learning & Development team. Strong emphasis is placed on gathering feedback after training sessions to create actionable plans and track how effectively the training translates into workplace practices.

Our training delivery employs a blend of offline and online methods. In-person sessions, typically lasting one to two days, focus on plantation operations and are facilitated by our Human Resource and Operation teams. These are conducted at central locations or through partnerships, ensuring comprehensive coverage. This approach not only enhances operational skills but also fosters collaboration by bringing employees from various regions together.

At the senior management level and above, including directors, we deliver training that combines general topics with ESG-specific content. Leadership programs incorporate ESG themes, and we also conduct dedicated training sessions focused on sustainability and ESG principles.

Our goal is to simplify and strengthen access to learning resources, enabling our employees to fully engage with and benefit from our extensive training programs. We therefore offer online learning through Workday, an online platform that houses a variety of voluntary modules in both technical and soft skills.

Training Program for New Graduates

AALI was established in 2002 in Pangkalan Kerinci, Riau. One of the institute's programs, The Plantation Center of Excellence (PCoE), is designed to educate and train prospective millers and managers in sustainable palm oil production by equipping them with skills in horticulture, mill processing, management, leadership, and certification.

The trainees are selected through a rigorous process and evaluated against employment suitability criteria during their training period. In 2024, we trained 157 university graduates, of which 131 are now Asian Agri employees. They must undergo further assessment after two years of the first placement to support continuous competency and skill development. This evaluation focuses on their performance, the practical application of their knowledge, and their adaptability to the work environment.

PCoE Graduate Trainee Programs

Estate Assistant Training (EAT)	Mill Assistant Training (MAT)	Administration Assistant Training (AAT)	Traction Assistant Training (TAT)	Commercial Officer Training (COT)
To support the work in Estates (Plantation Sites)	To assist in operations at the palm oil mill or kernel-crushing plant	To assist in company matters relating to administration	To work in the workshops and be responsible in the transport and heavy machinery in the estates	To serve commercial-related work, in particular FFB purchasing and supplier engagement

The program includes:

Classroom Sessions (3 months)	On-the-job Training (3 months)	Evaluation and Assignment
Taught by industry experts and our experienced employees on sustainable palm oil production, as well as an introduction to our internal sustainability policy and commitment.	A practical session in which trainees are sent to our mills, estates, or plasma scheme smallholder partners.	Trainees are evaluated based on their performance, competence, and character in the last six months and their general suitability to be employed by Asian Agri.

*Each year, we invite **200 – 250** fresh graduates from universities across Indonesia to be trained at the Asian Agri Learning Institute (AALI).*

Training Program for Employees and Workers

We also offer various training programs for our employees, including:

No.	Type of Training	Training Topics	
1	Technical Training	• Basic Fire • Basic Safety • Job Safety Analysis Training • First Aider • Sustainability Awareness • ISO 140001:2015 Training • Heavy Equipment • Chain conveyor • Core Team • Final AAIA • Good Habits for Effective Field Supervision • ISCC Waste and Residues • Operational & Maintenance Dump Truck (Overhaul engine hino) • Transportation Management	• Development of Weaver Ants (*Semut Rang rang*) • 2024 Tax Socialization • Socialization of News Handling Procedure • Socialization of Traction Administration Standardization • Total Productive Maintenance Traksi • Bale Machine Training • Environmental Inspection, Observation, and Investigation • Data Filling Training for ISO 14001, SIMPEL, SIRAJALIMBAH, and hazardous waste storage • Planned Maintenance Training • Welding Training • Water Treatment • Water Management
2	Soft-skills Training	• Change Management • Digital Transformation • OpEx 101 for Managers • Productive Conversation: From Difficult to Growth	• Project Management & Chairman's Philosophy • People Manager Mastery • Supervisory Management • Sustainability
3	Certification	• General HSE Expert Certification • ISPO Auditor • RSPO Lead Auditor Training • Reporting with GRI Standards 2021 Update • Halal Certification • Accident Investigation	• Class I Boiler Operator License • Welder Operation License • Class I Genset Operator • Power and Production Aircraft Operator • First Aider • Class D Fire Fighter
4	International/ National Seminar	• 2nd TPOMI (Technology & Talent Palm Oil Mill Indonesia) 2024 • Taxation Aspects of Palm Oil Industry • The Indonesian Palm Oil Conference 2024 • Indonesia Palm Oil Stakeholder Forum 2024	• Lubricants Seminar • Tax Management and Risk Mitigation • Moot Tax Court • Product Knowledge Training
5	Workshop	• ADDIE Training and Workshop • Assessor Assessment Centre • Be-Know-Do-Model for Digital Project Management Training • Business Email Compromise Training • EMS ISO 14001:2015 Interpretation and Internal Audit Course	• Fullstack Development using React.js, Node.js and MySQL • Lab Analysis with NIR, GC & NMR • Rejuvenate Proficiency Level of APRIL Competency Model • Workshop AWS Cloud and AWS Aurora

We categorize certain training initiatives into the following programs:

- **Refresher Training:** Designed to maintain and improve employees' technical and soft skills, this program covers topics such as company core values and policy, heavy equipment operation, boiler management, mill standard operating procedures, safety protocols, and basic firefighting techniques.
- **Young Assistant Development Program:** Focused on nurturing and building the competencies of employees during their first two years of job placement to provide solid foundation for their careers.
- **Management Development Program:** Targeted at employees in management positions, this program develops skills in leadership, change management, decision-making, and financial acumen.
- **Foreman Training Program:** Geared towards non-staff foremen, this program includes entry-level staff training, skill development, and promotion opportunities. Initially on an as-needed basis, the program is now conducted annually.
- **New Product Introduction Training:** Conducted in collaboration with vendors, this training equips employees with the knowledge to effectively use and adapt to new products.

Training Sessions Held

Employee Category	2024	2023	2022
Senior Management	5	10	7
Middle Management	91	60	68
Employees	133	92	106
Workers	50	31	36
Total	**279**	**193**	**217**

*Our average training hours per employee in 2024 is **33.37.***

The table below shows the number of employees and workers who received training sessions.

Employee Category	2024	2023	2022
Senior Management	21	20	45
Middle Management	419	314	528
Employees	3,067	2,155	2,050
Workers	3,112	3,776	2,486
Total	**6,619**	**6,265**	**5,109**

Note: One employee could receive more than one training per year.

Performance Review GRI 404-3

***100%** of our employees undergo an annual review process in 2024.*

Our Performance Management System (PMS) facilitates regular and annual performance reviews for our employees. It enables employees to identify their strengths and areas for improvement, fostering a culture of open and constructive feedback within the organization. At the start of each year, employees engage in performance planning discussions with their line managers. These discussions are followed by mid-year and end-of-year performance reviews, conducted through appraisal forms available in our HR system.

What's next?

- We will maintain stringent oversight to eliminate child and forced labor in all our operations.
- We will further strengthen the relationship between workers and unions, as support for this essential partnership.
- We will continue to encourage workers to utilize our daycare facilities as a secure and supportive environment for their children.
- We will uphold fair wage practices, exceed local minimum requirements, and continue to regularly review and enhance workforce benefits.
- We will sustain efforts to implement best practices to retain our best talents.
- We will enhance training and development programs to better support employees and workers growth and skill advancement.

Team building activities during PCoE Program at Asian Agri Learning Institute

Health and Safety

MANAGEMENT APPROACH GRI 3-3

Asian Agri strives to cultivate and maintain a strong culture of safety across all aspects of our business operations. Health and safety are not only a fundamental human right but also a critical driver of operational productivity and employee performance. Effective health and safety management can reduce workplace injuries and illnesses, enhance worker productivity, deliver long-term health benefits, and encourage sustainable work practices. If not properly managed, fatalities, injuries, and illnesses can result in financial costs, operational disruptions, and compliance challenges.

Occupational Health and Safety (OHS) is an evolving field for Asian Agri, shaped by changes in our operational landscape and company innovations. OHS is vital to prevent and mitigate of workplace accidents and illnesses for our employees, workers, and contracted third-party personnel.

We are committed to continually updating and enforcing our OHS policies, plans, and standards. Our primary objective is to maintain a safe working environment across all operations, with a steadfast target of zero fatalities and disabilities.

Accident Assistance Simulation

OCCUPATIONAL HEALTH AND SAFETY

GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-7, 403-8

Occupational Health and Safety (OHS) Management System

We have established and implemented an OHS management system (known in Indonesia as SMK3) that conforms to the Indonesian regulation that pertains to the Implementation of Occupational Safety and Health Management System (the Republic of Indonesia's Government Regulation No. 50 of 2012). We aim to minimize health and safety risks in all our workplaces, aligned with international standards such as ISO 14001:2015 and ISO 45001:2018. These requirements are mandatory for all our workers, employees, subcontractors, and suppliers involved in our activities at plantations, mills, KCPs, biogas plants, offices, and other operational areas.

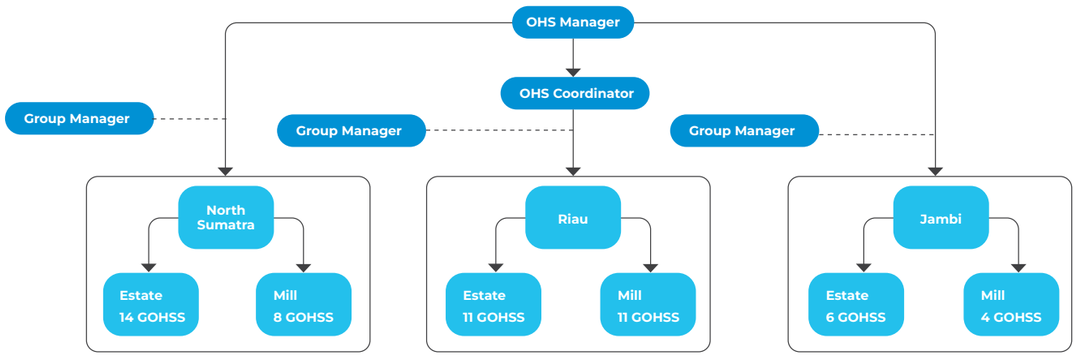
During the OHS management system preparation process, we carried out identification of potential hazards, risk assessment and control, reviewed cause and consequence of dangerous events, and assessed the efficiency and effectiveness of the resources provided. We also conduct frequent monitoring and evaluation of our OHS performance, which is then used to improve SMK3.

To maintain rigorous adherence to these standards, our Health, Safety and Environment (HSE) department routinely conducts structured supervision. Our operational units, such as factories or plantations, are thus overseen by dedicated OHS Expert officers (Ahli K3 Utama).

OHS Committee

Our OHS committee is structured throughout various levels of governance to maintain a strong approach to OHS.

OHS Committee Structure



The OHS Manager: Leads the HSE Department at our head office. This role is pivotal in defining OHS objectives, policies, and plans. In addition, the OHS Manager oversees, monitors, and reviews our company's OHS performance.

The OHS Coordinator: Supervises the General OHS Specialist (GOHSS) alongside the Group Managers.

The General OHS Specialist (GOHSS): Works at each of our estates, plantations, and mills. They conduct regular inspections to maintain compliance with safety protocols and standards, in which they are assisted by OHS officers. The responsibilities of the GOHSS include identifying potential hazards, providing ongoing or refresher training, and ensuring the availability and condition of safety equipment. Monthly meetings are held to evaluate performance, address safety issues, and discuss concerns, which are then reported to the OHS Manager. A summary and the outcomes of these meetings are reported quarterly to the Local Employment Agency.

Health and Safety Awareness Training

Our OHS Committees cultivate a strong safety culture by conducting annual training sessions and safety drills. These programs cover essential topics, such as basic safety procedures, first aid, hazard and risk identification, proper handling of hazardous materials, compliance with OHS regulations and permits, emergency response planning, and firefighting techniques. To maintain relevance, we actively gather feedback from participants and update training content to align with the latest national regulations and international OHS standards.

Every workday begins with refresher sessions in our plantations and mills and focuses on the proper use of Personal Protective Equipment (PPE) and the reinforcement of safe, responsible working practices. We also issue monthly safety bulletins and prominently display safety notices on warning boards in medium- to high-risk areas, including entry points.

The Hierarchy of Controls

In plantations, our workers may encounter health and safety risks, such as chemical exposure, injuries from falling fruits, cuts, bruises, and animal bites. Slips, falls, fires, burns, and machine-related accidents are prone in Palm Oil Mills and KCPs. We aim to decrease worker exposure and lower the incidence of these work-related illnesses and injuries through the following hierarchy of controls:

1. **Elimination:** We aim to remove hazards at the source, such as tools, ingredients, and methods that are prohibited by international and national laws. For instance, we ceased our use of WHO-classified Class 1A and 1B hazardous pesticides and chemicals listed under the Stockholm and Rotterdam Conventions, particularly Paraquat.
2. **Substitution:** We opt for safer tools alternatives that poses the least hazards, such as using harvest poles with electrical insulation to reduce electrocution risks near power lines.
3. **Engineering Controls:** We strive to prevent hazards from reaching workers. This is be done through equipment modification, workspace redesign, installation of protective barriers and ventilation. For example, we have set up re-entry warning boards to keep workers away from areas sprayed with chemicals for three days.
4. **Administrative Controls:** We develop and implement procedures to minimize hazard exposure. Our field workers are required to conduct a job safety analysis (JSA) before any high-risk activities to identify potential risks in the work process.
5. **PPE:** Our workers are not permitted to start work without the appropriate equipment, hence we provide essential and workplace tailored PPE such as helmets, gloves, boots, masks, goggles, earmuffs, and high-visibility clothing.

These five levels undergo regular evaluation to determine the most effective measures to protect our workers from hazards.

Hazard Identification, Risk Assessment, and Incident Investigation

If unsafe work practices that pose potential hazards are identified, our field workers can report them by filling and submitting form in the complaint book located in each site office. These reports can be made anonymously to protect workers from retaliation. We also actively encourage input from workers about safety concerns, which are incorporated into regular updates to our SOPs.

We routinely meet with our foremen and worker representatives to gather their insights on OHS matters. Their active participation and feedback in field investigations are crucial for the company to establish mitigation strategies, particularly for field operations. Additionally, we stress the importance of reporting new or routine tasks to proactively identify potential hazards and risks.

We empower our workers to exercise stop work authority if they encounter imminent danger from unsafe conditions or behaviors, and to promptly report such instances or any incidents to the OHS Officer via email or phone. This open line of communication is essential to continuously improve our hazard and risk assessments and refine our OHS management systems. These risk assessments are important for sustainability certification audits and are revised by our OHS specialists after every incident or near miss.

In the event of an incident, the designated OHS officer at the plantation or mill initiates an investigation by filing a report and conducting a site investigation within 48 hours. This process includes interviewing witnesses and gathering physical evidence. Based on the findings, the OHS team recommends preventative measures to avoid recurrence.

For major incidents, the Head Office's OHS team will visit the site within 48 hours to investigate, document the incident, and present preventive strategies. This approach is integral to our Hazard Identification, Risk Assessment, and Determining Controls (HIRADC) framework, which is embedded in our organizational culture.

We recognize and reward units that achieve zero incidents or significantly reduce accident rates. These awards help promote a culture of safety, enhance safety awareness among employees, and highlight the critical role of safety in daily operations.

Safeguarding Workers Health GRI 403-6

First aid kits are readily available in every office, mill, and workshop. These kits are carried by plantation foremen, together with the chemical Material Safety Data Sheets (MSDS) for immediate reference in case of injuries pertaining to chemical exposure.

Clinics are located in each estate or cluster of estates. They can provide necessary treatment, issue medical clearances, and facilitate the process of transfers to hospitals for severe or specialized cases. In addition, health posts, an extension of our main clinics, are strategically located across plantations and mills to manage minor injuries.

We organize annual medical check-ups for all workers and conduct biannual health examinations for those frequently exposed to heat, noise, chemicals, and other hazardous elements. These medical evaluations are carried out by certified third-party laboratory personnel at our on-site clinics.

Our comprehensive health insurance plan covers all employees, workers, and their families, and provides access to free medical treatments and medications. We also support community health through Integrated Healthcare Centers (Posyandu) for pregnant women and children, collaborate with the National Agency for Population and Family Planning (Badan Kependudukan dan Keluarga Berencana Nasional - BKKBN) for birth control initiatives, and partner with the National Social Security Administrator (Badan Penyelenggara Jaminan Sosial - BPJS) for family health services. For workers and their families with chronic conditions, we participate in the Chronic Disease Management Program (Prolanis) to provide the necessary support and care. We routinely conduct health workshops that are led by company doctors to encourage disease prevention, emergency first responder and healthier lifestyle. Our operational units also organize activities such as sports events, outings, entertainment nights, and religious day celebrations to promote mental well-being.

Our Performance GRI 403-9, 403-10

There is potential for high-consequence injuries, such as disabilities and fatalities, that can occur from our work-related activities. These include risks associated with exposure to hazardous substances, working at heights, operating plant machinery that may lead to cutting and crushing incidents, fire-related tasks, electric shocks, and working in confined spaces. To mitigate these risks, we provide our employees with thorough safety training and appropriate protective gear, adhere strictly to established safety procedures.

The most common work-related injuries in our operations include machinery-related incidents, cuts caused by tools and heavy equipment, injuries from falling FFBs, slips and falls, chemical exposure, commuting accidents, burns from fire or contact with steam, hot liquids, or engine heat, as well as injuries involving animals.

The rise in the number of accidents recorded in 2024 can be attributed to more meticulous documentation following the redefinition of injury categorizations. Our records now encompass a wider range of minor accidents, whereas previously, the focus was predominantly on major accidents. No fatality was reported.

Number and Rate High-Consequence Work-Related Injury[15]

Region	Year	Number of high-consequence work-related injury	Rate of high-consequence work-related injury
North Sumatra	**2024**	**152**	**1.97**
	2023	240	2.98
	2022	18	0.23
Riau	**2024**	**389**	**5.70**
	2023	371	4.85
	2022	148	1.92
Jambi	**2024**	**85**	**2.24**
	2023	87	2.29
	2022	66	1.80

Number and Rate of Recordable Work-Related Injuries[16]

Region	Year	Number of recordable work-related injuries		Rate of recordable work-related injuries	
		Male	Female	Male	Female
North Sumatra	**2024**	**152**	**0**	**1.97**	**0**
	2023	234	6	2.91	0.07
	2022	15	3	0.19	0.04
Riau	**2024**	**382**	**7**	**5.60**	**0.10**
	2023	352	19	4.60	0.25
	2022	138	10	1.79	0.13
Jambi	**2024**	**85**	**0**	**2.24**	**0**
	2023	83	4	2.18	0.11
	2022	64	2	1.75	0.05

Number and Rate of Fatalities[17]

Region	Year	Number of fatality	Rate of fatality
North Sumatra	**2024**	**0**	**0**
	2023	0	0
	2022	0	0
Riau	2024	0	0
	2023	1	0.01
	2022	0	0
Jambi	**2024**	**0**	**0**
	2023	0	0
	2022	0	0

Number of Hours Worked per Region

Number of Hours Worked [hr/year]			
Year	North Sumatra	Riau	Jambi
2024	**15,442,088**	**13,648,320**	**7,587,563**
2023	16,802,171	15,315,536	7,598,646
2022	15,638,494	15,453,447	7,313,510

There were no recorded cases of work-related ill health in 2024. Throughout the year, we maintained regular health screenings and preventive measures across our operations to monitor and protect the well-being of our employees.

To support product quality and minimize contamination, all 23 mills have been equipped with oil recovery facilities since 2021. These systems enable the segregation of waste and low-quality oils from high-quality crude palm oil (CPO), helping prevent contaminants such as 3-MCPD and GE from mixing with food-grade CPO.

OUR COMMITMENT TO QUALITY AND CERTIFIED PRODUCTS

A core company commitment is to maintain the health, hygiene, and safety of our products for consumers. Palm oil naturally contains saturated and unsaturated fats, vitamin E, beta-carotene, and antioxidants, which can contribute to consumer health when processed and handled responsibly.

We work closely with our suppliers to uphold high production standards. An increasing number of our suppliers have obtained certifications such as the RSPO, and ISPO. While these certifications primarily focus on sustainability, they also support responsible agricultural and processing practices.

Statistics for scheme and partnering independent smallholders who have obtained those certificates can be found on pages 32 and 39.

We also recognize the importance of meeting diverse consumer preferences and dietary requirements. Our mills and kernel crushing plants (KCPs) have maintained Kosher certification since 2016. In 2024, we expanded this commitment by obtaining Halal certification for all 23 mills and 12 KCPs, ensuring that our products comply with recognized religious and hygiene standards.

We have strengthened our commitment to product integrity by obtaining Halal certification for 23 mills and 12 Kernel Crushing Plants (KCPs), ensuring compliance with halal standards across our operations.

What's next?

- We will continue regular evaluations and improvements to our Occupational Health and Safety (OHS) management system.
- We will keep upgrading the quality of our medical facilities and strive to provide all employees and workers with access to our health services.
- We will maintain our 100% food-grade CPO standard and continue to explore ways to further optimize the management of waste and residual oil.

[15] Number of high-consequense work-related injuries x 200,000/person-hours.
[16] Recordable work-related injuries include medical aid, permanent disabilities, and fatalities.
[17] Number of fatalities x 200,000/man-hours.

Community Development

One of the CSR initiatives: providing grape seeds to the community in Air Emas Village, Ukui, Riau.

MANAGEMENT APPROACH GRI 3-3

Our business is deeply intertwined with the communities we engage with, particularly through our collaboration with two key groups: scheme smallholders, who have been our partners since 1989, and local communities residing near our operational areas. Empowering these communities is a cornerstone of our commitment to give back to society while securing the social license to operate.

Details on how we empower scheme smallholders are outlined on page 37-39.

We aim to amplify the positive impacts of our community development programs by fostering economic growth, facilitating skills and knowledge transfer, and contributing to infrastructure development. To prevent social envy or dependency, we designed our initiatives to support self-reliant local champions and engage diverse community groups across villages. These efforts are guided by our dedicated Corporate Social Responsibility (CSR) Team to maintain inclusivity and sustainability.

Asian Agri's Sustainability Policy clearly outlines our commitment to respect the human rights of local communities in all areas of our operations. This includes protecting the rights of Indigenous peoples near our operational zones and improving the economic conditions of rural communities.

Our long-standing partnerships with local communities address critical issues affecting these groups. As part of our long-term goals, we are committed to:

- Eliminating extreme poverty in communities surrounding all our operations.
- Empowering Micro, Small, and Medium Enterprises (MSMEs) across 500,000 hectares.
- Enhancing education by providing 5,000 sets of school essentials.
- Delivering vocational training to 5,000 individuals by 2030.

PROTECTING THE RIGHTS OF INDIGENOUS PEOPLE AND LOCAL COMMUNITIES

GRI 13.14.3, 13.14.4

We are dedicated to upholding the rights of Indigenous and local communities. None of our operations are conducted in areas where Indigenous peoples are present, which significantly reduces the risk of encroaching on indigenous lands. However, we remain committed to ensuring that the free, prior, and informed consent (FPIC) of Indigenous groups is sought and respected for any project developments that might impact them or their territories. Our processes are designed to be transparent, inclusive, and fair.

Our primary focus is to replant and enhance productivity on existing land. Before initiating replanting activities, we aim to secure FPIC so that local communities are fully informed and can engage in negotiations:

Our FPIC Procedure

- We conduct initial studies to identify landowners and the oil palm trees due for replanting.
- We identify the relevant KUDs, associations, and farmers for engagement about the program.
- We prepare materials for discussions with KUDs, associations, and farmers that cover details like the replanting process, socio-economic impacts, risks, and benefits; and
- Sufficient time is provided for smallholders to consider, communicate, and negotiate before they decide on replanting.

We emphasize mutual respect in our interactions and discussions, and respect the decisions of farmers who choose not to participate in replanting or when a consensus is not reached. All farmers involved in our replanting program have given their informed consent and fully understand all aspects of the process.

Resolving Community Grievance

We have an effective grievance mechanism system to responsibly address complaints and conflicts from local communities, promoting mutually beneficial outcomes for all parties involved. Our specialized team of approximately 196 employees are dedicated to managing and fostering engagement and communication with smallholders and local communities. This system not only helps us preempt potential misunderstandings that could escalate into conflicts but also strengthens relationships with smallholders and nearby communities. Local community members can easily report grievances through this formal mechanism.

The grievance mechanism is detailed on page 22-23.

Social and Environmental Impact Assessment (SEIA)

We carried out a social and environmental impact assessment (SEIA) that adheres to the principles of FPIC and complies with Indonesian government regulations, before we initiate any significant projects. The SEIA acts as a continuation and update of our environmental

impact assessment (*Analisis dampak lingkungan*, or AMDAL). In 2022, we partnered with *Lingkar Komunitas Sawit* (LINKS), an independent social consulting organization, to enhance our strategies for managing the social dimensions of our impact assessments for five operational units.

In 2024, we collaborated with Ecotrop to undertake social impact evaluations for our unit in Riau: PT Mitra Unggul Pusaka (three estates and two mills).

DRIVING LOCAL COMMUNITY DEVELOPMENT

GRI 203-1, 203-2, 413-1, 413-2

In line with our AA2030 vision, we have set ambitious targets to strengthen local communities through tailored CSR initiatives in all operational areas. Each subsidiary aligns its CSR programs with local initiatives and regional government objectives. All of our CSR programs are provided on a pro bono basis, demonstrating our commitment to contribute voluntarily and meaningfully to the well-being of surrounding communities. During the Regional Development Planning Meeting (*Musyawarah Perencanaan Pembangunan* - Musrenbang), we identified and selected potential programs, by first assessing community needs that are represented by village heads, and then ensuring the sustainability of the programs.

Majority of our workers is sourced locally, as part of our employment prioritization. We recruit at the subsidiary level, primarily attracting candidates from nearby areas within the province. For workers from more distant locations, we provide proper accommodation through our housing standards, which are uniformly applied across all units.

*In 2024, we invested **around 30 billion IDR** for local development.*[18]

Asian Agri's CSR Program focuses on the following categories, which include details of our contribution in 2024:

[18] This amount is not exhaustive and does not include CSR funds primarily aimed at smallholders as part of the smallholder empowerment program.

Economy

Aligned with our AA2030 objectives, our community development program is committed to eliminating extreme poverty by ensuring a monthly income of IDR 500,000 for targeted individuals. The initiative prioritizes villages within a 5-10 km radius of our mills or plantations.

To empower local communities, we actively support the growth of Micro, Small, and Medium Enterprises (MSMEs) in alignment with their unique potential. Through the Establishment of SME initiative, we provide targeted training programs and essential business tools—ranging from cooking and fish farming equipment to horticulture supplies and other necessary resources—fostering sustainable economic growth.

- Distributed over 80 goats, 370 chickens, and approximately 39,000 fish seeds to support livestock and aquaculture farming in multiple villages
- Developed alternative animal feed sources (*Maggot & Azolla*) in Tanah Datar Village, North Sumatra
- Supplied over 800 kg of fertilizer to support horticulture in Pelalawan, Riau and Tanjung Jabung Barat, Jambi
- Supported local handicraft industry in Tanjung Makmur by supplying essential tools such as grinders, saws, glass cutters and raw materials (wood panels, plywood, paint, etc)
- Strengthened local food businesses, street food stalls, and small cracker snack industries by providing essential kitchen in Tebing Tinggi, Asahan and Labuhan Batu Selatan, North Sumatra.

Education

We aim to improve the quality of local education through the following initiatives:

- Physical support: This includes renovating schools, upgrading facilities and infrastructure, providing essential amenities, constructing libraries, and enhancing sanitation.
- Non-physical support: We focus on empowering educators through training programs and offering scholarships from elementary to university levels via the *Sayap Garuda* Foundation.

- Provided scholarships for six elementary and six junior high school students in North Sumatra
- Supported the renovation and infrastructure improvement of nine schools in North Sumatra, Riau and Jambi.
- Distributed around 50 uniform packages to an elementary school in Riau

Infrastructure

We actively contribute to the local infrastructure since it plays a significant role in enhancing accessibility and fostering economic development for communities near our operations. The establishment or refurbishment of public facilities—such as places of worship, and community halls — also creates opportunities for educational activities and social welfare. Most importantly, environmental infrastructure, like waste disposal facilities.

- Provided material support for 13 places of worship in North Sumatra, Riau and Jambi.
- Supplied 100 trash bins in Kecamatan Merlung and constructed a permanent waste disposal site in Lubuk Ogung.
- Supported maintenance for over 20 km of roads in North Sumatra and Riau.
- Provided material support for a Malay traditional house in Peranap, Riau.
- Installed two clean water facilities (*sumur bor*) in Desa Pinang and Desa Lampisi

Social and Culture

We actively engage with local communities through various social events. Our involvement extends to cultural and religious festivities, as we organize breakfasting events during Ramadan, Halal bi Halal gatherings after Eid al-Fitr, and provide meals for Christmas and Chinese New Year. During Ramadan, we distribute essential food packages to support families in need in the areas surrounding our operations.

- *Dhuafa* packages for 12 villages in North Sumatra.
- Distributed *Dhuafa* packages across 12 villages in North Sumatra.
- Provided grocery subsidies for 15 villages in North Sumatra.
- Supported local arts by providing traditional costumes and equipment for *kuda kepang* performances in selected villages in North Sumatra.
- Organized grocery bazaars, selling over 12,000 kg of rice and 13,000 liters of cooking oil at subsidized price in several villages in Riau and Jambi.

Health

In the health sector, we are committed to promoting community well-being by preventing stunting and ensuring access to adequate healthcare facilities. We recognize the importance of early intervention and sustained support to improve overall public health outcomes.

- Implemented stunting prevention training and capacity-building programs across multiple villages in Riau and North Sumatra, including the distribution of supplementary food, vitamins, and milk for toddlers and pregnant women.
- Organized a blood donation drive with more than 150 donors in Asahan, Pelalawan and Tanjung Jabung Barat.
- Provided free medical check-ups for over 1,500 people in North Sumatra and Riau.
- Facilitated mass circumcision for more than 50 children in Indragiri Hulu, Riau.

Disaster Relief

We provide essential supplies, such as groceries, clothing, first aid kits, and medicines to communities impacted by natural disaster. Our relief efforts are often carried out in collaboration with other companies, universities, and local organizations. We deploy advance teams to disaster sites to ensure well-coordinated and effective response to those who are in need of aid.

- Provided flood relief assistance in Desa Tuo Sumay and Teriti, as well as in Peranap and Pelalawan District, Riau, including essential supplies such as rice, instant noodles, and eggs.

Environment

Our environmental initiatives include planting fruit trees along riverbanks near our operations to prevent erosion while providing a sustainable fruit source for local communities. We also conduct river clean-up activities to improve water quality and ecosystem health. Additionally, through our Fire Free Village Program (FFVP), we collaborate with local communities to promote proactive fire prevention and environmental conservation. For more details, refer to pages 90-92.

- Supported the cleaning of village sewers spanning over 23 km in Labuhan Batu, Langkat and Ukui.

Flood aid distribution to flood victims

Flood aid distribution to flood victims

Our community development efforts are designed not only to support direct engagement but to create indirect economic benefits for local communities. Improved market access for smallholders, human capital development, local infrastructure enhancements, technology and knowledge spillovers, and a multiplier effect on the local economy are examples of such impacts. We carefully manage our programs to minimize potential social and cultural disruptions within the communities.

Asian Agri also recognizes the potential for adverse impacts, such as the release of POME into river systems. To address this, we take extensive measures to minimize these risks by regularly monitoring the water parameters of our effluent before it is discharged into rivers. During the rainy season, we implement additional precautions to prevent waste ponds from overflowing, ensuring strict compliance with environmental management standards.

CONTRIBUTING TO FOOD SECURITY IN THE COMMUNITY GRI 13.9.1

Food security is integrated into our Sustainability Policy, as we acknowledge that access to sufficient food is a fundamental human right and is essential for the realization of all other rights. Under the pillar of *Positive Socio-economic Impact for People, Smallholders, and the Community*, we are committed to strengthening the food security of local communities. This includes ensuring sustainable land use choices and securing future food options. We actively empower communities near our plantations to establish sustainable food sources and economic resilience.

Palm oil plays a critical role in global food supply chains, and our operations directly impact the affordability, availability, quality, and accessibility of food. One of our primary objectives is to maintain a consistent supply of high-quality palm oil to meet market demands without creating significant barriers or monopolistic conditions, thereby maintaining its affordability.

We optimize land productivity using superior planting material, *like Topaz seeds, to improve and achieve food security.*

For details on our production optimization and efficiency strategies to minimize food loss, see page 99.

We believe in the potential of organic practices *to enhance soil health, boost productivity, create resilient food systems.*

Our sustainable land management practices are detailed on pages 111-113.

Since inception, we have emphasized collaboration with smallholders and local communities to bolster food security. We support the cultivation of cattle, poultry, fish, beekeeping, fruit trees and vegetables. We provide alternative income assistance during critical periods of post-replanting and pre-harvests, and we partner with cooperatives (*Koperasi Unit Desa* or KUD) to deliver knowledge, technical guidance, and financial aid for food farming.

Our “No-Burn Incentives” program rewards socio-economic improvements in local villages, such as diversifying farming activities beyond oil palm cultivation. By promoting alternative food sources and farming practices, we aim to establish sustainable income streams while maintaining ecological balance within our oil palm-dominated landscapes.

What’s next?

- We will continue initiatives to advance our AA2030 objectives within the local community, including empowering MSMEs, providing scholarships, and offering vocational training programs.
- We will continue to strengthen collaboration with village leaders and local cooperatives to foster enduring relationships with communities and support their development through our comprehensive CSR initiatives.

Climate Positive

Since 2021, Community Forest Ecosystem Services (CFES) has established a partnership with Asian Agri to support local communities in preserving Customary Forest, which serve as a vital source of clean water and a cultural heritage in Pengasi Baru Village. This partnership is unique, as it challenges the industry stereotypes often associated with land expansion and resource exploitation.

Rather than pursuing extractive activities, Asian Agri has been supporting forest conservation efforts managed directly by the community. More importantly, this initiative is not part of any obligations related to specific commodity standards, but rather a realization of the company's commitment to ecosystem restoration and biodiversity conservation.

We hope that Asian Agri will continue to expand its support to other Customary Forests, and that more companies will follow this example by offering sincere, meaningful, and impactful support for community-led conservation efforts, contributing to a greener planet and more prosperous communities.

- Joseph Hutabarat, Executive Board Secretary, CFES.

At Asian Agri, we believe that a thriving future is possible when businesses take bold steps toward sustainability. Our commitment to climate action is embedded in our business philosophy, driving us to innovate, adapt, and lead by example. We recognize that addressing climate change is not just about mitigating risks but also about creating long-term value for our business.

2024 was a defining year for global climate awareness, as the hottest year on record, with extreme weather events intensifying worldwide. Indonesia was no exception—prolonged and unpredictable rainfall, coupled with severe flooding, posed significant challenges, particularly in Riau and South Sumatra. This underscored the urgency of strengthening climate resilience within the palm oil industry.

Through our Asian Agri 2030 (AA2030) vision, we actively work to turn climate challenges into opportunities. The Climate Positive pillar guides our efforts to reduce greenhouse gas (GHG) emissions and transition toward a carbon-neutral future. To support this journey, we have developed a Carbon Roadmap that outlines a clear and structured approach to achieve carbon neutrality. It establishes targets with measurable milestones for accountability and proactiveness in driving meaningful climate action.

As part of this commitment, we maintain our goal to achieve 100% renewable energy use for all milling and processing activities, reinforcing our dedication to a cleaner energy future and supporting Sustainable Development Goal (SDG) 13: Climate Action. This initiative not only reduces our carbon footprint but also leads the way for a more responsible palm oil industry.

AA2030 Targets and Performance for Climate Positive

AA 2030 Target	Our 2024 Performance
One-to-one Restoration Ecosystem (RE) area	We continued to maintain the existing natural ecosystem and enrich the degraded area in concession
Net-Zero Emissions[19] from land use	We continued to avoid and reduce our GHG emissions from our operations
Optimize methane capture facilities for all mills	We maintained our methane capture facilities operate at optimum condition to maintain a 90% reduction in methane emissions, with potential plans to add more facilities
100% renewable energy for our operations	We continue the review of suitable and effective method for any other renewable energy sources.

[19] Our goal encompasses efforts to reduce, avoid, and, if possible, eliminate sources of greenhouse gas (GHG) emissions. This goal has not yet been validated by an external assessor to ensure alignment with standards, such as the Science Based Targets initiative (SBTi).

Emissions and Energy Management

MANAGEMENT APPROACH GRI 3-3

Asian Agri is continuously working to reduce its carbon footprint and actively contributing to addressing climate change through sustainable action and long-term commitment. As part of the AFOLU sector, recognized as a significant contributor to global GHG emissions, we acknowledge our responsibility in addressing emissions sources specific to palm oil production. Carbon dioxide (CO_2) and methane (CH_4) are the primary GHG components, arising from key operational aspects, such as land conversion, palm oil mill effluent (POME), peatland use, fertilizer application, and water management. To mitigate these emissions, we prioritize sustainable and responsible growth, integrating best management practices, innovative solutions, and collaboration with industry stakeholders.

Our commitment is reinforced through our carbon roadmap, which targets carbon neutrality by 2030. This ambitious goal is supported by key initiatives, including our NDPE commitment, methane capture facilities, and 100% renewable energy. We are working towards energy self-sufficiency by optimizing waste to energy solutions. Additionally, we are reducing pesticide dependency by implementing biological and mechanical pest control methods as a best practice for sustainable palm oil production.

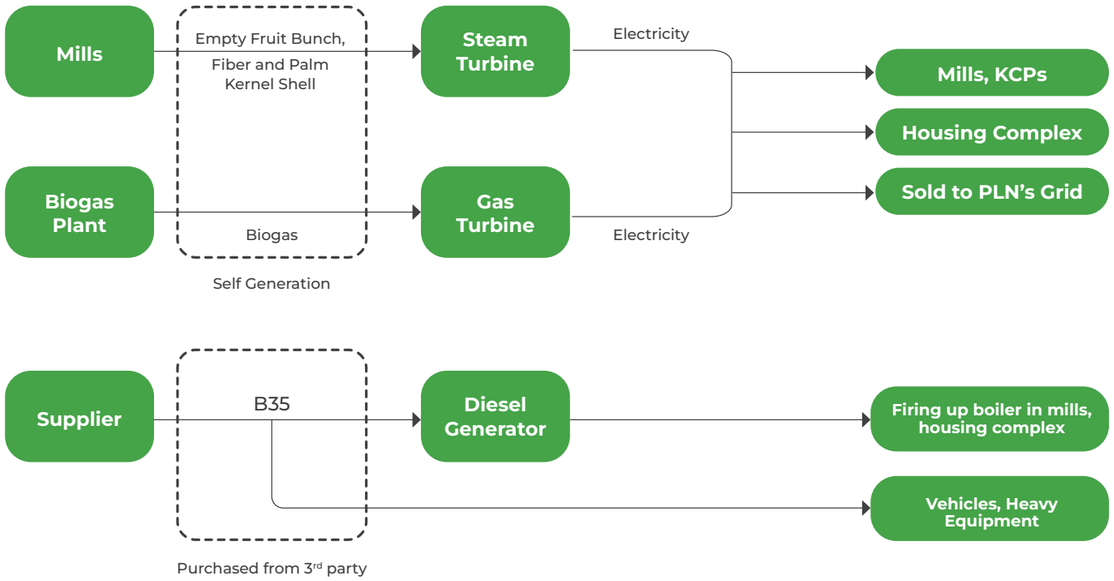
Asian Agri recognizes the importance of aligning with emerging global standards, including IFRS S2: Climate-related Disclosures and is in early development of producing climate-related disclosures. Our commitment to sustainability, outlined in AA2030, already integrates key elements that contribute to climate resilience and future compliance with IFRS S2. Below is a high-level overview of how our governance, strategy, risk management, and metrics are evolving to address climate-related risks and opportunities.

Our Climate Strategies, Risks, and Opportunities: IFRS S2

Pillars of IFRS S2	Description	Summary of Asian Agri Response	Section Reference in 2024 SR
Governance	Management's, executives' and the board's responsibility for oversight of climate-related risks and opportunities and their role in governance.	As an integral part of AA2030, climate-related considerations are embedded within our corporate governance framework. Our Sustainability Team, which operates under this structure, is responsible for driving our sustainability strategy and initiatives, including climate-related actions. As we further develop our climate agenda, we will continue to strengthen the governance mechanisms overseeing climate-related risks and opportunities.	Sustainability Governance, page 25.
Strategy	The impact of climate-related risks and opportunities on the organization's business model, strategy, and financial planning.	We continuously monitor the impact of extreme weather events on our operations and have observed instances where extreme weather caused disruptions in our supply chain and plantation activities. Recognizing our vulnerability to climate change, we are taking steps to enhance our climate resilience. As part of this effort, we plan to initiate a Climate Change Risk Assessment (CCRA) in 2025, which will provide a structured approach to identifying and addressing climate-related risks in our long-term strategy.	Message from Managing Director, page 5.
Risk Management	The processes and policies used to identify, assess, prioritize, and monitor climate-related risks.	Currently, climate-related risks are managed within our broader enterprise risk management framework, rather than through a dedicated climate risk management system. While we do not yet have a standalone climate risk framework, our holistic risk management approach considers environmental factors, including climate, when assessing operational and financial risks. As we advance our climate strategy, we aim to integrate a more structured climate risk management approach.	-
Metrics and Targets	Disclose information relevant to climate target.	We have established ambitious climate-related targets as part of our AA2030 commitment, including carbon neutrality and 100% renewable energy. We continuously monitor our progress toward these targets and refine our approach year by year to ensure alignment with our sustainability commitments and evolving industry standards.	Climate Positive, page 73.

ACCELERATING RENEWABLE ENERGY PENETRATION AND ADVANCING ENERGY EFFICIENCY GRI 302-1, 302-3, 302-4

We remain committed to integrating clean energy into our operations. By advancing energy circularity and developing a self-sufficient energy system, we are also enhancing energy efficiency. Building on previous year progress, we have adopted B35 biofuel as part of our transition toward cleaner energy sources. The figure below outlines our ongoing efforts in expanding renewable energy adoption.



The table below presents the total energy consumption within our organization (Terajoules-TJ). In 2024, we observed further decline in our total energy consumption compared to 2023, primarily from lower CPO production. Despite the overall decrease, our energy intensity increased by 4.1%.

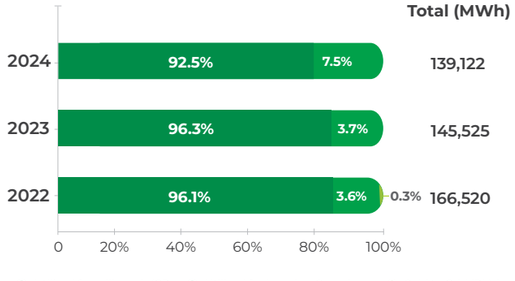
Energy consumption	2024	2023	2022
Fuel consumption (TJ)			
Total fuel consumption from non-renewable sources	330	335	361
Total fuel consumption from renewable sources	8,916	9,250	11,222
Electricity consumption (TJ)			
Electricity consumption (purchased from the grid)[20]	27	29	24
Electricity sold (TJ)			
Electricity sold (from self-generated electricity)	0	0	2
Total energy consumption[21] (TJ)	9,273	9,614	11,605
CPO Production (MT)	907,216	981,405	1,162,645
Intensity of energy consumption (TJ / MT CPO)	0.0102	0.0098	0.0099

Note: Asian Agri does not purchase or sell energy for heating, cooling, and steam

[20] For electricity, conversion from megawatt-hours (MWh) to TJ is based on the standard conversion factor: 1 MWh = 0.0036 TJ.
[21] Total energy consumption is calculated from the total fuel consumption (renewable and non-renewable) plus the electricity consumption purchased from the grid minus the electricity sold

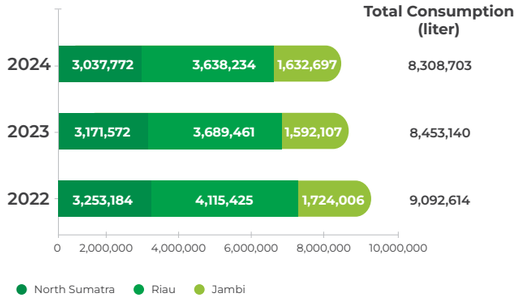
In 2024, 96.15% of our total energy consumption came from renewable sources, with the majority used for electricity generation, accounting for 93.4% of our total electricity consumption. Above 90% of this electricity was consumed by our mills and KCPs, a sustainable initiative towards energy use in core operations. This reflects our commitment to renewable energy and our progress towards a self-sustaining energy system. As shown in the figure below, all electricity generated was used in-house, with no surplus sold to PLN.

Electricity Consumption in Asian Agri



Our operations still use non-renewable energy sources, such as diesel fuel, but we remain committed to reduce our reliance. This is reflected in the small share of non-renewable energy, which accounted for only 3.5% of our total energy consumption in 2024, consistent with previous years. To further minimize fossil fuel use, we have incorporated biofuel (B35) blending as part of our strategy. The table below provides a breakdown of diesel consumption across different locations. Diesel usage in Jambi did increase by 2.5% but reductions in North Sumatra and Riau offset this rise, resulting in an overall decrease of 1.7% compared to 2023.

Diesel consumption (liter)



OUR GHG EMISSIONS GRI 305-1, 305-2, 305-4, 305-5

As part of our commitment to climate action and transparency, we monitor and report our greenhouse gas (GHG) emissions in accordance with internationally recognized standards. This includes both direct emissions from our own activities (Scope 1) and indirect emissions from the use of purchased electricity (Scope 2). The tables below outline the methodologies, boundaries, and emission sources relevant to our greenhouse gas inventory.

Consolidation Approach

We apply the operational control approach, meaning we account for GHG emissions from all facilities where we have the authority to introduce and implement operational policies.

Standards and Methodologies

Emissions are calculated using a customized tool developed by external consultants. The tool is aligned with the GHG Protocol and ISO 14064-1 standards. Calculations are based on activity data and relevant emission factors.

Greenhouse Gas Coverage and Global Warming Potential (GWP)

The inventory covered:
- CO2 with GWP of 1
- CH4 with GWP of 27
- N2O with GWP of 273

The GWP rates are based on the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6).

Emission Factors

Scope 1
- B35: 0.00176 tCO_2e per liter
- Gasoline: 0.00228 tCO_2e per liter

Scope 2
Electricity emission factors are based on data issued by the Indonesian Ministry of Energy and Mineral Resources, available at: https://jdih.esdm.go.id/index.php/web/result/2183/detail

Emission Source	Organizational Boundary for Scope 1 & 2
Estates	33 (30 Own Estates + 3 Scheme Smallholders Estate)
Mills Facilities	23 in total (inclusive of entities with biogas plants and KCPs)
Offices	4 (Head Office Medan, Pekanbaru Regional Office, Jambi Regional Office, and Jakarta Representative Office

In 2024, our GHG emissions profile remains largely consistent with 2023, with most emissions coming from:
- Plantations: Peatland oxidation, land conversion, and fertilization
- Mills: Methane emissions from POME (Palm Oil Mill Effluent)

The table below presents our total Scope 1 and Scope 2 GHG emissions and intensity for the year. While we have not yet started Scope 3 emissions accounting, we recognize its importance and are exploring the necessary steps to expand our GHG inventory to include indirect emissions in the future.

Scope	2024	2023	2022
Scope 1 GHG emissions (tCO2eq)	3,043,792	3,027,269	3,096,458
Scope 2 GHG emissions (tCO2eq)	6,221	6,754	5,657
Total Scope 1 and 2 GHG emissions (tCO2eq)	3,050,013	3,034,023	3,102,116
Biogenic emissions	741,923	774,799	858,085
CPO Production (MT)	907,216	981,405	1,162,645
Scope 1 & 2 GHG emission intensity (tCO2eq/ MT CPO)	3.36	3.09	2.67

Note (GRI 2-4):
The biogenic emissions reported in 2023 were corrected (was 774,363 MT), resulting in an incorrect figure. This has been restated here with the correct amount. Our biogenic emissions originate from biodiesel B35 used in both stationary and mobile diesel engines, as well as from palm kernel shells and palm fiber.

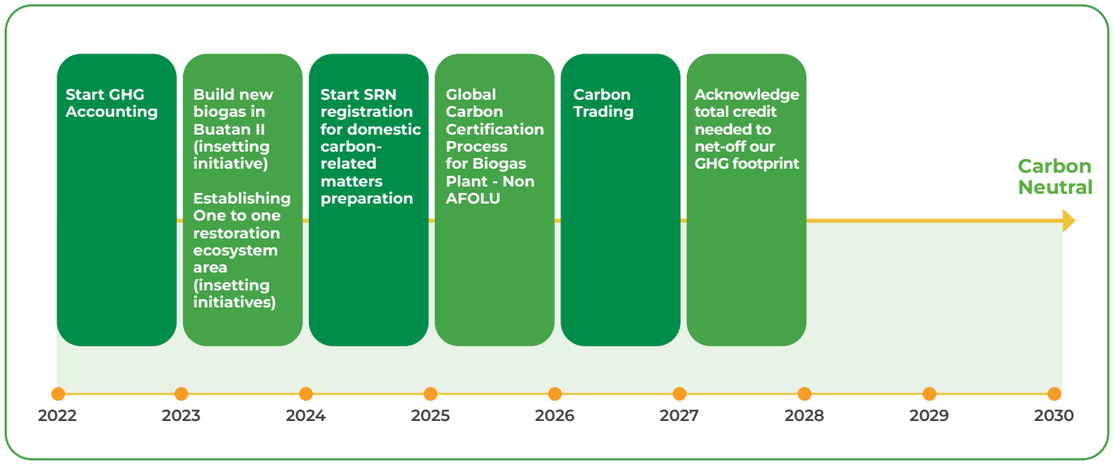
The Global Warming Potential (GWP) figures used in our calculations are sourced from the IPCC Fifth Assessment Report (AR5). Additionally, our biogenic emissions originate from biodiesel B35 used in both stationary and mobile diesel engines, as well as from palm kernel shells and palm fiber.

REDUCING OUR CARBON FOOTPRINT

At Asian Agri, we are steadfast in our commitment to reducing our carbon footprint as part of our overarching goal to achieve carbon neutrality by 2030. Our efforts are guided by a GHG footprint reduction target, established with a baseline average of 4.48 tCO_2e/tCPO for all certified management units in 2022, and disclosed in our Annual Communication of Progress (ACOP) to the RSPO. We have selected 2021 as the base year and have worked toward a 2% annual reduction in emissions, equivalent to 0.07 tCO_2e/tCPO per year.

In 2024, we took a significant step forward with the introduction of a Carbon Roadmap. This roadmap consolidates our strategies and defines a clear path for reducing emissions across our supply chain. It includes innovative solutions such as biogas plant expansion, global carbon certification for carbon trading, and enhanced conservation efforts, ensuring we stay on track to meet our sustainability targets.

We are advancing our decarbonization journey through various carbon reduction initiatives across our entire supply chain. This is in support of Indonesia's Nationally Determined Contribution (NDC) target of reducing greenhouse gas emissions, as detailed below.



Plantation

- **Zero Burning Policy:** Strict adherence to zero burning practices
- **Peatland Management:** No new developments on peatlands and improved peatland management to minimize emissions
- **Conservation Areas:** Protecting and enriching degraded areas (e.g., riparian zones) while preserving natural ecosystems
- **Chemical Reduction:** Reducing the use of pesticides and chemicals to lower emissions
- **Energy Efficiency:** Increasing efficiency in heavy equipment and transportation usage
- **Investment in Renewable Energy:** Expanding solar PV projects to reduce dependency on non-renewable energy sources
- **Ecosystem Restoration:** Enhancing sequestration and biodiversity in selected areas

Mills & Kernel Crushing Plants

- **Biogas Plant Expansion:** Adding new biogas plants to convert methane from POME (Palm Oil Mill Effluent) into renewable energy
- **Utilizing FFB By-Products:** Using palm kernel shells and fiber as renewable energy sources
- **Energy Efficiency:** Continuing to reduce energy consumption and improve energy efficiency across all operations

Multi-Sectoral Strategies

- **Carbon Certification:** Initiating carbon projects for conservation areas and biogas plants, aligning with national (Indonesia's SRN system) standard and supporting NDC
- **Project Design for Certification:** Developing Project Design Documents (PDDs) to support certification

Our Plantations

Zero Burning Policy and Peatland Management

We continue to reinforce our zero burning policy to mitigate GHG emissions caused by fire incidents. This strict adherence to zero burning not only helps prevent uncontrolled fires but also aligns with our long-term commitment to sustainable land management. By implementing proactive measures, including community engagement and fire prevention monitoring, we aim to maintain the highest level of compliance across all our operations.

We recognize that peatland oxidation significantly contributes to GHG emissions, as the development of peatlands releases stored carbon into the atmosphere. To minimize this impact, we maintain a no new development on peatland principle as part of our policy. Additionally, we continue to improve peatland water management and protection strategies to reduce emissions and enhance carbon sequestration. These efforts are integral to our commitment to protecting natural ecosystems and mitigating climate change.

Biang Sari Customary Forest

Conservation Areas

We are committed to protecting High Conservation Value (HCV) and High Carbon Stock (HCS) areas within our estates while offsetting emissions through our One-to-One Restoration commitment, which aims to restore degraded land equal to our total landholding by 2030. This initiative supports carbon sequestration, enables carbon credit acquisition, and aligns with our AA2030 targets. Additionally, we rehabilitate degraded areas, such as riparian zones, by planting fruit trees in collaboration with local communities. These efforts extend beyond our operational boundaries, enhancing biodiversity and fostering sustainable ecosystems.

For more information on our strategies for conserving and restoring ecosystems, please refer to pages 87-88.

Chemical Usage Reduction

We are mindful that the use of fertilizers, pesticides, and chemicals contributes to GHG emissions. To address this, we partially replace synthetic fertilizers with organic alternatives derived from EFB and POME. We also implement the 4C fertilizer stewardship approach—ensuring correct dosage, method, timing, and placement—alongside a site-specific fertilizer program.

Our Integrated Pest and Disease Management (IPM & IDM) approach prioritizes biological and ecological methods, reducing chemical dependency and lowering emissions. Furthermore, the use of spraying drones enhances the efficiency and precision in pesticide application while overall reducing our use of pesticides.

For more details, please refer to pages 111.

Energy Efficiency

To enhance fuel efficiency and reduce emissions, we have implemented several strategies to optimize the use of heavy equipment and trucks. A key approach is minimizing unnecessary return trips by transporting FFB and EFB in single trips. We also maximize operational efficiency by assigning heavy equipment to perform multiple tasks in a single operation. Regular and timely maintenance supports the smooth and efficient operation of all equipment.

Investment in Renewable Energy

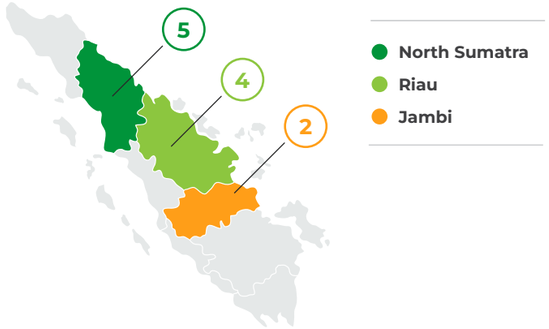
To further reduce reliance on fossil fuels, we are expanding our transition to potential renewable energy sources. While the majority of our electricity is currently generated from bio-based renewables, such as biogas and biomass, we are committed to continue diversifying our energy mix. In 2024, actively pursued towards other renewable energy integration to reduce our dependence on non-renewables.

Ecosystem Restoration Initiatives

Our restoration efforts focus on rehabilitating degraded areas through multi-purpose forestry, enhancing carbon sequestration and biodiversity conservation. We are pursuing certification so that our initiatives meet international standards and align with carbon market mechanisms. These efforts contribute to Indonesia's Nationally Determined Contributions (NDCs) by supporting climate mitigation and sustainable land management.

Our Mills and Kernel Crushing Plants (KCPs)

Biogas Plant Expansion



In 2024, renewable energy—particularly biomass and biogas—remains our primary source of energy, reinforcing our commitment to sustainability and emissions reduction. We currently operate 11 biogas plants equipped with methane capture technology across our mills, supporting our efforts to reuse organic waste, reduce GHG emissions, and generate renewable energy.

Our biogas plants capture more than 90% of methane emissions, significantly lowering the carbon footprint of our milling operations. Methane, a potent greenhouse gas, is effectively converted into a renewable energy source rather than being released into the atmosphere. This technology remains one of the most impactful solutions for mitigating emissions in palm oil production.

By combusting captured methane, we generate electricity and thus reduce reliance on diesel for power generation in both operations and housing facilities. The total potential energy production from our biogas plants reaches 20 MWh, exemplary of our energy circularity and carbon footprint reduction initiatives.

Generating Energy from Organic Waste at Our Biogas Plants

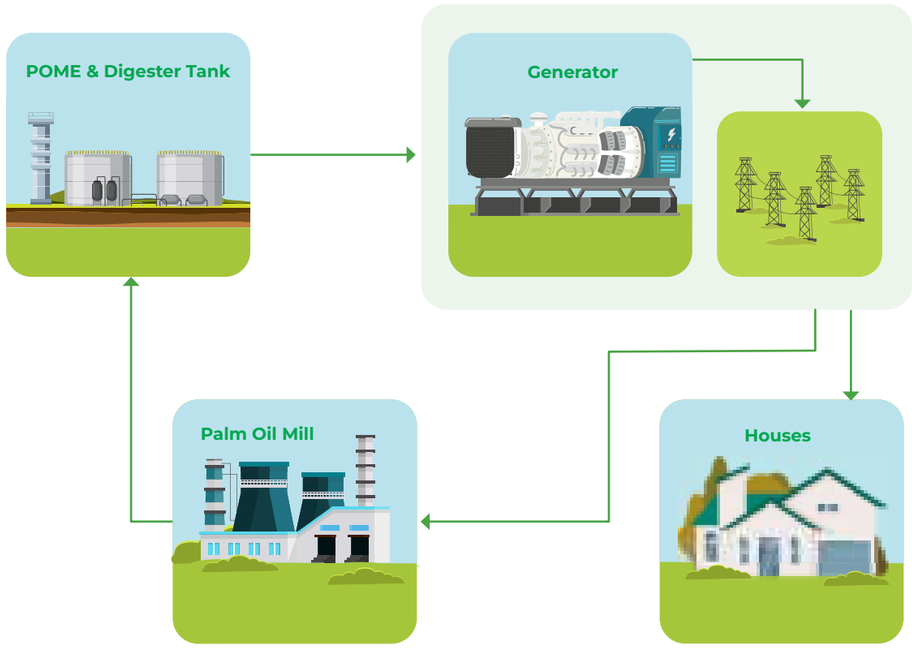
Capturing Biomass Waste: Our biogas plants are directly integrated with palm oil mills and utilizes POME as a key feedstock for energy production.

Anaerobic Digestion: In digester tanks, microorganisms break down POME through an anaerobic process, converting organic matter into methane-rich biogas.

Electricity Generation: The captured methane is directed to gas engines, producing between 1.2 and 2.2 MW of electricity per plant, depending on the engine configuration.

Powering Operations and Communities: The electricity generated supports our mills and kernel crushing plants (KCPs), provides energy for housing complexes within our estates, and, where feasible, is supplied to the national grid.

HOW OUR BIOGAS PLANTS GENERATE ENERGY FROM ORGANIC WASTE



Optimizing fertilizer consumption through our 4C approach

FFB By-Products Utility

Building on our commitment to renewable energy, we maximize the potential of FFB by-products by repurposing them as biomass fuel. Instead of coal or diesel, our mills utilize fiber and palm kernel shells as a primary fuel source for boiler operations.

This initiative complements our existing biogas-to-energy and solar PV integration efforts, and advances our transition toward a self-sufficient and low-carbon energy system. Additionally, we extend the benefits of biomass beyond our operations by supplying surplus palm kernel shells to third parties to promote a wider adoption of renewable fuels in the industry.

Energy Efficiency

We continuously seek ways to optimize energy use and improve operational efficiency through targeted initiatives, including:

- **Air Emissions Monitoring:** Conducting biannual emissions assessments for boiler chimneys and generators in compliance with ISO 14001, verified by third parties.
- **Energy Consumption Tracking:** Monitoring energy use per ton of CPO, PK, and CPKO through SCADA systems, enabling data-driven efficiency improvements.
- **Fuel Efficiency Enhancements:** Investing in technologies that increase production output while lowering energy consumption in mills.
- **Energy Conservation Awareness:** Encouraging employees to adopt energy-saving practices, such as minimizing electricity, air conditioning, and water use across operations.

Multi-Sectoral Initiatives

Advancing Carbon Certification for Climate Commitments

We are actively preparing for SRN certification of our biogas plants and conservation areas as part of our broader strategy to reduce GHG emissions and enhance climate resilience. By certifying these initiatives, we expect that our emissions reduction efforts are measurable, verifiable, and aligned with national standards.

In parallel, these initiatives contribute to insetting strategies, where emissions reductions are achieved within our own operations. They reinforce our commitment to climate-positive practices and aligns with Indonesia's Nationally Determined Contributions (NDCs).

Project Design for Certification

As part of our GHG reduction strategy, we develop Project Design Documents (PDDs), with a focus on Dokumen Rencana Aksi Mitigasi (DRAM) for Indonesia's SRN system, specifically for our latest biogas plant. This initiative supports certification processes, upholds compliance with national climate policies, and reinforces our commitment to measurable and verifiable emission reductions.

In 2025, we will prepare for the SRN audit and advance the carbon certification process for our biogas plants to progress in verified emissions reduction efforts.

Moving Forward: Strengthening Our Climate Commitments

- We will continue to reduce our emissions by advancing carbon certification for biogas plants and preparing for the SRN audit.
- We will expand renewable energy adoption, while further optimizing biogas utilization across our operations.
- We will strengthen our peatland management and multi-purpose forestry initiatives, supporting carbon sequestration and biodiversity conservation.
- We will optimize fertilizer use through our 4C approach (Correct Dosage, Correct Method, Correct Timing, Correct Placement) while continuing to incorporate organic fertilizers derived from EFB and POME.
- We will further reduce chemical pesticide usage by enhancing Integrated Pest and Disease Management (IPM & IDM) through biological control methods and the use of drone spraying technology to optimize application efficiency and minimize our environmental impact.
- We will finalize restoration ecosystem permits and accelerate our One-to-One Restoration commitment, expanding conservation areas to increase our carbon sink capacity.

Biodiversity and Conservation

*By end 2024, we have completed replanting more than **75%** of our own estates. Since 2016, we have supported the replanting of over 18,900 hectares of smallholder land, including 3,480 hectares in 2024 alone.*

MANAGEMENT APPROACH GRI 3-3, 13.4.2

At Asian Agri, we are committed to protecting biodiversity and natural resources in our concessions and nearby regions. We understand the vital role of biodiversity in human health, food security, economic success, and effectively addressing climate challenges. Our commitment, as outlined in our Sustainability Policy since 2014, includes the protection of designated High Carbon Stock (HCS) and High Conservation Value (HCV) areas, as well as peatlands, while promoting positive socio-economic outcomes for individuals and communities.

Our existing estates, including those that belong to our scheme smallholders, were established in the 1990s on degraded forest areas with low biodiversity value, following government-issued concession permits. Currently, 75% of our plantation is located on mineral soil, while the remaining 25% is situated on peat soil, which we prioritize for careful management.

A key biodiversity conservation initiative of ours include fire prevention, through partnerships with external stakeholders, such as local communities. Beyond our plantation areas, we actively work to conserve and restore 100,000 hectares of natural ecosystems in order to maintain or enhance biodiversity and carbon storage capacity. We conduct forest planning through nursery development, planting, and wildlife monitoring, along with area mapping, patrols, and surveys to promote effective ecosystem management. Additionally, we engage with local communities to support long-term conservation efforts.

Maintaining Productivity Without Expanding Land Footprint

Since 2003, we have prioritized replanting and maximizing yields in both our estates and those of smallholders by enforcing a moratorium on forest clearance and new peatland development. Replanting new trees has been one of our main focus to replace aging oil palms which become less productive and show declining FFB quality after approximately 25 years. By extending the productivity of existing land rather than opening new areas, we contribute to reducing pressure on forests and habitats.

The replanting process encompasses the following steps:

- We evaluate characteristics such as the age and productivity of palm trees, conduct soil analysis, and perform feasibility studies. We target to replant our own estates for 3,000 - 4,000 hectares annually, approximately 3-4% per year.
- We practice cutting down trees instead of burning them, in line with our ‘zero burning’ policy.
- We leave the leaves and fronds of our oil palms to decompose naturally to enrich the soil and serve as fertilizer for new saplings.
- We then plant leguminous cover plants and TOPAZ seedlings afterward.

The entire land preparation process will take a period of six months to complete.

We provide ongoing support to our scheme smallholders during the replanting process and closely collaborate with them. Through our AA2030 initiative, we aim to help 100% of our smallholders complete the replanting program. We are committed to increasing their engagement in the program and tackling any challenges that may impede their participation.

Commitment to One-to-One Restoration Area

Through the AA2030 initiative, we aim to manage, restore, and conserve 100,000 hectares of ecosystems by 2030, aligning with our cultivated land area. Our primary focus will be on preserving existing ecosystems and rehabilitating degraded areas. With the necessary permits already in place, we are moving forward with the implementation of our restoration strategies. At Asian Agri, we aspire to achieve our AA2030 ambitions, encompassing the goal of achieving a net reduction in our annual emissions by 2030. This will be accomplished through the carbon reductions generated from our conservation, restoration, and enrichment efforts.

We have identified key areas throughout Indonesia with strong potential for ecosystem restoration and carbon sequestration. To achieve successful initiatives, we

Monitoring activity to identify wildlife

strictly follow the required legal procedures to obtain permits and comply with the relevant environmental regulations. As of 2024, we are making progress in securing ecosystem restoration permits, which we expect to proceed in several phases over the coming years. These efforts align with our broader biodiversity conservation strategy that includes forest planning, wildlife monitoring, and habitat restoration beyond our plantation areas. Through the integration of area mapping, patrols, and community engagement, we aim to maintain long-term sustainability of these areas.

PROTECTING CONSERVATION AREAS AND BIODIVERSITY GRI 304-1, 304-2, 304-4

Preserving High Conservation Value and High Carbon Stock Areas

In line with our Sustainability Policy, we evaluated all our properties, including assessments on HCV and HCS areas, peatland surveys, and Social and Environmental Impact Assessments (SEIA) prior to any new plantings.

Our HCS assessments were carried out by a Technical Committee comprising six experienced scientists, while our HCV assessments were performed by third-party assessors approved by the RSPO, reviewed by independent experts, and in accordance with our sustainability certifications commitments. All our HCV assessments are carried out by licensed professionals recognized by the High Conservation Value Resource Network's (HCVRN) Assessor Licensing Scheme (ALS), and we extend this standard to our suppliers. The HCV assessments for Asian Agri companies were completed by 2014.

The scope of the assessments covers key environmental factors, such as habitat quality, soil conditions, peat presence, and river health. These assessments have enabled us to designate specific HCV areas for conservation and take proactive measures to protect them from harmful development, which is essential for preserving the microclimate within our plantations.

We also designate riparian buffers[22] to safeguard vital water sources utilized by neighboring communities. We also devise and execute plans for their conservation and management, including areas that hold cultural significance to local communities.

We recognize that our operations can potentially threaten biodiversity through fire and water pollution. To address this, we have established a robust fire prevention and an effluent management system.

Our system on fire prevention and effluent management can be found on page 89-92 and 102-103.

Within our concessions, we have identified several species categorized as Critically Endangered and Endangered status on the IUCN Red List, such as the scaly anteater, milky stork, silvery gibbon, crab-eating and southern pig-tailed macaque, greater green leafbird, and yellow-handed mitered langur. These species are also protected under Indonesian regulation, specifically the Ministry of Environment and Forestry Regulation No. P.106 of 2018 concerning protected plant and animal species. Our conservation approach for theses threatened species comprises biannual monitoring of their habitats to maintain their condition and verify positive ecological changes, such as habitat enrichment.

[22] A riparian forest buffer is a section of land next to a stream, lake, or wetland that contains various trees, shrubs, and/or other long-living plants. This area is managed differently than the surrounding landscape, with its primary purpose being to provide environmental conservation benefits.

Detailed information about the endangered species inhabiting our concessions is accessible on our website.[23]

Our managed areas are entirely separated from protected regions, with no direct borders or overlaps. *The closest conservation area is Tesso Nilo National Park, which is 16 kilometers away from our Ukui estate.*

Implementation Approach

We have a stringent policy that prohibits the capture, hunting, and fishing of endangered species. To promote awareness among local populations, we have installed signboards in protected zones to prohibit such activity and unauthorized access. Our training programs for smallholders incorporate topics on HCV and HCS to foster understanding and cooperation in safeguarding these areas. We also collaborate with neighboring communities to protect sites of cultural significance.

Our team of field personnel conducts daily patrols and monitoring of endangered species. Any violations of our biodiversity policy will result in warnings with serious breaches leading to legal action. To maintain effective implementation of our management plans, we have established a dedicated team to oversee the process:

Afforestation of Degraded Land for Conservation

Asian Agri, with the Community Forest Ecosystem Service (CFES), a non-profit group focused on community-based forest conservation, carried out rehabilitation activities in Biang Sari customary forest[24], known as Hutan Adat Biang Sari (HABS), located in Pengasi Baru Village, Kerinci Regency, Jambi Province. Launched in 2021, the project aims to meet broader environmental objectives by restoring ecosystems and boosting biodiversity while ensuring the customary rights and traditional practices of local residents are honored throughout the process. Beyond ecological restoration, the initiative is also expected to enhance the well-being of the local community.

Main focuses of the partnership are:

- **Empowering local communities through training and mentoring programs,** such as the Spatial Monitoring and Reporting Tool (SMART) Patrol methods, to enable sustainable protection and management of the forest.
- **Initiating forest rehabilitation activities,** including seed collection, tree planting, and the restoration of degraded forest areas to enhance biodiversity and ecosystem services.
- **Developing community welfare programs,** particularly aimed at women, to foster economic opportunities and social empowerment

HABS has historically been managed by Indigenous communities for generations and plays a crucial role in maintaining biodiversity, supporting local livelihoods, and building resilience against climate-related challenges. It supplies vital resources such as clean water, food, medicinal plants, and materials for housing, while also acting as a natural barrier against floods, landslides, and the effects of extended dry periods.

As part of AA2030 ambitions, this initiative emphasizes not only the restoration of forests but also the empowerment of local communities to preserve their heritage and future. It is also aligned with our company's philosophy of the 5Cs, specifically that "the interests of the Company should align with those of the Community in protecting the Earth and Climate, ultimately ensuring the provision of sustainable products for Customers while positively impacting the Country's economy".

[23] https://www.asianagri.com/en/sustainability/sustainability-policy/zero-deforestation/
[24] A customary forest is an area of woodland that is under the management of a local community, with its governance and use guided by traditional cultural practices.

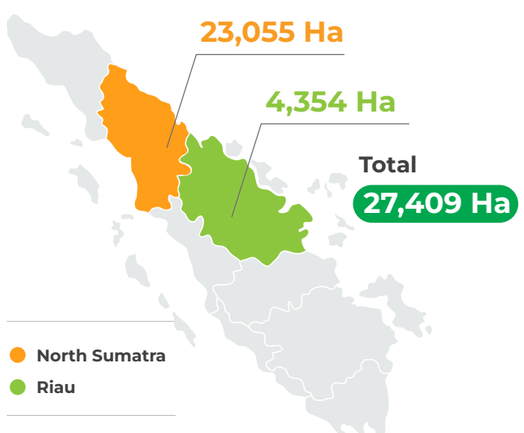
PEAT MANAGEMENT

We currently manage seven estates in North Sumatra and Riau that contain peatland, comprising about 25% of our total plantation area. We do not own any estate on peatland in Jambi. All our peatland estates were established in the 1990s, and we are committed to abstain from any new peatland development, regardless of its depth.

We prioritize careful management of peatlands in our operational areas, as poor management can lead to N2O emissions (a prominent greenhouse gas), environmental degradation, and decreased oil palm productivity. Our goal is to restore and maintain the peatland ecosystem's function as a carbon sink, preventing the release of organic material into the atmosphere. This is a key part of our Sustainability Policy, which emphasizes the significance of peat soil—containing 65% or more organic matter—essential to our environmental objectives.

Before any new replanting, our R&D peat experts carry out detailed assessments to create a protective map to safeguard areas from new development. Our replanting efforts on peatland are evaluated to confirm they do not exceed previously cultivated areas. For peatland locations deemed unsuitable for replanting, we collaborate with stakeholders and communities to explore long-term restoration or alternative uses. Our specialists also assess the specific properties of our peatlands, such as maturity and porosity, to implement the most effective water management strategies.

Peatland Area (Ha)



We safeguard peatland quality in our concessions by following RSPO-endorsed best practices to preserve its organic content and prevent emissions. This allows us to maintain water levels, minimize soil subsidence, and simultaneously improve the interaction between organic materials and oil palm roots. Additionally, we aim to prevent methane production, reduce fire risk, and preserve peatland biodiversity. Key measures we implement to assess our peatland include:

- **Drainage Level Measurement:** The drainage capacity is assessed five years prior to replanting on peatland to assess land suitability. The data helps us develop our water management strategy, through the use of bunds, water gates, and weirs to mitigate potential water ingress during monsoons that could harm peatlands. As mandated in our protocol, we aim to maintain water levels between 50-70 cm from the ground throughout the year by installing water barriers or gates on each drainage channel.
- **Subsidence Level Measurement:** We install subsidence poles at strategic locations and monitor peat subsidence levels monthly to maintain peatland integrity.

CONSERVING OUR ENVIRONMENT THROUGH FIRE PREVENTION AND MITIGATION

Fire prevention is taken seriously at Asian Agri. Our fire prevention strategies constantly evolve over the years to consider human activities that could potentially start forest fires or hotspots. Note that a hotspot does not necessarily indicate an active forest fire, i but suggests the potential use of fire in an area. To reduce such hazards, we promote awareness through our community-based initiatives, such as the Fire Free Village Program (FFVP) and installing informative signboards.

Our training programs at the Asian Agri Learning Institute consistently emphasize fire prevention and emergency response techniques for all new trainees. We offer annual refresher courses for employees and workers across various locations, ensuring that our team is well-versed in the detection of fire risks, fire drills, and the basic application of firefighting methods.

In collaboration with local firefighting services, we have established emergency response procedures to promptly address hotspots and fire outbreaks, including:

- A dedicated team utilizes satellite imagery to monitor hotspots.
- Emergency Response Teams, comprising specially trained employee representatives to handle emergencies.
- A readily available supply of firefighting tools and infrastructure for swift fire response and control.

Monitoring Hotspots

We regularly monitor hotspot alerts from our internal Fire Prevention and Management team, satellite data, and feedback through our grievance mechanisms. In 2024, we maintained zero fire incidents. There were four detected hotspots within our concessions, which prompted our Fire Prevention and Management team to conduct prompt investigations and on-site verification, subsequently confirming the absence of actual fires. We also welcome any grievances on suspected hotspots from stakeholders like the RSPO.

Our investigation reports are documented in the grievance log.

Year	Own Estates		Smallholders		Surrounding Communities	
	Number of hotspots	Number of fires	Number of hotspots	Number of fires	Number of hotspots	Number of fires
2024	**6**	**0**	**12**	**0**	**149**	**0**
2023	1	0	8	0	180	0
2022	7	0	2	0	104	0

Collaboration for a Fire-Free Indonesia

Asian Agri joined the Fire-Free Alliance (FFA) in 2016, a collaborative and voluntary initiative for companies from the forestry and agriculture sectors, non-governmental organizations (NGOs), and other entities to focus on sustainable solutions to eliminate fires in Indonesia. As a member, we contribute data and insights to the FFA Secretariat and collaborate with various organizations to address the challenges of ongoing fires and cross-border haze in Indonesia. Our participation allows us to exchange best practices from peers with our own fire prevention experiences, such as those gained through our Fire Free Village Programme (FFVP).

FIRE FREE VILLAGE PROGRAMME (FFVP)

GRI 413-1

At Asian Agri, we believe that collaborating with local communities is crucial to achieve our goal of zero fire incidents. One of our approaches is through the FFVP, an inclusive program aimed to motivate and assist local communities to adopt non-burn alternatives for land clearing. This community involvement approach has been recognized as an effective fire prevention strategy. The FFVP initiated in March 2016 with eight villages in Riau Province and two villages in Jambi Province.

The prevention of forest fires has emerged as a critical national concern, a priority for the government, private sector, and local communities. Through FFVP, Asian Agri collaborates extensively with key stakeholders, including the Indonesian National Armed Forces, police forces, the Environmental Affairs and Forestry Ministry's Fire Task Force "Manggala Agni", and local village communities. Our cooperative efforts encompass a range of activities, such as conducting joint patrols and sharing knowledge and training.

In 2024, our efforts had expanded to include 16 villages in total across Riau and Jambi, covering an area of 343,276 hectares to prevent fires. These villages were selected based on their proximity to our operations and their vulnerability to fires, such as being situated in peatland regions or having a history of recurrent fire incidents.

The table below represents the number of villages, land coverage and population included the FFVP. Note that the number of villages and land coverage remains the same as in 2023, but the population has increased.

Number of Fire-Free Villages	Villages		Total Land Covered (Ha)	Population in 2024
Riau	1. Rantau Baru 2. Tambak 3. Lubuk Ogong 4. Segati 5. Bagan Limau	6. Sotol 7. Lalang Kabung 8. Delik 9. Kuala Terusan	173,006	33,176
Jambi	1. Teriti 2. Muara Sekalo 3. Semambu 4. Tuo Sumay	5. Suo-Suo 6. Lubuk Bernai 7. Lubuk Lawas	170,270	18,547

Working with Potential Villages

We undergo the following steps before including new villages in the FFVP:

Fire Risk Evaluation	Collaboration with Government Agencies	Signing off agreement with village head	Selection and Training of Village Crew Leaders
We utilize our own data analysis along with satellite hotspot trends to identify villages at high risk of fires.	We partner with governmental bodies like the Coordination Board of Agriculture, Fishery and Forestry (Bakorluh) and the Estate Agency (Dishutbun) to obtain external support and align with broader regional agenda.	Asian Agri and village head will sign an agreement, after the administration and technical support have been set up.	We select a number of village crew leaders from individuals who meet the criteria and will be tasked with key responsibilities such as conducting patrols and liaising with the authorities. We equip them with skills in fire prevention and mitigation.

Implementation of the FFVP

The FFVP focuses on fire prevention programs, such as:

Monitoring

Monitoring of Hotspots by Regular Patrol and Using Satellite Imagery

Refer to pages 90.

Capacity Building

Raising Awareness for Communities Living Around Forest Area

We actively engage the local community to raise awareness about the health risks associated with fire and smoke, as community understanding is key to mitigate fire risks, especially since hotspots often originate nearby.

To facilitate this, we have formed a team that includes estate managers, village crew leaders, FFVP participants known as the Fire Aware Community (Masyarakat Peduli Api), and sub-village heads. This team coordinates and shares information about fire incidents both in our operational areas and surrounding community. For prompt communication, they utilize instant messaging and mobile phones to report incidents.

Training Community Leaders of Village Crew Leaders

Once a village chief agrees to participate in the FFVP, our Human Resources department selects village crew leaders from the community, prioritizing individuals who are physically fit, has firefighting experience, with strong communication skills. They are responsible for fire prevention, organizing patrols, extinguishing fires, and coordinating with local leaders and authorities.

Training crew leaders in fire prevent and fire suppression techniques is the responsibility of Manggala Agni, the police, the Human Resource Training Center of the Ministry of Environment and Forestry, NGOs, the Instructor Coordination Board, and the Training Center for Environment and Forestry.

Participants in the Community Fire Crew Leaders program receive up to 52 hours of theory at the Training Center for Environment and Forestry and three days' worth of hands-on practice. The curriculum covers essential skills such as operating GPS devices, conducting fire patrols, educating the community on fire safety and prevention, and taking part in controlled fire drills.

Additionally, the Community Fire Crew Leaders engage in patrols and discussions with local villagers and government officials, with support from village chiefs and security forces.

Assistance and Incentive

Providing Assistance to Local Communities in Land Clearing Without Burning

We educate communities on alternative methods to avoid slash-and-burn techniques for land clearing. Our focus is on sustainable practices that involve no fire, protect peatlands, preserve soil health, and utilize felled trees to enhance soil nutrients. During the implementation phase, we extend our support by providing any necessary equipment, including the loan of heavy machinery.

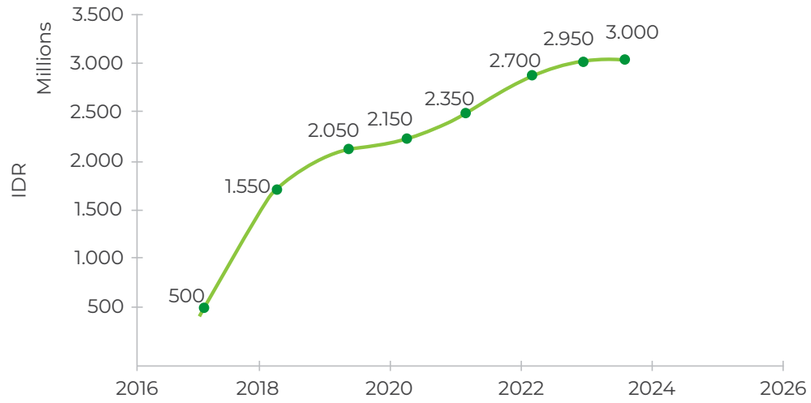
Providing 'No-Burn' Incentives to Develop the Local Economy

We incentivize villages to successfully prevent fires in their village for one year with a reward equivalent to IDR100 million. Villages that limit burning to under one hectare will receive a partial reward equivalent to IDR50 million. Instead of cash, we provide funding for the development of their local economic and infrastructure. As of last year, the villages have utilized the rewarded funds to construct roads, bridges, and places of worship, as well as to start small businesses, such as motorcycle wash stations and handicraft stalls.

Distribution of 'No-Burn Incentives'

Since 2017, we have supported villages participating in the FFVP through incentives that encourage fire prevention efforts. In 2024, all participating villages successfully prevented fire incidents in their areas, demonstrating the effectiveness of this community-led initiative.

Cumulative FFVP Reward



What's next?

- We will maintain our commitment to intensifying operations on the same plot of land without any new land use changes.
- We have begun and will continue ecosystem restoration operations in our designated areas, having achieved our One-to-One Restoration commitment. This includes nursery development, planting, wildlife monitoring, area mapping, patrols, and community engagement to promote long-term sustainability of these restored ecosystems.
- We will continue to evaluate and improve our approaches on biodiversity management and conservation.
- We will continue to strengthen conservation practices including our water management in peat areas and fire prevention through the FFVP.

Responsible and Sustainable Production

At Asian Agri, our mission is to produce responsibly and sustainably. We strive to improve our agricultural practices, manufacturing processes, and reduce our chemical usage to provide the highest quality products.

Our alignment with SDG 2, Zero Hunger is reflected through our product and collaboration with regulating bodies on hunger eradication programs. We also align with SDG 12, Responsible Consumption and Production, a goal that highlights the importance of sustainable management and efficient use of natural resources, improving waste management practices, reducing food waste, and adopting renewable energy sources. This is particularly significant in the agricultural sector, especially in palm oil production, and of great interest to our stakeholders, including our consumers.

Asian Agri's vision is to become one of the largest, best managed, and most sustainable palm oil companies, creating value for the Community, Country, Climate, Customer, and Company. This is driven by our core value of Continuous Improvement, which inspires us to constantly seek innovative ways to enhance our operations.

We believe that responsible and sustainable production is essential to achieve our Climate Positive Pillar goals. As we strive to become a circular company, we are confident that our efforts in waste recycling, integrated pest and disease management using biological methods, responsible chemical use, and soil management furthers our commitment to reduce our carbon footprint and addresses the challenges of climate change.

AA2030 Targets and Performance for Responsible and Sustainable Production

AA2030 Target	Our Progress in 2024
No new land use change for plantations	Committed to not open up new land for plantation No land expansion is our living commitment since 2003, and it will remain our commitment moving forward.
Promote eco-green for sustainable operations	• Maintain 100% sustainability certifications. • Almost 90% reduction of methane emissions in our 11 biogas plants. • Almost 90% of Biogas yield is used for power generation which is around 40% of total power generated.
Implementing circular economy best practices	We are committed to enhancing the circularity of our operations in every possible way. This includes recycling our organic waste into fertilizer and harnessing methane gas from POME to generate power. For us, implementing a circular economy is an endless journey as continuously strive to find new ways to improve.
Reduce 50% of pesticide use	In 2024, we reduced pesticide use by up to 31%, based on the baseline established in 2022. This was done via integrated biological pest controls, such as the introduction of natural predators, host plants, selective spraying, and pesticide spraying using drones.

Production Optimization and Efficiency

MANAGEMENT APPROACH GRI 3-3

At Asian Agri, we embrace innovation and technology, optimize production and efficiency by investing in high-quality seeds, conducting R&D for best agricultural practices. To stay at the top of industry, we consistently benchmark our yield of Crude Palm Oil (CPO) per hectare.

Oil palm plantations require extensive labor for planting, harvesting, and data collection. To acquire precise data and make better decisions, we are starting to implement the use of sensors and drones. We mechanize and optimize our operations. In our estates, drones are used for various responsibilities from fertilizing to surveying, and in the mills, technology helps minimize production losses through continuous monitoring.

Asian Agri dedication to improvement. Every team member is urged to seek operational strategies that are more effective, sustainable, and productive. We value these noteworthy contributions and believe that creative solutions to routine problems can produce significant outcomes.

INVESTING IN GOOD SEED

Asian Agri is committed to advancing research to improve the quantity and quality of oil palm production since its establishment. The Topaz seeds were developed by a dedicated team of 21 researchers at the Asian Agri's Oil Palm Research Station (OPRS) which was established in 1992. Elite oil palm seeds were chosen and crossed to produce cultivars that perform better in a range of conditions. The production of Topaz seeds was initially intended to support our replanting programs but has now evolved to help smallholder farmers maximize their yields with less land expansion. This approach addresses common challenge they encounter, such as limited access to advanced tools, techniques, and quality planting materials.

Topaz seeds are highly valued for their high-yield potential and adaptability. Comprehensive examinations by OPRS have demonstrated that these seeds exhibit excellent productivity across various soil conditions, including areas traditionally considered marginal or unsuitable for oil palm cultivation. This research has resulted in seed varieties that can adapt and thrive even in less-than-ideal soil conditions.

A significant advancement for Asian Agri has been the introduction of the DxP Topaz seed, which produces high FFB and oil yields in less fertile environments or those with low rainfall. These seeds are relatively resistant to disease and exhibit slower vertical growth, facilitating easier harvesting. The development of the DxP Topaz has been progressed from Series 1 to Series 4, with each series building on previous selections to identify the finest DxP Topaz Series 4 seeds. In terms of performance, the improved Topaz variety averages 40.5 tons of FFB per hectare per year from the third to sixth years, with a Crude Palm Oil (CPO) yield of 29.7% and a palm kernel yield of 4.1%.

On 31 July 2004, Asian Agri received authorization in Pekanbaru, Riau, to distribute, sell, and use the DxP Topaz seed varieties, following the decree of the Minister of Agriculture Nos. 57, 58, 59, and 60/KPTS/SR.120/I/2004, established on 16 January 2004. Asian Agri stands as one of the largest palm oil seed sellers in Indonesia, with the capacity to produce 25 million germinated seeds annually and distribution of millions of quality palm seeds from Sumatra to Papua and internationally.

Asian Agri's continuous innovation and commitment to quality in the development of DxP Topaz have earned industry-wide recognition. At the 2024 Sawit Indonesia Awards, DxP Topaz was honored with the award for "Preferred Oil Palm Seeds for Smallholders and Industry," reaffirming its reputation as a trusted and high-performing seed variety for enhancing productivity and supporting sustainable plantation practices.

Through its participation in IPOSC 2024, Asian Agri further demonstrated its dedication to expanding access to certified, high-quality seeds, particularly for farmers in West Kalimantan. This effort also reinforces the critical role of seed certification in the long-term success of oil palm replanting initiatives.

As of 2017, the production of the Topaz seed has been aligned with the ISO 9001:2015 Quality Management System (QMS), an enhancement from the ISO 9001:2008 system. The ISO 9001:2015 certification supports the continuous monitoring, efficiency, and internal auditing of our operational activities to meet high standards, ultimately reinforcing our commitment to customer satisfaction.

RESEARCH AND DEVELOPMENT (R&D)

Our sustainability initiatives are rooted by strong R&D, with an essential R&D Department that equips our management team with continuous productivity-based technology. We explore innovative solutions to enhance agricultural practices, such as increased land productivity, effective pest and disease management, improved oil extraction rates, optimal fertilizer use, soil improvement, and waste reduction. Given the risks posed by climate change to palm oil cultivation, it is necessary to research on adaptation and mitigation strategies, along with necessary adjustments to our agricultural practices.

Our Asian Agri R&D Centre has established an analytical laboratory that offers technical analysis services and training to enhance knowledge, skills, and awareness in leveraging technology for sustainable, high-yield harvests. Our laboratories hold accreditation from the National Accreditation Commission for ISO 17025:2017, which outlines general laboratory operation requirements, and ISO 9001:2015 for Quality Management Systems. They are assessed annually and have consistently achieved high ranks in laboratory sample accuracy tests by the Wageningen Evaluating Programs for Analytical Laboratories (WEPAL) at Wageningen University.

Our R&D team comprises 52 experienced researchers and 376 research technicians who specialize in agronomy, soil science, pest and disease control, breeding, biotechnology, and tissue culture. They are instrumental in our efforts to innovate and excel in sustainable agriculture. Our R&D Center is equipped with the following capabilities:

Location	R&D Center	Research Areas
Tebing Tinggi, North Sumatra	Analytical Laboratory	Conducting nutrient analysis of leaves, assessment of fertilizers and compost quality, monitoring oil palm health, and analyzing wastewater and FFB components.
	Agronomy	Providing expert guidance to plantation operations through Best Management Practices.
	Pest and Disease Laboratory	Developing Integrated Pest and Disease Management (IPM and IDM) technologies and strategies, along with offering expert advice for managing plantations' pest and disease issues.
	Statistics and Data Management	Analyzing experimental data from Agronomy, Pest & Disease, and Breeding studies and overseeing the digital library.
	Soil and Survey	Conducting comprehensive soil surveys and mapping to enhance understanding of soil characteristics (such as type, fertility, topography, and boundaries).
Pangkalan Kerinci, Riau	Clonal Oil Palm Production Unit (COPPU)	Generating high-quality clones (superior ramets) using advanced tissue culture methods.
	Molecular Biology Laboratory	Enhancing planting materials through the application of Marker-Assisted Selection and Genomic Selection techniques.
Topaz, Riau	Oil Palm Research Station (OPRS)	Overseeing breeding experiments and producing high-yield oil palm seeds.
Various locations	Test Fields	Facilitating the evaluation of fertilizers, bioagents for pest and disease control, progeny trials, and the collection of genetic resources across various agroclimatic conditions.

For further information regarding our R&D Centre, please visit our research and development center website.

Introducing drone technology to our trainees.

DIGITALIZATION AND MECHANIZATION

We consistently seek innovative methods and technologies to enhance quality, boost productivity, and reduce costs for Continuous Improvement (CI). Our CI efforts are leveraged into digitalization and mechanization, with the goal to adopt automated machinery and digital tools that does not immediately replace the workforce with technology, but provide them with resources that enhance production efficiency and accuracy while avoiding human error and safety risks. With each new machine or technology introduced, we update our Standard Operating Procedures (SOPs) and address any emerging risks.

We engage in training and capacity building on new technologies for our employees, which allows them to fully leverage these tools in our business. This is complemented by the implementation of a solid Change Management framework. These initiatives align with our dedication in Human Capital development, to arm our staff with the appropriate knowledge and skills, and thereby support and facilitate their growth to achieve their utmost potential.

Digitalization

In addition to mechanization, Asian Agri has also embarked on a Digital Transformation journey.

Our Digital Initiatives

Artificial Intelligence (AI) for automatic counting and detection:
Asian Agri's Digital Transformation Department is responsible for the use of AI technology to improve business operations. The department has created an AI model that uses aerial imagery to count oil palm plants and a drone with multispectral sensors to assess plant health.

An AI application to count FFB at collection sites and determine the maturity level of FFB received at the plant is part of the ongoing development project. To speed up data collection, the Estate and Mill Department worked with DSLR and smartphone cameras and an Android mobile application to gather data for this model.

Drone and tablet for plantation operation:
Since 2015, our drone operations team uses drones for mapping, aerial photography, tree counting, pre-planting spraying, and crop protection. These drones, outfitted with cutting-edge technologies like multispectral sensors and real-time kinematics, produce precise and reliable results that can raise productivity, lower costs, and enhance quality.

Fertilizers, particularly macrogranular varieties like ammonium sulfate and potash, are also sprayed by drones. Following safety procedures and R&D requirements, we also utilize them to spray pesticides.

GPS-enabled Tablets for Field Data Acquisition:
Our field personnel employ GPS-enabled tablets to collect data during estate activities, such as harvesting, crop protection, water management, quality inspections, and security patrols. The utilization of these tablets provides opportunity for geo-tagged data collection. This helps that all activities can be traced back to their specific block.

Our truck drivers are also equipped with tablets to monitor crop evacuation from the fields in near-real-time, increase transport efficiency, and reduce delays. The data collected is centralized in our data center and is accessible from both the estate offices and the Central Command Center.

This trackable data enhances operational planning and allows for sophisticated analytics that aids the management teams at the Regional and Main Offices to make informed decisions. In the future, we aim to expand this initiative to include smallholders to improve their productivity and increase traceability.

Tablet for mill operations:
Our mills have gained from the use of tablets for data gathering in several tasks, such as FFB grading, product dispatch, quality assurance, maintenance, and inventory oversight. The combination of tablets with other systems like weighbridges and Enterprise Resource Planning (ERP) guarantees data precision, improves oversight, encourages proactive actions, and minimizes human mistakes, thereby optimizing our mill operations.

Mechanization

Ensuring the quality of FFBs harvested from our estates involves the rapid and efficient transport of these FFBs to our mills for processing. Given the substantial volume of FFBs that need to be moved, collection and transportation efficiency is essential to achieve high productivity and lower costs.

We recognize that there are challenges to fully implement mechanization, such as varying topographies. To address this, we have integrated mechanization in the form of Tractor Grabbers and Bin Trucks for the evacuation of our crops. This not only increases our output but also reduces the physical strain on our workers, thereby improving occupational health and safety. We also explore mechanization options for routine field tasks, such as fertilizer application, harvesting, and maintenance, as we aim to further refine these processes.

OUR PURSUIT FOR IMPROVEMENT

The goal of our studies and research is to improve the effectiveness of fertilizer use through the employment of technology-based precision farming methods. This is essential due to rising fertilizer prices and the necessity

to adhere to sustainability requirements. We intend to carry out fertilizer trials tailored to specific sites in the upcoming year.

In line with our AA2030 initiative, we seek to cut pesticide usage by 50% by the year 2030 and with the use of drones for the application of both pesticides and fertilizers. This approach is expected to enhance efficiency, improve distribution, and adhere to our 4C principles, thus decrease our reliance on inorganic fertilizers. This is our targeted innovation to improve our agricultural practices. We also intend to identify sophisticated techniques for pest and disease management, including the use of more potent and efficient strains of bioagents and enhanced ecosystem services to fulfill this objective.

Although our research is focused on farming techniques in our plantations, we are equally dedicated to optimizing our mills, including enhanced water efficiency and flow within the milling processes. Research is ongoing for methods to reach greater fuel-efficient production.

In our mill operations, we have utilized new tools that enable rapid laboratory analysis within five minutes, which allows near real-time modifications to reduce oil loss. Previously, analyzing samples for oil loss took up to a full day using conventional extraction methods, which restricted our ability to refine processes on the same day. We piloted the new system in 2023, and have expanded the practice to the remaining mills in 2024. We have also redefined our Standard Operating Procedures (SOPs) to align with the new system, enhancing the accuracy of our data monitoring.

We are in the process of procuring new machinery to enhance energy efficiency. Our primary focus is on reducing methane emissions and eliminating breakdowns, as breakdowns hinder productivity and increase production costs. We also optimized our fuel usage to improve overall efficiency in 2024.

ELIMINATING LOSSES GRI 13.9.1

We intend to increase operational efficiency, with a key focus on reducing production losses. Although losses may be unavoidable at different stages of production, our strategies aim to reduce them as much as possible. Our approaches include:

- **Collecting Loose Fruit:** Our employees carefully handpick loose oil palm fruits to ensure that no fruit is wasted throughout the harvesting process. We also collect loose fruits from the moment they are unloaded from the truck until they are placed in the fruit lorry for sterilization, including any fruits that may be trapped in the loading ramp.
- **Optimizing Oil Extraction:** We aim to achieve the best possible extraction of oil content from FFBs and EFBs. By enhancing our machinery for a better pressure and upgrading our facilities to separate food and non-food grade oil, we aim to fully utilize waste and residual oil. This not only enhances our resource efficiency but also reduces oil losses from ineffective extraction methods.
- **Preventing Oil Leakage:** To prevent leakage of crude palm oil (CPO), our mill employees regularly inspect and maintain the mill machinery as a precautionary measure.

Through the implementation of these focused strategies, we minimize our waste and optimize productivity – a step towards sustainability and operational excellence.

What's next?

- We will continue to enhance and fortify our R&D to address risks associated with labor and materials. Emphasis will be placed on enhancing productivity while maintaining quality standards.
- We will keep investing in innovation and create value-added products to help diversify our range and possibly access new markets, including those that arise from shifts in weather patterns.
- We will implement efficient cost control and manage supply price variations while maintaining the quality of our plantation methods.
- We will continue to support smallholders through their replanting initiatives and facilitate their access to fertilizers.

Water and Waste Management

MANAGEMENT APPROACH GRI 3-3

Asian Agri recognizes that the palm oil industry may pose risks to the environment if not managed properly, due to its high-water usage and the significant volume produced of both liquid and solid organic waste. Therefore, we strive to handle our waste efficiently by reusing and recycling as many by-products as we can through sustainable farming methods. This pledge safeguards the right to a healthy environment, secure access to resources for our communities and reinforces our initiatives to promote sustainable living standards.

The availability of clean water is acknowledged as a basic human right, essential for human existence and health. A significant portion of water utilized in our oil palm farming is derived from rainwater, which prevents the overuse of groundwater or surface water resources. We also acknowledge the potential of certain organic by-products as sources for biomass energy, animal feed, or fertilizers, which promotes circularity initiatives. In contrast, inappropriate disposal methods, such as incineration without energy recovery or landfilling, can convert these by-products into detrimental waste and cause adverse environmental impacts like the production of GHG emissions and water contamination. Our strategy focuses on the sustainable management of resources to reduce these effects.

OUR WATER USAGE GRI 303-1, 303-3, 303-5

Water serves as the main component in our activities. This leads us to measure and manage our water-related metrics to promote its sustainable use. Our plantations rely on rainwater and do not use irrigation systems, even during dry periods.

Water fulfills multiple roles in our ecosystem, such as:

Power Generation

Water is essential for power generation through our steam turbines. It is needed to maintain efficient and uninterrupted power generation.

FFB Sterilization

Water is crucial for the sterilization of FFBs. Steam sterilization helps separate the fruits, tenderizes the fruit's flesh, facilitates oil extraction, and minimizes the risk of damaging the kernel.

Domestic Use

Water is frequently utilized for domestic purposes by our employees and their families. They rely on it daily for various household activities, such as drinking, cleaning, and cooking.

Watering for Nurseries

Water is also crucial for palm oil nurseries. Seedlings in the nurseries rely on a consistent supply of water for healthy growth.

Using empty bunches as suplementary fertilizer.

We depend on two freshwater sources:

Surface water (Rivers)

Used for the functions of our mills and for use in our residential complexes (inhabited by our employees/ workers and their families). All extracted water is processed to guarantee its chemical composition is safe for everyday use.

Groundwater

Mainly used for domestic and agricultural purposes, such as irrigation in nurseries that our mill pumps cannot reach.

We evaluate water risk before initiating new projects to avoid operating in water-stressed regions. This assessment is conducted as part of our Environmental Impact Assessment. Before its usage, untreated water is subjected to treatment and monitoring according to standard quality criteria, such as pH, silica, total hardness, chlorine concentration, and alkalinity. The overall amount of extracted water is regularly assessed and tracked in all our mills, with none taken from water-scarce regions.

The table below presents our water extraction classified by source and region (Mega Liters, ML), as well as our overall water usage for the current reporting period.

Region	2024		2023		2022	
	Surface Water	Ground Water	Surface Water	Ground Water	Surface Water	Ground Water
North Sumatra (ML)	1,714.92	493.57	1,744.19	573.00	1,901.52	576.56
Riau (ML)	2,626.85	409.20	2,777.68	361.21	3,330.31	352.77
Jambi (ML)	1,292.18	134.07	1,434.05	150.62	1,630.13	158.85
Total (ML)	5,633.95	1,036.84	5,955.92	1.084.88	6,861.96	1,088.18
Total Water Withdrawn[25] (ML)	6,670.79		7,040.80		7,950.13	
Total Water Discharge[26] (ML)	348.75		458.17		416.56	
Total Water Consumption[27] (ML)	6,322.04		6,582.63		7,533.57	
CPO production (MT)	907,216		981,405		1,162,645	
Water intensity (Kilo Liter (KL) or meter cubic (m^3) / MT CPO produced)	6.97		6.71		6.48	

Water Management

We obtain water for our mills from nearby rivers, which is either directed or pumped into our reservoirs. After purification at our water treatment facilities, this water aids in both mill operations and household requirements. River resources are for communal use with other businesses and nearby communities, hence we prioritize the environmental integrity of our water discharge. We diligently oversee and regulate the quality of released water, making certain that all criteria comply with the approved environmental standards. We regard this as our ecological responsibility and dedication to community welfare.

We diligently explore water circularity applications to improve water efficiency throughout our operations. Through the generation of biogas from wastewater, we are greatly minimizing our water footprint. Moreover, our independent mills feature wastewater treatment facilities as part of our sustainable water management.

Amidst our desire to recycle greater volumes of water, obstacles persist because of existing technology and particularly, due to the elevated organic matter in our wastewater. To address these challenges and increase water efficiency, we are working alongside technology providers to investigate feasible recycling options while enhancements to our sterilization protocols have been made through the implementation of SCADA systems for automatic pressure monitoring and other parameters for vigilant water usage. This technology is employed in every aspect of our biogas operations and significantly boosts our efficiency.

[25] All water withdrawn from surface and groundwater sources, and all water discharge are categorized as freshwater, defined by a Total Dissolved Solids (TDS) level below 1,000 mg/L.
[26] Total water discharge is only based on POME and exclude domestic wastewater discharge. The data is taken from flowmeter
[27] As defined under GRI 303-5, water consumption refers to the total volume of water that has been withdrawn and is no longer available for return to the environment. Therefore, water consumption is calculated as the difference between total water withdrawn and total water discharged back

In terms of water intensity, we uphold consistent metrics by following the industry standard of utilizing one ton of water for each ton of FFBs. Our water usage currently varies between 0.9 to 1 ton of water for each ton of FFBs, as we maintain efficient water management strategies in our mills.

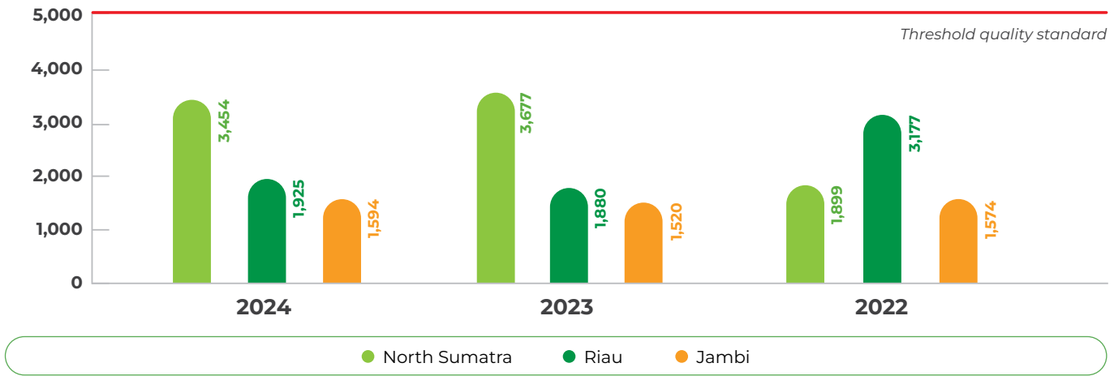
Safe Discharge of Effluents GRI 303-2, 303-4

We thoroughly treat and oversee both the quality and volume of our effluents from our activities prior to its release of effluents into water sources or land. At certain mills, POME is an essential feedstock for biogas facilities, while other plants manage POME using open pond wastewater systems. We use circulation pumps in these ponds to lower the levels of biological oxygen demand (BOD) and chemical oxygen demand (COD). We also use sprayers and aerator pumps to improve oxygen intake in the POME to reduce COD and BOD levels to meet regulatory requirements prior to discharge.

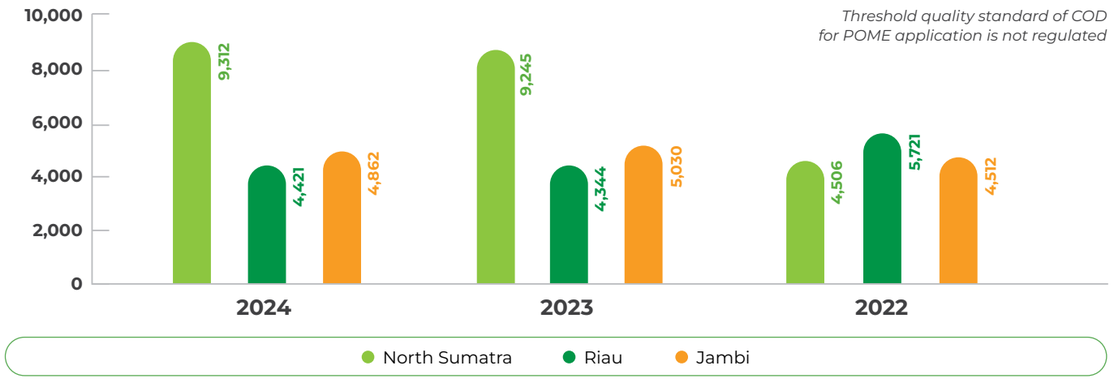
POME contains nutrients like nitrogen, phosphorus, potassium, magnesium, and calcium, which makes it an excellent organic fertilizer with its extra supply of water and nutrients. Its especially useful in maintaining crop production during times of low precipitation and in areas prone to drought. We use POME as an additional organic fertilizer in our farms throughout North Sumatra, Riau, and Jambi, following the Minister of Environment Decree No. 28 of 2003. This order stipulates that for land application, POME should not surpass a BOD of 5,000 mg/L and must maintain a pH level between 6 and 9, without establishing a COD limit for these uses.

The graphs below represent POME for our land application as an organic fertilizer.

Biochemical Oxygen Demand (mg/L)



Chemical Oxygen Demand (mg/L)



The graphs below represent POME for our land application as an organic fertilizer.

Conversely, our plantations situated on peatlands in North Sumatra have distinct management practices and cannot use POME as an organic fertilizer. POME generated by the mills close to our peatlands must therefore be released into natural water sources like rivers. The mills' management are dedicated to consistently assess the quality of the effluent to guarantee compliance with regulatory standards.

These mills monitor the discharged water via the Ministry of Environment and Forestry's (MoEF) Online Continuous Wastewater Quality Monitoring System (*Sistem Pemantauan Kualitas Air Limbah secara Terus Menerus dan Dalam Jaringan*/SPARING). Reporting occurs round the clock with the help of sensors and a data logger linked to a computer. This system gathers information on wastewater metrics, including pH, COD, Total Suspended Solids (TSS), and the quantity of wastewater. These mills are also suitable for PROPER, which mandates documentation via SPARING as one of the essential requirements.

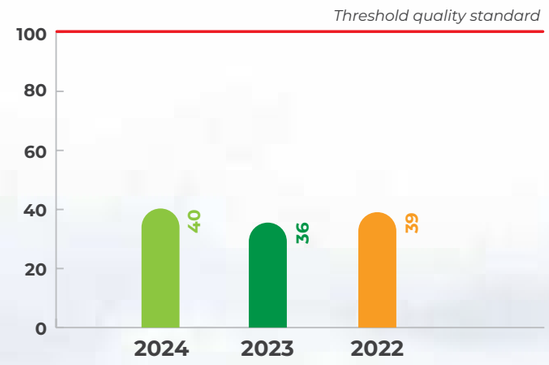
We perform monthly evaluations of the river's downstream for COD, BOD, and pH measurements - the results consistently conform to the regulatory standards.

Our POME released into the river complies with the Minister of Environment and Forestry Regulation No. 5 of 2014. We oversee three critical parameters to maintain compliance with regulatory standards: a BOD of 100 mg/L, a COD of 350 mg/L, and a pH range between 6 and 9.

In 2024, we continued to maintain our effluent levels under the regulated thresholds. Our POME release is deemed appropriate for freshwater ecosystems. In 2024, the pH levels of effluent released into rivers from our palm oil mill in North Sumatra and Riau ranged from 6.3 to 7.7, remaining within the acceptable limits for environmental compliance.

The graphs below represent the quality of POME discharged into rivers.

Biochemical Oxygen Demand (mg/L)



Chemical Oxygen Demand (mg/L)

WASTE MANAGEMENT GRI 306-1

In addition to water, we also attend to our waste responsibly in our production process. For each ton of processed FFBs, around 15-20% consists of EFBs, roughly 11-12% are fibers, and 4-5% are palm kernel shells. A substantial amount of POME is also generated. This liquid waste has elevated concentrations of organic substances, oil, and grease, exhibiting a COD greater than 50,000 mg/L and a BOD of more than 25,000 mg/L. This discharge, untreated, presents a serious threat to aquatic ecosystems.


Applying empty bunches as fertilizer

Reducing our Organic Waste

GRI 306-2, 306-3, 306-4, 306-5

Asian Agri has consistently adopted a circular economy approach in its operations, making sure that by-products are utilized efficiently through optimal practices in plantations and mills. The production of CPO generates organic waste, and we are committed to reducing our waste and reintegrating it into our operational process.

Plantation Waste	**Oil Palm Fronds**	These serve as mulch and fertilizer for oil palm plantations because of their nutrient-dense composition. Each year, oil palm fronds provide approximately 14 tons per hectare, while oil palm trunks are only present during the replanting period.
	Oil Palm Trunks	
Mill Waste	**Empty Fruit Bunch (EFB)**	These act as a natural fertilizer and aid in preserving soil moisture. EFBs are carried from the mill to the plantation, where they are intentionally positioned around and among trees to enhance the soil. Where EFB application is not recommended, we applied bunch ash (incinerated EFB) as potassium supplement.
	Mesocarp Fiber	In our mills, EFBs and PKS serve as sustainable fuel sources for boilers that drive steam turbines. A large share of PKS, 84.8% in 2024, is sold to external parties because of its financial worth.
	Palm Kernel Shell (PKS)	
	Palm Oil Mill Effluent (POME)	Once POME meets specific quality standards, it is transferred back to plantations, particularly those near the palm oil mills, to be utilized as fertilizer in a flatbed system. Additionally, POME serves as a vital raw material for our biogas power facilities. These facilities capture the methane gas released from the POME and convert it into clean energy. This process not only helps us reduce emissions but also supports our sustainability initiatives by promoting renewable energy production.

Organic Waste Generated from Palm Oil Mills' Operation

Type of Waste	2024			2023			2022		
	Waste generated	Waste diverted from disposal[24] for own use	Waste directed to disposal[25]	Waste generated	Waste diverted from disposal	Waste directed to disposal for own use	Waste generated	Waste diverted from disposal for own use	Waste directed to disposal
EFB (MT)	773,427	450,624	-	872,553	618,755	-	1,008,519	775,625	-
Fiber [MT]	580,729	580,729	-	615,188	615,188	-	732,306	732,306	-
Shell [MT]	256,139	38,970	-	288,372	33,435	-	346,089	48,964	-
Total Solid Waste [MT]	1,610,295	1,070,324	-	1,776,113	1,267,378	-	2,086,914	1,556,895	-
POME [Mega Litre]	2,371	2,021	349.15	2,551	2,092	458.17	3,049	2,632	416.56

[24] Waste diverted from disposal includes waste that is redirected from directly reaching a landfill or incinerator to alternative processes, such as recycling, reusing, or repurposing. We mainly divert our organic waste to be used as fertilizer or land application. processes, such as recycling, reusing, or repurposing. We mainly divert our organic waste to be used as fertilizer or land application.
[25] Waste directed to disposal includes waste that is sent to a landfill, incinerator, or other disposal operation, whether it is onsite through our own facilities or offsite by a third party. In the case of our POME, it is sent to a water body after careful treatment.

Since 2017, we have been innovating and refining operational processes in order to minimise waste and optimise water utilisation in mill operations. One of these initiatives involves separately collecting waste and residual oils from the FFB and EFB pressing processes and repurposing them for the production of non-food grade oils. Recognising the growing market demand for waste-derived oils in the SAF industry, Asian Agri has progressively upgraded 23 mills with the necessary machinery and facilities to support waste oil collection. This initiative supports the SAF sector, aligning with Asian Agri's efforts to enhance resource efficiency and promote a circular economy through waste upcycling.

In 2024, we generated significantly less organic waste than the last two years, with solid organic waste declining by 9% and POME by 7% compared to 2023. This aligns with the reduction in our CPO output.

Managing Inorganic Waste

GRI 306-2, 306-3, 306-4, 306-5

In addition to effectively managing organic waste, we also focus on the handling of inorganic waste responsibly and in accordance with applicable regulations. Non-hazardous materials, such as household or office waste, are systematically collected and disposed of in dedicated landfills within our concessions. At the same time, other waste categories, like metal scrap, are collected and directed to the third-party companies that recycle and repurpose these materials.

Hazardous waste is handled and processed by authorized service providers in accordance with environmental regulations set by the government. Before collection, hazardous waste is kept in specified locations, and its condition is carefully monitored. The table below outlines the yearly production of hazardous inorganic waste from our activities.

Type of Waste	Hazardous Waste Generation [MT]			Disposal operations by hazardous waste contractors
	2024	2023	2022	
Used lubricant	72.05	116.38	59.19	Incinerated for power generation [DT, with energy recovery]
Chemical packaging	22.79	32.86	18.98	Incinerated [DT]
Lube filters	11.63	18.35	8.43	Incinerated [DT]
Battery	7.38	11.88	4.56	Recycled as raw material [DF]
Medical waste	0.49	1.14	0.48	Incinerated [DT]
Electronic waste	1.40	1.39	0.82	Incinerated, or recycled as raw material (glass tube/bulb) [DT, DF]
Used air filter	1.06	0.26	0.11	Incinerated [DT]
Used resin, used cartridge for water treatment	0.002	0.002	1.09	Incinerated [DT]
Total	**116.79**	**182.26**	**93.66**	

Note:
Disposal operations by contractor: [DF]: Diverted from Disposal, [DT]: Directed to Disposal

In 2024, the volume of inorganic waste reduced to 36% compared to 2023, due to the decline in CPO production. This led to a decrease in the use of heavy equipment and maintenance activity, which also reduced the amount of vehicle waste and inorganic waste such as lubricants, lube filters, and chemical packaging for fertilizers.

Monitoring Our Performance

Asian Agri regularly performs internal evaluations that conform to industry standards regarding water use, chemical handling, and effluent management. These benchmarks are tracked monthly and classified into three categories: green, yellow, and red. This enables us to assess our environmental performance effectively. We also participate in external benchmarking to evaluate our performance in relation to our industry counterparts.

Our assessment of performance is comprehensive. A quality assurance team, responsible for all mills, performs independent assessments and reports directly to the Head of Mill Operations. In addition, we have a quality assurance team tasked to supervise both the estates and mills. This quality assurance process includes teams from Asian Agri to guarantee thorough assessment both internally and at the group level.

This thorough monitoring and assessment process not only yields insights into our operational effectiveness but also delivers important feedback on improvement areas, strengthening our dedication to environmental responsibility and operational excellence.

Effective Steps Taken by Asian Agri to Implement a Circular Economy for Organic Waste Reduction

Asian Agri is committed to sustainable palm oil production, applying the principles of a circular economy throughout its operations — from planting to harvesting and processing. By maximizing the utilization of every component of the oil palm fruit, we add value and minimize waste. Beyond producing cooking oil and various fats, by-products such as fibers, EFBs, and palm kernel shells are repurposed to support sustainability efforts.

In the milling process, FFB are sorted and graded before boiling and pressing to ensure quality of the CPO extracted. The residual mesocarp fiber serves as boiler fuel, generating steam that powers turbines supplying electricity to both the mills and employee housing. EFBs, once considered waste, are converted into organic fertilizer for oil palms, as well POME is treated to produce biogas for electricity generation, further reducing reliance on fossil fuels.

In alignment with global efforts to reduce aviation emissions, Asian Agri has further enhanced resource efficiency, implementing processes to recover waste oil from POME and EFBs. These recovered oils could serve as feedstock for the production of SAF, contributing to the decarbonization of the aviation sector.

Additionally, Asian Agri exports palm kernel shells for use as biomass fuel in power generation, supporting renewable energy initiatives. Asian Agri is also exploring the sales of surplus biogas produced from POME treatment, aiming to further reduce GHG emissions and promote sustainable practices.

What's next?

- We will continue to oversee and guarantee our waste disposal activity complies with regulatory standards.
- We will track and manage our water consumption intensity (ton CPO/ton water) to optimize water utilization in mill operations.
- We will set specific objectives and action plans designed to decrease water usage.

Pest and Soil Management

MANAGEMENT APPROACH GRI 3-3

Asian Agri is committed to the sustainable management of pests and diseases, along with the prudent application of fertilizers to maintain the well-being and productivity of our oil palms. We steer clear of harmful chemical fertilizers and pesticides and adopt environmentally friendly methods instead, focused on the preservation of our plantation's ecological equilibrium while protecting our community's well-being. This not only maintains the health of our crops but also safeguards the natural ecosystem of our plantations.

We acknowledge the possible dangers linked to pesticide application, such as negative health consequences and environmental effects. Consequently, we support sustainable practices to reduce climate change effects. Agriculture can greatly contribute to carbon sequestration, through enhancements in soil carbon reserves to mitigate the increase in atmospheric CO2. By embracing regenerative farming and land-use methods that prioritize soil health, we highlight the sector' and our company's role in the environment and the worldwide initiative to combat climate change.

INTEGRATED PEST AND DISEASE MANAGEMENT (IPM AND IDM) GRI 13.6.1, 13.6.2

For our farms, we apply an IPM and IDM strategy that adheres to the guidelines set forth in the Agronomy Policy Manual (APM). This signals our selective use of chemicals for pest and disease management in conjunction with other biological and ecological methods.

Our R&D team is essential in the identification of appropriate strategies and innovation to manage pests and diseases in an eco-friendly and resource-efficient way. They constantly observe the surroundings in our plantation zone and notify us if a particular action is required. Our field staff also play a significant role in the careful monitoring of the plants and are provided the opportunity to create and implement new methods for IPM and IDM.

Using the assassin bug (e.g., Sycanus sp.) as a natural predator for pests

Integrated Pest Management

Integrated Pest Management

- **Pest Surveillance**
- **Biological and Ecological Controls**
- **Selective Application of Pesticides**

Pest Surveillance

Early warning systems for a targeted pesticide application

Diligent pest observation is the cornerstone of Asian Agri's IPM and IDM initiatives. We utilize a variety of tools for ongoing pest population monitoring that can establish early warning systems to detect and manage possible pest infestations. This proactive strategy enables precise pesticide usage. The information collected not only helps in choosing ideal pest management strategies but also guarantees accurate pesticide application. By monitoring pests, we enhance product effectiveness while reducing environmental effects.

Biological and Ecological Pest Controls

Natural methods to reduce the pest population

We support natural methods to reduce pest population; they produce less negative impact on the environment as we strive to reduce the reliance on chemical agents. Our favored strategy is to manage pests through the introduction of their natural enemies and improvement of the ecological surroundings to foster a sustainable natural pest-predator ecosystem.

Our oil palm trees encounter possible dangers from several pest species primarily located in peat soils, such as rhinoceros beetles, leaf-eating larvae, woolly larvae,

bagworms, bunch moths, rodents, and termites. For example, mature rhinoceros beetles often attack oil palm shoots and young palms, resulting in considerable harm and, in extreme situations, causing the palm tree to die.

Our Strategies for Biological Control

In our plantations, we focus on breeding and raising predatory species that target pests.

- We breed a specific kind of assassin bug (e.g., Sycanus sp.) in our estate's insectarium and deploy them regularly to enhance the natural predator numbers in the fields. These insects play a crucial role in managing nettle caterpillars, a common pest. To protect the natural environments for these predatory insects, we limit the application of weed killers.
- Furthermore, we create habitats for barn owls (Tyto alba) to promote their roosting and reproduction. These owls act as efficient natural hunters of rodents, utilizing their keen hearing to locate prey accurately. In 2024, we introduced a barn owl breeding program by building an aviary near COPPU facility, which can house up to 50 owls. A dedicated team at Asian Agri oversees and guarantees the welfare of these owls.
- Utilizing natural pathogens: Instead of chemical pesticides, we employ naturally present pathogens like bacteria, fungi, and viruses that are safe for humans and environmentally friendly. Illustrations consist of:
  - Bt bacteria (*Bacillus thuringiensis*) aimed at the oil palm bunch moth (*Tirathaba rufivena*),
  - Fungi Metarhizium sp. to fight against the rhinoceros beetle (*Oryctes rhinoceros*),
  - Nucleopolyhedrovirus (NPV) solution against the cotton leafworm (*Spodoptera litura*), and
  - A virus originating from infected nettle caterpillars (*Parasa lepida*) is used to infect and manage healthy nettle caterpillar populations.

We expand our strategy to concentrate and oversee the ecosystem to control pests by:

- Growing beneficial plants for predators: We cultivate specific plants recognized for attracting and aiding predatory insects. For example, white alder (*Turnera subulata*) and coral vine (*Antigonon leptopus*) are grown throughout various parts of our plantation to act as host plants for nettle caterpillar predators, in addition to senna (*Cassia cobanensis*) for predators of bagworms.
- Removing pest breeding areas: Through the examination of pest surveillance data, we locate and eliminate breeding locations to reduce pest numbers.

Beneficial plants to attract predatory insects.

We also carry out direct pest management by setting up traps. For example, we position nets in key areas of our plantation, using sex pheromones to lure adult rhinoceros beetles, which subsequently get ensnared. Lights combined with food lures are also built to trap moths.

Building Habitats for Barn Owls: A Natural Approach to Sustainable Pest Control

To promote sustainable pest control, Asian Agri has long relied on barn owls as an effective and natural alternative to rodenticides. In 2024, we launched our own aviary and breeding program to sustain barn owl populations, which declined due to predation by native pythons. By increasing barn owl numbers, we reduce our reliance on chemical pest control while enhancing biodiversity.

The primary aviary, located near the COPPU facility in Pangkalan Kerinci, Riau, can accommodate up to 50 barn owls and is managed by the Research & Development team. A smaller aviary operates in Bahilang, North Sumatra. Over the next year, the program aims to scale its operations to breed 100 pairs of barn owls and release them strategically to meet the pest control needs of various plantations.

To support the owls' dietary requirements, the aviary includes a dedicated mouse-breeding section. Approximately 900 mice are maintained on-site to ensure a steady food supply. To preserve the owls' natural hunting instincts, mature mice are released into enclosed pens, where barn owls practice to swoop and catch their prey.

Barn owls are highly sensitive to stress, despite their efficiency as predators, and require carefully controlled environments for successful breeding. The aviary maintains optimal conditions for light, sound, temperature, and humidity. Before being released into plantation nest boxes, the barn owls undergo a one-week quarantine to ensure a smooth transition to their new habitat.

As a leading palm oil producer, Asian Agri has set ambitious sustainability goals for 2030, including a 50% reduction in pesticide use, a target the company has already surpassed. Natural interventions like these remain a critical component of Asian Agri's commitment to responsible production and climate protection. Through these efforts, Asian Agri continues to champion innovative, nature-based solutions to enhance sustainability across its operations.

Selective Application of Pesticides

Using selected pesticides in targeted dosage and application

When biological control methods are inadequate to keep pest infestations under control, we use chemical pesticides on our oil palms, through targeted techniques like trunk injection, root infusion, or spraying young palm shoots and axils. We limit our purchase to approved pesticides, with careful oversight of their categories and amounts.

*As of November 2019, we have **banned the application of pesticides categorized by the World Health Organization (WHO)** as Class 1A and Class 1B, except in certain situations, along with those listed in the Stockholm and Rotterdam Conventions, including paraquat.*

We prioritize the safety of our employees when handling pesticides and chemicals through the provision of suitable PPE and offer training on the correct application of every pesticide type. This involves teaching when to cease operations as hazards become critical. To protect our employees' health, individuals with regular pesticide exposure receive medical examinations every six months. Expectant employees are transferred to safer positions until they are cleared to return to jobs that involve chemicals.

We implemented drone technology to apply chemicals for pest and disease control in our plantations, following suggestions from our R&D team. Follow-up ground validation showed an effectiveness rate greater than 95%. Currently, efforts are in progress to enhance drone spraying applications. Moreover, this technology reduces workers' contact with chemicals and improves the effectiveness and quality of chemical application.

We disclose the concentration of active ingredients in applied pesticides relative to the overall pesticide volume, to enhance the comparability of pesticide use per unit area and emphasize the use of active pesticide components.

Average intensity of active ingredients in pesticides application based on type (in kg or L/hectare)

Type	2024	2023	2022
Herbicide	1.1919	1.0640	1.1662
Insecticide	0.0171	0.1006	0.6519
Rodenticide	0.0041	0.0046	0.0019
Fungicide	0.0020	0.0022	0.0019

Concentration of active substances in pesticides used in 2024, categorized by toxicity risk levels according to the World Health Organization's suggested classification of pesticides by hazard (in kg or L/hectare)

WHO Class	Toxicity Level	2024	2023	2022
Class IA	Extremely hazardous	<0.00001	<0.00001	-
Class IB	Highly hazardous	0.0041	0.0046	0.0019
Class II	Moderately hazardous	0.1960	0.2202	0.7525
Class III	Slightly hazardous	0.9515	0.8977	0.9453
Class IV	Unlikely to present acute hazard in normal use	0.0635	0.0488	0.1222

Our application of Class IA and IB pesticides satisfies our requirement for rodenticides, utilized only in rare situations due to constraints of safer substitutes with comparable efficacy. We handle its use with caution, particularly when they interact with our employees.

Integrated Disease Management

Our R&D team is responsible to pinpoint the most effective methods and strategies for fighting plant disease. We developed a new planting material that exhibits improved resistance to diseases, particularly for Ganoderma boninense – a fungus that presents serious risk to oil palms, especially their roots, and is responsible for Basal Stem Rot. This disease can lead to significant death rates in oil palm trees, a threat of early replanting cycles.

Our R&D team formulated an IDM strategy to tackle this pathogen, through the following actions:

- **Surveillance:** Frequent censuses and elimination of infected oil palm trees to reduce the likelihood of the infection spreading to healthy ones.
- **Disease-resistant planting material:** Develop oil palm varieties that have better resistance to the pathogen, as demonstrated by the Topaz GT DxP variety.
- **Biological Disease Control:** The use of a fungal bioagent to inoculate oil palm seedlings for extra protection. The team's act to incorporate endophytic Trichoderma spp. into oil palm trees during nursery evaluation showcased its efficacy in reducing G. boninense infections.
- **Soil Management:** Carry out appropriate land preparation to reduce the level of G. boninense inoculum in the soil.

MAINTAINING SOIL HEALTH GRI 13.5.1

Keeping soil healthy is essential for oil palm cultivation and integral to sustainable practices. It is crucial to protect the organic material in the topsoil from deterioration and reduce soil erosion, especially as three-quarters of our properties are located on mineral soil in a humid, tropical environment. We develop and employ soil maps of our properties to guide our soil management approaches.

*Numerous oil palms are now near the age of 30, and improving soil health has gained greater significance. **Replanting provides a key benefit** in this aspect, as it aids in the restoration of organic matter in soil and enhances its overall vitality.*

We maintain the health of our soil through the following methods:

Physical

- Arranging and piling pruned oil palm fronds along the estate's contours on slopes to minimize surface runoff.
- Building planting terraces and soil barriers to minimize soil erosion in inclined regions.
- Careful weeding to prevent the removal of specific plants that safeguard the soil.

Biological

- Carrying out adequate land preparation to reduce the levels of G. boninense inoculum in the soil.
- Sowing legume cover crops in recently cleared zones prior to planting oil palms to replenish nitrogen levels. During the mature phase of the oil palm tree lifecycle, we also ensure a healthy cover of diverse natural vegetation on specific paths where we pile the fronds. The cover might feature ferns that are also maintained as a host plant.
- Applying organic matter such as Empty Fruit Bunches (EFB) and Palm Oil Mill Effluent (POME) as additional organic fertilizers to enhance soil nutrients and improve soil structure.

Chemical

Using fertilizers correctly to preserve the equilibrium of soil minerals and their physical composition.

Responsible Fertilizer Usage GRI 13.5.1

The use of fertilizer is essential not only for our oil palm farming but also key to maintaining soil health. The misuse of inorganic fertilizer can negatively impact our workers, the environment, and nearby communities. For example, over-fertilization can lead to substantial pollution of groundwater and water bodies.

Asian Agri has implemented a strategy for inorganic fertilizer use that follows the 4C stewardship principles: Correct dosage, Correct method, Correct timing, and Correct placement. We simultaneously aim to reduce and replace the application of inorganic fertilizers with organic fertilizers sourced from our waste by-products. These practices are fundamentally designed to promote the well-being and safety of our employees.

'Site-specific' Fertilizer Program

As part of our dedication to sustainable and ethical methods of fertilizer use, we implement a 'site-specific' fertilizer strategy for our plantations. A dedicated group in our R&D department is responsible to provide advice on the suitable use of organic and inorganic fertilizers that follows the "balanced nutrient budget" principle. Recommendations are made for each specific area, and acknowledges the unique plant traits, soil types, and microclimates within.

Through the 4C stewardship principles, we strive to obtain the highest yield while using the least amount of fertilizer. Moreover, we perform annual leaf tissue analyses and soil assessments every five years to track the well-being of our oil palms. The R&D team regularly evaluates innovative, economical fertilizer technologies to improve nutrient absorption efficiency, decrease losses, and lessen environmental contamination.

Organic Fertilizers

Our mills produce a significant amount of waste by-products like EFBs, POME, bunch ash, and decanter solids. Currently, we apply all these waste by-products to mineral soils, fully compliant with the regulations and guidelines set forth by the Ministry of Agriculture. This approach provides several benefits:

- It lowers the likelihood of pollution contamination.
- It improves soil sustainability through the addition of organic matter and nutrients, while aiding in moisture retention.
- It is cost-effective, as it enables the partial substitution of inorganic fertilizers with organic waste.

Inorganic Fertilizers

Although organic fertilizers offer many advantages, they cannot entirely meet the nutritional requirements of our oil palm trees. As a result, we enhance them with inorganic fertilizers.

Inorganic fertilizers are essential for the development of younger oil palm trees, especially from ages 8 to 20 years, when nutrient needs are at their peak. We cease the use of fertilizers when the trees reach approximately 23 years of age, two years prior to their planned harvest.

To guarantee the proper use of inorganic fertilizers, we continuously track their usage and evaluate their effects on crop health and productivity. We utilize the 4C stewardship strategy to manage the application of inorganic fertilizers, keeping them within safe thresholds and reducing the risk of harmful chemical overuse that could damage the ecosystem.

The Average Ratio of Inorganic Fertilizer Use (ton/Ha)

Region	2024	2023	2022
Mature Plant			
North Sumatra	1.27	1.15	1.09
Riau	1.14	1.05	1.10
Jambi	1.50	1.22	1.14
Average	**1.25**	**1.12**	**1.10**
Immature Plant			
North Sumatra	0.69	0.60	0.60
Riau	0.24	1.11	0.85
Jambi	0.52	0.65	0.98
Average	**0.55**	**0.73**	**0.76**

What's next?

- We will persist in efforts to identify new tactics to minimize our pesticide usage and explore creative approaches in biological control. Our research and development group will work closely with our plantation teams to find environmentally friendly solutions.
- We will continue our replanting initiatives while concentrating to enhance soil health.

Assurance Statement

SGS

ASSURANCE STATEMENT

SGS INDONESIA'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE ASIAN AGRI SUSTAINABILITY REPORT FOR 2024

NATURE OF THE ASSURANCE/VERIFICATION
PT. SGS Indonesia was commissioned by Asian Agri to conduct an independent assurance of the Sustainability Report 2024 period 1 January - 31 December 2024.

INTENDED USERS OF THIS ASSURANCE STATEMENT
This Assurance Statement is provided with the intention of informing all Asian Agri's stakeholders.

RESPONSIBILITIES
The information in the Report and its presentation are the responsibility of the directors or governing body and the management of Asian Agri. SGS has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance based upon sufficient and appropriate objective evidence.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE
The assurance of this report has been conducted according to the AA1000 Assurance Standard (AA1000AS v3), a standard used globally to provide assurance on sustainability-related information across organizations of all types, including the evaluation of the nature and extent to which an organization adheres to the Accountability Principles (AA1000AP 2018).

Assurance has been conducted at a moderate level of scrutiny and type 2.

SCOPE OF ASSURANCE
The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

- AA1000 Accountability Principles (2018)
- Global Reporting Initiative Sustainability Reporting Standards 2021 (In Accordance with) and GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022

SPECIFIED PERFORMANCE INFORMATION AND DISCLOSURES INCLUDED IN SCOPE

- Sustainability Governance
- Emission and Energy Management
- Water and Waste Management
- Occupational Health and Safety
- Smallholder Empowerment
- Supply Chain Traceability
- Human Rights and employment practices
- Community Development
- Biodiversity and Conservation
- Pest and Soil Management
- Product Optimization and Efficiency

SAGP2003 Issue 1 Effective Date: 01/01/2025

ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research and interviews with relevant accountable managers and employees at the representing office at Jakarta, and site visit to:

- Buatan 2 both mill and estate in Riau Province
- Topaz both mill and estate in Riau Province
- Gunung Melayu 2 both mill and estate in North Sumatera Province.
- Tanah Datar both mill and estate in North Sumatera Province

The external bodies and stakeholders were also interviewed, example:

- Community beneficiaries of the mill and estate CSR programs in surrounding Buatan 2 both mill and estate in Riau Province
- Community beneficiaries of the mill and estate CSR programs in Gunung Melayu 2 both mill and estate in North Sumatera Province
- Labor Union of Buatan 2 both mill and estate in Riau Province

Asian Agri Sustainability report 2024 covers PT. Inti Indosawit Subur as parent company and 12 subsidiaries. Companies operates in 3 Provinces: North Sumatera Province, Riau Province and Jambi Province.

LIMITATIONS

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from Asian Agri, being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors Environmental Management System (EMS) Lead Auditor, Quality Management System (QMS) Lead Auditor, Occupational Health and Safety Assessment Series (OHSAS) Lead Auditor, Round Table on Sustainable Palm Oil (RSPO) Auditor, International Sustainability and Carbon Certification (ISCC) Auditor, the IRCA Corporate Responsibility Training Program and have experience of auditing in Palm Oil Estate and Crude Palm Oil Plant and are internationally renowned for their expertise in sustainability.

FINDINGS AND CONCLUSIONS

ASSURANCE OPINION

On the basis of the methodology described and the assurance work performed, we are satisfied that the specified performance information included in the scope of assurance is accurate, reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the AA1000 Accountability Principles (2018) and Global Reporting Initiative Sustainability Reporting Standards 2021 (In Accordance with) and GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022.

We believe that the organization has chosen an appropriate level of assurance for this stage in their reporting.

ADHERENCE TO AA1000 ACCOUNTABILITY PRINCIPLES (2018)

INCLUSIVITY

Asian Agri has demonstrated a good commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, sustainability experts, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, Asian Agri may proactively consider having more direct two-ways involvement of stakeholders during future engagement.

MATERIALITY

Asian Agri has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders.

RESPONSIVENESS

Asian Agri's has responded to stakeholders' issues that affect to its sustainability performance and is released through decisions, actions and performance, as well as communication with stakeholders.

IMPACT

Asian Agri has demonstrated a process on identify and fairly represented impacts that encompass a range of environmental, social and governance topics from wide range of sources, such as activities, policies, programs, decisions and products and services, as well as any related performance. Measurement and evaluation of its impacts related to material topic were in place at target setting with combination of qualitative and quantitative measurements.

QUALITY AND RELIABILITY OF SPECIFIED PERFORMANCE INFORMATION

- The company has established robust internal control of the data and information based on the management systems they set up for Greenhouse Gases emission.

ADHERENCE TO GLOBAL REPORTING INITIATIVE SUSTAINABILITY REPORTING STANDARDS (2021)

In our opinion, Asian Agri's Sustainability Report 2024 is presented in accordance with the Global Reporting Initiative Sustainability Reporting Standards 2021 and GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022 and fulfills all the required content and quality criteria.

Foundation

In our opinion, the content and quality of the report adheres to the GRI Reporting Principles of Accuracy, Balance, Clarity, Comparability, Completeness, Sustainability context, Timeliness and Verifiability.

General Disclosures

All the General disclosures required for reporting in accordance with the Global Reporting Initiative Sustainability Reporting Standards 2021.

Material Topics

Asian Agri disclose material topics that represent an organization's most significant impacts on the economy, environment, and people, in accordance with Global Reporting Initiative Sustainability Reporting Standards 2021.

Signed:
For and on behalf of SGS Indonesia

AA1000 Licensed Report 000-8/V3-CP0EZ

Waras Putri Andrianti
Business Assurance Director
Jakarta, Indonesia
25 April 2025

WWW.SGS.COM

GRI Index

Statement of use	Asian Agri has reported in accordance with the GRI Standards for the period of January 1 until 31 December 2024
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	GRI 13: Agriculture, Aquaculture and Fishing Sectors

GRI Standard	GRI	Disclosure	Chapter Heading	Page	Omission
General Disclosure					
GRI 2: General Disclosures 2021	2-1	Organizational details	About Asian Agri	9	
	2-2	Entities included in the organization's sustainability reporting	About This Report, About Asian Agri	3, 10	
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	2-7	Employees	About Asian Agri, Human Rights and Employment Practices	11, 49	
	2-8	Workers who are not employees	About Asian Agri, Human Rights and Employment Practices	11, 50-51	
	2-9	Governance structure and composition	About Asian Agri, Sustainability Governance	13, 27	
	2-10	Nomination and selection of the highest governance body			Confidentiality constraint This information cannot be disclosed as the group consists of private companies
	2-11	Chair of the highest governance body	About Asian Agri	13	
	2-12	Role of the highest governance body in overseeing the management of impacts	About Asian Agri, Sustainability Governance	13, 27	
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	2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance	27	
	2-15	Conflicts of interest	Sustainability Governance	25	
	2-16	Communication of critical concerns	Our Approach to ESG and Sustainability	22	
	2-17	Collective knowledge of the highest governance body	Sustainability Governance	27	
	2-18	Evaluation of the performance of the highest governance body	About Asian Agri	13	
	2-19	Remuneration policies			Confidentiality constraint This information cannot be disclosed as the group consists of private companies
	2-20	Process to determine remuneration	Human Rights and Employment Practices	54	
	2-21	Annual total compensation ratio			Confidentiality constraint This information cannot be disclosed as the group consists of private companies
	2-22	Statement on sustainable development strategy	Message From Our Managing Director, Sustainability Governance	5-6, 28	
	2-23	Policy commitments	About Asian Agri, Sustainability Governance, Responsible Supply Chain, Human Rights and Employment Practices	13, 26, 45-46, 52	
	2-24	Embedding policy commitments	Sustainability Governance and Responsible Supply Chain	27, 45-46	
	2-25	Processes to remediate negative impacts	Our Approach to ESG and Sustainability	22-23	
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	2-27	Compliance with laws and regulations	Sustainability Governance	26	
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	2-29	Approach to stakeholder engagement	Our Approach to ESG and Sustainability	19-20	
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Material Topic					
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Our Approach to ESG and Sustainability	17-18	
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GRI Standard	GRI Number	Disclosure	Disclosure Status (Section References or Omission)	Page	If Omitted: Reason and Explanation	GRI Sector Standard Reference
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	2-3	Reporting period, frequency and contact point	About This Report	3, 4		
	2-4	Restatements of information	Inclusive Growth and Our GHG Emissions	51, 79		
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	2-6	Activities, value chain and other business relationships	About Asian Agri	11, 12		
	2-7	Employees	About Asian Agri, Human Rights and Employment Practices	11, 49		
	2-8	Workers who are not employees	About Asian Agri, Human Rights and Employment Practices	11, 50-51		
	2-9	Governance structure and composition	About Asian Agri, Sustainability Governance	13, 27		
	2-10	Nomination and selection of the highest governance body	Omitted		Confidentiality constraint This information cannot be disclosed as the group consists of private companies	
	2-11	Chair of the highest governance body	About Asian Agri	13		
	2-12	Role of the highest governance body in overseeing the management of impacts	About Asian Agri, Sustainability Governance	13, 27		
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	2-20	Process to determine remuneration	Human Rights and Employment Practices	54		
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Material Topic						
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Our Approach to ESG and Sustainability	17-18		
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GRI Standard	GRI Number	Disclosure	Disclosure Status (Section References or Omission)	Page	If Omitted: Reason and Explanation	GRI Sector Standard Reference
Sustainability Governance						
GRI 3: Material Topics 2021	3-3	Management of material topics	Sustainability Governance	25		13.25.1, 13.26.1
GRI 205: Anti-Corruption 2016	205-1	Operations assessed for risks related to corruption	Sustainability Governance	25		13.26.2
	205-2	Communication and training about anti-corruption policies and procedures	Sustainability Governance	25		13.26.3
	205-3	Total number and nature of confirmed incidents of corruption	Sustainability Governance	25		13.26.4
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Sustainability Governance	25		13.25.2
Smallholder Empowerment						
GRI 3: Material Topics 2021	3-3	Management of material topics	Smallholder Empowerment	33		13.22.1
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Smallholder Empowerment	37		13.22.3
	203-2	Significant indirect economic impacts	Smallholder Empowerment	37-39		13.22.4
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Smallholder Empowerment	37-40		13.12.2
GRI 13.23. Supply Chain Traceability	13.23.3	Report the percentage of sourced volume certified to internationally recognized standards that trace the path of products through the supply chain, by product and list these standards.	Smallholder Empowerment, Responsible Supply Chain	38, 40, 44		13.23.3
	13.23.4	Describe improvement projects to get suppliers certified to internationally recognized standards that trace the path of products through the supply chain to ensure that all sourced volume is certified.	Smallholder Empowerment	37-42		13.23.4
Responsible Supply Chain						
GRI 3: Material Topics 2021	3-3	Management of material topics	Responsible Supply Chain	43-44		13.23.1
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Responsible Supply Chain	43, 45-46		
	308-2	Negative environmental impacts in the supply chain and actions taken	Responsible Supply Chain	46		

GRI Standard	GRI Number	Disclosure	Disclosure Status (Section References or Omission)	Page	If Omitted: Reason and Explanation	GRI Sector Standard Reference
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Responsible Supply Chain	43, 45-46		
	414-2	Negative social impacts in the supply chain and actions taken	Responsible Supply Chain	46		
GRI 13.23. Supply Chain Traceability	13.23.2	Describe the level of traceability in place for each product sourced, for example, whether the product can be traced to the national, regional, or local level, or a specific point of origin (e.g., farms, hatcheries, and feed mill levels).	Responsible Supply Chain	45-46		13.23.2
Human Rights and Employment Practices						
GRI 3: Material Topics 2021	3-3	Management of material topics	Human Rights and Employment Practices	49		13.15.1, 13.16.1, 13.17.1, 13.18.1, 13.20.1, 13.21.1
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Human Rights and Employment Practices	50-51		
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human Rights and Employment Practices	54-56		
	401-3	Parental leave	Human Rights and Employment Practices	56		
GRI 408: Child Labour 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	Human Rights and Employment Practices	52		13.17.2
GRI 409: Forced or Compulsory Labour 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Human Rights and Employment Practices	52		13.16.2
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Human Rights and Employment Practices	52-54		13.15.2
	405-2	Ratio of basic salary and remuneration of women to men	Human Rights and Employment Practices	54-55		13.15.3
GRI 406: Non-Discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Human Rights and Employment Practices	52-53		13.15.4
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Rights and Employment Practices	54		13.18.2
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	Human Rights and Employment Practices	54		
GRI 201: Economic Performance 2016	201-3	Defined benefit plan obligations and other retirement plans	Human Rights and Employment Practices	54-56		

GRI Standard	GRI Number	Disclosure	Disclosure Status (Section References or Omission)	Page	If Omitted: Reason and Explanation	GRI Sector Standard Reference
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Human Rights and Employment Practices	54-55		
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Human Rights and Employment Practices	59		
	404-2	Programs for upgrading employee skills and transition assistance programs	Human Rights and Employment Practices	58-59		
	404-3	Percentage of employees receiving regular performance and career development reviews	Human Rights and Employment Practices	59		
Occupational Health and Safety						
GRI 3: Material Topics 2021	3-3	Management of material topics	Health & Safety	61		13.19.1
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Health & Safety	61-63		13.19.2
	403-2	Hazard identification, risk assessment, and incident investigation	Health & Safety	63-64		13.19.3
	403-3	Occupational health services	Health & Safety	63-64		13.19.4
	403-4	Worker participation, consultation, and communication on occupational health and safety	Health & Safety	61-63		13.19.5
	403-5	Worker training on occupational health and safety	Health & Safety	63		13.19.6
	403-6	Promotion of worker health	Health & Safety	64		13.19.7
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health & Safety	61-63		13.19.8
	403-8	Workers covered by an occupational health and safety management system	Health & Safety	61-64		13.19.9
	403-9	Work-related injuries	Health & Safety	64-66		13.19.10
	403-10	Work-related ill health	Health & Safety	66		13.19.11
Community Development						
GRI 3: Material Topics 2021	3-3	Management of material topics	Community Development	67		13.12.1, 13.14.1

GRI Standard	GRI Number	Disclosure	Disclosure Status (Section References or Omission)	Page	If Omitted: Reason and Explanation	GRI Sector Standard Reference
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Community Development	69-71		13.22.3
	203-2	Significant indirect economic impacts	Community Development	69-71		13.22.4
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Community Development	37-40, 67-71, 90		13.12.2
	413-2	Operations with significant actual and potential negative impact on local communities	Community Development	71		
GRI 13.14: Right of Indigenous People	13.14.3	List the locations of operations where indigenous peoples are present or affected by activities of the organization.	Community Development	67-68		13.14.3
	13.14.4	Report if the organization has been involved in a process of seeking free, prior, and informed consent (FPIC) from indigenous peoples for any of the organization's activities	Community Development	67-68		13.14.4
GRI 13.9 Food Security	13.9.1	• Describe the effectiveness of actions and programs on food security at local, regional, national, or global levels. • Report partnerships which the organization is part of that address food security, including engagement with governments. • Describe policies or commitments to address food loss in the supply chain.	Community Development	71, 99		13.9.1
Emissions and Energy Management						
GRI 3: Material Topics 2021	3-3	Management of material topics	Emissions and Energy Management	75		13.1.1
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Emissions and Energy Management	77-78		
	302-2	Energy consumption outside of the organization	Omitted	-	We have not yet defined the Scope 3 boundary, and energy consumption outside the organization is therefore not currently tracked or reported.	

GRI Standard	GRI Number	Disclosure	Disclosure Status (Section References or Omission)	Page	If Omitted: Reason and Explanation	GRI Sector Standard Reference
	302-3	Energy intensity	Emissions and Energy Management	77-78		
	302-4	Reduction of energy consumption	Emissions and Energy Management	77-78		
	302-5	Reductions in energy requirements of products and services	Emissions and Energy Management	77-78		
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Emissions and Energy Management	79		13.1.2
	305-2	Energy indirect (Scope 2) GHG emissions	Emissions and Energy Management	79		13.1.3
	305-3	Other indirect (Scope 3) GHG emissions	Omitted	-	Our Scope 3 inventory is still in development, and at this stage, we are only reporting Scope 1 and 2 emissions while Scope 3 calculations are being established.	
	305-4	GHG emissions intensity	Emissions and Energy Management	79		13.1.5
	305-5	Reduction of GHG emissions	Emissions and Energy Management	79-84		
	305-6	Emissions of ozone-depleting substances (ODS)	Omitted	-	We do not have material use of ozone-depleting substances (ODS), and such emissions are not considered significant or applicable to our plantation operations.	
	305-7	NOx, SOx, and other significant air emissions	Omitted	-	While some data is monitored at the site level, emissions of NOx, SOx, and other pollutants are not yet compiled systematically for disclosure.	

GRI Standard	GRI Number	Disclosure	Disclosure Status (Section References or Omission)	Page	If Omitted: Reason and Explanation	GRI Sector Standard Reference
Biodiversity and Conservation						
GRI 3: Material Topics 2021	3-3	Management of material topics	Biodiversity and Conservation	85		13.3.1, 13.4.1
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity and Conservation	87		13.3.2
	304-2	Significant impacts of activities, products and services on biodiversity	Biodiversity and Conservation	87		13.3.3
	304-3	Habitats protected or restored	Omitted	-	We have chosen not to disclose the location of our conservation areas for strategic confidentiality reasons, in order to protect ecological integrity and prevent potential misuse.	
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Biodiversity and Conservation	87-88		13.3.5
	13.4.2	Report the percentage of production volume from land owned, leased or managed by the organization determined to be deforestation- or conversion-free, by product, and describe the assessment methods used.	Sustainability Governance, Biodiversity and Conservation	26-27, 85		
Production Optimization and Efficiency						
GRI 3: Material Topics 2021	3-3	Management of material topics	Production Optimization and Efficiency	95		
GRI 13.9 Food Security	13.9.1	• Describe the effectiveness of actions and programs on food security at local, regional, national, or global levels. • Report partnerships which the organization is part of that address food security, including engagement with governments. • Describe policies or commitments to address food loss in the supply chain.	Production Optimization and Efficiency	99		13.9.1

GRI Standard	GRI Number	Disclosure	Disclosure Status (Section References or Omission)	Page	If Omitted: Reason and Explanation	GRI Sector Standard Reference
Water and Waste Management						
GRI 3: Material Topics 2021	3-3	Management of material topics	Water and Waste Management	100		13.7.1, 13.8.1
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Water and Waste Management	100-101		13.7.2
	303-2	Management of water discharge related impacts	Water and Waste Management	102-103		13.7.3
	303-3	Water withdrawal	Water and Waste Management	100-101		13.7.4
	303-4	Water discharge	Water and Waste Management	102-103		13.7.5
	303-5	Water consumption	Water and Waste Management	100-101		13.7.6
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Water and Waste Management	104-105		13.8.2
	306-2	Management of significant waste-related impacts	Water and Waste Management	104-105		13.8.3
	306-3	Waste generated	Water and Waste Management	104-105		13.8.4
	306-4	Waste diverted from disposal	Water and Waste Management	104-105		13.8.5
	306-5	Waste directed to disposal	Water and Waste Management	104-105		13.8.6
Pest and Soil Management						
GRI 3: Material Topics 2021	3-3	Management of material topics	Pest and Soil Management	107		
GRI 13.6 Pesticide Use	13.6.1	• Describe the pest management plan of the organization, including the rationale for the selection and application of pesticides and any other practices of pest control. • Describe actions taken to prevent, mitigate and/or remediate negative impacts associated with the use of extremely and highly hazardous pesticides. • Describe the actions, initiatives, or plans to switch to less hazardous pesticides and actions taken to optimize pest control practices. • Describe the training provided to workers on pest management and the application of pesticides.	Pest and Soil Management	107-111		13.6.1
	13.6.2	• Report the volume and intensity of pesticides used by the following toxicity hazard levels - Extremely hazardous; - Highly hazardous; - Moderately hazardous; - Slightly hazardous; - Unlikely to present an acute hazard.	Pest and Soil Management	111-112		13.6.2
GRI 13.5 Soil Health	13.5.1	Describe the soil management plan, including: • a link to this plan if publicly available; • the main threats to soil health identified and a description of the soil management practices used; • the approach to input optimization, including the use of fertilizers.	Biodiversity and Conservation, Pest and Soil Management	88-89, 112-113		13.5.1

List of Abbreviations

A

AALI	: Asian Agri Learning Institute
AA2030	: Asian Agri's goals for 2030
AI	: Artificial Intelligence
AMDAL	: Analisis Dampak Lingkungan

B

BOD	: Biochemical Oxygen Demand
BPDPKS	: Indonesia Oil Palm Plantation Fund Management Agency

C

CDP	: Carbon Disclosure Project
COD	: Chemical Oxygen Demand
CPO	: Crude Palm Oil
CSR	: Corporate Social Responsibility
CPKO	: Crude Palm Kernel Oil
CSV	: Corporate Shared Value

D

DLW	: Decent Living Wage

E

EFB	: Empty Fruit Bunch
ESG	: Environmental, Social and Governance
EU	: European Union
EUDR	: EU Deforestation Regulation

F

FAC	: Fire Awareness Community
FFA	: Fire Free Alliance
FFB	: Fresh Fruit Bunch
FFVP	: Fire-Free Village Programme
FPIC	: Free, Prior and Informed Consent

G

GHG	: Greenhouse Gas
GMP	: Good Manufacturing Practice
GRI	: Global Reporting Initiative

H

HCS	: High Carbon Stock
HCV	: High Conservation value
HCSA	: High Carbon Stock Approach
HSE	: Health, Safety and Environment

I

IDR	: Indonesian Rupiah
IDM	: Integrated Disease Management
ILO	: International Labour Organisation
IPCC	: Intergovernmental Panel on Climate Change
IPM	: Integrated Pest Management
ISCC	: International Sustainability and Carbon Certification
ISO	: International Organization for Standardisation
ISPO	: Indonesia Sustainable Palm Oil
IUCN	: International Union for Conservation of Nature

J

JSA	: Job Safety Analysis

K

KCP	: Kernel Crushing Plant
KKPA	: Kredit Koperasi Primer untuk Anggota
KUD	: Koperasi Unit Desa

M

MT	: Metric Ton (1,000 kilograms)
ML	: Mega Liter (1,000,000 liters)

N

NGO	: Non Governmental Organization
NDPE	: No Deforestation, No Peat and No Exploitation
NPP	: New Planting Procedures

O

OHCHR	: Office of the United Nations High Commissioner for Human Rights
OHS	: Occupational Health and Safety
OPRS	: Asian Agri's Oil Palm Research Station

P

PK	: Palm Kernel
PKS	: Palm Kernel Shell
POME	: Palm Oil Mill Effluent
PPE	: Personal Protective Equipment
PROPER	: Public Disclosure Program for Environmental Compliance

R

R&D	: Research and Development
RGE	: Royal Golden Eagle
RSPO	: Roundtable on Sustainable Palm Oil

S

SDG	: Sustainable Development Goals
SEIA	: Social and Environmental Impact Assessments
SMILE	: SMallholder Inclusion for better Livelihood & Empowerment
SPOTT	: Sustainable Policy Transparency Toolkit

T

tCO2e	: Tons of carbon dioxide equivalent
TJ	: Tera Joules
TNI	: Indonesian National Armed Forces
TOPICC	: Complimentary Team, Ownership, People, Integrity, Customer, Continuous Improvement (Asian Agri's core values)

U

UDHR	: Universal Declaration of Human Rights
UNGP	: UN Guiding Principles on Business and Human Rights
UN SDG	: United Nation's Sustainable Development Goals

Glossary

AMDAL / Environmental Impact Assessment (EIA)	:	The assessment by which the anticipated impacts on the environment of a proposed development or project are measured. If the likely impacts are unacceptable, design measures or other relevant mitigation measures can be taken to reduce or avoid these effects.
ASEAN RAI	:	The ASEAN Guidelines on Promoting Responsible Investment in Food, Agriculture and Forestry (ASEAN RAI) is a regionally-adopted, voluntary framework to guide investment decision making for both private and public sector actors. Formally adopted by the ASEAN Ministers of Agriculture and Forestry in 2018, ASEAN RAI includes 10 social, environmental, and governance (ESG) principles about how to avoid risks and have positive impact specifically in the food, agriculture and forestry sectors.
B30	:	A type of biodiesel with a fuel blend containing bio content of 30%. This was rolled out by the Indonesian government in January 2020 to reduce reliance on fossil fuels.
B35	:	A type of biodiesel with a fuel blend containing bio content of 35%. This was rolled out by the Indonesian government in February, as the continuation of B30 program.
Biofuel	:	A fuel that is produced from biomass – i.e. plant material or animal waste
Biogas	:	Gas produced by the anaerobic digestion or fermentation of organic matter, such as manure, sewage sludge, municipal solid waste, biodegradable waste or any other biodegradable feedstock. Biogas produces methane and carbon dioxide and can be used as fuel.
Biological Oxygen Demand (BOD)	:	A measure of the dissolved oxygen needed by microorganisms during the oxidation of reduced substance in waters and wastes.
Chemical Oxygen Demand (COD)	:	The amount of oxygen needed to oxidize the organic matter present in water.
Collective Bargaining	:	The ongoing process of negotiation between representatives of workers and employers to establish the conditions of employment.
Deforestation	:	Conversion of forest to another land use or long-term reduction of the tree canopy cover. This includes conversion of natural forest to tree plantations, agriculture, pasture water reservoirs and urban areas but excludes timber production areas managed to ensure the forest regenerates after logging.
Effluent	:	Liquid waste from industrial activity
Employee	:	Our workforce at the staff level up to the highest positions, including those based in mills, estates, and offices. Their responsibilities primarily involve administrative, managerial, and supervisory tasks. This category also includes specialized roles such as medical professionals and researchers.
Fire-Free Village Programme	:	A fire management pilot program which provides training, equipment and economic incentives to local communities to help prevent fire. Members of the Fire Free Alliance (FFA), including APRIL, Asian Agri, IOI Group, Musim Mas, Sime Darby, Wilmar International Limited, are currently implementing their own FFVPs as part of their membership commitments.
Free, prior and informed consent (FPIC):	:	Free, Prior and Informed Consent (FPIC) is a specific right that pertains to indigenous peoples and is recognised in the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). It allows them to give or withhold consent to a project that may affect them or their territories. Once they have given their consent, they can withdraw it at any stage. Furthermore, FPIC enables them to negotiate the conditions under which the project will be designed, implemented, monitored and evaluated.
Freedom of Association	:	The right of a person to join with other people, for example, as a union, to defend their labour rights.
Fresh Fruit Bunches (FFB)	:	The fruit from the oil palm which is then processed into crude palm oil and palm kernel. This is the raw material for palm oil mills.
Forced Labor	:	Work that is performed involuntarily and under the menace of any penalty. It refers to situations in which persons are coerced to work through the use of violence or intimidation, or by more subtle means such as manipulated debt, retention of identity papers or threats of denunciation to immigration authorities.
Greenhouse Gas (GHG)	:	Gas in the atmosphere that absorbs and emits radiation within the thermal infra-red range. These gases is the fundamental cause of the greenhouse effect. The primary GHGs emitted from palm oil mill are carbon dioxide, methane and nitrous oxide.
High Carbon Stock (HCS)	:	HCS forests are those identified through the HCS Approach as forested areas to be prioritized for protection from conversion. HCS are divided into six classifications which are Open land (OL), Scrub (S), Young Generating Forest (YRF), Low Density Forest (LDF), Medium Density Forest (MDF), and High Density Forest (HDF).
High Carbon Stock Approach (HCSA)	:	A methodology that distinguishes forest areas for protection from degraded lands with low carbon and biodiversity values that may be developed. The methodology was developed with the aim to ensure a practical, transparent, robust, and scientifically credible approach that is widely accepted to implement commitments to halt deforestation in the tropics, while ensuring the rights and livelihoods of local peoples are respected.
High Conservation Values (HCV)	:	Biological, ecological, social or cultural values which are considered outstandingly significant or critically important, at the national, regional or global level (source: HCV Resource Network).
Hotspot	:	An indicator of a potential fire at a particular site on the ground.
Indonesia Sustainable Palm Oil (ISPO)	:	A policy adopted from Circular Letter No.092/TU.200/E-ISPO/9/2012 by the Ministry of Agriculture on behalf of the Government of Indonesia with the aim to improve the competitiveness of the Indonesian palm oil on the global market and contribute to the objective set by the President of the Republic of Indonesia to reduce greenhouse gases emissions and draw attention to environmental issues.
Indigenous Communities	:	Indigenous communities are distinct social and cultural groups that share collective ancestral ties to the lands and natural resources where they live, occupy or from which they have been displaced. The land and natural resources on which they depend are inextricably linked to their identities, cultures, livelihoods, as well as their physical and spiritual well-being.
Integrated Disease Management (IDM)	:	The practice of using a range of measures to prevent and manage diseases in crops. Hazard analysis is used to identify the potential for infection so that preventative or curative measures can be put in place to minimise the risk of disease infection and spread.
Integrated Pest Management (IPM)	:	An ecosystem-based strategy that focuses on long-term prevention of pest damage through a combination of techniques such as biological control, habitat manipulation, modification of cultural practices, and use of resistant varieties.
International Sustainability and Carbon Certification (ISCC)	:	The first international certification system that can be used to prove sustainability and greenhouse gas savings for all kinds of biomass and bio-energy based on EU Renewable Energy Directive's (RED) requirements. The ISCC seal proves that biomass was produced in an environmentally friendly way. ISCC also covers social sustainability principles and thus provides more security for companies.
Kernel Crushing Plant (KCP)	:	A plant that processes palm kernel into Crude Palm Kernel Oil (CPKO).
Koperasi Unit Desa (KUD)	:	Village cooperatives
Net Zero	:	Net zero emissions are achieved when anthropogenic emissions of greenhouse gases to the atmosphere are balanced by anthropogenic removals over a specified period.
No Deforestation, No Peat and No Exploitation (NDPE)	:	An important policy for the palm oil industry on sustainable palm oil adopted by companies. NDPE policies include commitments to the following: Free, Prior and Informed Consent (FPIC) for indigenous and other local communities, zero burning, preventing poor working conditions, and preserving High Conservation Value (HCV) areas, High Carbon Stock (HCS) areas and peatlands.
Non Governmental Organisation (NGO)	:	An organization that is neither a part of a government nor a conventional for-profit business.
Palm Oil Mill Effluent (POME)	:	One of the by-products of the Fresh Fruit Bunch process.
Palm Kernel	:	The edible seed of the oil palm fruit, which yields two types of oil: palm oil and palm kernel oil.
Palm Kernel Shell	:	The byproduct of palm kernel oil production, which can be used as biofuel.
Palm Oil	:	An edible vegetable oil produced from the fruit of oil palm trees. It is a versatile oil that can be used for a wide variety of products, from cooking oil to food products and cosmetics.

Peatland	:	Terrestrial wetland ecosystems in which waterlogged conditions prevent plant material from fully decomposing. Peatlands store more carbon than all other vegetation types combined. They are known to cover at least 3% of global land surface and are important for preventing and mitigating the effects of climate change.
Plasma Transmigration Programme (Perkebunan Inti Rakyat)	:	A program initiated by the Indonesian government to encourage the development of smallholder plantations with the assistance and cooperation of plantation companies (the nucleus) which assist and support the surrounding community plantations (the plasma).
PROPER	:	Public Disclosure Program for Environmental Compliance, commonly referred to as PROPER, is designed to promote adherence to environmental management laws and regulations within the industry. It is an annual program held by the Ministry of Environment and Forestry. The PROPER ratings fall into two main categories: compliance, which includes blue, red, and black ratings, and beyond compliance, which is marked by gold and green ratings. Gold represents the highest achievement, while black signifies the lowest rating, indicating non-compliance.
Provincial Spatial Planning	:	A general spatial plan for the province which is an elaboration of the National Spatial Planning (RTRWN). It contains: objectives, policies, strategies for spatial planning for the province; provincial spatial structure plan; provincial spatial pattern plan; determination of provincial strategic areas; directions for the use of provincial space; and directions for controlling the use of provincial space. The preparation of the RTRWP must refer to the RTRWN, guidelines for spatial planning, and regional long-term development plans.
Smallholders	:	Farmers who grow oil palm, alongside with subsistence crops, where the family provides the majority of labour and the farm provides the principal source of income, and the planted oil palm area are is less than 50 hectares. More than 3 million smallholders and small-scale farmers make a living from palm oil globally. There are 2 types of smallholders mentioned in this report: Independent and Plasma Scheme Smallholders.
Social and Environmental Impact Assessments (SEIAs)	:	A process for predicting and assessing the potential environmental and social impacts of a proposed project, evaluating alternatives and designing appropriate mitigation, management and monitoring measures.
Transboundary Haze	:	Consists of smoke, dust, moisture, and vapour suspended in air to impair visibility. Haze pollution can be said to be “transboundary” if its density and extent is so great at source that it remains at measurable levels after crossing into another country’s air space. Haze pollution can originate from large-scale forest and land fires characterised by a high concentration of particulate matter.
Roundtable on Sustainable Palm Oil (RSPO)	:	An organization that unites stakeholders from 7 sectors of the palm oil industry: oil palm producers, processor or traders, consumer goods manufacturers, retailers, banks/ investors, and environmental and social non-governmental organization (NGOs) to develop and implement global standards for sustainable palm oil. RSPO is a global, multi-stakeholder initiatives on sustainable palm oil.
Sustainability	:	A dynamic process that guarantees the persistence of natural and human systems in an equitable manner.
Stakeholder	:	Refers to any group, individual, member or system that affects or can be affected by company’s actions
Traceability	:	A process for tracing palm oil throughout the supply chain from source of FFB origin.
Worker	:	Our workforce at the non-staff level, the majority of whom are based in our mills and estates. Their roles cover daily operational activities in plantations and mills, as well as workshop and administrative support functions. Workers are categorized into two types: permanent and temporary.
‘Zero-burn’ Policy	:	A policy towards land clearing where either logged over secondary forests or an old area of plantation tree crops such as oil palm are cut, chipped, stacked and left on site to decompose naturally.

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ASIAN AGRI

Jakarta Office
Jl. Palembang Kav. 35-37
Kebon Melati Tanah Abang
Kota Adm. Central Jakarta
DKI Jakarta, 10230, Indonesia
Telephone : +62 21 2301 119
Fax : +62 21 2301 120

Medan, North Sumatra Office
Uniplaza Building, 6th floor, East Wing
Jl. Let. Jend. Haryono MT No. A-1
Medan, 20231, North Sumatra, Indonesia
Telephone : +62 61 4532 155 /
+62 61 4532 155 / 388 / 532
Fax : +62 61 4532 095 / 987

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www.asianagri.com