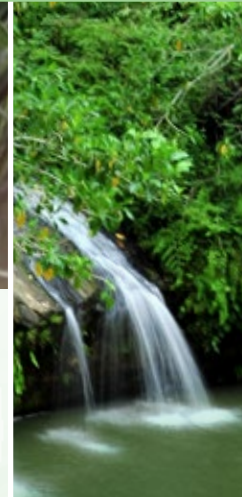
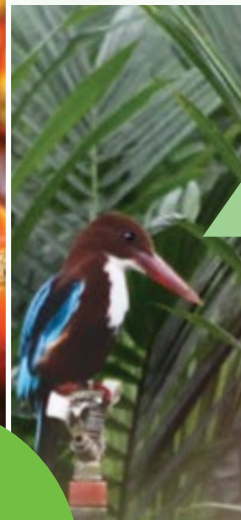




SUSTAINABILITY REPORT





ABOUT INDOAGRI, OUR VISION, MISSION AND VALUES


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

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

OUR POLICY

Our Sustainable Agriculture Policy (Policy) guides all our sustainability programmes. It applies to all our operations, including our plasma smallholders and other third-party suppliers from whom we purchase for our factories. Key Policy commitments to deliver sustainably produced products are:

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

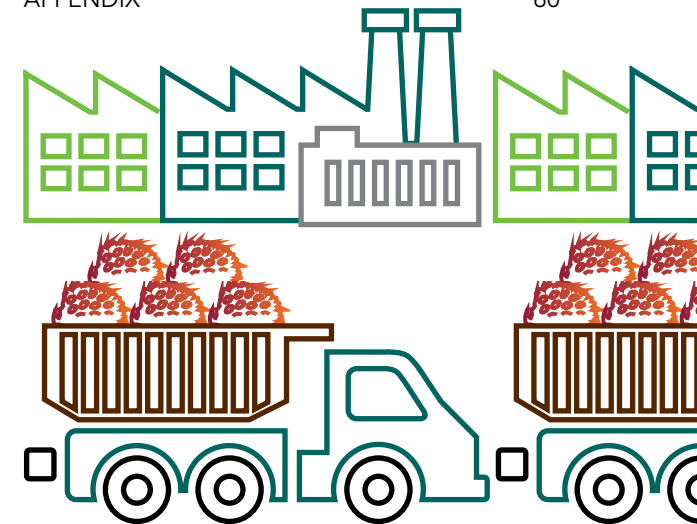
 [Read more online.](#)

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

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

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OUR SUSTAINABILITY REPORT

Since our first sustainability report was published in 2013, we have progressively improved our management of material topics, our engagement with stakeholders, and our reporting on sustainability progress.

This report communicates our progress against Policy commitments and targets on material topics for the calendar year 2020. This report provides all relevant information for stakeholders, but we encourage readers to read it alongside our Annual Report and website. Relevant links are provided in the report.

This sustainability report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. We have chosen the GRI reporting standards and principles to ensure stakeholder inclusiveness, accuracy, clarity, reliability, and comparability of the information presented in this report. The report also complies with requirements of the SGX-ST Listing Rules Practice Note 7.6 Sustainability Reporting Guide. IndoAgri has not commissioned any third-party assurance on this report.

We welcome your feedback or questions at sustainability@indofoodagri.com. Previous reports are available [online](#). The GRI Content Index can be found in the Appendix on [pages 62-76](#) of this report.

REPORTING SCOPE

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

Financial, employee, community and health and safety data refer to the whole Group (all commodity operations). Our responsible sourcing and product data include only our palm oil operations.

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

- ISPO-certified/audited plantations: 54 out of 94 sites
- ISPO or PROPER-certified/audited mills: 22 out of 27 sites
- PROPER-certified/audited refineries: 4 out of 5 sites
- Rubber plantations: 7 out of 7 sites
- Rubber factories: 3 out of 4 sites





CEO STATEMENT



OUR NINTH ANNUAL SUSTAINABILITY REPORT ON OUR ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE IS GUIDED BY OUR LATEST MATERIALITY REVIEW AND HAS BEEN APPROVED BY THE INDOAGRI BOARD OF DIRECTORS.

2020 has been an extraordinary year, with the emergence of a pandemic that caught the world by surprise and catalysed changes in the ways we work and live overnight. Companies and entire industries have been forced to confront their exposure to risks and make fundamental changes to adapt.

As an agribusiness and palm oil company, our products continue to be essential in feeding communities during this pandemic. We have remained resilient in the face of great

uncertainty, preserving business continuity while ensuring that the health and safety of our workers remain of utmost importance. A dedicated COVID-19 Response section has been included in our report this year. It features our efforts in protecting our workers and local communities while ensuring the resilience of our supply chain.

Even as we respond to changes on the ground, we are planning for the post-pandemic world. This year, we conducted a desktop materiality review to re-examine our material topics and their relevance and significance to our business and stakeholders. Our new list of 15 key material topics, up from 10, highlight our evolving sustainability priorities. The addition of pandemic resilience as a material topic reflects the seriousness with which we view the current pandemic and future pandemic preparedness.

We remain committed to sustainability through challenging times. With our revised set of material topics, we have revisited existing targets and set new ones, including water and greenhouse gas emissions reduction targets. We recognise the potential impacts of a changing climate on our business and communities and take steps to contribute to climate change mitigation and adaptation, be it through increasing our use of renewable energy, conducting R&D on seeds resistant to extreme weather conditions, or engaging communities through our PROKLIM projects to protect water sources and strengthen food security.

In a year of difficulty, we celebrate successes at every step. KUD Teratai Biru, a smallholder cooperative with 183 members, received ISPO certification, making it the first of our cooperatives to be ISPO-certified. By 2025, we target to ensure that 100% of CPO we refine is ISPO-certified.

2020 has reminded us that the health, wellbeing and safety of people cannot be taken for granted. We regret to report one fatality in 2020. We have investigated the incident thoroughly, implemented corrective action, and are supporting the family and colleagues affected. We remain committed to our goal of zero fatalities every year. We are also committed to conducting our business activities responsibly, ethically and in full compliance with prevailing rules and regulations and Indonesian Law, whilst fully respecting workers' rights. We are committed to ensuring that the rights of all people working in our operations are respected and represented, as set out in our Labour Policy. We recognise our responsibility to positively impact the lives of those working in and surrounding our operations.

As we reflect on the turbulence of 2020, one element that remained persistent was the resilience and commitment of our people. Our Board remains grateful to our employees, communities and stakeholders for braving through such unprecedented times with us.

With 2020 now behind us, IndoAgri will carry forward the lessons learnt from the challenges of the crisis to remain agile and prepared for major disruptions. IndoAgri continues to be steadfast in our commitment to sustainability as we join the rest of the world to collectively build back better.

Mark Julian Wakeford
Chief Executive Officer and Executive Director



OUR COVID-19 RESPONSE



Employee getting their temperature checked when reporting to work.

INTRODUCTION

2020 was an extremely challenging year with the COVID-19 pandemic that affected businesses and supply chains worldwide. As the pandemic situation evolved over the months, IndoAgri has kept up to date with the latest developments and responded accordingly to achieve the best possible outcomes for all stakeholders.

The COVID-19 pandemic has introduced new challenges and induced new ways of operating for many companies. Being a "stress-test" for bigger disruptions such as climate change, IndoAgri has taken steps this year to adapt to the new normal and prepare itself for future disruptions, including disease outbreaks.

In this section, we explain our plans to build pandemic resilience while caring for the wellbeing of our stakeholders.

MATERIAL TOPICS AND FOCUS AREAS:

1. Pandemic resilience

SCOPE OF SECTION



All IndoAgri operations

PANDEMIC RESILIENCE

Goal/target	Progress in 2020
Communicate business continuity plans in the face of significant disruptions	Updated and communicated business continuity plans in line with changing government regulations
Conduct annual reviews of Business Continuity Management to stay updated and prepared	Reviewed Business Continuity Management
Regularly assess key risks in supply chain	Identified key risks posed by pandemics
Engage employees, smallholders and communities that we operate in on matters related to pandemic preparedness	Established Task Force to socialise pandemic protocols to stakeholders



PANDEMIC RESILIENCE

RISK MANAGEMENT, BUSINESS CONTINUITY AND SUPPLY CHAIN RESILIENCE

We have included pandemics as our material issue and as part of our regular Enterprise Risk Management (ERM) process. The key risk posed by pandemics such as COVID-19 is the spread of the virus in IndoAgri's business units, that could affect employees' health and lead to the closure of operations.

COVID-19 has further compounded existing risks in our risk profile, such as weakening CPO prices due to falling demand, the weakening value of the Indonesian Rupiah, and the slowdown in sales of refinery products. We remain vigilant of these risks, and continue to closely monitor them as the pandemic develops.

Our ERM functions work together with relevant departments to minimise, if not eliminate, the impact of this risk on IndoAgri's business. For example, to secure the safety of our employees and the continuity of our operations, we monitor the health conditions of all employees across all our operations daily and constantly remind them of preventive measures. Working closely with our vendors, we continue to plan ahead and monitor the availability of necessary supplies to minimise disruptions.

As more consumers moved from purchasing at physical stores to online retail, we introduced new mediums of retailing our EOF products, offering home deliveries via distributors online (see [page 55](#) in the Product section). Many of our operations have moved online where

possible, including our internal audits which were modified to facilitate remote auditing.

Our teams have also developed plans to manage the transfer of operations across all our mills, factories and refineries, in the event that confirmed COVID-19 cases at a particular operating unit cause a temporary shutdown of operations. We are in the midst of updating our business continuity plans to include a more comprehensive scenario for future pandemics.

HEALTH OF WORKERS AND COMMUNITIES

To manage risks on the ground, IndoAgri established a cross-organisational COVID-19 Task Force to coordinate and manage the day-to-day prevention and handling of COVID-19. There is a clear line of communication from the teams at each business unit (head offices, regional offices, estates, mills and factories) to the head of the Task Force. This way, up-to-date information can be communicated both ways, to ensure that all our operations are fully prepared to respond to the evolving situation – be it remaining in-compliance with government regulations or ensuring that our employees and their families are healthy and safe.

The main responsibility of the Task Force is to facilitate the implementation of programmes to prevent and handle COVID-19, in compliance with regional and central government regulations. In addition to continuous daily monitoring of employees, workers and their families' health conditions and whereabouts, the Task Force also renders prompt assistance and carry out contact tracing in the event of confirmed COVID-19 cases.



Employees washing their hands and getting their temperature checked when reporting to work.

IndoAgri has implemented standard operating procedures for employees who test positive for COVID-19, from the start of their diagnosis until they return to work. All employees confirmed to be COVID-19 positive are required to undergo treatment for as long as is necessary for them to recover. Employees' conditions are monitored throughout the recovery period by the COVID-19 Task Force team until their PCR (polymerase chain reaction) test results return negative. Employees are given an additional seven days of rest before a final PCR test is performed. If this test result returns negative as well, they are allowed to return to work.

We continue to monitor our parent company, Indofood, and the Indonesian Government's COVID-19 handling directives to ensure we keep our workers and communities healthy and protected.



To protect workers in our estates as well as their families and the communities in the area, visitor access to our estates and mills is restricted. Suppliers and vendors are required to obtain a permission letter from Management as well as test negative on a rapid COVID-19 test before they are allowed to enter any estate.



Transit Room for employees prior to entering work station at Refinery Priok.



IndoAgri donated masks to the community through Local Government in Tayan Hulu Regency, West Kalimantan.

STANDING IN SOLIDARITY WITH OUR STAKEHOLDERS



Sunaryo Sitopu, Administration Staff at the Lonsum office in Medan, North Sumatra

“I was given adequate rest time to recover, as well as supplements and vitamins to speed up recovery. I continued to receive a full salary over the course of my medical leave.”

Sunaryo Sitopu, Administration Staff at the Lonsum office in Medan, North Sumatra, never imagined that he would be infected with COVID-19. What he initially thought were symptoms of the common cold eventually gave way to days of stomach churning, diarrhoea, and eventually losing his sense of smell. A PCR (polymerase chain reaction) swab test confirmed that he was COVID-19-positive.

IndoAgri’s COVID-19 Task Force teams took swift action to care and support Sunaryo and his family. Sunaryo’s initial PCR swab test was done at a reputable lab, with a referral from the Company. He subsequently was directed to one of the Company’s top partner hospitals, experienced in

treating COVID-19 patients, for hospitalisation and recovery. IndoAgri also facilitated PCR swab tests for his entire household.

Sunaryo was grateful for the quality of care provided by the Company for COVID-19 patients like himself. Even after he was declared to be recovered, the Company’s doctors continued to monitor his condition and respond to any complaints that arose.

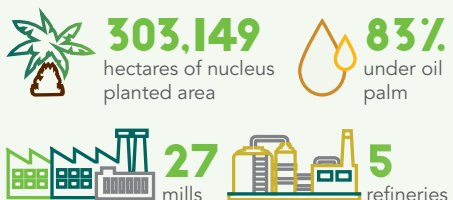
“I was given adequate rest time to recover, as well as supplements and vitamins to speed up recovery. I continued to receive a full salary over the course of my medical leave.”

More information on how IndoAgri has been impacted by and responded to COVID-19 in its various business functions and operations can be found in each of the chapters of this report.



2020 AT A GLANCE

INDOAGRI: A VERTICALLY INTEGRATED AGRIBUSINESS



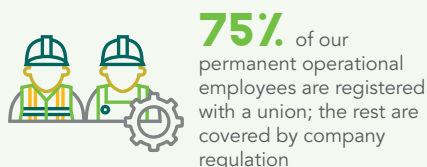
FOOD SAFETY MANAGEMENT



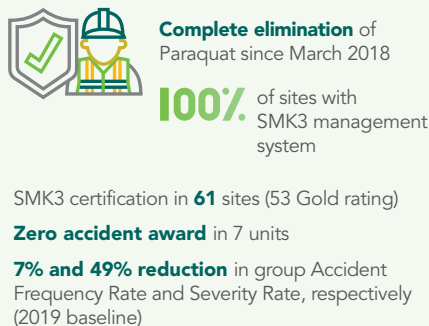
ISPO-CERTIFIED PRODUCTION



WORKFORCE REPRESENTATION



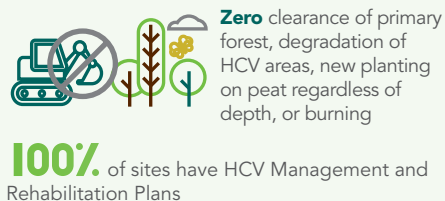
LABOUR CONDITIONS AND SAFETY



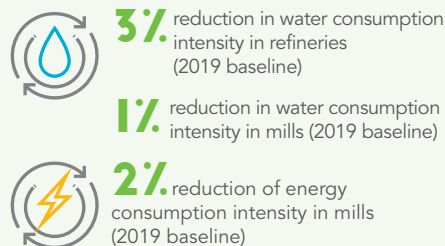
CHILD LABOUR



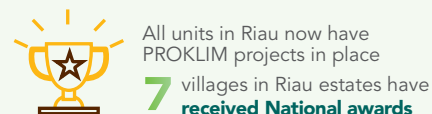
PREVENTING DEFORESTATION



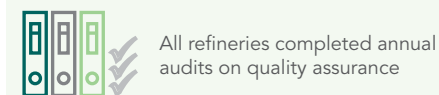
ENERGY AND WATER



INDONESIAN RURAL CLIMATE CHANGE MITIGATION AND ADAPTATION



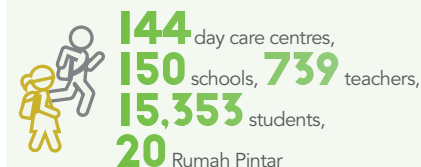
QUALITY



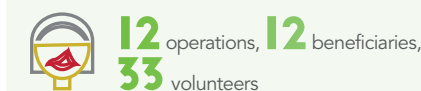
HEALTH FACILITIES



EDUCATION FACILITIES



CLEFT LIP PROGRAMME





OUR APPROACH TO SUSTAINABILITY



New replanting area in Sei Merah Estate, North Sumatra.

GOVERNANCE AND MANAGEMENT

A SYSTEMATIC APPROACH





RESPONSIBLE BUSINESS CONDUCT

Goal/target	Progress in 2020
Zero cases of bribery and corruption	Zero confirmed incidents of bribery and corruption in our operations

A SYSTEMATIC APPROACH

Our approach to sustainability is supported by our Vision, Mission, Values, Code and Policies that commit us to responsible business practices and the highest standards of quality and conduct. Our management approach and six programmes show how we manage the risks and opportunities of our material topics, as detailed on [page 08](#). They translate into action in the form of management systems and standard operational procedures (SOPs), certifications, external engagement, internal collaboration, R&D, and training. We use an SAP enterprise data and sustainability information system to assess progress against targets. We continuously review and update our approach to align with emerging topics and global developments.

GOVERNANCE ARRANGEMENTS FOR SUSTAINABILITY

We apply the precautionary principle in managing our material ESG topics; we are committed to preventing undesirable impacts, for which we hold ourselves accountable, and we seek alternatives in a risk-based manner, as appropriate. Our Board oversees the management and monitoring of our material ESG topics. At our quarterly Board Meetings, senior leaders of our Sustainability Think Tank, led by the CEO, report on sustainability performance, provide updates on recent sustainability developments, and share decisions made in response to these developments. Our Audit and Risk Management Committee receives a quarterly update on material sustainability risks and related concerns.

The Sustainability Think Tank comprises Executive Directors, Chief Operating Officers, the ERM unit, the R&D team, and sustainability representatives from each business unit. Prior to writing the Sustainability Report every year, the Sustainability Think Tank conducts a review of IndoAgri's material topics accounting for the UN Sustainable Development Goals (SDGs). Of the 17 SDGs, we have identified 13 of particular relevance to us, which we contribute towards through our Policy and programmes, see [page 08](#).

In FY2020, we conducted a desktop materiality review with the help of an independent consultant to ensure that our material issues remain relevant to IndoAgri and aligned with stakeholder expectations, industry developments as well as global and local sustainability agendas. We introduced five new material topics as well as refreshed existing terminology to better reflect the significance of these topics to IndoAgri and increase alignment with industry peers. Our new list of 15 material topics were validated by the Board and can be found on [page 08](#).


Our sustainability performance is evaluated using progress against targets, see [pages 12-13](#). ISPO certification for our oil palm operations and the Indonesian Government's Programme for Pollution Control, Evaluation, and Rating (PROPER) environmental initiative help us to deliver performance on governance, no deforestation, land rights, no new planting on peatland regardless of depth,

no burning, smallholders, and human rights. We review our evaluation methods based on internal and external audits, performance trends, and stakeholder feedback. Our regular internal audits, monitoring, and assessments are guided by the ISO 14001 Environment Management Systems and the ISO 9001 Quality Management Systems.



Warnings against extortion with a whistleblowing hotline at Balam Mill, Rokan Hilir, Riau.

We are committed to ethical conduct and are against corruption. All new employees receive induction training on our Code of Conduct, which prohibits bribery and gratification. Our whistleblowing policy enables employees to raise any concerns without fear of reprisal. More information on our whistleblowing policy can be found in our Annual Report.

 For more details on our Programmes, certifications, management systems, R&D innovation and team organisation please read more [online](#).



FOCUS ON KEY SUSTAINABILITY TOPICS

In this section, we outline the relevance of each material topic, where impacts occur, and how we manage them. The Management Approach (MA) of our material topics covers all of IndoAgri’s crops. Components of the MA include policies, standards, and certifications such as ISPO certification, PROPER, and ISO 14001, which form the basis of monitoring, evaluating, and improving performance on each material topic. All our material topics are managed under a set of six Sustainability Programmes, which conduct activities in compliance with our Policy.

Material Topics

- A Protection of Forests, Peatlands and Biodiversity
- B Fire Control and Haze Prevention
- C Climate Change and GHG Emissions
- D Water, Waste and Effluents
- E Use Of Fertilisers, Pesticides and Chemicals
- F Responsible Business Conduct (RBC)
- G Community Rights and Relations
- H Occupational Health and Safety (OHS)
- I Smallholder Engagement and Livelihoods
- J Supply Chain Traceability and Transparency
- K Sustainability Certification
- L Product Quality and Safety
- M Yield Resilience and Innovation
- N Human, Child and Labour Rights
- O Pandemic Resilience

		Material Topics														
		A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
MANAGEMENT APPROACH	Sustainable Agriculture Policy	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
	ISPO Certification ¹	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
	PROPER/ISO/SMK3/OHSAS	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
	FSSC ¹										■	■	■	■	■	■
	Other – ERM Framework, Whistle-blowing Policy	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
PROGRAMMES	Growing Responsibly			■	■	■	■	■	■	■	■	■	■	■	■	■
	Sustainable Agriculture and Products	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
	Safe and Traceable Products										■	■	■	■	■	■
	Smallholders				■	■	■	■	■	■	■	■	■	■	■	■
	Work and Estate Living	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
	Solidarity	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■

■ ■ ■ Programme sets strategy, governance, compliance and policy framework; delivery of performance improvement and monitoring
 ■ ■ Programme contributes indirectly to performance outcomes
 ■ Programme relates to topic, knowledge sharing occurs, relevant teams may interact "on the ground"

¹ ISPO Certification and FSSC apply to our palm oil operations only

SDGs we contribute to





OUR APPROACH ON KEY SUSTAINABILITY FOCUS AREAS

ENVIRONMENTAL PROTECTION

As a leading agribusiness company, we recognise the role we play in conserving and protecting our natural resources. Guided by our Sustainable Agriculture Policy, we are committed to minimising negative impacts on the environment and to consuming resources responsibly throughout our value chain. In protecting forests, peatlands and biodiversity, we regularly evaluate environmental risks and the value of ecosystems as well as actively conserve HCS and HCV areas.

Forest fires and resulting haze occurrences severely impact the health of local and global ecosystems and communities.



The white buttercup (*Turnera subulata*), is part of our integrated pest management as it helps control pests naturally and reduce reliance on pesticides.

IndoAgri takes a strident approach, actively monitoring hotspots and engaging stakeholders on fire prevention.

To minimise our environmental footprint, we also proactively manage our use of resources and disposal of waste. All our interactions with water (water withdrawal, consumption and effluent discharge) are governed by Indonesian government permits, and we reuse 100% of our milling waste. To ensure that oil palm is grown efficiently with minimal impact on the environment, we are constantly finding ways to reduce our use of fertilisers, pesticides and chemicals, replacing inorganic, chemical substances with natural, biological controls.

We believe that environmental protection can only be achieved with cooperation across the value chain. As outlined in our Policy, we expect our suppliers to comply with our sustainability standards. Our ERM framework and whistle-blowing mechanisms help to ensure compliance with relevant environmental regulations, and to mitigate the associated risks.

IndoAgri is aware of the risks and opportunities that climate change may pose to the ecosystems, communities, and the agribusiness supply chain. Environmental challenges arising from climate change, such as water scarcity and unpredictable weather patterns, may further disrupt the industry's traditional models and crop yields. In the face of climate and socio-economic 'disruptors', agribusinesses must innovate to address changing needs and demands, through developing both mitigation and adaptation solutions. We are taking steps to increase our use of renewable energy, improve energy efficiency, and reduce GHG emissions, while engaging in R&D to produce seeds resistant to extreme weather conditions.



Workers sort and inspect fresh fruit bunches (FFB) at Begerpang Mill, North Sumatra.

RESPONSIBLE SOURCING

Transparency in the supply chain and responsible sourcing practices are increasingly important to customers as their own operations and procurement come under scrutiny. Commercial success depends on our customers having confidence in our products and their origins. We are committed to excellence in supply chain relations to encourage transparent, responsible, and profitable practices. We regularly engage with our suppliers to ensure that expectations are communicated. Assessments and audits of our supply chain are also carried out on a routine



basis. and work with our smallholders to help them develop capacity and improve quantity and quality of yield.

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

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

In the agribusiness industry, third-party sustainability certifications guide the implementation of best-practice and provide assurance to our stakeholders. ISPO certification, developed and mandated by the Indonesian Government, is a key component in delivering on our Policy and commitments. As part of our commitment to responsible sourcing, we aim to have 100% of our mills and estates ISPO certified by 2023.

In Indonesia, smallholders account for more than 40% of all oil palm cultivated. IndoAgri recognises the crucial role smallholders play in the palm oil industry, and hence we support and engage our smallholders through various capacity building and training programs. We also assist the smallholders we work with to obtain the ISPO certification.

Improving our yields, including those of our smallholders, is vitally important as it brings higher revenues and reduces pressure on additional land conversion and resource use. Building the resilience of our crops against possible climate change impacts has also become a key priority. We engage in continuous R&D to improve our agronomy techniques and increase our seed yield and quality.

PEOPLE

The well-being and development of our workers is fundamental to our success. Our Sustainable Agriculture Policy and Labour Policy outline our commitment to respect and protect the rights of our workers, comply with the Indonesian law as well as the UN Universal Declaration on Human Rights and the International Labour Organisation (ILO) codes of practice ratified by the Republic of Indonesia². We aim to provide our workers with stable incomes, safe working environments, and improved job opportunities. We take strict, actionable measures to ensure no forced labour or child labour on any of our sites.



Signposts prohibiting child labour at Begerpang Estate, North Sumatra.

All IndoAgri employees are paid above the minimum wage of their respective regions, which are determined by regional governments, taking into account the sector, cost of living in each province, and collective labour agreement in that region. This ensure all our workers receive a decent living wage. We also provide all permanent employees and their families with additional free benefits such as housing, healthcare and education to ensure a decent living wage. We support employees' rights to collective bargaining. Employees are free to register themselves with their preferred labour union.

We are committed to providing safe workplaces for our thousands of employees across Indonesia. We have a rigorous OHS management system in place to minimise negative health impacts and prevent accidents. All our sites are equipped with SMK3 (Indonesian OHS standard) management systems and undergo SMK3 refresher trainings every year to ensure day-to-day compliance across all sites. In addition, workers are reminded of safety standard operating procedures before they start work every morning.

We encourage professional development and the upskilling of our workforce through Training and Development programmes. This provides career progression opportunities for our employees and meets our needs for skilled, capable human resources.

- 1 This includes batch barcodes for FFBs from our South Sumatra plasma estate.
- 2 The eight "core" ILO Conventions ratified by Indonesia are:
 - i. Forced Labour Convention, 1930 (No. 29);
 - ii. Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87);
 - iii. Right to Organise and Collective Bargaining Convention, 1949 (No. 98);
 - iv. Equal Remuneration Convention, 1951 (No. 100);
 - v. Abolition of Forced Labour Convention, 1957 (No. 105);
 - vi. Discrimination (Employment and Occupation) Convention, 1958 (No. 111);
 - vii. Minimum Age Convention, 1973 (No. 138);
 - viii. Worst Forms of Child Labour Convention, 1999 (No. 182).



COMMUNITY RELATIONS

As a large palm oil company with operations in rural Indonesia, we recognise our ability to positively impact the lives of those living in and surrounding our areas of operation. We respect the rights of our communities and maintain strong relations with them, to ensure that we address their needs and concerns.

In addition to our compliance with the Indonesian law as well as the UN Universal Declaration on Human Rights and the ILO codes of practice ratified by the Republic of Indonesia, we are committed to respecting the FPIC rights of indigenous people whenever our operations impact them.

We aim to empower local communities and achieve inclusive growth that improves their quality of life. Our Work and Estate Living Programme ensures that needs of the community and local governments are met through economic development. Under this programme, we also provide access to healthcare and education.

PRODUCT INTEGRITY

Due to its versatility, palm oil is used extensively across thousands of edible and non-edible products. As such, product quality and safety are crucial to our commercial success. Our Quality Policy and Sustainable Agriculture Policy hold us to high standards of product quality, process safety, as well as the implementation of food safety management

systems and quality assurance at our refineries. We are certified to local and international food safety standards such as Indonesia National Standard (SNI) and FSSC 22000.

Customers want full product traceability while regulators want complete information on ingredients and nutritional content. We communicate with customers through various channels and comply with regulations on food safety, consumer protection, quality and nutrition, labelling, and advertising. All CPO supplied to us is traceable to its milling site via batch coding. Our products and refineries are certified by an approved Halal certification system, LPPOM MUI, The Assessment Institute for Foods, Drugs And Cosmetics, the Indonesian Council of Ulama.



Routine health check for babies in Posyandu, at Gunung Melayu Estate, North Sumatra.



Bimoli 5-litre jerry cans at capping stage.



TRACKING PERFORMANCE, EVALUATING PROGRESS

PANDEMIC RESILIENCE

Goal/target	Progress in 2020
Communicate business continuity plans in the face of significant disruptions	Updated and communicated business continuity plans in line with changing government regulations
Conduct annual reviews of Business Continuity Management to stay updated and prepared	Reviewed Business Continuity Management
Regularly assess key risks in supply chain	Identified key risks posed by pandemics
Engage employees, smallholders and communities that we operate in on matters related to pandemic preparedness	Established Task Force to socialise pandemic protocols to stakeholders

RESPONSIBLE BUSINESS CONDUCT

Goal/target	Progress in 2020
Zero cases of bribery and corruption	Zero confirmed incidents of bribery and corruption in our operations in 2020

PROTECTING OUR ENVIRONMENT

Goal/target	Progress in 2020
Reduce energy consumption ratio in palm oil mills and refineries	<ul style="list-style-type: none"> 2% reduction of energy consumption per tonne of material processed in mills compared to 2019 4% increase of energy consumption per tonne of material produced at our refineries compared to 2019
Reduce GHG emissions per tonne of palm product	2% reduction in GHG emissions per tonne of palm product compared to 2019
Reduce water consumption intensity for palm oil mills and refineries	Water consumption reduced by 1% for mills and 3% for refineries compared to 2019
Maintain effluent levels to be within local regulation thresholds	All effluent levels within regulation thresholds
By 2020: ISO 14001 certification for 25 mills and 3 refineries	Achieved
Continue to maximise use of renewable fuel (palm shell)	98% of fuel used in mills is from renewable products. We will continue to evaluate trials and increase usage of renewable fuel in refineries
Continue to strengthen fire mitigation procedures	Completed 27 fire control training days in 40 estates in 2020
Ensure quality of training for fire control teams and fire specialists across all our plantations	Our fire specialists receive regular training conducted together with the Ministry of Environment and Forestry, the military, police, and the local government
Continue to engage local communities and villages on fire-fighting and prevention	Engaged 60 villages on fire prevention since 2016
No planting on peatland and continue maintaining peat water levels	Since 2013, no new planting on peatlands and water levels maintained in all peatlands under our control
Compliance with our policy of no deforestation and zero HCV loss	No primary forest or HCV land was affected during new planting and replanting in 2020
To achieve 100% use of available organic fertiliser (Empty Fruit Bunches (EFBs) and Palm Oil Mill Effluent (POME) from our mills)	Achieved
Continue to improve on Integrated Pest Management to reduce reliance on chemical pesticide use	8% increase in total pesticides compared to 2019



RESPONSIBLE SOURCING

Goal/target	Progress in 2020
By end 2023: ISPO certification for all estates	Achieved 80% of targeted hectare
By end 2023: ISPO certification for all mills	Achieved certification for 18 out of 27 mills. Additional 6 mills have undergone first round of audits
By 2020: 100% of CPO we refine is sourced in accordance with Policy	Achieved
By 2025: 100% of CPO we refine is ISPO-certified	On tracked. 70% of CPO we refined in 2020 is ISPO-certified
Capacity-building for third-party CPO suppliers	Regularly engaged third-party CPO suppliers to ensure compliance with Policy
Support 11 KUDs to be ready for smallholders ISPO certification	On track; 1 KUD achieved ISPO certification, 8 KUDs completed first round of audits, and 2 KUDs registered for audits
Continue capacity building programmes for smallholders working with IndoAgri	Launched Sustainable Oil Palm Smallholders Forum which provided capability building programmes for smallholders
Ganoderma-tolerant seed production to meet annual replanting requirements for IndoAgri-owned plantations since 2018	Continued to improve in R&D on Ganoderma-tolerant seeds
Conduct R&D for climate change resilience and adaptation	Continued to improve in R&D on drought-resistant seeds

OUR PEOPLE

Goal/target	Progress in 2020
Zero fatalities (across total workforce)	We regret to report one fatality in our palm oil operations
Reduce group Accident Frequency Rate (AFR) by 10% between 2018-2020	Achieved. 7% reduction in group AFR compared to 2019 and 13% reduction compared to 2018
SMK3 certification for 25 mills and 3 refineries by 2020	15 mills and 3 refineries received SMK3 certification. 10 mills audited
Comply with all Indonesian laws and regulations on human rights and labour rights	Full compliance with regulations across all operations
Revise safety plans for pandemics to ensure safety of workers	Safety plans revised to account for pandemics
Maintain no forced labour or child labour in our operations and suppliers	Zero incidents of forced labour or child labour

COMMUNITY RELATIONS

Goal/target	Progress in 2020
Comply with all Indonesian laws and regulations on land rights and land management	Full compliance with regulations
Maintain zero incidents of FPIC violations on new development area	Zero incidents of FPIC violations on new development area

PRODUCT INTEGRITY

Goal/target	Progress in 2020
Quality and safety: Comply with FSSC 22000 Food safety	Full compliance
Quality and safety: Comply with Halal certification system	All products are Halal-certified
Quality: complete annual audit on quality assurance	Audit completed for all refineries
Quality: complete annual food safety audits for suppliers	95% of supply tonnage to our refineries comes from sources that are audited annually on food safety
Continue to meet and exceed nutritional requirements as per Indonesian law	Met and exceeded all nutritional requirements as per Indonesian law



BUSINESS OVERVIEW

We are a diversified and vertically integrated agribusiness. Our operations span the entire supply chain, from plantation management and crop production, through to refining, branding and marketing of edible oil products.

We operate plantation and processing facilities to produce palm oil, rubber, sugar, cocoa and tea.



Routine safety patrol at the CPO storage tank, in Priok Refinery, Jakarta.



OPERATIONAL PROFILE IN INDONESIA



303,149 hectares of nucleus planted area covering all crops



90,325 hectares of plasma planted area, oil palm and rubber

FFB processing capacity



27 palm oil mills
7.0M tonnes per year

Rubber processing capacity



4 crumb | **3** sheet rubber processing facilities



42,720 tonnes crumb rubber per year
11,100 tonnes sheet rubber per year

Cane crushing capacity



2 sugar mills/refineries
2.2M tonnes per year

CPO processing capacity



5 refineries
1.7M tonnes per year

WORKFORCE PROFILE



54,129 workforce

35,083 permanent employees

4,367 short-term employees

14,679 seasonal contract workers

19% female, **81%** male

93% based in field and processing sites

88% based in Sumatra and Kalimantan

7% based in head and regional offices

12% based in Java and Sulawesi

FINANCIAL PERFORMANCE



Rp **14.5** trillion Sales | Rp **3.2** trillion EBITDA



748,000 tonnes of CPO sold



85% to IndoAgri refineries



15% to external parties

Details on our total assets can be found on page 57 of our Annual Report 2020.

Employee statistics of all IndoAgri assets can be found on [pages 60-61](#).



REGIONAL PRESENCE



Indonesia
253,061
hectares of oil palm



Indonesia
15,976
hectares of rubber



Indonesia
14,153
hectares of sugar cane



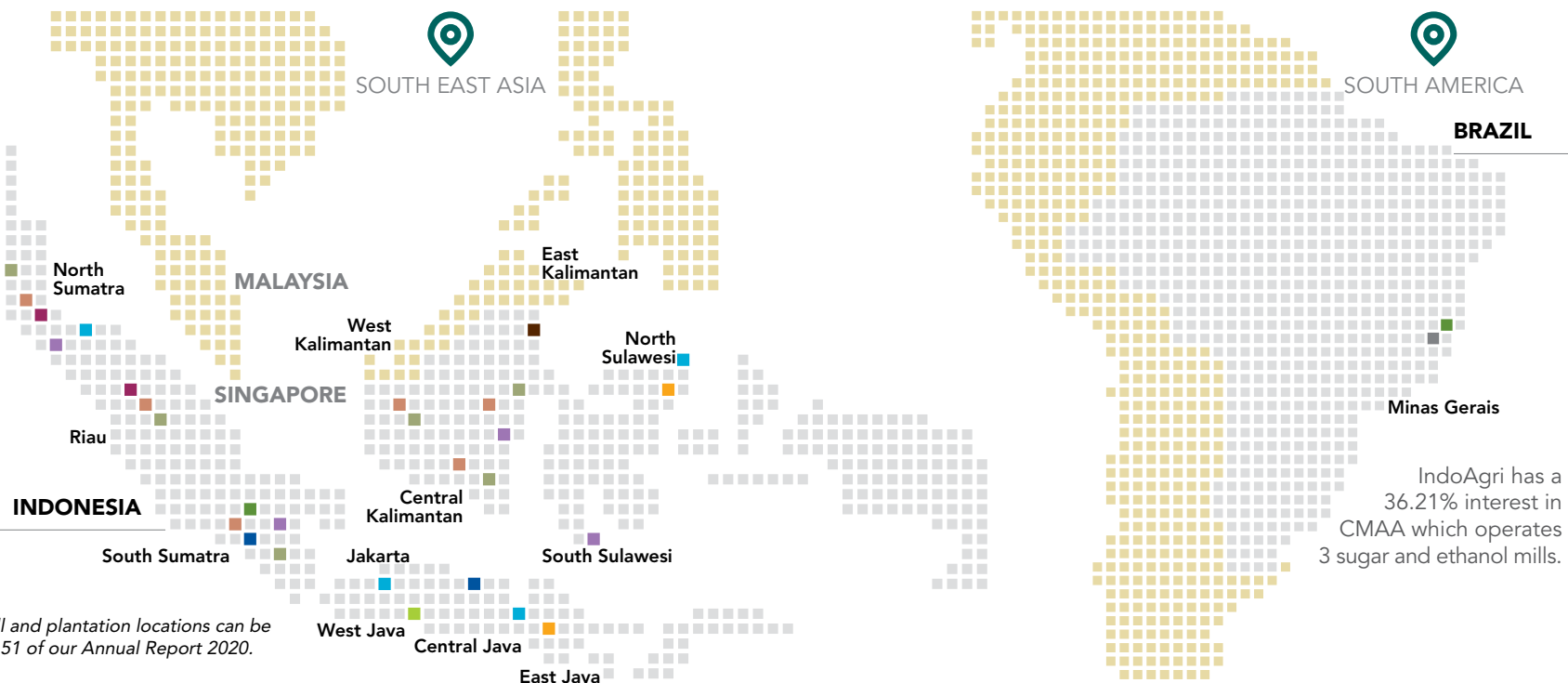
timber

cocoa

tea

Indonesia
19,959
hectares of other crops

We own strategically located estates and production facilities across Indonesia. Our oil palm estates are largely located in rural Sumatra and Kalimantan, while our refineries are mainly located in major cities including Jakarta, Medan, Surabaya, and Bitung.



IndoAgri has a 36.21% interest in CMAA which operates 3 sugar and ethanol mills.

More details on our mill and plantation locations can be found on pages 150 - 151 of our Annual Report 2020.

Legend

- R&D Centre
- Oil Palm Estate
- Sugar Cane Estate
- Rubber
- Cocoa
- CPO Refinery
- Palm Oil Mill
- Sugar Mill/Refinery
- Tea
- Timber
- Sugar and Ethanol mill



CAPTURING VALUE ACROSS OUR VALUE CHAIN

OIL PALM: OUR PRINCIPAL CROP

Upstream

R&D/Seed Breeding



Development and innovation of seeds and planting materials

Plantations



Management of plantation operations; harvesting of FFB

Mills



Milling of FFB into CPO and PK

Downstream

Refineries/Kernel Crushing Plants/Finished Products



Refining CPO and PK into higher value products such as cooking oil, margarine, and shortening

Distribution



Distribution of finished products to customers and consumers

As 72% of CPO processed in our refineries are sourced from our own plantations, we have greater control in managing our sustainability risks and opportunities.

Our oil palm seeds are produced using world renowned breeding populations from Southeast Asia and Africa. We meet the evolving needs of our customers and stakeholders through our two state-of-the-art seed breeding R&D centres: PT Sumatra Bioscience (Sumbio) in North Sumatra and PT Sarana Inti Pratama (SAIN) in Pekanbaru. They produce high-yielding seed material, free of Genetically Modified Organisms, which attract a premium on the open market.



Our high yielding seed material produced by Sumbio, North Sumatra.

As of 31 December 2020, 16% of our total planted oil palm estate areas of 253,061 hectares were immature estates. The average age of our oil palm trees is 16 years, of which 18% are under seven years old, a key attribute for our future CPO production.

In 2020, we produced 3,710,000 tonnes of FFB from our nucleus estates, plasma, and third parties. These FFB were milled into 737,000 tonnes of CPO and 178,000 tonnes of PK.

RUBBER

We operate rubber operations in North and South Sumatra, East Kalimantan, and Sulawesi. In 2020, we produced 7,800 tonnes of sheet and cup lump rubber. Fifty-three per cent of rubber products, comprising sheet rubber and crumb rubber, were sold domestically, and the rest were exported.



Rubber tapping in Balombessie Estate, South Sulawesi.



OUR OTHER CROPS

Through joint ventures and other investments, we operate sugar operations in Indonesia and Brazil. In 2020, our 36.21% sugar joint venture CMAA produced 528,000 tonnes of raw sugar, 314,000 m³ of ethanol and 548,000 MWh of electricity for export and domestic markets. CMAA achieved Bonsucro certification for 1.9 million tonnes of sugar cane. This represents 68% of our own cane production in 2020.



Sugar Cane at Komerling Plantation.



One of our finished products - Delima cooking oil.

OUR EDIBLE OIL PRODUCTS

More than 85% of our branded edible oil and fats are sold in the Indonesian market. The remainder is exported.

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



PROTECTING OUR ENVIRONMENT

INTRODUCTION

As an agribusiness operating in one of earth’s most biologically and culturally rich areas, IndoAgri recognises our role in protecting the environment and safeguarding

the ecosystem services that we are reliant on, ensuring their resilience and our long-term sustainability. With increasingly extreme weather patterns, the threat of climate change to business and society cannot be ignored. As such, we remain steadfast in our commitment to safeguard the

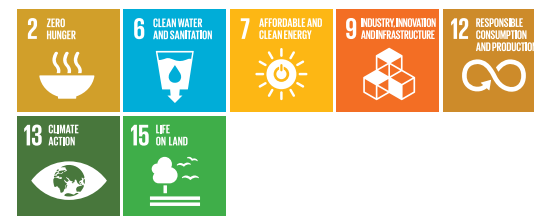
environment, in spite of the challenges brought on by the pandemic. In our materiality review this year, we took steps to align IndoAgri’s material topics with the global climate change agenda and Indonesia’s strategy as outlined in its Nationally Determined Contributions¹.

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


MATERIAL TOPICS AND FOCUS AREAS:

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

ALIGNED WITH SDGS



SCOPE OF SECTION

 Palm Oil and Rubber Operations

¹ [Indonesia’s First Nationally Determined Contribution](#) submitted to the UNFCCC



Buffy fish owl (Ketupa ketupu), one of monitored species found in Kayangan Estate, Riau.



PROGRESS IN 2020

IN THIS SECTION



Protection of forests, peatland and biodiversity

- > **No primary forest clearance** on our sites
- > **No degradation** of HCV areas
- > **No new planting** on peatland
- > **Maintained** healthy water levels



Fire control and haze prevention

- > **Zero** burning for land clearing and replanting
- > **Trained fire control team** in every estate



Climate change and GHG emissions

- > **2%** reduction in GHG emissions per tonne of palm products
- > **98%** of fuel used in palm oil mills is from renewable products



Water, waste and effluents

- > **1%** reduction in water usage per tonne of FFB processed
- > **3%** reduction in water consumption in refineries
- > **67%** of non-hazardous waste sent for recycling



Use of fertilisers, pesticides and chemicals

- > **Zero** usage of Paraquat

PROTECTING OUR ENVIRONMENT

Goal/target	Progress in 2020
Reduce energy consumption ratio in palm oil mills and refineries	<ul style="list-style-type: none"> • 2% reduction of energy consumption per tonne of material processed in mills compared to 2019 • 4% increase of energy consumption per tonne of material produced at our refineries compared to 2019*
Reduce GHG emissions per tonne of palm product	2% reduction in GHG emissions per tonne of palm product compared to 2019
Reduce water consumption intensity for palm oil mills and refineries	Water consumption reduced by 1% for mills and 3% for refineries compared to 2019
Maintain effluent levels to be within local regulation thresholds	All effluent levels within regulation thresholds
By 2020: ISO 14001 certification for 25 mills and 3 refineries	Achieved
Continue to maximise use of renewable fuel (palm shell)	98% of fuel used in mills is from renewable products. We will continue to evaluate trials and increase usage of renewable fuel in refineries
Continue to strengthen fire mitigation procedures	Completed 27 fire control training days in 40 estates in 2020
Ensure quality of training for fire control teams and fire specialists across all our plantations	Our fire specialists receive regular training conducted together with the Ministry of Environment and Forestry, the military, police, and the local government
Continue to engage local communities and villages on fire-fighting and prevention	Engaged 60 villages on fire prevention since 2016
No planting on peatland and continue maintaining peat water levels	Since 2013, no new planting on peatlands and water levels maintained in all peatlands under our control
Compliance with our policy of no deforestation and zero HCV loss	No primary forest or HCV land was affected during new planting and replanting in 2020
To achieve 100% use of available organic fertiliser (Empty Fruit Bunches (EFBs) and Palm Oil Mill Effluent (POME) from our mills)	Achieved
Continue to improve on Integrated Pest Management to reduce reliance on chemical pesticide use	8% increase in total pesticides compared to 2019**

* 4% increase was due to decrease in CPO volume processed at Pluit Refinery, while energy consumption remained relatively constant.

** 8% increase was due to replanting activities that require more herbicides and insecticides to support immature plant growth.



PROTECTION OF FORESTS, PEATLAND AND BIODIVERSITY

WE RECORDED ZERO PRIMARY FOREST CLEARANCE AND DEGRADATION OF HCV AREAS IN 2020.

All operations are guided by our Sustainable Agriculture Policy. We are strongly committed to the preservation of areas of High Conservation Value (HCV) and High Carbon Stock (HCS) in all our operations.

The HCS Approach Toolkit guides us in identifying areas suitable for planting or to be set aside for conservation. Identification of HCV areas is done through our internal and third-party accredited assessments. Our HCV areas include riparian areas, indigenous land, and habitats for endangered species.



HCV signpost in Begerpang Estate, North Sumatra.

HCV MANAGEMENT AND REHABILITATION PLANS ACROSS ALL INDOAGRI SITES

Each of the HCV areas is surrounded with boundary pits to prevent encroachment. Signs are erected at HCV sites to prohibit hunting, logging or burning in the HCV area. Our HCV Management Plans have been assessed and accredited by licensed assessors. To deliver on our HCV Management Plans, 100% of our sites have HCV Rehabilitation Plans delivering results. The map above shows the locations of our sites, all of which have HCV Management and Rehabilitation

Plans. Our team of trained HCV managers manage and monitor these identified HCV areas.

Prior to any new planting, HCV and HCS assessments are required. During new planting and replanting in 2020, no primary forest or HCV land was affected. Regular training on HCV Monitoring and Rehabilitation is conducted for employees in our estates. This training aims to ensure that knowledge on HCV management and implementation of best practices is fresh and relevant.

HCV MANAGEMENT AND REHABILITATION PLANS ACROSS ALL INDOAGRI SITES



To date, we have identified **23,279 hectares** of HCV areas across our sites



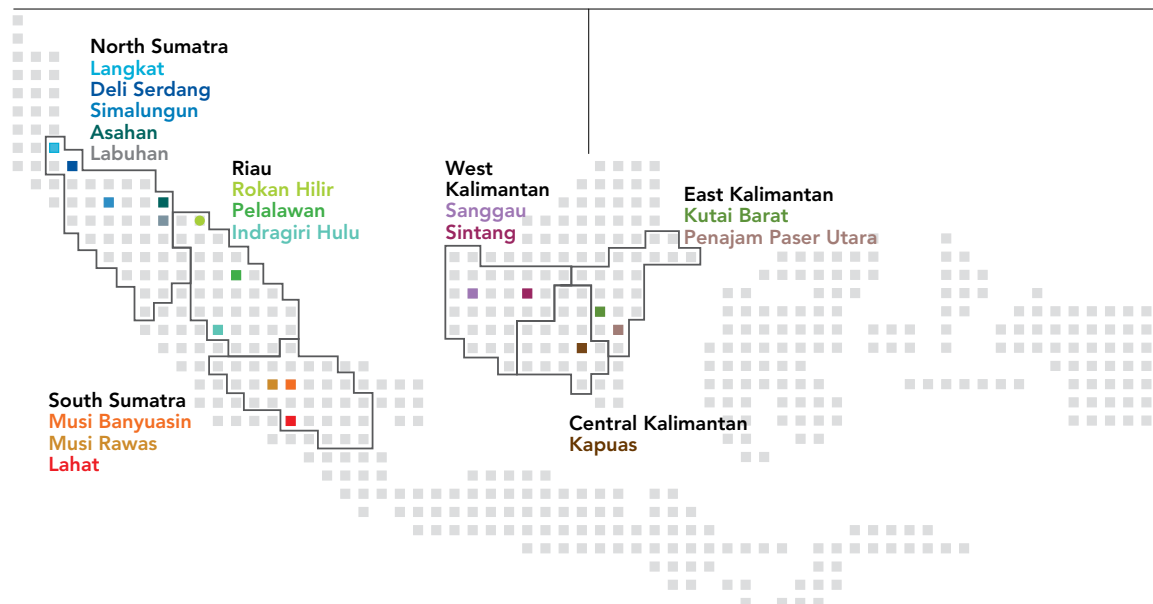
All of our sites have **HCV Management Plans in place to monitor** any disturbances to HCV areas



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



Since 2016, we have planted approximately **188,508 trees** in over **783 hectares** of HCV areas





HCV MONITORING AND MANAGEMENT TRAINING IN 2020

In collaboration with external HCV and HCS certified experts, we conducted 49 HCV monitoring and management training sessions for various stakeholders, including employees and smallholders.



Workers conduct tree diameter checks in high conservation value areas in Begerpang Estate, North Sumatra.



Identification of wildlife through observation and monitoring. Photos of Cekakak Belukar (*Halcyon smymensis*) at Begerpang Estate.

Through our HCV assessments, we have identified protected species in our concessions and surrounding areas. To protect the rich biodiversity in Indonesia's rainforests, we operate a strict zero tolerance policy towards hunting, destroying, logging, or burning of protected species and wildlife.

Regular monitoring of our HCV areas allows us to track the health of key species and biodiversity indicators. IndoAgri conservation team works together with local universities to conduct rehabilitation works as necessary.

ROLES AND RESPONSIBILITIES OF AN INDOAGRI HCV CARETAKER



Fansa Jaga Mulia, HCV Caretaker

“As a HCV caretaker, I am able to witness the extent of IndoAgri's commitment to HCV maintenance. IndoAgri pays strong attention to HCV management as part of its efforts in ensuring environmental sustainability.”

As a HCV caretaker, I am able to witness the extent of IndoAgri's commitment to HCV maintenance. IndoAgri pays strong attention to HCV management as part of its efforts in ensuring environmental sustainability.

To carry out my role as HCV caretaker, I was provided with training on management and monitoring on HCV areas, which was conducted by IndoAgri's Sustainability Team.

Periodically, I monitor the conditions in HCV areas to ensure that there are no disturbances and identify areas which require rehabilitation. My work involves assisting in the planting of various trees along riverbanks that flow through our plantations to prevent erosion and

allow effective drainage of water. We will continue such rehabilitation efforts in a sustainable manner to ensure the functioning of our HCV areas.

IndoAgri also actively manages the fauna in plantations such as Elang Ular Bido (*Spilornis cheela*), Cekakak Belukar (*Halcyon smymensis*), Monyet Ekor Panjang (*Macaca fascicularis*), Bekantan Kahau (*Nasalis larvatus*), and Barn Owl (*Tyto alba*). Aside from increasing the biodiversity in our plantations, barn owls are also biological control agents for rats, a common pest found in plantations. This also helps maintain the ecosystem in our plantations. We monitor barn owl activity monthly to understand their developments.



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



SINCE 2013, THERE HAS BEEN NO NEW PLANTING ON PEATLANDS AND WATER LEVELS MAINTAINED IN ALL PEATLANDS UNDER OUR CONTROL.

Peatlands store a third of the world's soil carbon. If drained or burned, peatlands are a major source of carbon dioxide, the major greenhouse gas driving climate change. IndoAgri prohibits development on peat regardless of depth and complies with related regulations of the Government of Indonesia. All nucleus planting programs must be approved at the IndoAgri Executive Board level.

Our HCV management approach described on [page 21](#) also applies to peatland. Additionally, we maintain a minimum water table depth for our existing cultivated peatland and work closely with the Government and peat experts to ensure compliance. For more information on our commitments to peatland protection, please refer to our Sustainable Agriculture Policy on our [website](#).

Our initiatives include monitoring of water levels on estates using peat subsidence measurement, GIS remote sensing, and 3D flood risk modelling. We apply canal engineering techniques to ensure sufficient water distribution during dry seasons.



Checking water level in peatland using a data logger.



Workers conducting peat soil verification in Muara Merang Estate, South Sumatra.

WORKING WITH LOCAL AUTHORITIES IN PEATLAND PROTECTION AND REHABILITATION

Visit by Badan Restorasi Gambut (BRG) in July 2020

BRG provides assistance or supervision in the construction, operation and maintenance of infrastructure on concession lands. Regional BRG teams provide assistance to existing concession owners on peatlands, which have been prioritised for conservation.

In July this year, a team from BRG visited our Hulu Merang Estate, Mangsang Estate, and Muara Merang Estate, South Sumatra. to understand our peatland management initiatives at these sites. During the visit, the IndoAgri

and BRG teams jointly monitored the peat quality (i.e. pH & mineral content) and peatland management infrastructure (i.e. canal blockers, canal conditions).

Such collaboration of peatland monitoring allows mutual sharing of knowledge, and the continual maintenance of the hydrology of the peatland ecosystem.



FIRE CONTROL AND HAZE PREVENTION

The impacts of forest fires can be catastrophic – loss of life, loss of biodiversity, and adverse impacts on the health of surrounding communities. Fires also incur long-term commercial, reputational, and financial costs to businesses. All operations and suppliers must comply with our zero-burning requirement as set out in our Policy. All land-clearing – for example, of non-productive oil palms – must be done mechanically, and good practices are shared with the communities.

IndoAgri takes a strident approach to monitoring hotspots and engaging stakeholders on fire prevention. Our ERM



Fire Monitoring Tower at Kencana Estate, Rokan Hilir, Riau.



Firefighting Training at Kencana Sari Estate, Lahat, South Sumatra.

team sets out our strategy in responding to fire risks and scenarios. Satellite images from the National Oceanic and Atmospheric Administration (NOAA) and the National Aeronautics and Space Administration (NASA) are monitored daily and compared with IndoAgri’s concession maps to identify hotspots. On-the-ground checks are conducted by our estate managers and specialist fire teams to verify any potential hotspots. The ERM team, estate managers, and specialist fire teams are in constant contact, enabling swift and decisive responses to manage fire risks.

We have trained fire control teams and fire specialists across all our plantations. Our estates are equipped with vehicles and equipment for firefighting. Our fire specialists are regularly trained in fire prevention and firefighting. Training is done in collaboration with the Ministry of Environment and Forestry, the military, police, and the local government. IndoAgri delivered 27 fire control training

days in 40 estates in 2020. COVID-19 has slightly affected our ability to conduct training as often as previous years, due to the restrictions on movement of peoples in and out of our estates and safe distancing considerations.

The number of fire incidents in 2020 was reduced from previous years, demonstrating the effectiveness of our proactive approach, as well as more regular rainfall in 2020.

As of 2020, we have a total of 202 fire towers across all our estates. We have plans to increase the number of fire towers, especially at areas which are historically fire hotspots and at the boundary with local communities. We continued with the implementation of our community collaboration programs to build local capacity and knowledge to prevent fires. Since the launch of the program in 2016, we have engaged 60 local villages.



CLIMATE CHANGE AND GHG EMISSIONS

Climate change is said to be the biggest challenge of present and future generations. As a large agribusiness, the impacts of climate change to our operations are clear – such as increasing temperatures potentially leading to an increase in forest fires and drought, as well as increased severe and prolonged rainfall leading to flooding. As we find ways to adapt to a changing climate, we also recognise our part in mitigating climate change.

ADAPTING TO CLIMATE CHANGE

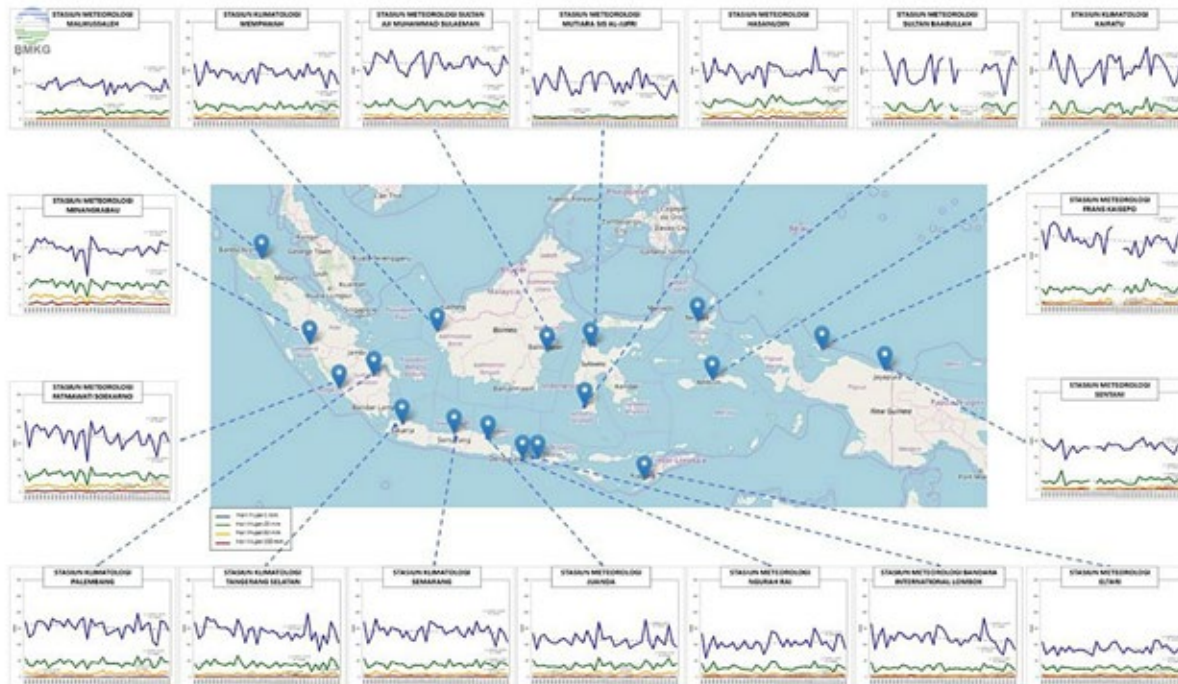
This year alone, we have experienced unpredictable weather, such as off-season rains that lead to prolonged flooding in West Kalimantan, East Kalimantan, South Sumatra and Riau. This has impacted our ability to make use of the typical May to August dry season to conduct road maintenance efficiently.

We expect such erratic weather to continue being the norm. To better adapt to such climate risks, we stepped-up our forecasting efforts in order to better plan for weather-dependent operations, such as gearing up fire protection in the dry season and increasing drainage systems in the wet season. We use forecast from the Meteorology Climatology and Geophysics Council (BMKG) as basis for our planning.

OUR MITIGATION EFFORTS

As we put in place measures to better adapt to climate change impacts, we also acknowledge our role in mitigating climate change. Our initiatives and policies on protection of forests, peatland and biodiversity, as well as fire control and haze prevention all play a part in reducing carbon emissions through the maintenance of ecosystem integrity.

In our operations, we also strive to reduce our GHG emissions. Our Sustainable Agriculture Policy commits us to improving our processes to increase our energy efficiency and reduce emissions. Besides mitigating climate change, improving our



Map of Indonesia's rainfall trend from Meteorology Climatology and Geophysics Council (BMKG).

process efficiency also leads to lower costs. Our sustainability team continues working with colleagues from Indofood Group to focus on best management practices.

As 98% of fuel used in mills are already from renewable products, we focus our initiatives on increasing the percentage of renewable fuel used in refineries. Since the beginning of 2018, the boilers in our Lubuk Pakam Refinery, North Sumatra have switched from using coal to palm shell entirely. We are in the process of switching the fuel used in our Surabaya and Bitung refineries.



98% of fuel used in mills is from renewable products



2% of fuel used in refineries is from renewable products



26 energy managers and 10 energy auditors across all facilities, who identifies and implement energy reduction initiatives



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


In 2020, the energy consumption per tonne of FFB processed at our mills decreased by 2% from 2.24 GJ/tonne in 2019 to 2.20 GJ/tonne in 2020.


Energy consumption per tonne of material produced at our refineries increased by 4% from 0.96 GJ/tonne in


2019 to 0.99 GJ/tonne in 2020. This is due to decrease in CPO volume processed at Pluit Refinery, while energy consumption remained relatively constant.


Energy consumption per tonne of rubber produced in our rubber factories increased by 6% from 24.77 GJ/tonne in 2019 to 26.29 GJ/tonne in 2020, due to lower crop production.

IndoAgri has implemented four main approaches to reduce energy use and increase efficiency across our operations:

1.  Established and implemented ISO 50001 certified energy management systems (EnMS) in our palm oil mills and refineries. To date, **two refineries** and **four mills** have implemented this EnMS and we continually monitor and ensure that procedures and processes are adhered to.

2.  **Increase energy efficiency** in our boilers by improving performance. **Improvements in oxygen content** in the combustion chamber of boilers lead to higher quality combustion and hence lesser fuel consumption.

3.  **Optimise reuse of condensate water** in palm oil mills and refineries through collecting condensate water from steam, and circulating collected water back to boilers to reduce hot water used. This **reduces water and energy consumption**.

4.  **Continuous review and re-standardisation of operating procedures** for boilers to ensure that boilers are operating efficiently. We set the oxygen content standard to **6%, from 10%** previously, and decreased allowable total dissolved solids water for boilers.



Energy consumption monitoring at the Priok Refinery, Jakarta.

ENERGY CONSUMPTION IN MILLS

Energy Consumption	2018		2019		2020	
	Gj ('000)	%	Gj ('000)	%	Gj ('000)	%
Fibre	5,611	64	5,274	65	4,573	62
Palm Shell	3,040	35	2,683	33	2,640	36
Total from renewable fuel	8,651	99	7,957	98	7,213	98
Diesel	135	1	124	2	101	2
Electricity from Grid	-	0	13	0	20	0
Total from non renewable fuel	135	1	137	2	121	2
Total Energy Consumption	8,786	100	8,094	100	7,334	100
GJ/Tonne of FFB Processed	2.25		2.24		2.20	

Note: Our intensity figures refer to the energy types listed for mills and refineries as shown and are based on energy consumed within the organisation. Data are not currently available on the overall breakdown of electrical, heating, cooling, and steam energy consumed: we are reviewing the data on these. No energy is sold off site. Data from ISPO and PROPER certified/audited palm oil mills (22 out of 27 mills). Percentage figures are rounded off.

**ENERGY CONSUMPTION IN REFINERIES**

Energy Consumption	2018		2019		2020	
	Gj ('000)	%	Gj ('000)	%	Gj ('000)	%
Palm Shell	143	2	143	2	137	2
Palm Olein	8	0	29	0	2	0
Total from Renewable Fuel	151	2	172	2	139	2
Diesel *	94	1	43	0	48	1
Coal	478	6	472	6	412	5
Gas **	7,225	90	7,434	91	7,144	91
Electricity	89	1	90	1	73	1
Total from Non Renewable Fuel	7,886	98	8,039	98	7,677	98
Total Energy Consumption	8,037	100	8,211	100	7,816	100
GJ/Tonne Material Processed	1.00		0.96		0.99	

* Diesel, including High Speed Diesel Oil and Marine Fuel Oil

** Gas, including Liquefied Natural Gas (LNG) and Compressed Natural Gas (CNG)

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

ENERGY CONSUMPTION IN RUBBER FACTORIES

Energy Consumption	2018		2019		2020	
	Gj	%	Gj	%	Gj	%
Palm Shell	19	8	16	8	14	7
Rubber Wood	207	86	176	86	181	88
Total from Renewable Fuel	226	94	192	94	195	95
Diesel (Litre)	10	4	8	4	6	3
Electricity (KWH)	5	2	4	2	5	2
Total from Non Renewable Fuel	15	6	12	6	11	5
Total Energy Consumption (GJ)	241	100	204	100	206	100
GJ/Tonne of Rubber Produced	25.95		24.77		26.29	

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



Greenhouse Gas Emissions

Our primary GHG emissions 65.8% are from peat emissions. These emissions are not a result of the disturbance of peat, but from its naturally occurring, low-level methane emissions. As most of the estates included in our scope are planted mostly in peat, peat accounts for the majority of our GHG emissions.

In addition to land conversion, which accounted for 12.5% of our emissions, other sources of GHG emissions are methane from POME, fuel usage in our mills and in the transport of FFB, chemical usage in mills and plantations, and nitrous oxide emission from fertilisers.

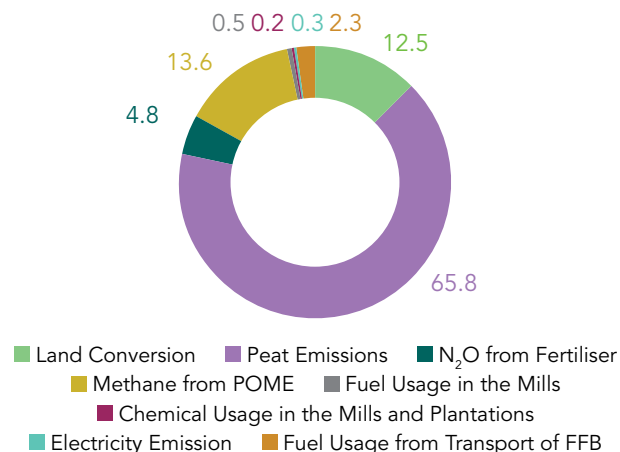
Total emissions from mills and estate operations decreased by 14% from 1,800,014 tonnes of CO₂e in 2019 to 1,545,073 tonnes of CO₂e in 2020. Total emissions in 2020 for each tonne of palm product were 2.10 tonnes of CO₂e, a 2% decrease from 2.13 tonnes of CO₂e per tonne of palm product in 2019.

This decrease was due to lower fuel consumption in our palm oil mills in 2020, as six of our mills transitioned from using diesel generators to using electricity.

Emission related to transport of CPO to four refineries were maintained at the same level at 0.05 tonnes CO₂e per tonne of CPO transported.

Our three aerated bunker composters continue to reduce methane emissions by up to 70% compared with conventional waste management system (anaerobic system). We plan to install aerated bunker composters in future mills.

GHG EMISSION SOURCES (%)



Aerated Bunker Composting at Turangie Palm Oil Mill, North Sumatra.

GHG EMISSIONS

Emission Sources	Description	2018		2019		2020	
		tCO ₂ e ('000)	tCO ₂ e/tonnes	tCO ₂ e ('000)	tCO ₂ e/tonnes	tCO ₂ e ('000)	tCO ₂ e/tonnes
Direct Emission Estate	Land Conversion	188	0.20	191	0.23	193	0.26
Direct Emission Estate	Peat Emissions	1,243	1.34	1,251	1.48	1,017	1.38
Direct Emission Estate	N ₂ O from Fertiliser	108	0.12	65	0.08	74	0.10
Direct Emission Mill	Methane from POME	264	0.28	240	0.28	211	0.29
Direct Emission Mill	Fuel Usage in the Mills	12	0.01	10	0.01	8	0.01
Direct Emission Estate and Mill	Chemical Usage in the Mills and Plantations	2	0.00	2	0.00	3	0.00
Indirect Emission Mill (Scope 2)	Electricity Emission	0	0.00	1	0.00	4	0.01
Transportation Emission (Scope 3)	Fuel Usage from Transport of FFB	34	0.04	39	0.05	35	0.05
Total Emissions from Mills and Estate Operations		1,850		1,800		1,545	
Emission per Tonne of Palm Product			1.99		2.13		2.10

Note: Scope of data for 2020 covers 18 mills and 54 estates. Gases included in the calculations are carbon dioxide, nitrous oxide and methane. Calculations are based on site-specific data and published defaults (emissions factors and GWPs) using the ISPO GHG calculation method, which does not include carbon credits or carbon sinks. Peat emissions include only CO₂ emissions and are calculated following international guidelines. The calculation relates only to plantations and mill sites under our operational and financial control.



WATER, WASTE AND EFFLUENTS

Water is a critical resource for our operations and the local communities living around our operations. With the changing climate, global water availability risk is an increasingly important issue, even in tropical and subtropical regions.

All our interactions with water (water withdrawal, consumption and discharge) are governed by Indonesian government permits, which specifies for the source of water withdrawal, water consumption, and discharge quality. Prior to obtaining the permit, the authorities will conduct an impact assessment to ensure that there will not be significant impact arising from water withdrawals of our operations. With such permits, we carefully draw water from rivers and the ground, as well as manage our water interactions in line with government regulations. We also engage our suppliers to ensure they comply with government regulations on wastewater treatment and any water-related regulations.

WATER USE EFFICIENCY

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

- Our rubber and oil palm estates in tropical Indonesia are entirely watered by seasonal rainfall.
- 87% of mill water is from rivers. The rest is from groundwater and rain-harvest.
- 84% of water used in our refineries is from municipal sources while groundwater is 16%.
- 90% of water used in our rubber factories is from rivers, the rest is from groundwater.
- Water used in our offices and site accommodation in our plantations are from groundwater and rain-harvest.

All our sites passed the compulsory Environmental Impact Assessments (locally known as 'AMDAL') during their

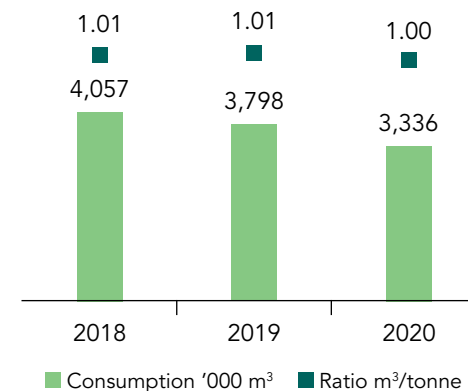


Worker comparing the before-and-after results of purified water from the reverse osmosis machine at the Priok Refinery.

development. Water sources that are important to sustain the local biodiversity and surrounding communities were identified under the HCV assessments (please refer to [pages 21-23](#) for more information). In 2020, we recorded no incidences of non-compliance in water use and wastewater management.

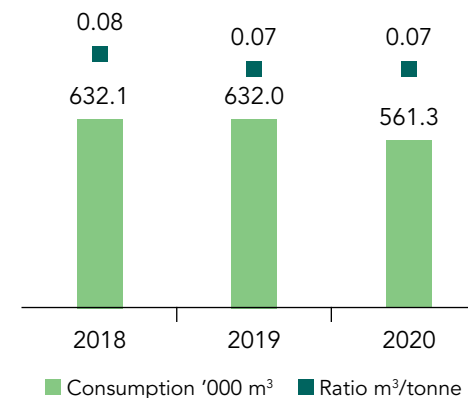
- At our mills: we used 1.00 m³ of water per tonne of FFB processed in 2020. This is a decrease of 1% compared to 2019 levels.
- At our refineries: we used 0.07 m³ of water per tonne of material produced, with a slight decrease in total consumption of 3% compared to 2019 levels.
- At our rubber sites: we used 43.34 m³ of water per tonne of rubber processed. This is a decrease of 0.3% compared to 2019 levels.

WATER CONSUMPTION IN PALM OIL MILLS ('000 m³)



Note: Data from ISPO- and PROPER certified/audited palm oil mills (22 out of 27 mills). Water consumption ratio covers industrial usage in each mill. Ratio is based on average consumption in m³ per tonne of FFB processed.

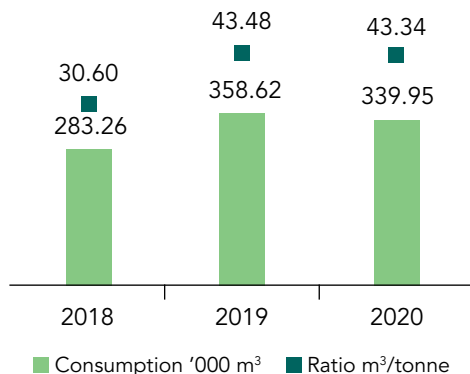
WATER CONSUMPTION IN REFINERIES ('000 m³)



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



WATER CONSUMPTION IN RUBBER FACTORIES ('000 m³)



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

WASTE AND EFFLUENT MANAGEMENT

A systematic process for managing waste and effluent is important for process efficiency and cost control. All sites have waste management systems guided by PROPER and ISO 14001. Our systems are also in compliance with the Indonesian regulations.

- At our mills: we produced an average of 1.20 tonnes of hazardous waste in 2020 (2019: 1.39 tonnes).
- At our refineries: we produced a total of 21,541 tonnes of hazardous waste in 2020 (2019: 28,900 tonnes), 82% of which was spent bleaching earth. We also produced a total of 2,826 tonnes of non-hazardous waste in 2020 (2019: 2,170 tonnes); 67% of this waste was sent for recycling while the other 33% was sent to the landfill.
- At our rubber factories: we produced an average of 0.90 tonnes of hazardous waste in 2020 (2019: 1.16 tonnes).

Our estates and mills reuse 100% of milling waste. Milling waste is solid non-hazardous waste consisting of EFB, fibre, and shells, which we use as organic fertiliser or fuel for our boilers. The total weight of milling waste produced in 2020 was 1,370,334 tonnes (2019: 1,472,586 tonnes).

Effluent from milling, POME, is generated during the processing of FFB into CPO. Our solid waste and POME are managed in compliance with regulatory controls. Mill wastewater, such as POME, is treated on site. POME undergoes composting in aerated bunker composted in three of our mills, resulting in the added benefit of GHG emissions reductions. Going a step beyond treatment of POME, aerated bunker composting systems installed in three mills sites also reduces GHG emissions.



Preparing hazardous waste, such as spent bleaching earth for treatment at the Priok Refinery.

- Mill effluent volume: we produced 1,837,198 m³ of wastewater from our 22 certified/audited mills, a decrease 12% from 2019 levels (2019: 2,079,788 m³).
- Mill effluent quality: the median Biological Oxygen Demand (BOD) was 1,852 mg/l at the 22 mills (2019: 2,149 mg/l) while the median Chemical Oxygen Demand (COD) was 5,854 mg/l at the 22 mills (2019: 5,951 mg/l).

Effluent from our refineries decreased from 2019 levels. The quality remains in compliance with regulatory controls. All effluents are sent to wastewater treatment plants prior to release into water courses or municipal sewers.

- Refinery effluent volume: we produced 306,006 m³ of wastewater (2019: 325,796 m³)
- Refinery effluent quality: the median BOD was 14 mg/l (2019: 18 mg/l) while the median COD was 45 mg/l (2019: 54 mg/l).

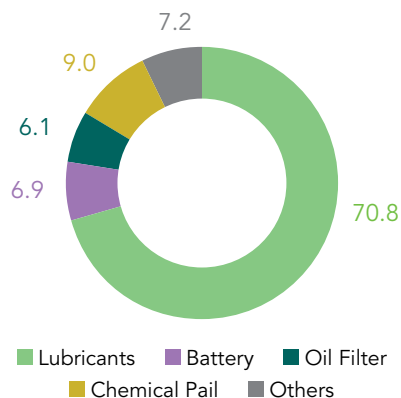
No spills of effluent, CPO, or diesel were recorded in 2020 during harvesting, processing or transportation. No fines or sanctions related to environmental regulations were imposed on IndoAgri in 2020. No significant environmental-related complaints were received from our stakeholders in 2020.

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

This year, we have worked on reusing spent bleaching earth, to repurpose it as input for cement production.

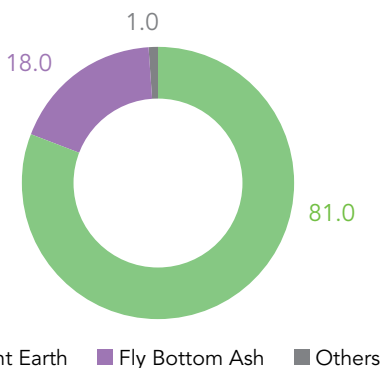


HAZARDOUS WASTE FROM MILLS (%)



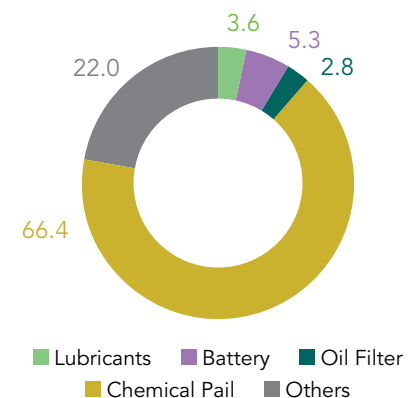
Note: Data from ISPO and/or PROPER audited and certified mills (22 mills). "Others" comprise rags, electric lamps, paint cans, clinical and laboratory waste, used cartridges, and contaminated goods.

HAZARDOUS WASTE FROM REFINERIES (%)



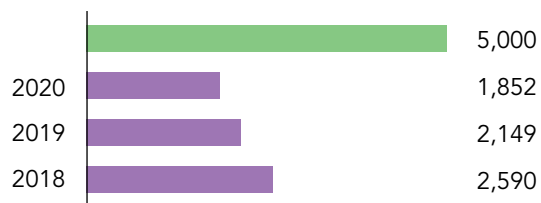
Note: Data from 4 refineries. "Others" consist of batteries, filter oil, lubricants, electric lamps, rags, clinical waste, carbon waste, sludge waste, used nickel catalysts, contaminated packaging and gloves, and used print cartridges.

HAZARDOUS WASTE FROM RUBBER FACTORIES (%)

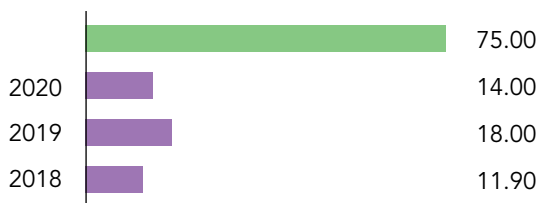


Note: Data from 3 rubber factories. "Others" comprise used turpentine, rags, electric lamps, paint cans, clinical and laboratory waste, used cartridges, and contaminated goods.

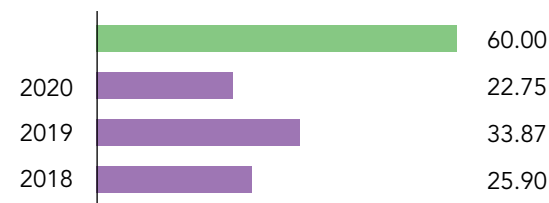
MILL BOD EFFLUENTS (MG/L)



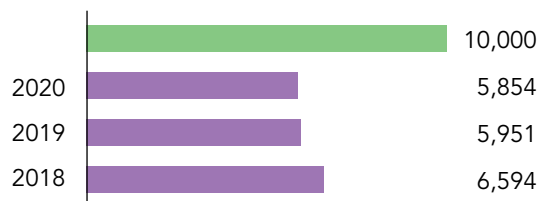
REFINERY BOD EFFLUENTS (MG/L)



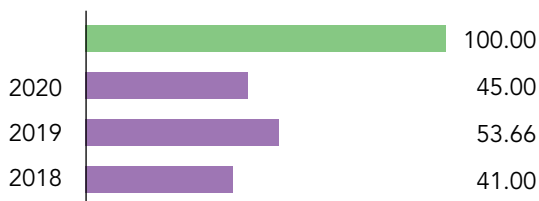
RUBBER FACTORIES BOD EFFLUENTS (MG/L)



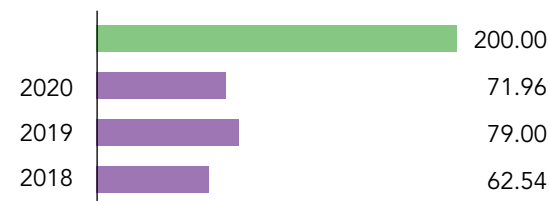
MILL COD EFFLUENTS (MG/L)



REFINERY COD EFFLUENTS (MG/L)



RUBBER FACTORIES COD EFFLUENTS (MG/L)



■ Median BOD (mg/l) ■ Maximum limit on government regulation (mg/l)



USE OF FERTILISERS, PESTICIDES AND CHEMICALS

While oil palm is, per hectare of land used, the most efficient oilseed crop in the world¹, we are constantly seeking ways to maximise and increase the palm oil yield in our operations.

This year, our research teams have identified new ways to reduce fertiliser use through increasing plant resistance and developing new methods of applying fertilisers. Integrated pest management still remains a strong focus, as we continue to enhance biodiversity in our sites.



Using compost as fertiliser at Pulo Rambong Estate, Langkat, North Sumatra.

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

APPLICATION OF MICROBES TO REDUCE USE OF INORGANIC FERTILISER

Microbes, or microorganisms, are integral in converting insoluble phosphate and potassium into soluble form, increasing the nutrients available for absorption by plant roots, and thus reducing the amount of fertiliser needed. One of these microbes is the *Trichoderma* fungi, which we conducted laboratory and nursery trials on in 2020 with promising results that show that oil palms with *Trichoderma* require 25% less fertiliser to achieve the same growth rate.

Trichoderma provides multiple benefits to the oil palms, such as promoting plant growth, disease control (such as induced Ganoderma resistance), increased resistance to drought, heat and flooding. We will continue to explore *Trichoderma* microbe application to oil palm roots as an eco-friendly and cost-effective approach for the sustainable growth of our crops.



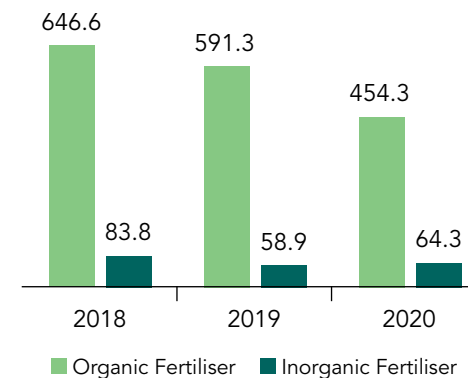
At 10 months, oil palm seedling treated with *Trichoderma* (right) has the same growth as seedling with fertiliser (left).

Fertiliser Consumption

We are committed to the use of organic fertilisers in order to minimise the use of chemicals. We are scaling up soil and water improvement technologies using a blend of precise fertiliser dosage, slow-release dosing, and natural improvements.

The use of fertilisers is tailored based on soil productivity and the age of trees in each plantation block. Whilst we administer fertiliser during planting and replanting, we also use leguminous cover crops to manage atmospheric nitrogen and improve the soil. We also recycle EFBs and POME for use as a soil improver and compost. In our estates, we ensure appropriate interval between fertiliser applications and avoid applying fertilisers during heavy rain.

FERTILISER CONSUMPTION ('000 TONNES)



Note: Scope of data is 54 ISPO certified/audited palm oil estates and 7 rubber estates.



Integrated Pest Management (IPM)

We apply IPM techniques to achieve a variety of benefits such as cost savings, lower risk to human health, and richer biodiversity. Natural, biological, and mechanical controls are preferred over chemical controls. Chemical pesticides are only deployed when our other controls have failed. We eliminated Paraquat from our operations since March 2018.

Some examples of controls from our IPM are

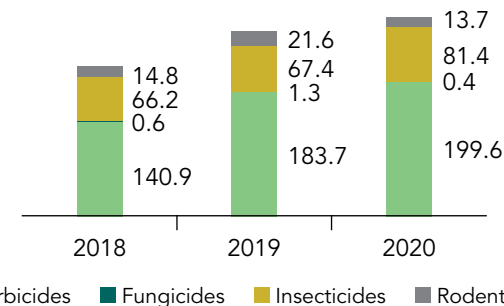
- barn owls to control rat populations in our estates;
- leguminous cover crops to suppress weeds;
- encouraging natural habitats for predators and parasites of leaf-eating insects; and
- use of pathogens i.e. viruses and fungi to control leaf-eating insects.

We recorded a 8% increase in total pesticides used in 2020 compared to 2019. The increase was due to replanting activities that require more herbicides and insecticides to support immature plant growth.



Barn Owls (*Tyto alba*) to control rats at Bah Lias Estate, North Sumatra.

PESTICIDE CONSUMPTION ('000 LITRES)



Note: Scope of data is 54 ISPO certified/audited palm oil estates and 7 rubber estates.



Workers applying CRFs.

INITIATIVE TO REDUCE FERTILISER APPLICATION RATES IN NURSERIES AND IMMATURE PALMS

IndoAgri's R&D teams are innovating new methods of fertiliser application that reduces our impact on the environment, while also maintaining our yield. This year, we experimented with Controlled Release Fertilisers (CRFs), which enables slow and prolonged release duration of nutrients (> 9 months).

As opposed to CRFs, straight fertilisers are mainly applied manually for nursery and immature oil palm phases. The frequency of application is 23 and 28 times during nursery and immature stages, respectively. The frequent

manual applications thus require considerable amount and cost of labour.

Preliminary initial field trial testing different soils showed promising results of CRF which can substitute conventional straight fertilisers, with similar effects on the oil palm's nutrient status and growth rate. Bah Lias Research Station (BLRS) plans to conduct nursery and immature palms trials comparing straights with CRF. If successful, then fertiliser application in nurseries can be reduced to only 5 applications (instead of 23), and a reduction to only 3 applications (instead of 28) for immature palms.



PROPER EVALUATION AND ISO 14001 CERTIFICATION STATUS

INDOAGRI'S MILLS, REFINERIES AND RUBBER FACTORIES CERTIFIED TO PROPER AND ISO 14001 ENERGY MANAGEMENT SYSTEM

Region	PROPER	ISO 14001 certification
Sumatra	<ul style="list-style-type: none"> 6 mills, 2 factories and 1 refinery achieved blue rating 3 mills assessed as red rating 	<ul style="list-style-type: none"> 17 mills 1 refinery
Kalimantan	<ul style="list-style-type: none"> 6 mills achieved blue rating 	<ul style="list-style-type: none"> 8 mills
Java	<ul style="list-style-type: none"> 3 refineries and 2 factories achieved blue rating 	<ul style="list-style-type: none"> 2 refineries
Sulawesi	<ul style="list-style-type: none"> 1 factory and 1 refinery achieved blue rating 	<ul style="list-style-type: none"> Implemented ISO 14001



One of IndoAgri's certified mills.



Inside one of IndoAgri's certified refineries.

Notes:

- * The audit was performed by the provincial government
- ** We aim to achieve minimum a blue rating in PROPER audit year 2020
- Yet to be appointed by the Ministry of Environment and Forestry for participation in PROPER assessment

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

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



RESPONSIBLE SOURCING



Recording source of FFB to ensure traceability.

INTRODUCTION


Our commitment to a traceable and responsible supply chain requires us to work with our suppliers to ensure that they operate in line with our Policy. We strive to meet the sustainability requirements of our customers and other stakeholders. We constantly conduct R&D for yield improvement and operational innovation in order to produce the best products with sustainability in mind. While doing so, we engage our smallholders in ways that contribute to sustainable rural development.

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

ALIGNED WITH SDGS



SCOPE OF SECTION

 Palm oil operations only



PROGRESS IN 2020

IN THIS SECTION



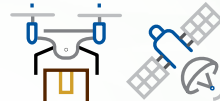
Sustainability certification

- > **80%** of all estates is ISPO-certified
- > **78%** of nucleus CPO production is ISPO certified
- > **72%** of PK production is ISPO-certified



Supply chain traceability and transparency

- > **100%** of FFB processed in mills is traceable to estates
- > **100%** of CPO processed in refineries is traceable to mills
- > **100%** of PK processed in kernel crushers is traceable to estates
- > **100%** mills audited to Policy requirements



Yield resilience and innovation

- > **4,440** hectares of replanted area monitored by drones
- > **107,940** hectares of planted area with leaf nutrient content predicted by satellite imagery



Smallholder engagement and livelihoods

- > **First KUD** received ISPO-certification
- > **100%** of plasma smallholders comply with our Policy

RESPONSIBLE SOURCING

Goal/target	Progress in 2020
By end 2023: ISPO certification for all estates	Achieved 80% of targeted hectareage*
By end 2023: ISPO certification for all mills	Achieved certification for 18 out of 27 mills. Additional 6 mills have undergone first round of audits*
By 2020: 100% of CPO we refine is sourced in accordance with Policy	Achieved
By 2025: 100% of CPO we refine is ISPO-certified	On tracked. 70% of CPO we refined in 2020 is ISPO-certified
Capacity-building for third-party CPO suppliers	Regularly engaged third-party CPO suppliers to ensure compliance with Policy
Support 11 KUDs to be ready for smallholders ISPO certification	On track; 1 KUD achieved ISPO certification, 8 KUDs completed first round of audits, and 2 KUDs registered for audits
Continue capacity building programmes for smallholders working with IndoAgri	Launched Sustainable Oil Palm Smallholders Forum which provided capability building programmes for smallholders
Ganoderma-tolerant seed production to meet annual replanting requirements for IndoAgri-owned plantations since 2018	Continued to improve in R&D on Ganoderma-tolerant seeds
Conduct R&D for climate change resilience and adaptation	Continued to improve in R&D on drought-resistant seeds

* Figures cover hectareage or number of mills that are already certified or have completed ISPO first stage audit. The certificate release date is subject to the accreditation period of the certifying body. Hectareage data are based on planted areas on 31 December 2020.



SUSTAINABILITY CERTIFICATION

Developed by the Indonesian Government, ISPO is a mandatory certification for all oil palm growers in the country. ISPO aims to cultivate a sustainable plantation industry and in the process contribute to the Indonesian Government's commitments to reduce GHG emissions, while increasing competitiveness of Indonesian palm oil in global markets. To that end, Indonesian Government is working towards achieving international accreditation for ISPO, to further improve acceptance and competitiveness of Indonesian palm oil products.

In November 2020, the Indonesian Government released an update on the ISPO regulations¹ to improve the

certification system and keep it relevant to international developments. Several progressive elements were added, such as collaboration with certification bodies to increase independence and efficiency of the certification process, the inclusion of Independent Monitors in the ISPO committee as well as public participation in ISPO certification, and a greater emphasis on transparency.

All of our plantations have been registered for ISPO certification, out of which 80% have been certified and audited. We will continue to support our smallholders in achieving ISPO-certification so that they can meet the compliance deadline by 2025 (see [page 41](#)).

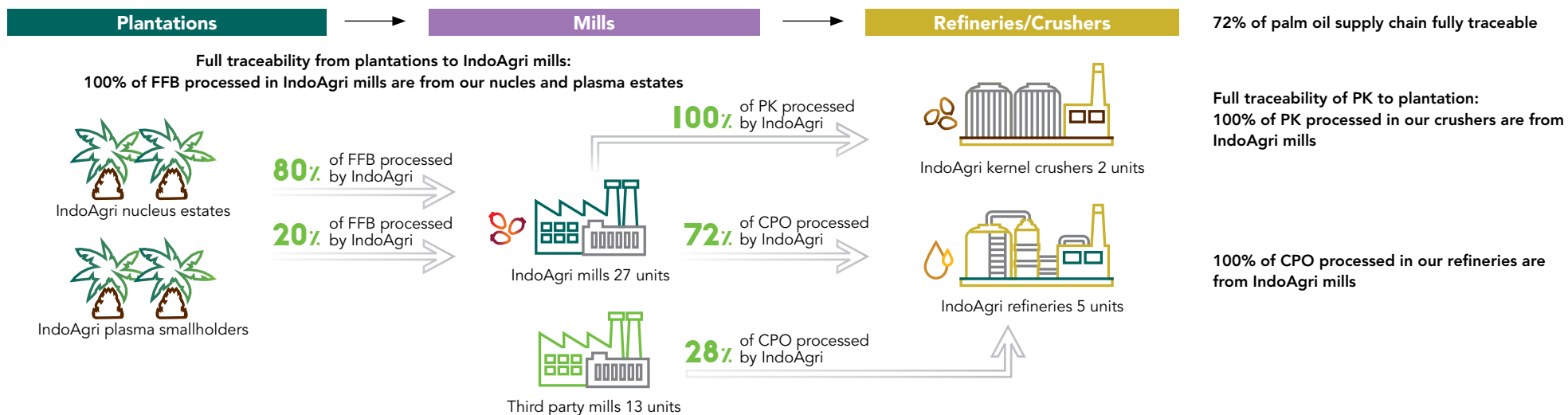
ISPO CERTIFICATION PROCESS

To register for ISPO certification, palm oil growers have to first pass a Plantation Business Assessment, Penilaian Usaha Perkebunan (PUP) administered by the Regional Plantation Estates Office to ensure that the grower's operations have implemented ISPO requirements.

The ISPO audit is conducted by a government approved certification body in two stages; the first stage is a compliance audit of plantation licenses and required business documentation, and the second stage involves plantation audits and assessments.

SUPPLY CHAIN TRACEABILITY AND TRANSPARENCY

INDOAGRI'S PALM OIL SUPPLY CHAIN TRACEABILITY



1 Permentan 38 Tahun 2020, released on 16 November 2020



Plantations

We conduct annual audits on our plantations, including our plasma smallholders, to ensure 100% compliance with our Sustainable Agriculture Policy, which commits us to ensuring:

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

Our smallholders are expected to meet the same FFB quality criteria as our nucleus plantations. Please refer to [pages 40-41](#) for details on how we support our plasma smallholders in improving agronomy practices and achieving ISPO certification.

Mills

For our third-party suppliers, we track their names, parent company, ownership structure, scale of operations, and location coordinates.

All IndoAgri mills and third-party CPO suppliers must formally accept our Sustainable Agriculture Policy. We assess risk levels of all our own mills on an annual basis as part of our risk management and audit process.

In 2020, we met our goal of having 100% of CPO volume from suppliers in compliance with our Sustainable Agriculture Policy.

Supplier engagement and assessment

At IndoAgri, we understand that sustainable supply chains and procurement practices have the most positive environmental, social, and economic impacts across the entire production lifecycle. Our Sustainable Agriculture Policy and commitment

to ISPO aligns with sustainable procurement practices that promote accountability, transparency, and fair opportunity.

The scope of our Policy includes our nucleus and plasma estates, our mills, and all our third-party CPO suppliers.

As more than 72% of our CPO supply is from our own mills, we focus our Policy compliance audit on our internal supply chains. In spite of the ongoing pandemic, we managed to conduct 152 visits, workshops, and audits on 100% of our mills and their supplying estates in 2020. Besides compliance to our Policy, our assessments also focus on:

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

We also regularly engage with our third-party CPO suppliers to ensure their compliance with our Policy. Major findings and recommendations will be communicated and followed-up. We cease sourcing from uncooperative and non-complying third-party mills.

In 2020, we began audits to have our refineries and kernel crushers certified to the ISO 50001 Energy Management System. This has resulted in more stringent requirements of the quality of CPO received from our mills and third-party suppliers, as higher quality CPO requires less processing time and energy consumption. We check the quality of every CPO shipment received and suppliers that fail to meet our quality requirements are given a few months' notice to comply, following which we stop buying from them if they are still unable to meet our requirements.

In 2020, we did not cease sourcing from any suppliers due to reasons of non-compliance with our Policy or inability to meet our CPO quality requirements.

While all IndoAgri suppliers must meet regulatory and commercial conditions, our procurement team treats all suppliers equally, with respect to price, quality, and capacity.

To achieve a resilient supply chain, we implement initiatives to improve the agricultural productivity and sustainability certification of our smallholders (see [pages 40-41](#)). We also run various community projects which aim to improve local socio-economic development and micro-enterprise opportunities (see [page 53](#)).

Human rights assessment in our supply chain

IndoAgri's human rights assessments are based on our Sustainable Agriculture Policy, Labour Policy, the ISPO certification, the Indonesian Government regulations and their ratified ILO conventions. Our Certified Sustainability Internal Auditors conduct these internal audits twice a year and any findings of non-conformity are reported for follow up action. There were zero human rights related breaches reported through our whistle-blowing mechanism in 2020.

We undergo annual external audits by independent bodies on our operation units that are ISPO-certified. As such, 100% of our operational units have been formally assessed for human rights risk in 2020.

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

More information on our commitment to respecting human rights can be found on [pages 46-47](#).



YIELD RESILIENCE AND INNOVATION

Improving our yields, including those of our smallholders, is vital as it brings higher revenues and helps to reduce the pressure for additional conversion of land for agricultural purposes. Oil palm seeds from our Bah Lias Research Station and SAIN Research Stations, which are both certified to Quality Management System ISO 9001, can potentially produce 34 tonnes of FFB per hectare. We use some of the seeds in our own plantations, but a large proportion is sold to external parties.

Palm oil yield is affected by various conditions, such as age of palm trees, seed quality, soil and weather conditions, plantation management, and the timely harvesting and processing of FFB. Our agronomy research teams are continuously experimenting and implementing techniques for improvement, such as sub-soil planting, and fallowing to prevent Ganoderma disease. Some achievements by our team include advanced planting materials with improved resilience against the Ganoderma disease (see [pages 32-34](#)), shorter duration to maturity for harvest, and higher oil content. A main focus is our increased application of mechanisation to improve productivity while maintaining accuracy and efficiency. This has proven especially critical during the pandemic when labour movement across plantations is limited. We also continue to explore collaborations with universities and research institutions to accelerate some of the important R&D programmes, such as Ganoderma research.

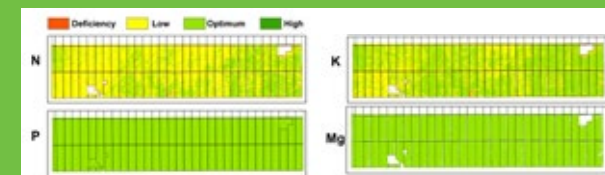
Due to the COVID-19 pandemic, R&D teams had limited access to the fields due to restrictions on visitors to villages and plantations. To circumvent this, workers in the plantations shared field conditions through virtual meetings, enabling the R&D teams to gauge field conditions and advise accordingly.

USE OF SATELLITE IMAGERY TO COMPILE FERTILISER RECOMMENDATIONS

One of the precision agriculture technologies adopted at IndoAgri is remote sensing, using satellite imagery. By measuring the optical properties of oil palm leaves, satellite imagery enables effective identification of the leaves' nutrient status. Based on the results, recommendations on the amount and dosage of fertiliser needed by the plants over a certain time period are given to the estates to ensure high-yield, high quality oil palms.

Compared to conventional methods of obtaining leaf nutrient status, such as through manual leaf sampling unit surveys in the fields, satellite imagery costs 90% less, and requires just 1% of conventional working time and 2% of labour.

In 2020, we utilised satellite imagery to determine leaf nutrient status in 107,940 hectares of planted areas. Manual sampling is still conducted in areas like Kalimantan where the dense cloud cover affects satellite imagery; however we aim to expand this cutting-edge technology to as many of our operations as possible.



Example of leaf nutrient status (nitrogen, phosphorus, potassium, and magnesium) map results from satellite imagery in Riau.

REAL-TIME MONITORING OF AGRONOMIC CONDITIONS USING DRONES

Technological advancements have enabled our usage of drones in monitoring replanted areas on our estates. Equipped with cameras and controlled remotely via computer or remote control, the drones take aerial photographs of plantation areas on a large scale, using photogrammetry techniques.

These photographs help us remotely determine the plant populations post replanting and the physical variations, plant health, and condition of each plant block (e.g. cover crops, weeds, etc). We are able to quickly identify blocks with less ideal conditions and mitigate the issues to maximise yield while improving productivity.



Drone pilot operating drone.



NOVEL TRAIT PROGRAMME

To improve harvesting efficiency in view of anticipated labour and machine shortages during bunch harvesting period, we embarked on the Novel Trait Programme in 2004, which aimed to combine three traits from different palms into a single palm. The three traits enable ripe bunches to be easily identified from afar without manual checks needed, drop fewer loose fruit when ripe, and have longer stalks that are more easily cut during harvesting, saving both time and cost. Over the years, we have undergone several rounds of breeding trials and are finally ready to begin field experiments in 2021.



Analysis of palm leaf DNA in our genomic laboratory.



Yield recording of individual palms.

SMALLHOLDER ENGAGEMENT AND LIVELIHOODS

95% OF OUR SMALLHOLDERS ARE INVOLVED IN OUR SMALLHOLDER PROGRAMMES.

In Indonesia, smallholders represent more than 40% of all oil palm cultivation. For these smallholders, oil palm cultivation has provided an income, lifted millions of rural households out of poverty, and reduced inequalities between urban and rural populations. As the palm oil industry is a critical industry for Indonesia's rural smallholders, it is crucial to include smallholder farmers in the sustainable palm oil production approaches.

We encourage and provide training to our smallholders on HCV area maintenance and protection, good agronomic practices and materials management. For example, our HCV training provides smallholders with knowledge to

manage riparian areas well and maintain water availability in the fields, which is especially crucial during periods of drought. As a result, we hope that our smallholders can improve their techniques for better yields and achieve higher income which will in turn reduce socio-economic pressure to clear new land for farming, and thus reduce environmental impact.

We understand that smallholders are vulnerable to volatile market conditions, so training is provided at zero cost. Furthermore, when our plasma smallholders are replanting, we support them by ensuring that the costs of essential resources such as seed stocks and fertilisers are affordable.

We also provide financial plans to encourage smallholders to cultivate larger areas, and to use better equipment, seeds, and materials. Plasma farmers can then eventually



A sign installed about protected animals at one of our smallholders estate in South Sumatra.

become a viable and independent business: once they fully repay their financial loans from IndoAgri, they obtain management control and land title deeds.



In 2020, the Indonesian Government updated ISPO regulations to make compliance mandatory for smallholders, within a five-year grace period. We aim to continue to support and assist our smallholders in achieving ISPO certification through providing training and building capacity for financial independence to overcome the high costs of certification. In 2020, one of the KUDs that we assisted in ISPO audits received its ISPO certification, making them the first of our smallholders to be ISPO-certified.

The COVID-19 pandemic exacerbated some challenges for smallholders as banks became more conservative in providing loans, resulting in plasma smallholders struggling to obtain financing for land development or planting. To help our smallholders obtain the financial assistance they need during this time, IndoAgri assisted our smallholders with the administration and criteria to qualify for the government's micro credit scheme, Kredit Usaha Rakyat, invited banks to partner us in financing the smallholders, and engaged with the local government to assure the banks of the good potential of these loans.

Successful qualification for the Kredit Usaha Rakyat: The Palm Oil for People Rejuvenation Programme of Koperasi Karya Mandiri, Riau covering an area of 142 hectares was launched in June 2020. The financing from the programme will cover up to the second year of the establishment and the succeeding years will be provided by Bank Rakyat Indonesia either on the programme of Kredit Usaha Rakyat or commercial scheme.

SUPPORTED BY INDOAGRI, KUD TERATAI BIRU, BECOMES FIRST KUD TO ACHIEVE ISPO CERTIFICATION



I am very happy and proud that KUD Teratai Biru can finally achieve ISPO certification.

**Mr Arif,
Deputy Chairman of KUD Teratai Biru**

"My name is Arif, I am the deputy chairman of KUD Teratai Biru, Musi Banyuasin South Sumatra which has 183 members. I am very happy and proud that KUD Teratai Biru can finally achieve ISPO certification. This shows that KUD Teratai Biru has been able to improve its quality of FFB and raise the standard of farmers.

By receiving this ISPO certificate, we have benefited greatly. Even when faced with conditions such as erratic weather, the production of our oil palm plantations is still good. This is due to better plantation management, for example in terms of maintenance and timely application of fertiliser.

While it was challenging to help members understand and apply ISPO's principles and criteria, support from IndoAgri and local government agencies helped us overcome this challenge. We are very grateful to IndoAgri for always providing support to us and we hope our good partnership will continue.

We hope that by obtaining ISPO certification, KUD Teratai Biru can be even better in terms of both plantation management and administration, resulting in increased production and quality of smallholder palm FFB. We also hope that future oil palm farmers will become more independent and prosperous."

PROGRESS ON SUSTAINABLE OIL PALM SMALLHOLDERS FORUM

IndoAgri launched the Sustainable Oil Palm Smallholders Forum (Forum Petani Kepala Sawit Berkelanjutan) in December 2019, in collaboration with our long-time partner and non-profit SNV.

We invited KUDs and smallholders to be a part of this forum, through which we conducted capacity building and training programmes on HCV management, better farming techniques to increase productivity, leadership and management skills.



Training on the Formation of a Forum for Ex Lonsum Assisted Farmers in South Sumatra at the Aston Hotel, Palembang, conducted in December 2019 prior to the COVID-19 pandemic.



OUR PEOPLE



Harvesting worker delivering FFB to collection point in Rambong Sialang Estate, North Sumatra.

INTRODUCTION

The agricultural industry is critical for rural economic growth in Indonesia. IndoAgri provides employment to more than 54,129 people and 47,000 plasma smallholders in Indonesia. As an employer of thousands, we take our responsibility to provide a safe and healthy workplace very seriously. We are committed to ensuring that everyone goes home safe. In this section, we report on our initiatives and progress in improving labour conditions and ensuring the safety and wellbeing of our workforce.

MATERIAL TOPICS AND FOCUS AREAS:

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

ALIGNED WITH SDGS



SCOPE OF SECTION

 All IndoAgri operations



PROGRESS IN 2020

IN THIS SECTION



Occupational health and safety

- > 1 fatality
- > **49%** decrease in ASR
- > **7%** decrease in AFR



Human, child and labour rights

- > **No forced** labour or child labour
- > **Comply** with minimum wage regulations
- > All workers **free to participate** in labour union of choice
- > **Full compliance** with government labour law



Training and development

- > **86,138** hours of employee training (approximately 10,767 man-days)

OUR PEOPLE

Goal/target	Progress in 2020
Zero fatalities (across total workforce)	We regret to report one fatality in our palm oil operations
Reduce group Accident Frequency Rate (AFR) by 10% between 2018-2020	Achieved. 7% reduction in group AFR compared to 2019 and 13% reduction compared to 2018
SMK3 certification for 25 mills and 3 refineries by 2020	15 mills and 3 refineries received SMK3 certification. 10 mills audited
Comply with all Indonesian laws and regulations on human rights and labour rights	Full compliance with regulations across all operations
Revise safety plans for pandemics to ensure safety of workers	Safety plans revised to account for pandemics
Maintain no forced labour or child labour in our operations and suppliers	Zero incidents of forced labour or child labour

OCCUPATIONAL HEALTH AND SAFETY (OHS)

We take our responsibility in providing a healthy and safe working environment very seriously, so that everyone can go home safe. All of IndoAgri's operations, workers and workplaces are covered by our OHS management system. In addition to complying with the OHS requirements set out in ISPO, ISO 14001, and Halal Certification, all our sites in

Indonesia operate according to the SMK3 (Sistem Manajemen Keselamatan dan Kesehatan Kerja), Indonesia's national OHS management system. 53 sites achieved SMK3 Gold Certification (43 in palm oil, five in rubber, and five in other crop operations). SMK3 refresher training is conducted across all our sites every year. This is to ensure day-to-day SMK3 compliance of all our workers at their respective sites.

As our rubber products are exported internationally, all our rubber operations are also certified to the international

OHSAS 18001:2007 standard, which provides a framework to identify, control, and decrease OHS risks.

An OHS committee, consisting of a committee head, OHS expert, security guard and assistants, is set up in each of IndoAgri's operational sites and registered with the Ministry of Manpower. The OHS committee is responsible for ensuring that all sites comply with IndoAgri's OHS management system, and is the first line of response in emergencies, accidents and near miss incidents. All incidents, including near misses, are



investigated thoroughly by the OHS expert and assistants, who identify the cause of incident and recommend corrective action, in discussion with workers, to prevent reoccurrence of similar incidents. Implementation of the corrective actions and their effectiveness is monitored by the Supervision Division.

Risk assessments are conducted on every estate using the Hazard Identification and Risk Assessment Tool (HIRAT), with monthly reviews conducted by the OHS committee. Each hazard identified is assessed on its risk level, and high risk hazards are prioritised for monitoring and control. The OHS committee, together with the workers, discuss the best course of action to respond to the hazards and risks identified. Internal and external safety audits are conducted against the HIRAT form, follow-up action is identified and monitored in subsequent audits to ensure continuous improvement of hazard and risk management. Workers are free to remove themselves from dangerous work situations, but they are prevented from doing so, they can report such instances through IndoAgri's grievance mechanism, whistleblowing system, or their labour union. Workers can also directly express their opinions at daily safety briefings or monthly meetings with their respective OHS committees.

We ensure the upkeep of our healthcare facilities such as first aid posts, clinics and Posyandu, and conduct regular OHS training for our workers, including basic first aid delivery. Daily safety briefings are held for workers in our estates, mills, refineries, and factories to ensure protection from hazards via proper use of their personal protective equipment as well as to inculcate a safety mindset.

We also identify employees who operate in high-risk environments and have developed SOPs in accordance with national regulations to safeguard their wellbeing. High-risk employees include our chemical sprayers and operators of generators in estates, welders and operators of boilers in mills, operators of heavy equipment and engine rooms, workers handling effluent and security officers across our operations. Our high-risk employees undergo annual health check-ups regulated by SMK3 to identify and eliminate chemical, respiratory, and audiometric-related health risks they face in the course of their work. The test results are shared with workers and checked during audits as well. Employees detected to be at risk of health conditions are transferred to other jobs until their subsequent test results are normal.

Beyond our own operations, we try to prevent and mitigate OHS impacts in our value chain. As part of contractual agreements, suppliers are expected to comply with IndoAgri's OHS policies in addition to government regulations. Our smallholders are encouraged to comply as well, with the help of an appointed safety assistant in each KUD.

As mentioned in the earlier chapter Our COVID-19 Response (see [pages 02-04](#)), we have taken stringent measures to ensure the health and well-being of our employees during the pandemic. For employees working in offices, we provided IT support to enable them to work from home effectively, giving priority to employees with lower access to private transport and those who are pregnant or have disabilities. For workers in estates who had less access to face masks, we created a video to teach them how to sew their own masks, so that they could be protected as well.



Training for employees on proper mask-wearing.



Employees at a mask-making session.



Security Guards

The safety of our workers and their families are our top priority, especially those who live in plantation areas. For this reason, we employ security guards to ensure a safe and conducive working and living environment in our operational areas.



Security guards undergoing martial arts training, Terawas Security Centre, January 2020.

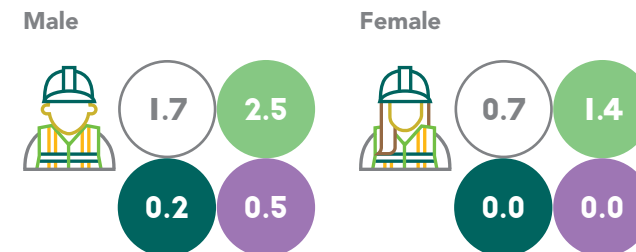
Our security officers receive training on handling non-criminal cases and basic human rights. The training is delivered via our training centre, in partnership with military commando units and local police, with a focus on mental and physical strength in order to deliver professional and integrous security services in accordance with the law¹.

HEALTH AND SAFETY DATA²

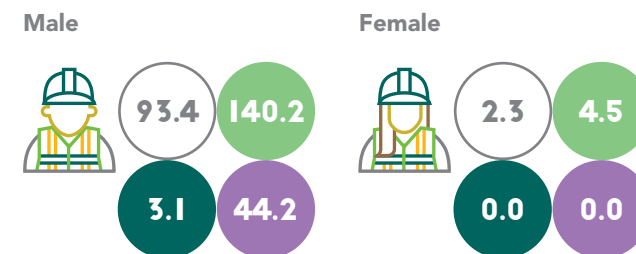
	2018	2019	2020
Fatalities	4	2	1
AFR ³	1.7	1.6	1.5
ASR ⁴	243.2	149.3*	75.6
Rate of fatalities as a result of work-related injury ⁵	0.024	0.014	0.008
Rate of high-consequence work-related injuries (excluding fatalities) ⁶	0.012	0.021	0.016
Rate of recordable work-related injuries ⁷	1.24	1.46	1.22

* Reinstatement of ASR in 2019 from 220.2 to 149.3. This was due to miscalculation of loss days for 1 accident incurred, supposedly 34 days instead of 1,200 days.

AFR in 2020



ASR in 2020



By gender: Male (white), Female (grey). By region: Sumatra (green), Kalimantan (dark green), Others (purple).

1 Police Regulation No. 4 of 2020 and Government Regulation No. 43 of 2012
 2 Our health and safety data relate to all IndoAgri group assets, not solely palm oil operations. There is no change in scope for our health and safety indicators. For FY2020, we reported on three additional safety indicators as required by GRI Occupational Health and Safety 2018 for reports published 2021 onwards: rate of fatalities as a result of work-related injury; rate of high-consequence work-related injuries (excluding fatalities), and rate of recordable work-related injuries
 3 Accident frequency rate (AFR) is calculated as follows: No. of Workplace Accidents x 1,000,000 divided by Total Hours Worked (number of employees x 40 hours x 50 weeks)
 4 Accident severity rate (ASR) is calculated as follows: No. of Workdays Lost x 1,000,000 divided by Total Hours Worked. ASR gives an average of the number of lost days per recordable incident. It is recorded when an employee is referred to a clinic due to a workplace accident and given leave of absence. In accordance with regulations, we track the accident if the lost day is more than one day
 5 Rate of fatalities as a result of work-related injury is calculated as follows: No. of fatalities as a result of work-related injury x 1,000,000 divided by Total Hours Worked
 6 Rate of high-consequence work-related injuries (excluding fatalities) is calculated as follows: No. of high-consequence work-related injuries (excluding fatalities) x 1,000,000 divided by Total Hours Worked
 7 Rate of recordable work-related injuries is calculated as follows: No. of recordable work-related injuries x 1,000,000 divided by Total Hours Worked



HUMAN, CHILD AND LABOUR RIGHTS

NO OPERATIONS OR SUPPLIERS WERE IDENTIFIED AS HAVING SIGNIFICANT RISK RELATING TO COLLECTIVE BARGAINING, FORCED LABOUR, OR CHILD LABOUR IN 2020.

IndoAgri is committed to ensuring that the rights of all people working in our operations are respected and represented. We adhere to all national and local laws, including laws on employees’ freedom of association and collective bargaining, decent pay and working hours, non-discrimination and equal opportunities, and the elimination of forced and child labour. In 2020, we published our Labour Policy that details the systems and processes we have in place to safeguard human rights across our operations.

SEASONAL CONTRACT WORKERS

We hire seasonal contract workers as and when required for seasonal jobs, especially during peak season. Our contract workers are usually hired from the local communities and priority is given to permanent employees’ family members. Contract employment in seasonal agricultural work remains attractive in rural Indonesia as the job flexibility allows workers to tend to other activities such as juggling a variety of household jobs, or in other income generating activities such as cultivating their own crops and running small businesses.

As detailed in our Labour Policy, the hiring of contract workers, including their working conditions and wages, complies with Government regulations, our Code of Conduct, our Policy, and the Principles and Criteria of ISPO. As non-registered persons are banned from working on our sites, all seasonal workers are registered in our fingerprint recognition system.

Depending on skills and job availability, our seasonal workers can be promoted to permanent workers. Job vacancies are announced during the daily morning briefings and on the announcement boards of our estates, mills, and the relevant village head’s office.

Having considered their skills and duration of service, IndoAgri hired 1,183 contract workers (including seasonal contract workers) as permanent workers in 2020.

CHILD LABOUR

In accordance with Indonesian laws, we strictly prohibit those below age 18 from working at our sites. Based on our employee database, no registered IndoAgri worker is under 18 years of age. Our Labour Policy describes the proactive measures we take to prevent child labour from arising. As education is critical in drawing children from fields, we provide free education and day care facilities to the children of our employees in estates.

In addition to verifying the age and identity of each applicant, all workers’ employment contracts include a clause on disallowing children to help with agricultural production work. Signs across our plantation areas reminds workers not to bring children; disciplinary action is taken against those who do not comply.

DIVERSITY AND EQUAL OPPORTUNITY

We are committed to upholding the principle of equal opportunity and supporting the inclusion of women across our operations, including addressing barriers faced. Our Labour Policy sets out the role of Gender Committees in all our work units and how they champion the interests of women at work and home. We have zero tolerance for sexual harassment and conduct regular socialisation

initiatives to ensure all our workers adhere to our gender policies. All estates are required to complete an annual questionnaire to show that their operations comply with government regulations on diversity and discrimination.

In accordance with Indonesian labour laws, all permanent workers are entitled to maternity and menstrual leave. Jobs of new mothers are reserved while they are on maternity leave. In 2020, 366 women took maternity leave (2019: 308), 77% or 282 women returned to the same job position (86% in 2019). The rest remained on leave or chose to leave the company. In 2020, there were no incidents of discrimination or harassment reported via our whistle-blowing facility or to our Gender Committees.



Gender Committee Training in Lonsum Training Center at North Sumatra held before the COVID-19 pandemic.



EQUAL OPPORTUNITIES FOR ALL



Dewi Widyastuti,
Estate Manager in Kertasarie,
West Java

It doesn't feel like it has been 14 years since Dewi Widyastuti began her career with IndoAgri.

She started her career as a Field Assistant Trainee in 2006. According to Dewi, career opportunities at IndoAgri are equally great for women and men. She is proof of that, having risen through the ranks to become an Estate Manager in Kertasarie, West Java.

While working at IndoAgri, Dewi experienced a corporate culture very supportive of career development. "There is no difference in treatment at work between male and female employees. For example, my job description as a Field Assistant was the same as my male colleagues. This means we experience the same work culture and training. As a result, each individual is provided with

There is no difference in treatment at work between male and female employees. For example, my job description as a Field Assistant was the same as my male colleagues. This means we experience the same work culture and training. As a result, each individual is provided with equal opportunities to develop their abilities.

equal opportunities to develop their abilities," she said

From Dewi's experience, IndoAgri's policies so far have also been very supportive of female employees. The company has accounted for all special leave rights for female employees in the company policy, including those around on maternity and menstruation leave.

"During the COVID-19 pandemic, the company has also been very proactive in caring for employees. For example, they have delivered posters and banners with information on regulations to employees who are working in the fields. When there were cases of employees who tested positive for COVID-19, the company has responded quickly to provide support, enabling us to feel safe and comfortable at work," she said."

FREEDOM OF ASSOCIATION

We fully comply with Indonesian law on freedom of association and regularly communicate to all employees their freedom to register with their preferred labour union and bargain collectively. We do not believe there are any sites where the right to freedom of association is at significant risk. As at end 2020, 75% (2019: 61%) of our permanent operational employees were registered with a union. The remainder are covered by a company regulation known as Peraturan Perusahaan which complies with government labor regulations.

Our Labor Policy details the collective bargaining process. We engage regularly with the labour unions of our workers through bipartite meetings to discuss issues labour issues, benefits and workloads, and establish lawful collective labour agreements that are made available to all workers.

FAIR WAGES AND ACCESS TO BENEFITS

Our Labor Policy commits us to ensuring that all IndoAgri employees are adequately compensated for their work. All workers receive a wage that is equal to or above the minimum wage set by their respective regional governments.

We are committed to improving the benefits and incentives for all our employees and workers to improve job satisfaction. Besides competitive remuneration, our Work and Estate Living Programme provides employees with housing, sports facilities, places of worship, educational institutions such as schools, and medical facilities. Please refer to [pages 50-53](#) for our section on Community Relations and [page 54](#) for more information on healthcare and education facilities which employees and their dependants enjoy free of charge.



LOWEST MONTHLY REMUNERATION AND MINIMUM LEGAL WAGE

Region ¹	Minimum legal wage (IDR) ²	IndoAgri's lowest monthly remuneration as a percentage of minimum legal wage	
		IndoAgri lowest monthly remuneration (IDR) ³	Male & Female
Java	1.856.000 - 4.494.513	1.893.000 - 5.450.625	102% - 166%
Sumatra	2.607.100 - 3.475.565	3.052.000 - 5.738.688	115% - 155%
Kalimantan	2.515.262 - 3.363.810	2.893.562 - 4.489.227	113% - 144%
Sulawesi	2.303.711 - 3.310.800	2.351.000 - 4.366.250	102% - 147%

IndoAgri employees also benefit from a government pension scheme, additional contributions from the company, and retirement packages (aligned with the Indonesian government's BPJS insurance scheme).



Our football field facility in Turangie Estate, North Sumatra.

TRAINING AND DEVELOPMENT

Our people are our most important asset. We are constantly exploring ways to better manage our human capital. We have a specific budget allocated for training programmes every year. Guided by the Total Quality Management principles, our modules and initiatives seek to improve the career development, job satisfaction, and welfare of our employees.

Programmes such as Managerial Development and Administrative Development for aspiring estates, mills, and refineries managers are available for employees who are interested in assuming leadership roles and advancing their career path. In 2020, we offered an extensive list of training topics for our employees ranging from environmental sustainability and technical agricultural skills to non-technical skills such as effective decision making and self-awareness. All training has been conducted online since March 2020, due to the pandemic.



Agrochemicals operator training in Rambong Sialang Estate, North Sumatra.

We report an 9% permanent employee turnover in 2020, compared to 10% in 2019. Employee statistics and other data on training, turnover and new hires can be found in the Appendix, on [pages 60-61](#).

All employees from staff-level and above complete an annual performance and career development review. This appraisal process is an important milestone in our employees' career as their performances, strengths and areas of improvement are evaluated objectively. This allows IndoAgri to reward and retain high performance employees with a competitive rewards package. It also helps implement the Balanced Scorecard for individual employees, which tracks their performance against individual targets. The scorecard focuses on quality, cost, regulatory, and social practices, as well as culture change and learning.

¹ Each region consists of a number of provinces

² This refers to the lowest legal minimum wage in the region, which differs based on the province, sector, and collective labour agreement in that region

³ Remuneration figures above include wages and cash benefits for rice allowance. The rice allowance is calculated on the basis that the worker is unmarried, with married workers receiving additional rice allowance for dependents. Only operative workers in the plantations and factories (excluding refineries) are eligible to receive rice allowance



COMMUNITY RELATIONS



Teachers and students in an outdoor classroom during the COVID-19 Pandemic, at Balam Estate, Rokan Hillir, Riau.

INTRODUCTION

Community relations is central to how we operate. We empower the local communities we operate in by giving local stakeholders a voice and ensuring inclusive growth for rural communities in Indonesia. As an agribusiness company, we take responsibility to respect land rights of indigenous people, and also ensuring the safety, health and well-being of our communities.

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

MATERIAL TOPICS AND FOCUS AREAS:

- 1. Community rights and relations

ALIGNED WITH SDGS



SCOPE OF SECTION

All IndoAgri operations



PROGRESS IN 2020

IN THIS SECTION



Land Rights

- > **Full compliance** with all Indonesian regulations on land rights and land management



Cleft Lip Programme

- > **12** operations
- > **12** beneficiaries
- > **33** volunteers



Health facilities and services

- > **189** clinics in estates
- > **199** Posyandu
- > **59** doctors
- > **263** midwives/nurses



Education facilities

- > **144** day care centres
- > **150** schools
- > **739** teachers
- > **15,353** students
- > **29,190** visitors to Rumah Pintar



Community projects

- > **7 awards** from the Ministry for Environment & Forestry in recognition of our successful PROKLIM projects
- > **10** out of 20 Rumah Pintar are financially self-sufficient

COMMUNITY RELATIONS

Goal/target	Progress in 2020
Comply with all Indonesian laws and regulations on land rights and land management	Full compliance with regulations
Maintain zero incidents of FPIC violations on new development area	Zero incidents of FPIC violations on new development area

COMMUNITY RIGHTS AND RELATIONS

As an agribusiness in rural Indonesia, we recognise the crucial role we play in the wellbeing of the communities we operate in. We aim to contribute to the socio-economic development of our employees and their families, and the communities living in the vicinity of our operations. Beyond providing employment to thousands living in remote areas, we contribute to the holistic development of communities through a range of initiatives in education,

health, infrastructure, microenterprise, farmer, culture, and humanitarian living.

LAND RIGHTS

In spite of the complex land tenure systems in rural Indonesia, we remain steadfast in respecting the rights of communities and indigenous people through our commitment to the principles of FPIC.

Every land transaction that we are involved in complies with Indonesian law and company policy. Prior to the

development of every estate, we conduct an Environmental Impact Assessment (locally known as 'Analisis Dampak Lingkungan' or 'AMDAL') and Social Impact Assessment (SIA), which enables us to identify baseline conditions and likely social impacts of development. 100% of our operations have undergone AMDAL and SIA, in accordance with Indonesian law. The assessment results and our land development plans are shared with the local village government and community to obtain their input and approval. For cases involving land compensation, we have established certification and confirmation processes for proof of ownership, to ensure



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

We go beyond regulatory compliance to advance the livelihoods of our farmers, suppliers, and their families living in our development areas. 100% of our estates have community development and engagement programmes.

In the event of complaints on land rights, local communities can file these complaints with IndoAgri or with the Indonesian government. Complaints addressed to IndoAgri go through our Grievance Mechanism in which supporting documents are required to be submitted as proof. Complaints addressed to the government usually involve the local government office or land agency office (BPN). In 2020, there were no recorded incidents of FPIC violations, violations of the rights of indigenous peoples, or land rights issues that arose involving IndoAgri.

Beyond land rights complaints, complaints from the community that are related to other operational, social and environmental matters can be submitted to IndoAgri. These complaints are processed through our grievance mechanism, which sends the complaints to the relevant company representatives, who verify, follow-up, and mediate to achieve resolution of the complaints. There is also room for whistleblowing through IndoAgri's usual engagement with the community, such as during regular stakeholder meetings and fire trainings days.

ACCESS TO HEALTHCARE

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

One of the challenges we face is in getting mothers and their children to visit the Posyandu regularly for check-ups. Hence, we try our best to communicate to mothers the

importance of regular check-ups, working with our Gender Committee and the village heads to reach out to mothers.

During the COVID-19 pandemic, our Posyandus remained operational while following applicable health protocols, prioritising maternal and child health, particularly those of pregnant women and children under the age of five.

As of 31 December 2020, we have 189 medical clinics in our estates, and 199 Posyandu, supported by 263 midwives/nurses and 59 doctors. Moving forward, we are considering conducting training programmes for new village health workers as part of our succession planning in maintaining the Posyandu.



Employee visiting the doctor at Kayangan Estate Clinic, Rokan Hilir, Riau.



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



This year, we continued to conduct our Cleft Lip Surgery Programme for children born with a cleft lip or cleft palate. Through this programme, we collaborate with hospitals and non-profit organisations to search for cases, counsel families, provide examinations, the surgery, as well as post-operative care and speech therapy.

In 2020, cleft lip surgeries were halted after February to prevent the spread of COVID-19. In total, the team delivered 12 surgeries for 12 beneficiaries, bringing the total number of surgeries and beneficiaries since 2014 to 512 and 447 respectively.

ACCESS TO EDUCATION

We continue to provide locals with access to education through Smart Houses (locally known as 'Rumah Pintar') in our oil palm plantations. Rumah Pintar are typically equipped with books, children's facilities and a computer workstation. School children who need extra tutoring on school subjects such as Math and Physics can receive help from tutors. Locals also sell artisanal products at Rumah Pintar, thus promoting financial self-sufficiency of the Rumah Pintar. In 2020, 10 out of 20 Rumah Pintars were financially self-sufficient, and with the help of 30 tutors, have educated and upskilled 29,190 visitors.

KAYANGAN SDS TEACHERS USE CABLE TV TO FACILITATE VIRTUAL CLASSES

During the pandemic, classes at the Kayangan Private Primary School (SDS), located in Kebun Kayangan, Rokan Hilir, Riau, could not be conducted face-to-face. Limited internet access in rural areas presented challenges in virtual teaching and learning for teachers and students.

"Apart from inadequate internet access, many parents complained about the costs associated with online learning. They have been forced to buy more data packages so that their children can continue to study. This is certainly burdensome," said Widyawati, one of the teachers at SDS Kayangan.

While these challenges did not dampen the enthusiasm of teachers and students of Kayangan SDS, the teachers and principals found an innovative way to facilitate virtual classes: via collaborating with the local cable TV network.

"Since almost everyone has cable TV at home, lesson videos created by the teachers can be viewed by students instantaneously. There are no additional costs, making it a more economical solution," said Widyawati. She hopes that the COVID-19 pandemic can end soon, so that students and teachers are able to meet face-to-face again.



Student using Cable TV for virtual classes in SDS Kayangan, Riau.



COMMUNITY RESILIENCE AND FOOD SECURITY

Our PROKLIM projects are part of a national programme to increase community resilience and food security, as well as promote local climate change mitigation and adaptation action in agriculture, waste and energy. Through our PROKLIM projects, we help strengthen community resilience, contribute to national GHG emission targets, improve local-level coordination to deliver climate change policies, and provide opportunities for local villages to adopt low-carbon technologies. Examples of initiatives that have benefitted local communities include diversification of crops that lead to additional income and strengthened food security, water management and installation of facilities to protect against the impacts of floods, landslides

and drought, as well as energy reduction efforts that lead to cost savings. We have received 7 awards from the Ministry for Environment & Forestry this year, and 20 awards in total since the programme first began in 2016.

Receiving these awards has motivated us to continue raising awareness on environmental issues and contribute to the reduction of GHG emissions of local communities. We will continue to encourage and support more IndoAgri units in implementing PROKLIM programmes.

Our plans for the future are represented in the new IndoAgri Care & Ownership programme, which aims to protect the environment and encourage sustainable behaviour among

IndoAgri employees and their families. This programme covers the entire IndoAgri operating area, from plantations to factories and offices. The focus areas are reduction of paper and plastic use, waste management, and water and energy-saving behaviour. Our hope is that the initiatives from this programme will go beyond the work environment to be implemented in employees' daily lives and family environments. At the plantation level, these initiatives are being spearheaded by wives of our local employees. In the longer term, we hope to promote these initiatives digitally, thus overcoming larger distances to increase our community outreach.

FOOD SECURITY PROGRAMME: ORGANIC VEGETABLES FROM BALAM ESTATE, RIAU

During the COVID-19 pandemic period, IndoAgri employees at Kebun Balam, Rokan Hilir, Riau, set up a food security programme to grow their own food. Known as the Balam Sejahtera Farmer Group, the programme involves employees utilising empty garden land in the Company's operational area to grow vegetables and various commodities organically.

Initiated by IndoAgri Estate Manager Subianto, this programme was also set up in response to Indonesian President Joko Widodo's call to boost the country's food security and increase innovation in the food sector, especially during the pandemic.

Irwan, an Estate Assistant in charge of the programme, explained how farmers in this programme had access

to organic fertiliser: "The location of the Balam Sejahtera Farmer Group's farm is near Company's mills, making it easy for us to obtain organic fertiliser such as empty strips, POME, and non-hazardous boiler ash, thus enabling us to grow organic vegetables."

With their very own vegetable farm, employees have less need to travel out of the estate to purchase vegetables, reducing contact with people outside their estate and lowering the risk of COVID-19 transmission. Harvest from the vegetable garden is also sold to other employees, thus providing an additional source of income for employees in the programme.

Irwan's hope is that the food security programme in Kebun Balam will continue to run smoothly and sustainably.

"In the future, we hope that the Company can expand the amount of land allotted to our farm so that all employees can participate in this programme," he said.



IndoAgri employee picking vegetables from Balam Estate.



ENCOURAGING COMMUNITY BUSINESS DEVELOPMENT THROUGH PROKLIM

In Balam Sempurna village in Riau, our PROKLIM initiatives have encouraged villagers to develop businesses selling local products from the village such as citronella oil, organic bath soap made of sea almond leaves and lemongrass, red ginger powder (use in traditional medicine), and virgin coconut oil.



PROKLIM implementation at Balam Sempurna Village, Riau.

DATA SUMMARY

MEDICAL FACILITIES

Medical Facilities	North Sumatra	South Sumatra	Kalimantan	Riau	Java	Sulawesi	Total
Division Clinic	42	31	17	38	2	1	131
Central Clinic	11	24	15	4	2	2	58
Ambulances	2	14	12	5	1	0	34
Doctors	1	2	1	2	0	0	6
Visiting Doctors	18	22	10	0	2	1	53
Midwife/Nurses	61	70	42	82	4	6	263
Posyandu	55	34	38	42	28	2	199

EDUCATION FACILITIES

School Facilities	North Sumatra	South Sumatra	Kalimantan	Riau	Java	Sulawesi	Total
Day Care Centres	12	28	59	44	1	0	144
Kindergarten	27	29	5	33	3	4	97
Primary Schools	10	17	1	17	1	1	42
Secondary Schools	2	2	0	4	0	0	7
High Schools	1	0	0	3	0	0	4
Teachers	101	188	23	435	17	13	739
Rumah Pintar	4	6	5	4	0	1	20



PRODUCT INTEGRITY



Packaging process of our cooking palm oil Bimoli, in Priok Refinery.

INTRODUCTION

We strive to maintain customers' trust, and to deliver safe, healthy and high-quality products. We describe IndoAgri's high standards of hygienic production and food safety, and how our products are recognised for quality and their contribution to consumer health. Responsible labelling and marketing are also important areas of focus for IndoAgri.

MATERIAL TOPICS AND FOCUS AREAS:

1. Product quality and safety

ALIGNED WITH SDGS



SCOPE OF SECTION



Edible oils and fats (EOF) products



PROGRESS IN 2020

IN THIS SECTION



Product quality and safety

- > **42%, or 360,543 tonnes** of CPO produced by EOF Division certified to Food Safety Management Standard FSSC 22000
- > Food safety audits completed for **91%** of raw materials suppliers
- > All products and refineries are **Halal-certified**



Product information, marketing and customer satisfaction

- > **3** product awards in 2020

PRODUCT INTEGRITY

Goal/target	Progress in 2020
Quality and safety: Comply with FSSC 22000 Food safety	Full compliance
Quality and safety: Comply with Halal certification system	All products are Halal-certified
Quality: complete annual audit on quality assurance	Audit completed for all refineries
Quality: complete annual food safety audits for suppliers	95% of supply tonnage to our refineries comes from sources that are audited annually on food safety
Continue to meet and exceed nutritional requirements as per Indonesian law	Met and exceeded all nutritional requirements as per Indonesian law

PRODUCT QUALITY AND SAFETY

FOOD SAFETY

We are committed to maintaining the trust our consumers have in our safe, high-quality products. Formal management processes ensure that we adhere to high standards of production. To stay updated on the latest food safety standards, our Quality Control teams responsible

for product quality assurance undergo regular training on hygiene, safety, and Halal risk and control. Our production sites and suppliers are also audited annually on hygiene, sanitation, and housekeeping.

As part of our continuous improvement efforts, we have achieved certification for the latest version of the FSSC 22000, and have implemented several initiatives this year to be in line with the updated policies. In complying

with the latest policies, we requested for all vendors to complete self-assessment evaluations and for their written commitments against engaging in fraud.

As our fractionation processes were modified to fortify our cooking oil products with vitamin A, we reviewed our Hazard Analysis and Critical Control Point (HACCP) food safety management system to ensure product safety standards are maintained. To ensure more seamless processes,



Quality Control team member checking cooking oil.

we have integrated the management system in our Refineries such that applicable changes in quality, food safety, health and safety, and environmental management can be assessed through a single Change Management Form.

All IndoAgri product packaging meets the Indonesian National food safety standards. In 2020, we recorded zero incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of our products. We also experienced zero incidents of product recall.

NUTRITION

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

We partially eliminated hydrogenated fat from our products by substituting hardened fat with interesterified (IE) oil. R&D on IE is currently underway to further enhance our capabilities of IE oil production. We have fully eliminated

trans-fat from Palmia Serbaguna and Royal Palmia Butter Margarin. Since January 2020, all of our consumer pack cooking oil brands have been fortified with Vitamin A in line with national requirements.

NUTRITION FACTS

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

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

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

Our products

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

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

PHILIPPINES

INDONESIA



PRODUCT INFORMATION, PACKAGING AND MARKETING

We comply with all national and export market requirements on marketing and communication of product information. Our product packaging complies with the Indonesian policy on Extended Producer Responsibility. We continue to investigate the technology solutions to replace our packaging materials with fully recyclable packaging. Our cooking oil brand Delima has had its 1-litre pouches modified to a thinner packaging that requires less plastic since January 2018, and we have done the same this year for our new Amanda 1-litre cooking oil product.


We are committed to responsible consumption and building a circular waste economy. We are currently actively engaging our suppliers to explore options for recyclable packaging. We also encourage environmentally friendly behaviour in our consumers as we do not provide plastic bags at campaign bazaars.



Filling of Bimoli 1-litre cooking oil pouch.



Our edible oil products meet legal limits relating to saturated fat, trans-fat and sodium



All information is subject to regulations


Serving Size	Serving per Container	
Amount per serving	Calories	% Daily Value*
Total fat
Saturated fat
Cholesterol
Sodium
Total carbohydrate
Dietary Fiber
Sugar
Protein
Vitamin A
Calcium
Vitamin C
Iron


Nutritional values of each branded product are **printed on the packaging**

Labels urge consumers to dispose off used packaging responsibly



Our *Delima* and *Amanda* 1-litre cooking oil products use thinner packaging material, **reducing plastic generated** and thrown away





We recognise the **importance of a healthy diet** to a **healthy economy**

With changes in customer lifestyle and purchasing habits during the pandemic, we have directed our focus to distribute our products to local mini marts and small stores in residential areas, which are closer to the consumer. We also sold our products in smaller packages suitable for home cooking. Additionally, we broadened our sales channels from traditional retailers to include ecommerce platforms such as Tokopedia and Shopee. As a result, we have been able to maintain a sales volume similar to pre-pandemic times, despite the fall in business-to-business sales. Bimoli cooking oil listed on online retail platform Shopee.

In line with increasing digitalisation and physical distancing in 2020, we strengthened our social media presence to continue to engage customers over the pandemic. For example, our cooking demos were hosted weekly on our Instagram page, [@Palmia_ID](#), and were well-received by individual consumers and SMEs. We plan to continue these engagements beyond 2020.



Palmia Cooking lesson.



CUSTOMER SERVICE AND SATISFACTION

Our products are reputed for their quality, price, and consumer confidence. We recognise that meeting consumer needs are critical in maintaining their confidence in our brands. We regularly engage consumers to address their concerns on product quality, including communicating our sustainability progress and responsible supply chain practices, investigating areas of concern and making improvements based on feedback. We also conduct annual customer satisfaction surveys to obtain feedback on product and service quality. In 2020, we surveyed a total of

75 industrial customers and 64 distributors. We received a score of 117% for industrial customers* and 119% for distributors**, exceeding our targets.

We receive and respond to consumer feedback on our products and services through the centralised Indofood Customer Service centre, which is accessible via toll-free lines or e-mail. Each piece of feedback is recorded in a Customer Complaint Form (CCF), providing a systematic process for follow-up.

In 2020, we received 18 pieces of feedback from customers, most of which were product enquiries. All feedback

received was handled appropriately within two weeks. In recognition of our ability to demonstrate high value, good quality, and market presence, Bimoli was awarded the SWA – Most Valuable Indonesian Brand (Brand Finance) 2020. Bimoli also received the SWA – Living Legend Brand 2020, for our longstanding presence in the Indonesian market. This award recognises brands that have been established for over 50 years.

We will continue to innovate and offer new products at competitive price points, improve customer service and enhance product labelling and packaging.



Cartons of Bimoli cooking oil being prepared for distribution across Indonesia.



* Our target score for industrial customers in 2020 was 3.75. We achieved a score of 4.40, which translates into 117% of the target score.
** Our target score for distributors in 2020 was 3.57. We achieved a score of 4.22, which translates into 119% of the target score.



APPENDIX

EMPLOYEE STATISTICS¹

	18 – 24 Years		25 – 35 Years		36 – 45 Years		≥ 46 Years		Total	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Education										
Academy and University (Strata 1, 2 and 3)	62	34	957	321	563	182	531	122	2,113	659
Diploma (D1-D4)	16	8	330	171	209	114	117	61	672	354
Senior High School	790	77	5,029	459	4,232	349	2,833	197	12,884	1,082
Junior High School	336	14	2,641	221	2,870	384	1,565	217	7,412	836
Primary School	569	31	3,931	325	4,506	991	2,447	638	11,453	1,985
Total	1,773	164	12,888	1,497	12,380	2,020	7,493	1,235	34,534	4,916

Level										
Manager and Senior Manager	0	0	21	8	113	19	293	35	427	62
Supervisor	4	0	188	51	144	26	182	28	518	105
Staff	47	24	672	99	329	46	305	44	1,353	213
Administrative/Operational	1,723	140	12,005	1,339	11,794	1,929	6,714	1,128	32,236	4,536
Total	1,774	164	12,886	1,497	12,380	2,020	7,494	1,235	34,534	4,916

Region										
Sumatra	1,066	43	8,273	767	8,295	1,284	4,804	914	22,438	3,008
Kalimantan	571	85	3,512	509	2,735	501	1,269	190	8,087	1,285
Others	136	36	1,103	221	1,350	235	1,420	131	4,009	623
Total	1,773	164	12,888	1,497	12,380	2,020	7,493	1,235	34,534	4,916

Status										
Permanent Employee	951	106	11,140	1,240	11,562	1,790	7,116	1,178	30,769	4,314
Non Permanent Employee	822	58	1,748	257	818	230	377	57	3,765	602
Seasonal Workers	1,426	285	3,700	1,906	2,598	2,148	1,531	1,085	9,255	5,424
Total	3,199	449	16,588	3,403	14,978	4,168	9,024	2,320	43,789	10,340

¹ Age categories have been changed from previous reports to align with the reporting of our parent company, Indofood

**NEW HIRE**

Region	18 – 24 Years		25 – 35 Years		36 – 45 Years		≥ 46 Years		Total	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Sumatra	3	3	12	134	22	161	9	19	46	317
Kalimantan	28	21	36	61	58	90	32	50	154	222
Others	2	0	6	4	1	2	1	0	10	6
Total	33	24	54	199	81	253	42	69	210	545

RESIGN (NOT INCLUDE CONTRACT)

Region	18 – 24 Years		25 – 35 Years		36 – 45 Years		≥ 46 Years		Total	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Sumatra	184	7	502	42	428	58	772	134	1,886	241
Kalimantan	107	6	230	48	118	17	75	12	530	83
Others	10	4	88	22	132	26	240	92	470	144
Total	301	17	820	112	678	101	1,087	238	2,886	468

TURNOVER

Region	18 – 24 Years		25 – 35 Years		36 – 45 Years		≥ 46 Years	
	Male	Female	Male	Female	Male	Female	Male	Female
Sumatra	17%	16%	6%	5%	5%	5%	16%	14%
Kalimantan	19%	7%	6%	9%	4%	3%	6%	6%
Others	24%	13%	10%	11%	9%	12%	16%	17%
Turnover Group	9%							

TRAINING

Level	Training Hours			Total Participants		
	Male	Female	Total	Male	Female	Total
Manager and Senior Manager	2,245	160	2,405	461	10	471
Supervisor	1,242	32	1,274	272	8	280
Staff	64,549	2,646	67,195	2,578	323	2,901
Administrative/Operational	14,147	1,117	15,264	868	243	1,111
Total	82,183	3,955	86,138	4,179	584	4,763



GRI CONTENT INDEX

GRI 101: FOUNDATION 2016

General Standard Disclosures

GRI Standard	Disclosure Number	Disclosure Title	Information location, Direct responses, Reasons for Omission as applicable	Page Number(s)
Organisational Profile				
GRI 102: General Disclosures 2016	102-1	Name of the organisation	About IndoAgri, Our Vision, Mission and Values	
	102-2	Activities, brands, products, and services	Business Overview; Annual Report > Operation and Financial Review	14-18 AR: 12-25
	102-3	Location of headquarters	About IndoAgri, Our Vision, Mission and Values	i
	102-4	Location of operations	Business Overview > Regional Presence	16
	102-5	Ownership and legal form	IndoAgri is 71.7% effectively owned by PT Indofood Sukses Makmur Tbk (PT ISM). IndoAgri is listed on the Singapore Exchange Securities Trading Limited (SGX-ST). Annual Report > Corporate Structure; Annual Report > Statistics of Shareholdings	AR: 6 AR: 152-153
	102-6	Markets served	Business Overview > Capturing Value Across Our Value Chain; Annual Report > Notes to Financial Statements	17-18 AR: 63-148
	102-7	Scale of the organisation	Business Overview	14-18
	102-8	Information on employees and other workers	Business Overview > Workforce Profile; Our People > Human, Child and Labour Rights; Appendix > Employee Statistics; IndoAgri does not engage in part-time employment. Our human resources department collates data using the central HR management information system, which adopts standard definitions of terms, in line with regulatory requirements.	15 46-47 60-61
	102-9	Supply chain	Responsible Sourcing > Supply Chain Traceability and Transparency	37
	102-10	Significant changes to the organisation and its supply chain	Our Sustainability Report	ii
	102-11	Precautionary Principle or approach	Our Approach to Sustainability > Governance & Management	06
	102-12	External initiatives	Our Approach to Sustainability > Governance & Management	06
	102-13	Membership of associations	Our Approach to Sustainability > Governance & Management We are a member of the Indonesia Palm Oil Association (GAPKI). One of our directors, Mr. Tan Agustinus, also serves as a member in the executive board committee.	06
Strategy				
GRI 102: General Disclosures 2016	102-14	Statement from senior decision-maker	CEO Statement	01
Ethics and Integrity				
GRI 102: General Disclosures 2016	102-16	Values, principles, standards, and norms of behavior	About IndoAgri, Our Vision, Mission and Values	ii
	102-17	Mechanisms for advice and concerns about ethics	Sustainability webpage > How We Manage Sustainability > Governance and Risk http://www.indofoodagri.com/managing-sustainability.html	



General Standard Disclosures

GRI Standard	Disclosure Number	Disclosure Title	Information location, Direct responses, Reasons for Omission as applicable	Page Number(s)
Governance				
GRI 102: General Disclosures 2016	102-18	Governance structure	Sustainability webpage > How We Manage Sustainability > Governance and Risk http://www.indofoodagri.com/managing-sustainability.html	
Stakeholder Engagement				
GRI 102: General Disclosures 2016	102-40	List of stakeholder groups	Sustainability webpage > Our Reporting > Engaging With Our Stakeholders http://www.indofoodagri.com/our-reporting.html	47
	102-41	Collective bargaining agreements	Our People > Human, Child and Labour Rights > Freedom of Association	
	102-42	Identifying and selecting stakeholders	Sustainability webpage > Our Reporting > Engaging With Our Stakeholders http://www.indofoodagri.com/our-reporting.html	
	102-43	Approach to stakeholder engagement	Sustainability webpage > Our Reporting > Engaging With Our Stakeholders http://www.indofoodagri.com/our-reporting.html	
	102-44	Key topics and concerns raised	Sustainability webpage > Our Reporting > Engaging With Our Stakeholders http://www.indofoodagri.com/our-reporting.html ; Our People > Human, Child and Labour Rights	46-47
Reporting Practice				
GRI 102: General Disclosures 2016	102-45	Entities included in the consolidated financial statements	a. Our Annual Report provides an overview of all entities (subsidiaries, associates, joint ventures, agriculture assets including palm oil, transport operations, research stations and others). b. Apart from palm oil operations (82 plantations, 28 subsidiary companies in plantation management, milling and refining) and rubber operations (7 plantations, 3 subsidiary companies in plantation management and processing), all other entities in 102-45a above are excluded	AR: 64, 111-115
	102-46	Defining report content and topic Boundaries	Sustainability webpage > Our Reporting > Where Material Impacts Occur http://www.indofoodagri.com/our-reporting.html	
	102-47	List of material topics	Our Approach to Sustainability > Focus on key sustainability topics	08
	102-48	Restatements of information	Our Sustainability Report	ii
	102-49	Changes in reporting	CEO Statement; Our Approach to Sustainability > Governance & Management; Our Approach to Sustainability > Focus on key sustainability topics	01 07 08
	102-50	Reporting period	Our Sustainability Report	ii
	102-51	Date of most recent report	Sustainability webpage > Our Reporting http://www.indofoodagri.com/our-reporting.html	
	102-52	Reporting cycle	Annual	
	102-53	Contact point for questions regarding the report	Our Sustainability Report	ii
	102-54	Claims of reporting in accordance with the GRI Standards	Our Sustainability Report	ii
	102-55	GRI content index	Appendix > GRI Content Index	62-76
	102-56	External assurance	Our Sustainability Report	ii

**Topic Specific Disclosures**

GRI Standard	Disclosure Number	Disclosure Title	Information location, Direct responses, Reasons for Omission as applicable	Page Number(s)
Category: Economic				
Procurement Practices				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Our Approach to Sustainability > Our Approach on Key Sustainability Focus Areas > Responsible Sourcing; Sustainability webpage > Our Reporting > Where Material Impacts Occur http://www.indofoodagri.com/our-reporting.html	09-10
	103-2	The management approach and its components	Our Approach to Sustainability > Governance & Management; Our Approach to Sustainability > Focus on Key Sustainability Topics; Our Approach to Sustainability > Our Approach on Key Sustainability Focus Areas > Responsible Sourcing Responsible Sourcing Sustainability webpage > How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html	06-07 08 09-10 37-41
	103-3	Evaluation of the management approach	Our Approach to Sustainability > Governance & Management; Tracking Performance, Evaluating Progress; Sustainability webpage > How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html	06-07 12-13
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Not reported; reason for omission is that we use the more meaningful indicators from the GRI Food Processing Sector Disclosures in place of 204-1, see below.	ii
GRI G4 FPSS (elective use of G4)	FP1	Percentage of purchased volume from suppliers compliant with company's sourcing policy	Responsible Sourcing > Supply Chain Traceability and Transparency	37
	FP2	Percentage of purchased volume verified as in accordance with responsible production standards (ISPO)	Responsible Sourcing > Sustainability Certification	37
Category: Environment				
Materials				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Our Approach to Sustainability > Our Approach on Key Sustainability Focus Areas > Environmental Protection Sustainability webpage > Our Reporting > Where Material Impacts Occur http://www.indofoodagri.com/our-reporting.html	09
	103-2	The management approach and its components	Our Approach to Sustainability > Governance & Management; Our Approach to Sustainability > Focus on Key Sustainability Topics; Our Approach to Sustainability > Our Approach on Key Sustainability Focus Areas > Environmental Protection Protecting Our Environment > Use of Fertilisers, Pesticides and Chemicals; Sustainability webpage > How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html	06-07 08 09 32-33
	103-3	Evaluation of the management approach	Our Approach to Sustainability > Governance & Management; Tracking Performance, Evaluating Progress; Protecting Our Environment > Use of Fertilisers, Pesticides and Chemicals; Sustainability webpage > How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html	06-07 12-13 32-33
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Protecting our Environment > Use of Fertilisers, Pesticides and Chemicals > Fertiliser Consumption	32



Topic Specific Disclosures

GRI Standard	Disclosure Number	Disclosure Title	Information location, Direct responses, Reasons for Omission as applicable	Page Number(s)
Category: Environment				
Energy				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Our Approach to Sustainability > Our Approach on Key Sustainability Focus Areas > Environmental Protection Sustainability webpage > Our Reporting > Where Material Impacts Occur http://www.indofoodagri.com/our-reporting.html	09
	103-2	The management approach and its components	Our Approach to Sustainability > Governance & Management; Our Approach to Sustainability > Focus on Key Sustainability Topics; Our Approach to Sustainability > Our Approach on Key Sustainability Focus Areas > Environmental Protection; Protecting our Environment > Climate Change and GHG Emissions; Sustainability webpage > How We Manage Sustainability; http://www.indofoodagri.com/managing-sustainability.html	06-07 08 09 25-27
	103-3	Evaluation of the management approach	Our Approach to Sustainability > Governance & Management; Tracking Performance, Evaluating Progress; Protecting our Environment > Climate Change and GHG Emissions; Sustainability webpage > How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html	06-07 12-13 25-27
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Protecting our Environment > Climate Change and GHG Emissions	26-27
	302-3	Energy intensity	Protecting our Environment > Climate Change and GHG Emissions	26-27
	302-4	Reduction of energy consumption	Protecting our Environment > Climate Change and GHG Emissions	26
Water				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Our Approach to Sustainability > Our Approach on Key Sustainability Focus Areas > Environmental Protection Sustainability webpage > Our Reporting > Where Material Impacts Occur http://www.indofoodagri.com/our-reporting.html	09
	103-2	The management approach and its components	Our Approach to Sustainability > Governance & Management; Our Approach to Sustainability > Focus on Key Sustainability Topics; Our Approach to Sustainability > Our Approach on Key Sustainability Focus Areas > Environmental Protection; Protecting our Environment > Water, Waste and Effluents; Sustainability webpage > How We Manage Sustainability; http://www.indofoodagri.com/managing-sustainability.html	06-07 08 09 29-30
	103-3	Evaluation of the management approach	Our Approach to Sustainability > Governance & Management; Tracking Performance, Evaluating Progress; Protecting our Environment > Water, Waste and Effluents; Sustainability webpage > How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html	06-07 12-13 29-30
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Protecting our Environment > Water, Waste and Effluents	29
	303-2	Management of water discharge-related impacts	Protecting our Environment > Water, Waste and Effluents	29, 30
	303-3	Water withdrawal	Protecting our Environment > Water, Waste and Effluents	29, 30



Topic Specific Disclosures

GRI Standard	Disclosure Number	Disclosure Title	Information location, Direct responses, Reasons for Omission as applicable	Page Number(s)
Category: Environment				
Biodiversity				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Our Approach to Sustainability > Our Approach on Key Sustainability Focus Areas > Environmental Protection Sustainability webpage > Our Reporting > Where Material Impacts Occur http://www.indofoodagri.com/our-reporting.html	09
	103-2	The management approach and its components	Our Approach to Sustainability > Governance & Management; Our Approach to Sustainability > Focus on Key Sustainability Topics; Our Approach to Sustainability > Our Approach on Key Sustainability Focus Areas > Environmental Protection; Protecting our Environment > Protection of Forests, Peatland and Biodiversity Sustainability webpage > How We Manage Sustainability; http://www.indofoodagri.com/managing-sustainability.html	06-07 08 09 21-23
	103-3	Evaluation of the management approach	Our Approach to Sustainability > Governance & Management; Tracking Performance, Evaluating Progress; Protecting our Environment > Protection of Forests, Peatland and Biodiversity Sustainability webpage > How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html	06-07 12-13 21-23
GRI 304: Biodiversity 2016	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Sustainability webpage > Environmental Performance http://www.indofoodagri.com/environmental-performance.html The total number of IUCN Red List species and national conservation list species with habitats in areas affected by IndoAgri's operations is 76, as of April 2021.	
Emissions				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Our Approach to Sustainability > Our Approach on Key Sustainability Focus Areas > Environmental Protection Sustainability webpage > Our Reporting > Where Material Impacts Occur http://www.indofoodagri.com/our-reporting.html	09
	103-2	The management approach and its components	Our Approach to Sustainability > Governance & Management; Our Approach to Sustainability > Focus on Key Sustainability Topics; Our Approach to Sustainability > Our Approach on Key Sustainability Focus Areas > Environmental Protection; Protecting our Environment > Climate Change and GHG Emissions; Sustainability webpage > How We Manage Sustainability; http://www.indofoodagri.com/managing-sustainability.html	06-07 08 09 25-28
	103-3	Evaluation of the management approach	Our Approach to Sustainability > Governance & Management; Tracking Performance, Evaluating Progress; Protecting our Environment > Climate Change and GHG Emissions; Sustainability webpage > How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html	06-07 12-13 25-28
GRI 305: Emissions 2016	305-4	GHG emissions intensity	Protecting our Environment > Climate Change and GHG Emissions	28



Topic Specific Disclosures

GRI Standard	Disclosure Number	Disclosure Title	Information location, Direct responses, Reasons for Omission as applicable	Page Number(s)
Category: Environment				
Effluents and Waste				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Our Approach to Sustainability > Our Approach on Key Sustainability Focus Areas > Environmental Protection Sustainability webpage > Our Reporting > Where Material Impacts Occur http://www.indofoodagri.com/our-reporting.html	09
	103-2	The management approach and its components	Our Approach to Sustainability > Governance & Management; Our Approach to Sustainability > Focus on Key Sustainability Topics; Our Approach to Sustainability > Our Approach on Key Sustainability Focus Areas > Environmental Protection; Protecting our Environment > Water, Waste and Effluents; Sustainability webpage > How We Manage Sustainability; http://www.indofoodagri.com/managing-sustainability.htm	06-07 08 09 29-30
	103-3	Evaluation of the management approach	Our Approach to Sustainability > Governance & Management; Tracking Performance, Evaluating Progress; Protecting our Environment > Water, Waste and Effluents; Sustainability webpage > How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html	06-07 12-13 29-30
GRI 306: Effluents and Waste 2016	306-1	Water discharge by quality and destination	Protecting our Environment > Water, Waste and Effluents	31
	306-2	Waste by type and disposal method	Protecting our Environment > Water, Waste and Effluents	31
	306-3	Significant spills	Protecting our Environment > Water, Waste and Effluents	30
Environmental Compliance				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Our Approach to Sustainability > Our Approach on Key Sustainability Focus Areas > Responsible Sourcing; Sustainability webpage > Our Reporting > Where Material Impacts Occur http://www.indofoodagri.com/our-reporting.html	09-10
	103-2	The management approach and its components	Our Approach to Sustainability > Governance & Management; Our Approach to Sustainability > Focus on Key Sustainability Topics; Our Approach to Sustainability > Our Approach on Key Sustainability; Focus Areas > Responsible Sourcing; Responsible Sourcing > Sustainability Certification; Responsible Sourcing > Supply Chain Traceability and Transparency; Sustainability webpage > How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html	06-07 08 09-10 37 37-38
	103-3	Evaluation of the management approach	Our Approach to Sustainability > Governance & Management; Tracking Performance, Evaluating Progress; Responsible Sourcing > Sustainability Certification; Responsible Sourcing > Supply Chain Traceability and Transparency; Sustainability webpage > How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html	06-07 12-13 37 37-38
GRI 307: Environmental Compliance 2016	307-1	New suppliers that were screened using environmental criteria	Responsible Sourcing > Sustainability Certification Responsible Sourcing > Supply Chain Traceability and Transparency	37 37-38



Topic Specific Disclosures

GRI Standard	Disclosure Number	Disclosure Title	Information location, Direct responses, Reasons for Omission as applicable	Page Number(s)
Category: Environment				
Supplier Environmental Assessment				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Our Approach to Sustainability > Our Approach on Key Sustainability Focus Areas > Responsible Sourcing; Sustainability webpage > Our Reporting > Where Material Impacts Occur http://www.indofoodagri.com/our-reporting.html	09-10
	103-2	The management approach and its components	Our Approach to Sustainability > Governance & Management; Our Approach to Sustainability > Focus on Key Sustainability Topics; Our Approach to Sustainability > Our Approach on Key Sustainability; Focus Areas > Responsible Sourcing; Responsible Sourcing > Sustainability Certification; Responsible Sourcing > Supply Chain Traceability and Transparency; Sustainability webpage > How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html	06-07 08 09-10 37 37-38
	103-3	Evaluation of the management approach	Our Approach to Sustainability > Governance & Management; Tracking Performance, Evaluating Progress; Responsible Sourcing > Sustainability Certification; Responsible Sourcing > Supply Chain Traceability and Transparency; Sustainability webpage > How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html	06-07 12-13 37 37-38
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Responsible Sourcing > Sustainability Certification Responsible Sourcing > Supply Chain Traceability and Transparency	37 37-38
Category: Social				
Sub-Category: Labour Practices and Decent Work				
Employment				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Our Approach to Sustainability > Our Approach on Key Sustainability Focus Areas > People; Sustainability webpage > Our Reporting > Where Material Impacts Occur http://www.indofoodagri.com/our-reporting.html	10
	103-2	The management approach and its components	Our Approach to Sustainability > Governance & Management; Our Approach to Sustainability > Focus on Key Sustainability Topics; Our Approach to Sustainability > Our Approach on Key Sustainability Focus Areas > People; Our People > Human, Child and Labour Rights; Sustainability webpage > How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html	06-07 08 10 46-48
	103-3	Evaluation of the management approach	Our Approach to Sustainability > Governance & Management; Tracking Performance, Evaluating Progress; Our People > Human, Child and Labour Rights; Sustainability webpage > How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html	06-07 13 46-48
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Appendix We opt to report new hire numbers and turnover rates in order to provide meaningful reporting (this is our Reason for Omission of turnover numbers and new hire rates). The key outcome of the reported data is to understand the trends as production and operations change over time.	60-61

**Topic Specific Disclosures**

GRI Standard	Disclosure Number	Disclosure Title	Information location, Direct responses, Reasons for Omission as applicable	Page Number(s)
Category: Social				
Sub-Category: Labour Practices and Decent Work				
Labour-Management Relations				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Our Approach to Sustainability > Our Approach on Key Sustainability Focus Areas > People; Sustainability webpage > Our Reporting > Where Material Impacts Occur http://www.indofoodagri.com/our-reporting.html	10
	103-2	The management approach and its components	Our Approach to Sustainability > Governance & Management; Our Approach to Sustainability > Focus on Key Sustainability Topics; Our Approach to Sustainability > Our Approach on Key Sustainability Focus Areas > People; Our People > Human, Child and Labour Rights; Sustainability webpage > How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html	06-07 08 10 46-48
	103-3	Evaluation of the management approach	Our Approach to Sustainability > Governance & Management; Tracking Performance, Evaluating Progress; Our People > Human, Child and Labour Rights; Sustainability webpage > How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html	06-07 13 46-48
GRI 402: Labour-Management Relations 2016	402-1	Minimum notice periods regarding operational changes	No minimum notice period or specific provisions on consultation/negotiation are required to be stated in a CLA under Indonesian regulations. If new changes arise eg, a merger, we would follow Indonesia Financial Services Authority (Bapepam/OJK) laws. Other changes such as new policies that will impact on our workers are supported by awareness raising or training prior to implementation.	
Occupational Health and Safety				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Our Approach to Sustainability > Our Approach on Key Sustainability Focus Areas > People; Sustainability webpage > Our Reporting > Where Material Impacts Occur http://www.indofoodagri.com/our-reporting.html	10
	103-2	The management approach and its components	Our Approach to Sustainability > Governance & Management; Our Approach to Sustainability > Focus on Key Sustainability Topics; Our Approach to Sustainability > Our Approach on Key Sustainability Focus Areas > People; Our People > Occupational Health and Safety; Sustainability webpage > How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html	06-07 08 10 43-45
	103-3	Evaluation of the management approach	Our Approach to Sustainability > Governance & Management; Tracking Performance, Evaluating Progress; Our People > Occupational Health and Safety; Sustainability webpage > How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html	06-07 13 43-45



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GRI Standard	Disclosure Number	Disclosure Title	Information location, Direct responses, Reasons for Omission as applicable	Page Number(s)
Category: Social				
Sub-Category: Labour Practices and Decent Work				
Occupational Health and Safety				
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Our People > Occupational Health and Safety	43-45
	403-2	Hazard identification, risk assessment, and incident investigation	Our People > Occupational Health and Safety	43-45
	403-3	Occupational health services	Our People > Occupational Health and Safety	43-45
	403-4	Worker participation, consultation, and communication on occupational health and safety	Our People > Occupational Health and Safety Collective Labour Agreements (CLAs), formed through bipartite discussions between representatives from the Company and respective labour unions, cover occupational health and safety, an OHS Trustee Committee, training, and grievance mechanisms. Collective Labour Agreements are communicated to all employees to whom it applies. Periodic workplace inspection, safety audit, and accident evaluations are also completed with employee representatives. Workers not covered by CLAs are covered by Company Regulation, which is guided by national regulations on OHS.	43-45
	403-5	Worker training on occupational health and safety	Our People > Occupational Health and Safety	43-45
	403-6	Promotion of worker health	Our People > Occupational Health and Safety	43-45
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Our People > Occupational Health and Safety	43-45
	403-9	Work-related injuries	Our People > Occupational Health and Safety > Health and Safety Data	45
	Training and Education			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Our Approach to Sustainability > Our Approach on Key Sustainability Focus Areas > People; Sustainability webpage > Our Reporting > Where Material Impacts Occur http://www.indofoodagri.com/our-reporting.html	10
	103-2	The management approach and its components	Our Approach to Sustainability > Governance & Management; Our Approach to Sustainability > Focus on Key Sustainability Topics; Our Approach to Sustainability > Our Approach on Key Sustainability Focus Areas > People; Our People > Training and Development; Sustainability webpage > How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html	06-07 08 10 48
	103-3	Evaluation of the management approach	Our Approach to Sustainability > Governance & Management; Tracking Performance, Evaluating Progress; Our People > Training and Development; Sustainability webpage > How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html	06-7 13 48
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Appendix > Training We opt to omit reporting the average hours, our data table shows exact hours by employee type and gender. The reason for the omission is that the use of an average makes the disclosure substantially less meaningful	61

**Topic Specific Disclosures**

GRI Standard	Disclosure Number	Disclosure Title	Information location, Direct responses, Reasons for Omission as applicable	Page Number(s)
Category: Social				
Sub-Category: Labour Practices and Decent Work				
Diversity and Equal Opportunity				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Our Approach to Sustainability > Our Approach on Key Sustainability Focus Areas > People; Sustainability webpage > Our Reporting > Where Material Impacts Occur http://www.indofoodagri.com/our-reporting.html	10
	103-2	The management approach and its components	Our Approach to Sustainability > Governance & Management; Our Approach to Sustainability > Focus on Key Sustainability Topics; Our Approach to Sustainability > Our Approach on Key Sustainability Focus Areas > People; Our People > Human, Child and Labour Rights; Sustainability webpage > How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html	06-07 08 10 46-48
	103-3	Evaluation of the management approach	Our Approach to Sustainability > Governance & Management; Tracking Performance, Evaluating Progress; Our People > Human, Child and Labour Rights; Sustainability webpage > How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html	06-07 13 46-48
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Appendix > Training Annual Report 2020 > Corporate Governance	61 AR: 36
Sub-Category: Human Rights				
Non-discrimination				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Our Approach to Sustainability > Our Approach on Key Sustainability Focus Areas > People; Sustainability webpage > Our Reporting > Where Material Impacts Occur http://www.indofoodagri.com/our-reporting.html	10
	103-2	The management approach and its components	Our Approach to Sustainability > Governance & Management; Our Approach to Sustainability > Focus on Key Sustainability Topics; Our Approach to Sustainability > Our Approach on Key Sustainability Focus Areas > People; Our People > Human, Child and Labour Rights; Sustainability webpage > How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html	06-07 08 10 46-48
	103-3	Evaluation of the management approach	Our Approach to Sustainability > Governance & Management; Tracking Performance, Evaluating Progress; Our People > Human, Child and Labour Rights; Sustainability webpage > How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html	06-07 13 46-48
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Our People > Human, Child and Labour Rights	46

**Topic Specific Disclosures**

GRI Standard	Disclosure Number	Disclosure Title	Information location, Direct responses, Reasons for Omission as applicable	Page Number(s)
Category: Social				
Sub-Category: Human Rights				
Freedom of Association and Collective Bargaining				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Our Approach to Sustainability > Our Approach on Key Sustainability Focus Areas > People; Sustainability webpage > Our Reporting > Where Material Impacts Occur http://www.indofoodagri.com/our-reporting.html	10
	103-2	The management approach and its components	Our Approach to Sustainability > Governance & Management; Our Approach to Sustainability > Focus on Key Sustainability Topics; Our Approach to Sustainability > Our Approach on Key Sustainability Focus Areas > People; Our People > Human, Child and Labour Rights; Sustainability webpage > How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html	06-07 08 10 46-48
	103-3	Evaluation of the management approach	Our Approach to Sustainability > Governance & Management; Tracking Performance, Evaluating Progress; Our People > Human, Child and Labour Rights; Sustainability webpage > How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html	06-07 13 46-48
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	Our People > Human, Child and Labour Rights	46
Child Labour				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Our Approach to Sustainability > Our Approach on Key Sustainability Focus Areas > People; Sustainability webpage > Our Reporting > Where Material Impacts Occur http://www.indofoodagri.com/our-reporting.html	10
	103-2	The management approach and its components	Our Approach to Sustainability > Governance & Management; Our Approach to Sustainability > Focus on Key Sustainability Topics; Our Approach to Sustainability > Our Approach on Key Sustainability Focus Areas > People; Our People > Human, Child and Labour Rights; Sustainability webpage > How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html	06-07 08 10 46-48
	103-3	Evaluation of the management approach	Our Approach to Sustainability > Governance & Management; Tracking Performance, Evaluating Progress; Our People > Human, Child and Labour Rights; Sustainability webpage > How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html	06-07 13 46-48
GRI 408: Child Labour 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	Our People > Human, Child and Labour Rights	46

**Topic Specific Disclosures**

GRI Standard	Disclosure Number	Disclosure Title	Information location, Direct responses, Reasons for Omission as applicable	Page Number(s)
Category: Social				
Sub-Category: Human Rights				
Forced or Compulsory Labour				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Our Approach to Sustainability > Our Approach on Key Sustainability Focus Areas > People; Sustainability webpage > Our Reporting > Where Material Impacts Occur http://www.indofoodagri.com/our-reporting.html	10
	103-2	The management approach and its components	Our Approach to Sustainability > Governance & Management; Our Approach to Sustainability > Focus on Key Sustainability Topics; Our Approach to Sustainability > Our Approach on Key Sustainability Focus Areas > People; Our People > Human, Child and Labour Rights; Sustainability webpage > How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html	06-07 08 10 46-48
	103-3	Evaluation of the management approach	Our Approach to Sustainability > Governance & Management; Tracking Performance, Evaluating Progress; Our People > Human, Child and Labour Rights; Sustainability webpage > How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html	06-07 13 46-48
GRI 409: Forced or Compulsory Labour 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Our People > Human, Child and Labour Rights	46
Security Practices				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Our Approach to Sustainability > Our Approach on Key Sustainability Focus Areas > People; Sustainability webpage > Our Reporting > Where Material Impacts Occur http://www.indofoodagri.com/our-reporting.html	10
	103-2	The management approach and its components	Our Approach to Sustainability > Governance & Management; Our Approach to Sustainability > Focus on Key Sustainability Topics; Our Approach to Sustainability > Our Approach on Key Sustainability Focus Areas > People; Our People > Occupational Health and Safety; Sustainability webpage > How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html	06-07 08 10 43-45
	103-3	Evaluation of the management approach	Our Approach to Sustainability > Governance & Management; Tracking Performance, Evaluating Progress; Our People > Occupational Health and Safety; Sustainability webpage > How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html	06-07 13 43-45
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	Our People > Occupational Health and Safety > Security Guards	45

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GRI Standard	Disclosure Number	Disclosure Title	Information location, Direct responses, Reasons for Omission as applicable	Page Number(s)
Category: Social				
Sub-Category: Human Rights				
Human Rights Assessment				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Our Approach to Sustainability > Our Approach on Key Sustainability Focus Areas > People; Sustainability webpage > Our Reporting > Where Material Impacts Occur http://www.indofoodagri.com/our-reporting.html	10
	103-2	The management approach and its components	Our Approach to Sustainability > Governance & Management; Our Approach to Sustainability > Focus on Key Sustainability Topics; Our Approach to Sustainability > Our Approach on Key Sustainability Focus Areas > People; Our People > Human, Child and Labour Rights; Sustainability webpage > How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html	06-07 08 10 46-48
	103-3	Evaluation of the management approach	Our Approach to Sustainability > Governance & Management; Tracking Performance, Evaluating Progress; Our People > Human, Child and Labour Rights; Sustainability webpage > How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html	06-07 13 46-48
GRI 412: Human Rights Assessment 2016	412-1	Operations that have been subject to human rights reviews or impact assessments	Responsible Sourcing > Supply Chain Traceability and Transparency Our whistle-blower mechanism yielded no alerts of Policy breaches of human rights in 2020.	38
Sub-Category: Society				
Local Communities				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Our Approach to Sustainability > Our Approach on Key Sustainability Focus Areas > Community Relations; Sustainability webpage > Our Reporting > Where Material Impacts Occur http://www.indofoodagri.com/our-reporting.html	11
	103-2	The management approach and its components	Our Approach to Sustainability > Governance & Management; Our Approach to Sustainability > Focus on Key Sustainability Topics; Our Approach to Sustainability > Our Approach on Key Sustainability Focus Areas > Community Relations; Community Relations > Community Rights and Relations; Sustainability webpage > How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html	06-07 08 11 50-53
	103-3	Evaluation of the management approach	Our Approach to Sustainability > Governance & Management; Tracking Performance, Evaluating Progress; Community Relations > Community Rights and Relations; Sustainability webpage > How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html	06-07 13 50-53
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Community Relations > Community Rights and Relations; We understand the community needs of all sites based on Social Impact Assessments.	50

**Topic Specific Disclosures**

GRI Standard	Disclosure Number	Disclosure Title	Information location, Direct responses, Reasons for Omission as applicable	Page Number(s)
Category: Social				
Sub-Category: Society				
Supplier Social Assessment				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Our Approach to Sustainability > Our Approach on Key Sustainability Focus Areas > Responsible Sourcing; Sustainability webpage > Our Reporting > Where Material Impacts Occur http://www.indofoodagri.com/our-reporting.html	09-10
	103-2	The management approach and its components	Our Approach to Sustainability > Governance & Management; Our Approach to Sustainability > Focus on Key Sustainability Topics; Our Approach to Sustainability > Our Approach on Key Sustainability; Focus Areas > Responsible Sourcing; Responsible Sourcing > Sustainability Certification; Responsible Sourcing > Supply Chain Traceability and Transparency; Sustainability webpage > How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html	06-07 08 09-10 37 37-38
	103-3	Evaluation of the management approach	Our Approach to Sustainability > Governance & Management; Tracking Performance, Evaluating Progress; Responsible Sourcing > Sustainability Certification; Responsible Sourcing > Supply Chain Traceability and Transparency; Sustainability webpage > How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html	06-07 12-13 37 37-38
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Responsible Sourcing > Sustainability Certification Responsible Sourcing > Supply Chain Traceability and Transparency	37 37-38
Sub-Category: Product Responsibility				
Customer Health and Safety				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Our Approach to Sustainability > Our Approach on Key Sustainability Focus Areas > Product Integrity; Sustainability webpage > Our Reporting > Where Material Impacts Occur http://www.indofoodagri.com/our-reporting.html	11
	103-2	The management approach and its components	Our Approach to Sustainability > Governance & Management; Our Approach to Sustainability > Focus on Key Sustainability Topics; Our Approach to Sustainability > Our Approach on Key Sustainability Focus Areas > Product Integrity Product Integrity > Product Quality and Safety; Product Integrity > Customer Service and Satisfaction; Sustainability webpage > How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html	06-07 08 11 56-57 59
	103-3	Evaluation of the management approach	Our Approach to Sustainability > Governance & Management; Tracking Performance, Evaluating Progress; Product Integrity > Product Quality and Safety; Product Integrity > Customer Service and Satisfaction; Sustainability webpage > How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html	06-07 12-13 56-57 59

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GRI Standard	Disclosure Number	Disclosure Title	Information location, Direct responses, Reasons for Omission as applicable	Page Number(s)
Category: Social				
Sub-Category: Product Responsibility				
Customer Health and Safety				
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Product Integrity > Product Quality and Safety	56-57
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Product Integrity > Product Quality and Safety	56-58
Marketing and Labeling				
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	103-2	The management approach and its components	Our Approach to Sustainability > Governance & Management; Our Approach to Sustainability > Focus on Key Sustainability Topics; Our Approach to Sustainability > Our Approach on Key Sustainability Focus Areas > Product Integrity	06-07 08 11
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GLOSSARY

Analisis Dampak Lingkungan (AMDAL)

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

Badan Penyelenggara Jaminan Sosial (BPJS)

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

Biodiversity

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

Biological Oxygen Demand (BOD)

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

Carbon Footprint

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

Child Labour

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

Crude Palm Oil (CPO)

Oil produced from oil palm fruits in milling process.

Food Safety System Certification (FSSC) 22000

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

Forced Labour

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

Free Prior Informed Consent (FPIC)

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

Fresh Fruit Bunch (FFB)

The fruit bunch harvested from the oil palm tree.

Global Reporting Initiative (GRI)

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

Greenhouse Gas (GHG)

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

High Carbon Stock (HCS)

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

High Conservation Value (HCV)

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

HCV Assessment

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

Integrated Pest Management

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

Indonesian Sustainable Palm Oil (ISPO)

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

ISO 14000 series

A family of international standards for addressing environmental management.

Koperasi Unit Desa (KUD)

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

No Deforestation

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

Nucleus

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

OHSAS 18001:2007

An international occupational health and safety management system specification.

Palm Kernel (PK)

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

Panitia Pembina Keselamatan dan Kesehatan Kerja (P2K3)

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

Palm Oil Mill Effluent (POME)

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

Plasma or Schemed Smallholder

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

Programme for Pollution Control, Evaluation and Rating (PROPER)

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

Roundtable on Sustainable Palm Oil (RSPO)

A non-governmental organisation that promotes the growth and use of sustainable oil palm products through international standards and engagement of stakeholders.

Sistem Keselamatan dan Kesehatan Kerja (SMK3)

Occupational health and safety management system according to Indonesia regulation.

Social Impact Assessment

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

Stakeholders

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