



sustainability

REPORT 2021

Ind©Agri



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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 (R&D), seed breeding, manufacturing and marketing of award-winning edible oils brands.

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

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

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

Our Policy

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

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



Read more [online](#).



Our Sustainability Report

Our 10th Sustainability Report communicates our performance and progress against our Policy commitments and targets on material topics for the calendar year 2021. This report should be read alongside our Annual Report and [website](#). Relevant links are provided in the report.

This 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. The GRI Content Index and previous reports are available [online](#).

Reporting Scope

The scope of this report covers our most dominant crop, oil palm, which occupies 83% of our total planted area, and our rubber operations, which occupy 5% of our total planted area. There 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 operations). Our responsible sourcing and product data include only our downstream refinery operations.

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

- ISPO-certified/audited plantations: 57 out of 83 sites
- ISPO and/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 3 sites



CEO Statement



Our tenth annual sustainability report on our ESG performance is guided by our latest materiality review and has been approved by the IndoAgri board of directors.

It has been over two years since the COVID-19 pandemic first struck. The global economy is experiencing slow and piecemeal signs of recovery, hampered by the emergence of new variants in a pandemic-weary world. 2021 was a year marked by continued uncertainty and rapidly evolving external environments, underscoring the need for organisations to remain agile and resilient.

Despite the extraordinary headwinds the world has experienced in the last two years, we are proud to say that we have persevered and have continued to progress on our

sustainability journey, albeit at a slower pace than we would ideally have liked.

On the environmental protection front, we continued to see improvements in our energy and water use efficiency year-on-year, as well as reductions in greenhouse gases emitted per tonne of product. Physical limitations presented by the pandemic did not stop us from acting on our commitments to preserve areas of high conservation value and high carbon stock. We identify and protect biodiversity through regular monitoring, biodiversity surveys in estates, interviews with local communities, and partnering with stakeholders to conduct rehabilitation work.

We witnessed further innovation and use of technology in our operations, buoyed by the pandemic. This year, we deployed drones for a number of purposes, including conducting ground surveys over wide areas for flood management, and identifying diseased oil palms quickly to prevent the spread of disease. We continue to innovate our planting materials, such as via our Novel Trait Programme, which aims to develop palms with a combination of traits that increase harvesting efficiency. In 2021, the programme advanced from breeding trials to the field-testing stage, bringing us one step closer to realising the fruits of our innovation.

The health and well-being of our people remain a fundamental priority. We are proud to support the roll-out of COVID-19 vaccines across Indonesia. We collaborated with various government bodies to administer more than 135,000 doses of vaccine across six provinces, 23 districts including our workers, their families, the surrounding communities, as well as rural communities. We also built self-isolation facilities at estates with low access to hospitals or other quarantine facilities. These self-isolation facilities were equipped with doctors, nurses, and medical supplies to treat employees who tested positive for the virus.

At the same time, we regret to report two fatalities at our palm oil operations in 2021. Our goal has always been, and

continues to be, zero fatalities. To that end, we investigated each incident thoroughly and implemented corrective action to ensure that all our employees work in safe working environments, as they duly deserve.

As the pandemic-inspired headwinds begin to subside, their effect partially reduced by new ways of working implemented by our continually resilient workforce, we look forward to forging ahead on our sustainability journey in 2022.

We will be increasing the volume and intensity of our efforts aimed at the climate crisis. A prototype project has been initiated to explore the feasibility of solar-panel installation at our sites to reduce reliance on fossil fuels. We are also considering the potential for planting seagrass and mangroves; both of which offer the dual benefit of efficient carbon sequestration and the creation of biodiverse habitats. We further plan to explore possibilities to rehydrate dried peatland, another effective carbon sink.

We also continue to work towards ISPO certification across our operations. In 2021, 83% of our estates' hectareage and 86% of our nucleus CPO production were ISPO-certified. Our target is to have 100% of CPO we refine be ISPO-certified by 2025. We also support our smallholder cooperatives ("KUD") in achieving ISPO certification through knowledge sharing and training.

As we close the chapter on 2021, we look forward to new opportunities for growth and progress that 2022 brings. On behalf of the Board, I would like to thank our employees, communities and stakeholders for their continued support and partnership, which IndoAgri's success is contingent upon. I am confident that through working together, we can forge a better, brighter, and more sustainable future for the generations to come.

Mark Julian Wakeford

Chief Executive Officer and Executive Director



2021 at a Glance

BUSINESS and PEOPLE



Vertically integrated agribusiness

300,749 hectares of nucleus planted area
83% under oil palm
27 mills
5 refineries

Workforce representation

72% permanent operational employees registered with a union
28% covered by company regulation

Labour conditions and safety

100% elimination of Paraquat (since Mar 2018)
100% SMK3 management system sites
55 sites with SMK3 Gold rating

Child labour

No registered worker <18 years old

COVID-19 vaccination programme

87% of employees received 1st dose and
66% of employees fully vaccinated.

ENVIRONMENT



Preventing deforestation

Zero clearance of primary forest, degradation of HCV areas, new planting on peat regardless of depth, or burning
100% of sites have HCV Management and Rehabilitation plans

Energy and water

2% reduction in water consumption intensity in refineries (2020 baseline)
1% reduction of energy consumption intensity in mills (2020 baseline)
3% reduction in energy consumption intensity in refineries (2020 baseline)
99% of fuel used in mills from renewable sources
100% of milling waste reused by our estates and mills

COMMUNITY



Health facilities

189 clinics
199 Posyandu
60 doctors
263 midwives/nurses
34 ambulances

Education facilities

144 day care centres
150 schools
733 teachers
14,268 students
20 Rumah Pintar
31,234 Rumah Pintar visitors

COVID-19 vaccination programme

56,548 people vaccinated in the community

SOURCING and PRODUCT



Quality

100% refineries completed annual audits on quality assurance

Food Safety Management

40% of our edible oils and fats (EOF) processed volume certified to FSSC 22000
100% of food safety audits done for 75% of raw materials suppliers

ISPO-certified production

83% of all estates' hectareage
86% of nucleus CPO production

Supply chain traceability and transparency

100% of FFB processed in mills traceable to estates
100% of CPO processed in refineries traceable to mills
100% of PK processed in kernel crushers traceable to estates



Our Approach to Sustainability



Sungai Dua Estate, Riau

04 Governance and Management

04 Sustainability Governance

- Board Statement
- Whistleblowing Policy and Grievance Mechanism
- Procedure for Submission of Complaints

06 Material Topics and Management

07 Our Approach on Key Sustainability Focus Areas

- Responsible Sourcing
- Community Relations
- Product Integrity

10 Pandemic Resilience

- Introduction
- Risk Management, Business Continuity and Supply Chain Resilience



Material topics	Goal/target	Progress in 2021
Responsible Business Conduct (RBC)	Zero cases of bribery and corruption	Zero confirmed incidents of bribery and corruption in our operations in 2021

Governance and Management

Sustainability Management



Commitment

- Mission
- Policies
- Code of Conduct
- Values



Planning

- Government policy
- Corporate business systems
- Sustainability Programmes



Action

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



Assess to Improve

- Indicators
- Targets
- Evaluation through audit
- Materiality review



Reporting

- Annual report
- Sustainability report
- Website

Our approach to sustainability is guided by our Vision, Mission, Values, Code and Policies which commit us to responsible business practices and the highest standards of quality and conduct. We use a set of policies, targets, certification, standards and programmes to manage the risks and opportunities of our material topics. 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 on our commitments to good governance, no deforestation, no new planting on peatland regardless of depth, no burning, smallholders, and ensuring land rights and human rights.

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

Sustainability Governance

Board Statement

The Board holds overall responsibility for sustainability governance at IndoAgri and considers sustainability issues in formulating our business strategy. The Board oversees the management and monitoring of our material ESG topics, including validation and approval of the material topics for sustainability reporting. The Board also reviews and approves the annual sustainability report prior to its publication.

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

We are committed to preventing undesirable impacts, for which we hold ourselves accountable, and we apply the precautionary principle in managing our material ESG topics. Our Board oversees the management and monitoring of our material ESG topics, and is kept updated on our sustainability performance by our Sustainability Think Tank. Led by our CEO, the Sustainability Think Tank comprises Executive Directors, Chief Operating Officers, the ERM unit, the R&D team, and sustainability representatives from each business unit. Our Audit and Risk Management Committee also receives a quarterly update on material sustainability risks and related concerns.



Whistleblowing Policy and Grievance Mechanism

We are committed to ethical conduct and are against corruption. This commitment applies to all our suppliers as well. 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.

We have internal and external grievance mechanisms in place to enable individual and community participation in the grievance process. The various grievance mechanisms available are regularly socialized to our employees. We share our external complaints procedure to village heads and communities where we operate. Our internal audit teams regularly review the input and output of our grievance mechanisms to ensure they are effective.

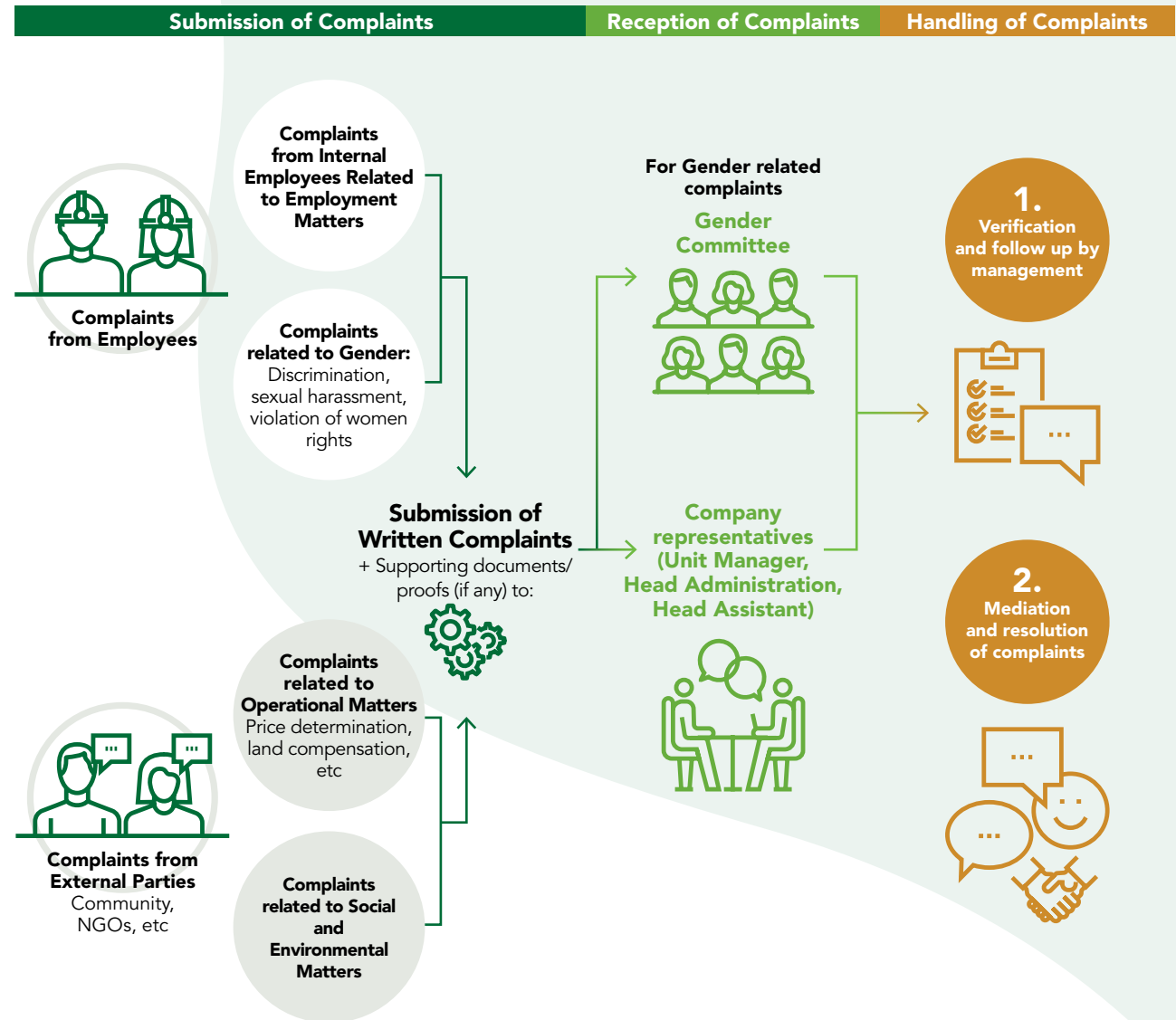


Warning against extortion with whistleblowing hotline at Kayangan Mill, Riau.



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

Grievance Mechanism





Material Topics and Management

Our material topics are reviewed annually by our Sustainability Think Tank and Board to ensure their relevance and alignment to our business and stakeholder expectations. In FY2020, we conducted a more in-depth desktop review with the help of an independent consultant. The review followed three stages:

1. Identification of material topics

Desktop research was conducted to review the relevance of previous topics and identify potential emerging topics, taking into account our sustainability context, ESG ratings such as SPOTT, Sustainalytics and MSCI, as well as benchmarking against peers and industry-specific ESG topics.













2. Stakeholder engagement

The potential list of sixteen material topics was presented to the Sustainability Think Tank for review and discussion, following which refinements were made to the names and scopes of material topics. For example, the proposed material topic 'Environmental impacts of agricultural inputs' proposed in stage 1 was revised to 'Use of fertilisers, pesticides and chemicals', and the proposed material topics of 'Rights of indigenous peoples and communities' and 'Community empowerment and relations' were combined into 'Community rights and relations'.
















3. Validation

The final list of 15 material topics was presented at a Board meeting, and validated by the Board.

All our material topics are managed under a set of six Sustainability Programmes, which conduct activities in compliance with our Policy. Through our Programmes, we contribute towards 13 UN Sustainable Development Goals (SDGs).

Sustainability Programmes	Material topics governed by or indirectly influenced by the programme	Corresponding SDGs
 <p>Growing Responsibly Sets the policy framework for high standards of corporate governance and professional integrity.</p>	<ul style="list-style-type: none"> Responsible Business Conduct (RBC) Product Quality and Safety Climate Change and GHG Emissions Water, Waste and Effluents Use of Fertilisers, Pesticides and Chemicals 	
 <p>Sustainable Agriculture and Products Drives the adoption of sustainable practices in crop cultivation and the operation of refineries and mills.</p>	<ul style="list-style-type: none"> Protection of Forests, Peatlands and Biodiversity Fire Control and Haze Prevention Climate Change and GHG Emissions Water, Waste and Effluents Use Of Fertilisers, Pesticides and Chemicals Occupational Health and Safety (OHS) Yield Resilience and Innovation 	      
 <p>Safe and Traceable Products Aims to ensure that all our CPO-derived products are traceable, safe, and beneficial for human consumption.</p>	<ul style="list-style-type: none"> Supply Chain Traceability and Transparency Sustainability Certification Product Quality and Safety Yield Resilience and Innovation 	



Sustainability Programmes	Material topics governed by or indirectly influenced by the programme	Corresponding SDGs
 <p>Smallholders Covers our efforts with the plasma and ex-plasma farmers, and supports the Indonesian government's Nucleus-Plasma scheme through the development of inclusive supply chains.</p>	<ul style="list-style-type: none"> • Smallholder Engagement and Livelihoods • Community Rights and Relations • Water, Waste and Effluents • Use of Fertilisers, Pesticides and Chemicals • Yield Resilience and Innovation 	 
 <p>Work and Estate Living Covers aspects relating to safety, health and wellbeing of our workers and their families, and to human rights.</p>	<ul style="list-style-type: none"> • Human, Child and Labour Rights • Community Rights and Relations • Occupational Health and Safety (OHS) • Yield Resilience and Innovation • Pandemic Resilience • Protection of Forests, Peatlands and Biodiversity • Fire Control and Haze Prevention • Climate Change and GHG Emissions • Water, Waste and Effluents • Use Of Fertilisers, Pesticides and Chemicals 	        
 <p>Solidarity Seeks to improve the quality of life in the estates through capacity building, education and financial support.</p>	<ul style="list-style-type: none"> • Smallholder Engagement and Livelihoods • Protection of Forests, Peatlands and Biodiversity • Fire Control and Haze Prevention • Climate Change and GHG Emissions • Water, Waste and Effluents • Use Of Fertilisers, Pesticides and Chemicals • Community Rights and Relations • Occupational Health and Safety (OHS) • Yield Resilience and Innovation • Human, Child and Labour Rights • Pandemic Resilience 	

Our Approach on Key Sustainability Focus Areas


Environmental Protection

Our commitment to environmental conservation is guided by our Sustainable Agriculture Policy. We are committed to minimising negative impacts on the environment while consuming resources responsibly across our operations. In protecting forests, peatlands and biodiversity, we regularly evaluate environmental risks and actively conserve HCS and HCV areas.

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

We ensure consumption of resources and disposal of waste in a responsible manner. 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. We continuously engage in research and innovation to replace inorganic, chemical substances with natural, biological controls, and reduce our use of fertilisers, pesticides and chemicals, to grow our oil palms efficiently and with minimal impact on the environment.

Environmental protection requires cooperation and collaboration from across the value chain. As such, we expect our suppliers to comply with our sustainability standards, in line with our Policy. Our ERM framework and whistle-blowing mechanisms help to ensure compliance with relevant environmental regulations, and help mitigate the associated risks.

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



Routine HCV monitoring in Kayangan Estate, Riau

IndoAgri understands the risks and opportunities that climate change poses to the ecosystems, communities, and the agribusiness supply chain. To overcome climate change risks such as water scarcity and unpredictable weather patterns, we engage in both mitigation and adaptation action. We are progressively increasing our use of renewable energy, improving energy efficiency, and reducing GHG emissions, while engaging in R&D to produce seeds resistant to extreme weather conditions.

Responsible Sourcing

Customers are increasingly valuing transparency in supply chains and responsible sourcing practices. Our commercial success relies on enabling customers to have the confidence in our products and their origins. We are committed to excellence in supply chain relations to encourage transparent, responsible, and profitable practices. We encourage our suppliers to adopt best practices in their supply chain by being transparent and responsible in operations. We routinely assess and audit our suppliers to ensure standards are met. We also collaborate with smallholders to help them build capacity and improve the quantity and quality of yield.

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

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

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

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

Smallholders account for more than 40% of all oil palm cultivated in Indonesia. We recognise 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 support smallholders we work with in obtaining ISPO certification.



Worker sorting and inspecting FFB at Kayangan Mill, Riau



Improving our yields, including those of our smallholders, is vital to our commercial success and reduces the pressure to convert new land. A priority therefore is to build up resilience of our crops against the impacts of climate change. Our R&D efforts focus on improving our agronomy techniques, and increasing our seed yield and quality.

People

Our employees' well-being and development 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 strive to provide our workers with stable incomes, safe working environments, and improved job opportunities. We strictly enforce measures to prevent forced labour or child labour at all our sites.

All IndoAgri employees are paid above the legal minimum wage of their respective regions, which differ based on the sector, cost of living in each province, and collective labour agreement in that region. For all permanent employees and their families, we provide additional benefits such

- 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).*



Milk (extra food) given to workers daily prior to doing their job at Kayangan Estate, Riau

as housing, healthcare and education to ensure a decent living wage. We support our employees' rights to collective bargaining, and they are free to register themselves with their preferred labour union.

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

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

Community Relations

As a large palm oil company with operations in rural areas, we recognise our ability to bring about positive impacts to the lives of those living in and surrounding our areas of operation. We respect the rights of our communities, including the FPIC rights of indigenous people impacted by our operations. We make conscious efforts to maintain strong relations with these stakeholders and address their needs.

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

Product Integrity

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

We strive to meet the needs of our stakeholders – customers desire full product traceability while regulators require complete information on ingredients and nutritional content. We comply with all regulations on food safety, consumer protection, quality and nutrition, labelling, and advertising. Our batch coding system enables us to trace all supplied CPO to their milling sites. 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.



Pandemic Resilience



Security employee being tested for COVID-19 at Priok Refinery, Jakarta

Introduction

The key risk posed by the COVID-19 pandemic is the spread of the virus in IndoAgri's business units, that could affect employees' health and cause disruption to operations. We continue to remain alert and take preventive measures to ensure business continuity. In this section, we explain how we manage business risks posed by the pandemic; our

initiatives to care for the wellbeing of our stakeholders are mentioned in the relevant chapters of this report.

Material topics and focus areas:

- Pandemic resilience

Scope of section

All IndoAgri operations

Material topics	Goal/target	Progress in 2021
Pandemic resilience	Regularly assess key risks in supply chain	Identified and continuously monitored key risks posed by pandemics. No material impact on the operations of the group.
	Engage employees, smallholders and communities that IndoAgri operates in on matters related to pandemic preparedness	Established Task Force to socialise pandemic protocols to stakeholders. 56,548 people vaccinated in community vaccination programme

Risk management, business continuity and supply chain resilience

Since 2020, pandemic risks have been a part of our regular enterprise risk management (ERM) process. Our ERM functions coordinate efforts across various departments to minimise the impact of pandemic risks on our business.

We monitor the health conditions of employees across all our operations daily, and continually remind employees of hygiene protocol. When there were COVID-19 outbreaks in certain business units, we worked swiftly to transfer operations and substitute infected employees, who were provided with medical assistance. We set up self-isolation facilities at estates which were far from local hospitals or with no available quarantine facilities in the community, and provided doctors, nurses, and medical supplies to treat employees who tested positive for the virus. While we had targeted to vaccinate 80%-90% of employees across the Group in 2021, as of end 2021, 87% of employees had received their first dose and 66% of employees were fully vaccinated.

Working closely with our vendors, we continue to plan ahead and monitor the availability of necessary supplies to minimise disruptions. We monitor government regulations on lockdowns to anticipate and mitigate disruptions to delivery of products to our customers. We also ensure sufficient stock of our products on e-commerce platforms (see [page 46](#) in the Product Integrity chapter).

The pandemic has accelerated automation, digitalisation and mechanisation within the Group. Many of our internal audits have been conducted online to circumvent restrictions on physical movement. We have updated our business continuity plans to include a more comprehensive scenario for future pandemics.

We also played our part to protect the communities around our operations by supporting the Indonesian government's COVID-19 vaccination rollout programme (see [page 41](#) in the Community Relations chapter).



Business Overview



Harvesting process in Sungai Dua Estate, Riau

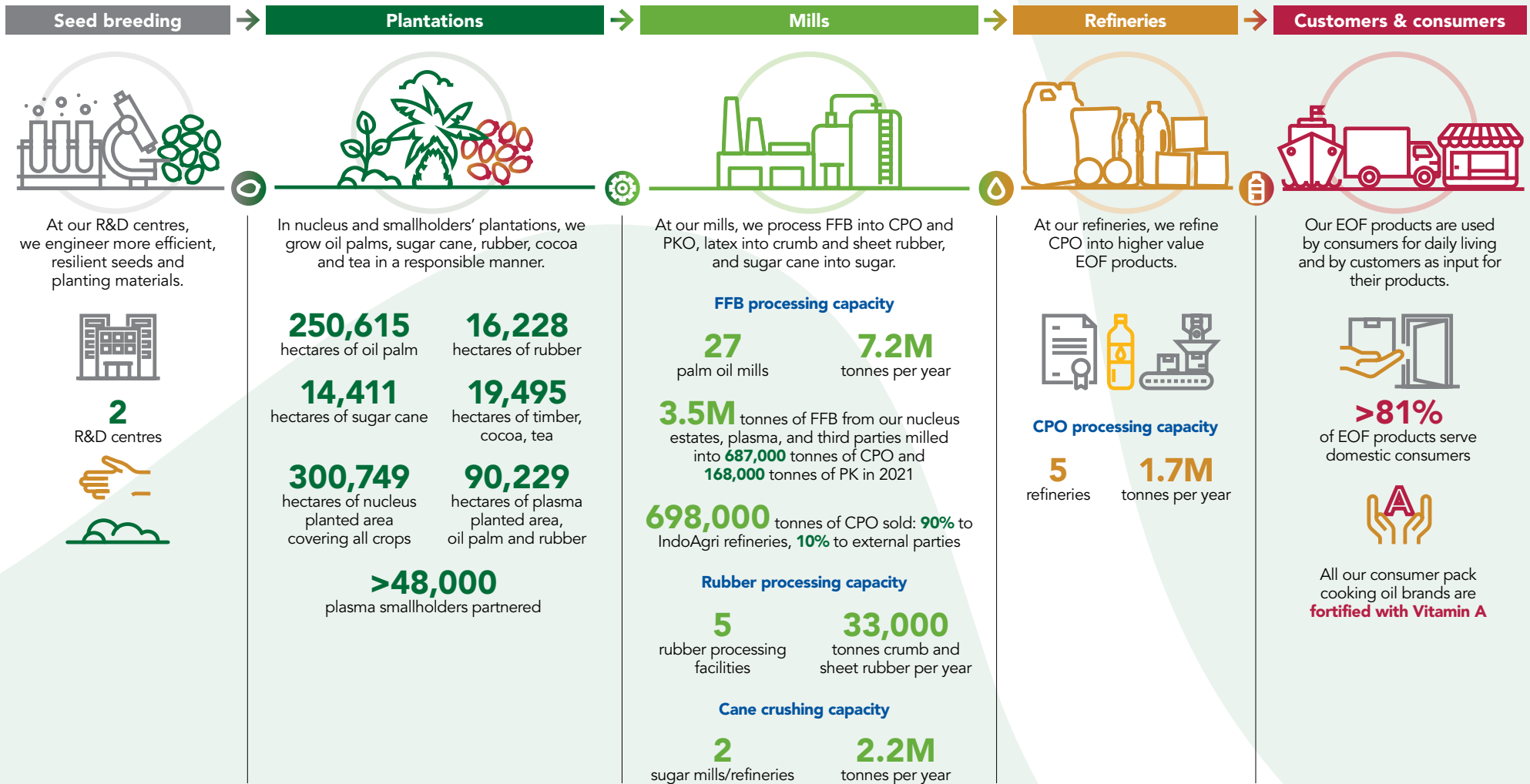
Introduction

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

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



Capturing Value Across Our Operations in Indonesia



Details on our total assets, and mill and plantation locations can be found on pages 57, 150 and 151 of our Annual Report 2021.



Workforce Profile



51,532
workforce

34,510
permanent employees

18% female | **82%** male

13,164
seasonal contract workers

3,858
short-term employees

93%
based in field and processing sites

87%
based in Sumatra and Kalimantan

7%
based in head and regional offices

13%
based in Java and Sulawesi

Employee statistics of all IndoAgri assets can be found in the Appendix.

Oil Palm: Our Principal Crop



Palm oil fruit

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.

As of 31 December 2021, 15% of our total planted oil palm estate areas of 250,615 hectares were immature estates. The average age of our oil palm trees is 17 years, of which 17% are under seven years old, a key attribute for our future CPO production.

Rubber



Rubber tapping process

We operate rubber operations in North and South Sumatra, East Kalimantan, and Sulawesi. In 2021, we produced 6,200 tonnes of sheet and cup lump rubber. 29% of rubber products, comprising sheet rubber and crumb rubber, were sold domestically, and the rest were exported.

Our Other Crops

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

In Brazil, we have sugar operations through a 36.21% joint venture in CMAA, which operates three sugar and ethanol mills with a combined cane crushing capacity of 9.5 million tonnes. CMAA procures sugar cane for crushing from 114,152 hectares of plantations, of which 45% are owned and planted by CMAA. In 2021, CMAA

produced 570,000 tonnes of raw sugar, 312,000 m³ of ethanol and 373,000 MWh of electricity for export and domestic markets. CMAA achieved Bonsucro certification for 2.6 million tonnes of sugar cane. This represents 69% of our own cane production in 2021.

Our Edible Oil Products



Bimoli cooking oil

More than 81% of our branded EOF are sold in the Indonesian market. The remainder is exported.

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



Protecting Our Environment



Turnera subulata, also known as the white buttercup, helps control pests naturally and reduces reliance on pesticides

Introduction

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

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

Aligned with SDGs



Material topics and focus areas:

- Protection of forests, peatland and biodiversity
- Fire control and haze prevention
- Climate change and GHG emissions
- Water, waste and effluents
- Use of fertilisers, pesticides and chemicals

Scope of section

Palm oil and rubber operations



Progress in 2021

In this section



Protection of forests, peatland and biodiversity

- No** primary forest clearance on our sites
- No** degradation of HCV areas
- No** new planting on peatland since 2013

Maintained healthy water levels

Fire control and haze prevention

Zero burning for land clearing and replanting

Trained fire control team in every estate

Climate change and GHG emissions

12% reduction in GHG emissions per tonne of palm products

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

Water, waste and effluents

2% reduction in water consumption in refineries per tonne of CPO processed

69% of non-hazardous waste sent for recycling

Protecting our environment

Material topics	Goal/target	Progress in 2021
Climate Change and GHG Emissions	Reduce energy consumption ratio in palm oil mills and refineries	<ul style="list-style-type: none"> • 1% reduction of energy consumption per tonne of material processed in mills compared to 2020 • 3% reduction of energy consumption per tonne of material produced at our refineries compared to 2020
	Reduce GHG emissions per tonne of palm product	12% reduction in GHG emissions per tonne of palm product compared to 2020
Water, Waste and Effluents	Reduce water consumption intensity in mills and refineries	<ul style="list-style-type: none"> • Water consumption for mills remained the same as 2020 • 2% reduction for refineries compared to 2020
	Maintain effluent levels to be within local regulation thresholds	All effluent levels within regulation thresholds
Fire Control and Haze Prevention	Continue to strengthen fire mitigation procedures	Completed 19 fire control training days in 34 estates in 2021
	Continue to engage local communities and villages on fire-fighting and prevention	Engaged 74 villages on fire prevention since 2016



Material topics	Goal/target	Progress in 2021
Protection of Forests, Peatlands and Biodiversity	Compliance with our policy of no deforestation and zero HCV loss	100% compliance
Use Of Fertilisers, Pesticides and Chemicals	To achieve 100% use of available organic fertiliser (Empty Fruit Bunches (EFBs) and Palm Oil Mill Effluent (POME) from our mills)	Achieved
	Improve Integrated Pest Management to reduce reliance on chemical pesticide use	2% increase in pesticides used compared to 2020*

* The increase was due to enhancement of weed control during the prolonged rainy season, and for replanting activities.

Protection of Forests, Peatland and Biodiversity

We recorded zero primary forest clearance and degradation of HCV areas in 2021.

We conduct operations in line with our Sustainable Agriculture Policy and are committed to the preservation of areas of High Conservation Value (HCV) and High Carbon Stock (HCS).

The HCS Approach Toolkit aids us in identifying areas of land ideal for planting or 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 Management and Rehabilitation Plans Across all IndoAgri sites

Signs erected at HCV sites prohibit hunting, logging or burning in the area, and boundary pits set up along the perimeters prevent encroachment. Our HCV Management Plans have been assessed by accredited licensed assessors. To deliver on our HCV Management Plans, 100% of our sites have HCV Rehabilitation Plans delivering results. The map to the right 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.

HCV and HCS assessments are required before any new planting can take place. During new planting and replanting in 2021, no primary forest or HCV land was affected. Regular training on HCV Monitoring and Rehabilitation

is conducted for employees in our estates to ensure that knowledge on HCV management and implementation of best practices is fresh and relevant.



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 **194,322 trees** in over **783 hectares** of HCV areas





HCV area enrichment program at Pulo Rambong Estate, North Sumatra

We have been able to identify protected species in our concessions and surrounding areas through our HCV assessments. To protect the rich biodiversity in Indonesia's rainforests, we operate a strict zero tolerance policy across all our operations and suppliers towards hunting, destroying, logging, or burning of protected species and wildlife. Through regular monitoring, biodiversity surveys in estates and interviews with local communities, we track biodiversity indicators and the health of key species in HCV areas. The IndoAgri conservation team works together with local universities to conduct rehabilitation works on these habitats as necessary.



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

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

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.

As described on [page 16](#), our HCV management approach also applies to peatland. Additionally, we maintain a minimum water table depth for our existing cultivated peatland and work closely with various stakeholders, including the Ministry of Environment and Forestry, Ministry of Agriculture, and peat experts to ensure compliance. For more information on our commitments to peatland protection, please refer to our Sustainable Agriculture Policy on our website.

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

Every three months, the Indonesian Sustainable Palm Oil Forum (FoKSBI) dialogues take place. These are driven by the Indonesian government and involve input from a variety of stakeholders including international conservation organisations, academics and smallholders. IndoAgri takes part in these multi-party discussions in peatland and land management, to support the achievement of sustainable palm oil.

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



Monitoring peat water levels in Muara Merang Estate, South Sumatra



Conservation forest within our oil palm plantation

A water catchment area in the middle of an oil palm plantation is not a common sight, but on two of our estates in Penajam North Paser regency, near the coast of East Kalimantan and in Deli Serdang Regency, North Sumatra, this is exactly what exists. Within the plantations, we have created Miniature Conservation Forests of 82 hectares in Penajam North Paser and 10 hectares in Deli Serdang where the environment is conserved and where the rich natural biodiversity of the region is allowed to flourish with the help of our Conservation Officers, who monitor the area and help protect against illegal hunting and logging activities. While preserving the forest's role as a natural carbon sink, the area also benefits from a natural spring and serves as a recreational site for employees to admire the water while catching a breather.



HCV area with water catchment in Begerpang Estate, North Sumatra

Fire Control and Haze Prevention

The impacts of forest fires on the environment and society cannot be understated – 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 regulations 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.

IndgoAgri takes a stringent approach to monitoring hotspots and educating stakeholders on fire prevention. Our ERM 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.

Due to the pandemic, we conducted several scaled-down fire training programs in collaboration with government agencies and the surrounding community. 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 19 fire control training days in 34 estates in 2021. COVID-19 has affected our ability to conduct training as often as previous



Fire fighting training in Tirta Agung Estate, South Sumatra

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 2021 was reduced from previous years, demonstrating the effectiveness of our proactive approach, as well as more regular rainfall in 2021.

As of 2021, we have a total of 199 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 74 local villages.



Climate Change and GHG Emissions

Climate change poses a major threat to our present environment and the wellbeing of 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

The biggest impacts that we face from climate change are rainfall-related – more frequent flooding at our plantations, especially in lowland areas. Natural water sources can be contaminated during flooding, and the raised water levels create difficulties in transporting clean water to operation sites.



Energy usage monitoring in Belani Elok Mill, South Sumatra

To better adapt to such risks, we stepped-up our forecasting efforts in order to better plan for weather-dependent operations, such as increasing drainage systems and road accessibility in the wet seasons and gearing up fire

protection in the dry seasons. We use forecasts from the Meteorology Climatology and Geophysics Council (BMKG) as basis for our planning, and map out the topography of the land to fortify areas prone to flooding.

Our mitigation efforts

We take proactive measures in mitigating our impact on 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.

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



99% of fuel used in mills is from renewable sources



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

As 99% of fuel used in all our mills comes from renewable energy, we focus our efforts 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.

We are also exploring the feasibility of solar panels to reduce our reliance on fossil fuels in providing electricity to houses and factories. This study is in the prototyping stage and we aim to assess the results in 2022.

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

In 2021, the energy consumption per tonne of FFB processed at our mills decreased by 1% from 2.20 GJ/tonne in 2020 to 2.18 GJ/tonne in 2021.

Energy consumption per tonne of material produced at our refineries decreased by 3% from 0.99 GJ/tonne in 2020 to 0.96 GJ/tonne in 2021.

Energy consumption per tonne of rubber produced in our rubber factories decreased by 1% from 26.29 GJ/tonne in 2020 to 26.08 GJ/tonne in 2021.

Detailed energy consumption data is in the Appendix.



Greenhouse Gas Emissions

Peat emissions make up 82% of our primary GHG emissions. These emissions are not a result of the disturbance of peat, but from its naturally occurring, low-level methane emissions. As some of the estates included in our scope are in peat areas, peat accounts for the majority of our GHG emissions. Other sources of GHG emissions include methane from POME, fuel usage in our mills and in the transport of FFB, chemical usage in mills and plantations, and nitrous oxide emissions from fertilisers.

There was a decrease in total emissions from mills and estate operations by 20% from 2020 to 2021. Total emissions in 2021 for each tonne of palm product were 1.85 tonnes of CO₂e, a 12% decrease from 2.10 tonnes of CO₂e per tonne of palm product in 2020.

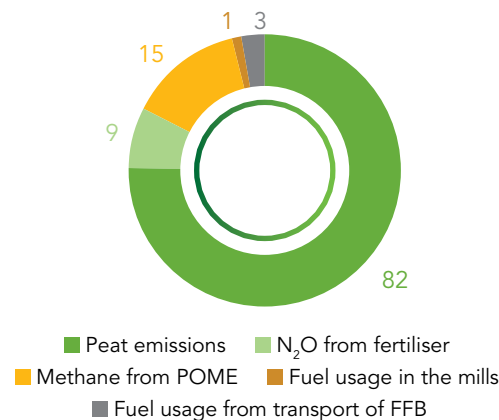
This decrease was attributed to lower fuel consumption in our palm oil mills, as three of our mills transitioned from using diesel generators to using electricity in 2021, bringing the total number of mills using electricity from the national grid to nine out of 27. As part of our ISO 50001 energy management system, we aim to certify two refineries to ISO 50001 in 2022.

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



Aerated bunker composter at Dolok Mill, North Sumatra

GHG emission sources (%)



Note: -10% land conversion; while fuel usage in the estates, chemical usage in the mills and plantations, and electricity emissions are all 0%.

Detailed emissions data is in the Appendix.

Water, Waste and Effluents

As an agribusiness company, the role of water is integral in enabling operations to run smoothly, and even more so for the community around us. 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 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 Pump Emplasmnt in Pulo Rambong Estate, North Sumatra



Water use efficiency

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

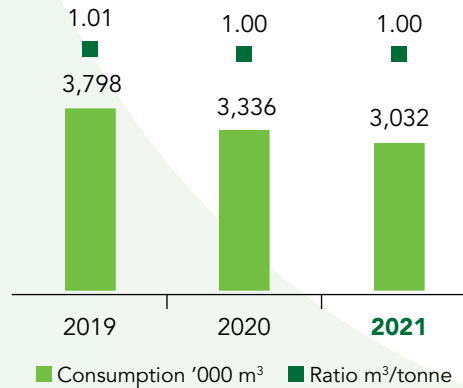
- Our rubber and oil palm estates in tropical Indonesia are entirely watered by seasonal rainfall.
- 85% of mill water is from rivers. The rest is from groundwater and rain-harvest.
- 86% of water used in our refineries is from municipal sources while the remainder is from groundwater.
- 93% of water used in our rubber factories is from rivers, the rest is from groundwater.
- Water used in our offices and site accommodation in our plantations are from groundwater and rain-harvest.

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

- At our mills: we used 1.00 m³ of water per tonne of FFB processed in 2021. This is consistent with 2020.
- At our refineries: we used 0.069 m³ of water per tonne of material produced, with a slight decrease in total consumption of 2% compared to 2020 levels.
- At our rubber sites: we used 43.31 m³ of water per tonne of rubber processed. This is consistent with 2020.

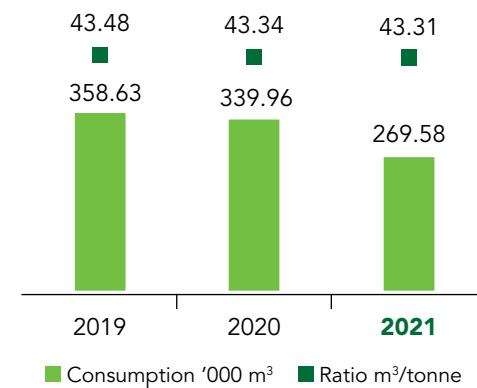
During the development of our sites, all sites passed the compulsory Environmental Impact Assessments (locally known as 'AMDAL'). Water sources that are important to sustain the local biodiversity and surrounding communities were identified under the HCV assessments (please refer to [pages 17](#) and [18](#) for more information). In 2021, we recorded no incidences of non-compliance in water use and wastewater management.

Water consumption in palm oil mills ('000 m³)



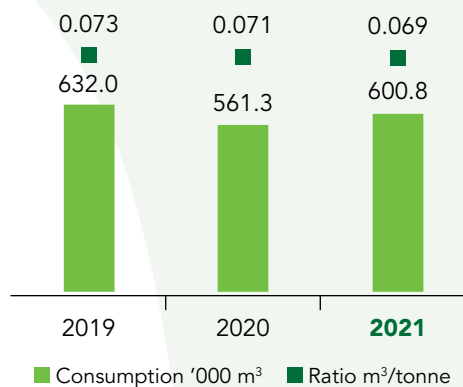
Note: Data from ISPO and/or PROPER certified/audited palm oil mills (22 out of 27 mills). Water consumption ratio covers industrial usage in each mill. Ratio is based on average consumption in m³ per tonne of FFB processed.

Water consumption in rubber factories ('000 m³)



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

Waste and effluent management

We adopt stringent measures for managing waste and effluent in order to improve process efficiency, cost controls, and reduce our impact on the environment. All sites have waste management systems compliant with Indonesian regulations, and guided by PROPER and ISO 14001 (our PROPER ratings and ISO 14001 certification data are in the Appendix).

- At our mills: we produced an average of 1.19 tonnes of hazardous waste in 2021 (2020: 1.20 tonnes).
- At our refineries: we produced a total of 28,098 tonnes of hazardous waste in 2021 (2020: 21,541 tonnes), 79.5% of which was spent bleaching earth. We also produced a total of 2,980 tonnes of non-hazardous waste in 2021 (2020: 2,826 tonnes); 69% of this waste was sent for recycling while the other 31% was sent to the landfill.
- At our rubber factories: we produced an average of 0.76 tonnes of hazardous waste in 2021 (2020: 0.90 tonnes).



Treated effluent is used as organic fertilizer in Kayangan Estate, Riau

100% of milling waste is reused by our estates and mills. 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 2021 was 1,148,274 tonnes (2020: 1,370,334 tonnes).

During the processing of FFB into CPO, palm oil mill effluent (POME), is generated. 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 bunkers in three of our mills, resulting in the added benefit of GHG emissions reductions.

- Mill effluent volume: we produced 1,697,113 m³ of wastewater from our 22 certified/audited mills, a decrease of 8% from 2020 levels (2020: 1,837,198 m³).
- Mill effluent quality: the median Biological Oxygen Demand (BOD) was 1,623 mg/l at the 22 mills (2020: 1,852 mg/l) while the median Chemical Oxygen Demand (COD) was 4,709 mg/l at the 22 mills (2020: 5,854 mg/l).

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

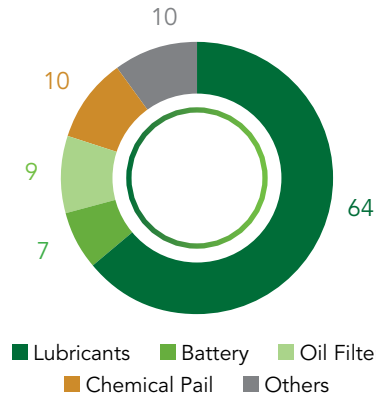
- Refinery effluent volume: we produced 328,190 m³ of wastewater (2020: 306,006 m³). The increased volume of effluents in 2021 corresponded to an increase in total CPO processed, as more water used produced more effluents.
- Refinery effluent quality: the median BOD was 16 mg/l (2020: 14 mg/l) while the median COD was 56 mg/l (2020: 45 mg/l).

In 2021, there were no recorded spills of effluent, CPO, or diesel during harvesting, processing, or transportation. No fines or sanctions related to environmental regulations were imposed on IndoAgri, and no significant environmental related complaints were received from our stakeholders in 2021.

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

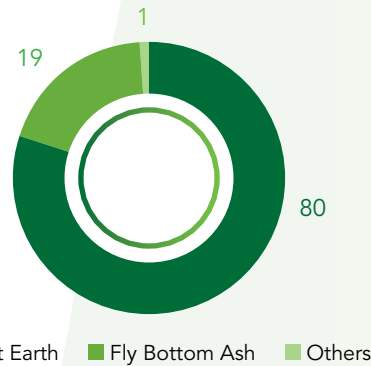


Hazardous waste from mills (%)



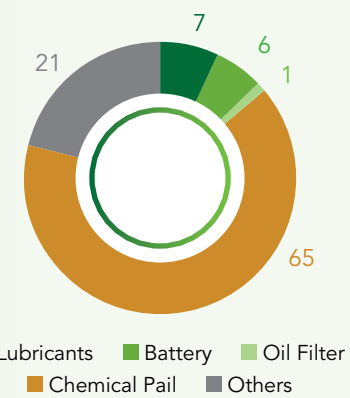
Note: Data from ISPO and/or PROPER audited and certified mills (22 mills). "Others" comprise rags, electric lamps, paint cans, clinical and laboratory waste, used cartridges, and contaminated goods.

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 (%)

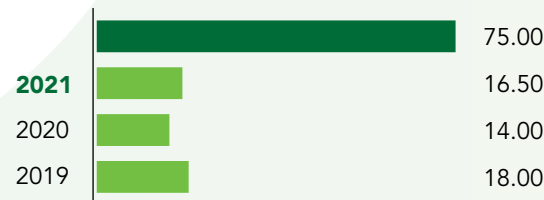


Note: Data from 3 rubber factories. "Others" comprise used turpentine, rags, electric lamps, paint cans, clinical and laboratory waste, used cartridges, and contaminated goods.

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)



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



Use of Fertilisers, Pesticides and Chemicals

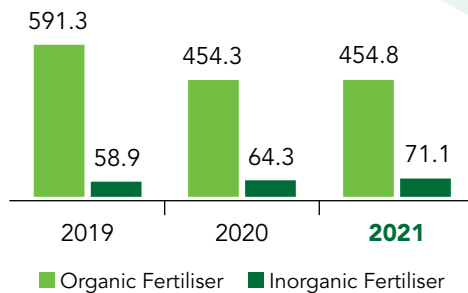
While oil palm is, per hectare of land used, the most efficient oilseed crop in the world³, we constantly seek opportunities to increase our palm oil yield without increasing our environmental impact (see [page 30](#) for yield resilience and innovation).

Fertiliser Consumption

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

We factor in soil productivity and the age of trees in each plantation box before tailoring the appropriate fertiliser. 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 empty fruit bunches (EFBs) and POME for use as a soil improver and compost. In our estates, we ensure appropriate intervals between fertiliser applications and avoid applying fertilisers during heavy rain.

Fertiliser consumption ('000 Tonne)



Note: Scope of data is 57 ISPO certified/audited palm oil estates and 7 rubber estates.

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

Reducing inorganic fertiliser use via EFB and more efficient fertiliser

In 2021, our Research Department experimented with using EFB by-products from the milling process in place of inorganic fertilisers. Decomposed EFB enriched with palm oil effluent were pressed for 25 days in the Aerated Bunker Composting to produce enriched mulch. These were then applied in 15% of the estate areas around our mills. As a result, we saved on the cost of inorganic fertiliser, realising savings of Rp 93 billion.



Compost application in Pulo Rambong Estate, North Sumatra

We have also been replacing single fertiliser with compound fertiliser. Using the latter requires 25% less fertiliser than the former, because compound fertilisers are slower in evaporation and leaching. At Napal Estate, the switch to compound fertiliser resulted in a reduction of 802,813kg of fertiliser used in 2021 compared to 2020.



Leguminous Cover Crop (LCC) helps control weed growth and improves soil fertility



Breeding of natural pest control agents at our Bah Lias Research Station. Since 2016, we have been rearing and introducing pest predators (the *Sycanus* and *Eocanthecona* insects) to our plantations. These natural pest predators are important in keeping the leaf eater caterpillar population under control.

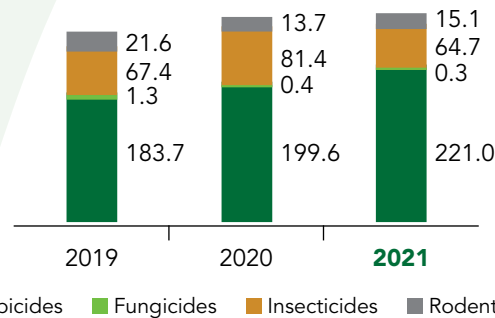
Integrated Pest Management (IPM)

By applying IPM techniques, we have been able to achieve greater cost savings, lower risk to human life, and richer biodiversity in our ecosystem. 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.

Pesticide consumption ('000 litres)

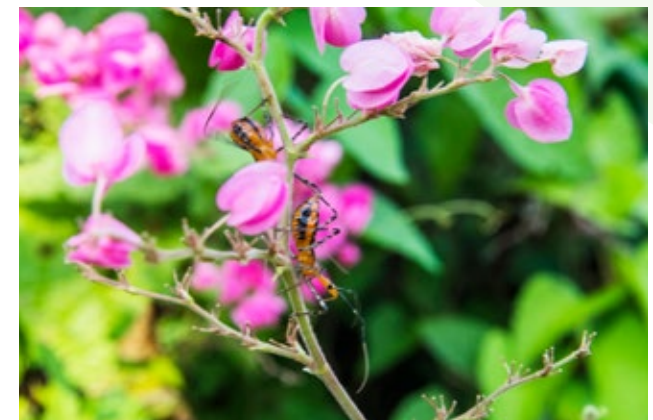


Note: Scope of data is 57 ISPO certified/audited palm oil estates and 7 rubber estates

We recorded a 2% increase in total pesticides consumption from 295,100 litres in 2020 to 301,200 litres in 2021. The increase was due to enhancement of weed control during the prolonged rainy season, and for replanting activities that require more herbicides, rodenticides and insecticides to support immature plant growth. Moving forward, we plan to further enhance our pest monitoring and detection, so as to intervene as early as possible.



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



Antigonon leptopus as a host for fireworm predatory insects



Responsible Sourcing



Tissue culture lab at Bah Lias Research Station

Introduction

Our commitment is to build a traceable and transparent supply chain. We work with our smallholders and suppliers to ensure they operate in line with our Policy. Through R&D, we innovate our planting materials and agronomy techniques to increase yield resilience and sustainability in our own operations, those of our smallholders, and for the wider palm oil industry.

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

Aligned with SDGs



Material topics and focus areas:

- Sustainability certification
- Supply chain traceability and transparency
- Yield resilience and innovation
- Smallholder engagement and livelihoods

Scope of section

Palm oil operations only



Progress in 2021

In this section



Sustainability certification

83% of all estates' hectareage is ISPO-certified

86% of nucleus CPO production is ISPO certified

74% of PK production is ISPO-certified

Supply chain traceability and transparency

100% of FFB processed in mills is traceable to estates

100% of CPO processed in refineries is traceable to mills

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

100% of mills audited to Policy requirements

Yield resilience and innovation

738 hectares of replanted area monitored by drones

Smallholder engagement and livelihoods

100% of plasma smallholders comply with our Policy

Responsible sourcing

Material topics	Goal/target	Progress in 2021
Sustainability Certification	By end 2023: ISPO certification for all estates	Achieved 83% 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 2025: 100% of CPO we refine will be ISPO-certified	On track. 77% of CPO we refined in 2021 is ISPO-certified
Supply Chain Traceability and Transparency	Capacity-building for third-party CPO suppliers	Online stakeholder engagement in 2021 due to pandemic restrictions.
	By end 2021: Support 11 KUDs in ISPO certification audit process	One KUD certified as of 2021. The other 10 are undergoing the audit process.
Yield Resilience and Innovation	Ganoderma-tolerant seed production to meet annual replanting requirements for plantations owned since 2018	Produced and sold 936,594 Ganoderma-tolerant seeds, meeting annual replanting requirements

* 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 2021.



Sustainability Certification

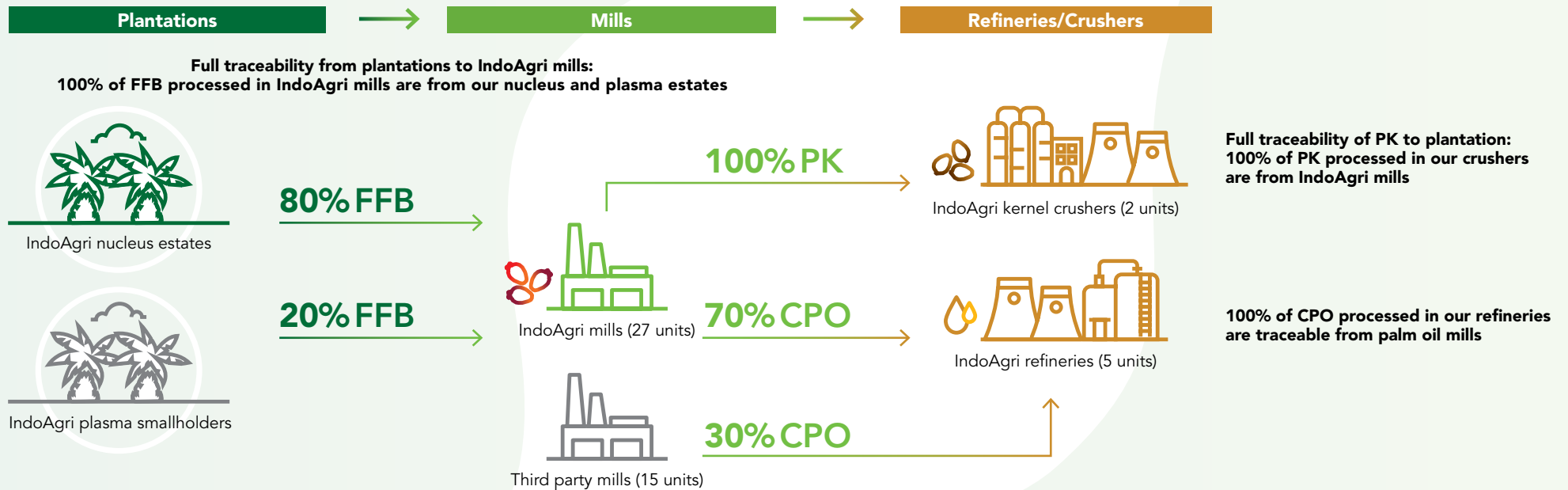
ISPO is a mandatory national certification for all oil palm growers in Indonesia, with the aim of cultivating a sustainable plantation industry and reducing GHG emissions, while increasing competitiveness of Indonesian

palm oil in global markets. To that end, the Indonesian Government is working towards achieving international accreditation for ISPO, to further improve acceptance and competitiveness of Indonesian palm oil products.

All of our plantations have been registered for ISPO certification, and 83% of our hectareage has already been certified. We will continue to support our smallholders in achieving ISPO certification so that they can meet the compliance deadline by 2025 (see [page 31](#)).

Supply Chain Traceability and Transparency

IndoAgri's palm oil supply chain traceability





Plantations

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

We expect smallholders to meet the same FFB quality criteria as our nucleus plantations, and support them in improving their agronomy practices and achieving ISPO certification (see [page 31](#)).

Mills

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

Supplier engagement and assessment

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

With 70% of our CPO supply coming 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 88 visits, workshops, and audits on 100%

of our mills and their supplying estates in 2021. 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.

To ensure our third-party CPO suppliers comply with our Policy, we regularly engage with them on major findings and recommendations. We cease sourcing from suppliers who are non-compliant.

Our refineries and kernel crushers are in the process of being certified to the ISO 50001 Energy Management System. This has resulted in more stringent requirements of the quality of CPO 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 2021, no sourcing from suppliers was disrupted due to reasons of non-compliance with our Policy or our CPO quality requirements. While all suppliers must meet regulatory and commercial conditions, we treat them equally with respect to price, quality, and capacity.

We implement initiatives to improve the agricultural productivity and sustainability certification of our

smallholders in order to achieve a more resilient supply chain (see [pages 08 and 09](#)). We also run various community projects which aim to improve local socio-economic development and provide micro-enterprise opportunities (see [page 40](#)).

Human rights assessment in our supply chain

Our human rights assessments are guided by our Sustainable Agriculture Policy, ISPO certification, Indonesian government regulations and their ratified ILO conventions. Our certified internal auditors conduct these 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 2021.

Our ISPO-certified operation units undergo annual external audits by independent bodies. 100% of our ISPO-certified units were formally assessed for human rights risk in 2021.

Our 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 36 and 37](#).



Yield Resilience and Innovation

Update on Novel Trait Programme

Initiated in 2004, our Novel Trait Programme aims to combine three traits from different palms into a single palm that increases harvesting efficiency, saving both time and cost.

Our R&D team has conducted several rounds of breeding trials over the years, and in 2021, finally progressed to the field testing stage. We trial planted 10 of the innovated planting materials to observe the consistency and uniformity of the planting materials. The R&D team also developed genetic markers in the planting material to allow easy and early detection of the traits displayed by the oil palms.



Pipetting reagent at our molecular marker laboratory to access DNA, SumBio North Sumatra

Yield improvement, including those of our smallholders, contributes to revenue growth and reduced need for conversion of land for agriculture use. Our ISO9001-certified Bah Lias and SAIN Research Stations produce oil palm seeds which yield up to 34 tonnes of FFB per hectare. We use some of the seeds in our own plantations, but a large proportion is sold to external parties.

Factors affecting palm oil yield include the age of palm trees, seed quality, soil and weather conditions, plantation management, and the timely harvesting and processing of FFB. Our agronomy research teams continuously experiment with improved techniques, such as sub-soil planting and fallowing to prevent Ganoderma disease. Some achievements by our team include advanced planting materials with improved resilience against the Ganoderma disease (see [next page](#)), 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 pandemic restrictions, our R&D teams had limited access to the fields, 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.



Planning and monitoring of terracing work in the replanting at Sei Rumbiya Estate via drone



Land mapping via drone at Bah Lias Estate, North Sumatra

Use of Drones and UAV for Flood Management and Ganoderma Prevention

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

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



Ganoderma mapping and census in Bah Lias Estate via Unmanned Aerial Vehicle

Smallholder Engagement and Livelihoods

Smallholders contribute to over 40% of all oil palm cultivation in Indonesia. 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 provide training to our smallholders in preparation for ISPO certification, which includes education on HCV, occupational health and safety, good agricultural practices and socialisation for fire prevention. 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 susceptible to volatile market conditions, so training is provided at zero cost. We provide subsidised seed stocks and installment loans for plasma smallholders to purchase fertilisers. We also provide financial plans to encourage smallholders to cultivate larger areas, and use better equipment, seeds and materials. The aim is for plasma farmers to eventually become independent viable businesses: once they fully repay their financial loans from IndoAgri, they obtain management control and land title deeds.

Smallholders are required to comply with the ISPO by 2025. We continue to support and assist our smallholders



in achieving ISPO certification through training and building capacity for financial independence to overcome the high costs of certification. As of 2021, one of our KUDs is ISPO-certified, and we are working with the rest of our smallholders.

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 and planting. IndoAgri provided guidance to help our smallholders obtain financial assistance from a variety of sources, including the government's micro credit scheme Kredit Usaha Rakyat, grant funds from the Palm Oil Fund Management Agency (BPDPKS), bank loans, and the local government.

Other challenges faced in 2021 also include disputes between village heads over the government-drawn land boundaries. Although such disputes do not directly involve us, we play our part in the community by coordinating meetings and helping parties reach an amicable solution.



Sharing of best practices on integrated pest control with our smallholder cooperative (KUD) Permai Jaya members

Assisting smallholder farmers in sustainable farming

Over the last 25 years, IndoAgri has formed a strong partnership with KUD Permai Jaya – a smallholder cooperative comprising over 175 farmers across almost 700 acres. IndoAgri's guidance and advice has led to not only increased yields of high quality fruit, but also resulted an enhanced awareness of best practice palm oil management and an understanding of the benefits associated with sustainable farming.

"I am very happy that KUD Permai Jaya has maintained a good partnership with IndoAgri till now," said Narman, the Head of KUD Permai Jaya.

"With the knowledge on best practices, we have been able to ensure good governance of our oil palm plantations. IndoAgri taught us to not only think about profit, but also about protecting the environment for our future generations."

"IndoAgri's mentoring program taught us field management and harvesting skills. We have also been equipped with the financial and administrative knowledge to run a cooperative and achieve certification. Thus, we have wider and more stable market access," he said.

KUD Permai Jaya's journey to achieve best-practice implementation has not always been straightforward. However, with the guidance of IndoAgri's smallholder coordinator, and perseverance on the part of the smallholders, the relationship has borne fruit.



Narman, the Head of KUD Permai Jaya



Our People



Our employees at Kayangan Estate, Riau

Introduction

The agriculture sector is a key driver of economic growth in rural Indonesia. IndoAgri provides employment to more than 51,000 people and 48,000 plasma smallholders in Indonesia. We are committed to creating safe and healthy workplaces where human rights are protected and employees are given opportunities for professional development. In this section, we report on our initiatives and progress in improving labour conditions and ensuring the safety and wellbeing of our workforce.

Aligned with SDGs



Material topics and focus areas:

- Occupational health and safety
- Human, child and labour rights
- Training and development

Scope of section

All IndoAgri operations



Progress in 2021

In this section



Occupational health and safety

2 fatalities

41% decrease in rate of high-consequence work-related injuries (excluding fatalities)

57% increase in rate of recordable work-related injuries

Human, child and labour rights

No forced labour or child labour

Comply with minimum wage regulations

Free to participate in labour union of choice for all workers

Full compliance with government labour law

Training and development

73,731 hours of employee training (approximately 9,216 man-days)

Our people

Material topics	Goals	Progress in 2021
Occupational Health and Safety (OHS)	Zero fatalities (across total workforce)	We regret to report two fatalities in our palm oil operations

Occupational Health and Safety (OHS)

We recognise our responsibility to provide a healthy and safe working environment. 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, Indonesia's national OHS management system. As of 2021, 55 of our sites have achieved SMK3 Gold Certification, up from 53 in 2020. SMK3 refresher training is conducted for workers across all our sites every year to ensure compliance, and penalties in the form of warnings are imposed on non-complying workers.

As our rubber products are exported internationally, all our rubber operations are also certified to the international OHSAS 18001 standard, which provides a framework to identify, control, and decrease OHS risks. Our units are being audited by the relevant Certification Body to update our certification to the newer OHS standard ISO 45001.

Data on our units certified to SMK3, OHSAS 18001 and ISO 45001 is in the Appendix.

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.



We regret to report two fatalities in 2021, both at our palm oil operations. Each incident was investigated and corrective actions were implemented to prevent future reoccurrence. We assisted the families in obtaining compensation from the Indonesia's social security system (BPJS).

Using the Hazard Identification and Risk Assessment Tool (HIRAT), we carry out risk assessments at each estate, which are reviewed monthly 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, and 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 if they are prevented from doing so, they can report such instances through IndoAgri's grievance mechanism (see [page 05](#) in Our Approach to Sustainability chapter), our 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 regularly conduct OHS training, including basic first aid delivery, for our workers. 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. Workers can receive medical care at our healthcare facilities, such as first-aid posts, clinics and Posyandu.

In accordance with national regulations, we have developed SOPs to safeguard the wellbeing of employees working in high-risk environments. Such employees include 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. These

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 identified 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 or minimise 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 of 2021, seven out of 12 KUD have fulfilled SMK3 and ISPO requirements and passed the first stage of external audits by TUV Rheinland Indonesia. The rest are scheduled to do so within the next two years.

Detailed occupational health and safety data is on [page 49](#) in the Appendix.

Employee health in the COVID-19 pandemic

We continue to ensure the health and well-being of our employees during the pandemic. We participated in the Indonesian government's vaccination programme, with the aim of achieving a vaccination rate of 80%-90% across our Group, including seasonal contract workers, by the end of 2021. As of end December 2021, 66% of our >51,000 employees have been fully vaccinated, whilst 87% have been partially vaccinated (see more on [page 41](#) in the Community Relations chapter). We actively monitor the health conditions of all our employees and provide PPE gear such as face masks, depending on the severity of the pandemic situation at worksites.

We established 23 self-isolation facilities in 16 locations covering 41 estates and mills, equipped with doctors, nurses, and medical supplies to treat employees who were COVID-positive (see more on [page 10](#) in the Pandemic Resilience section).



Morning safety briefing for employees at Bah Lias Estate, North Sumatra



Security Guards

We heavily prioritise the safety of our workers and their families, especially those living in plantation areas. For this reason, we employ security guards to ensure a safe and conducive working and living environment in our operational areas.

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



Security guards undergoing training at Kayangan Estate

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

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 2021.

IndoAgri respects the rights of all our employees and is committed to representing them fairly. We adhere to all national and local laws, including laws on employees' freedom of association and collective bargaining, decent pay and working hours, non-discrimination and equal

opportunities, and the elimination of forced and child labour as stated in our Labour Policy.

Seasonal contract workers

We hire seasonal contract workers mostly during peak season to help cope with labour demands. These 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

IndoAgri provides more than just stable employment for its workers

Jaka Saputra is one of the many harvesters for whom IndoAgri not only provides a regular income with which he can support his family throughout the year, but who also benefits from the rights and opportunities offered to all employees throughout the organisation. As Jaka says, **"I am very happy to work as a harvester at Division 02 Kebun Begerpang because after one year of working as a contract employee, I was appointed as a permanent employee."**

Performance incentives apply across all employee levels and, as Jaka indicates, the rewards are not just financial. **"By working diligently and performing well through supervisory evaluations, I have been promoted and been given career advancement opportunities. In addition to my salary, I receive a production incentive, annual bonuses and other rights, including being provided with housing, educational opportunities,**

health benefits, access to sports facilities, and a comfortable plantation environment. I am thankful to IndoAgri for the employment opportunity and welfare benefits."



Jaka Saputra,
harvester at Division 02
Kebun Begerpang



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 employment 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.

Our seasonal workers are presented with opportunities for promotion to permanent workers depending on job availability and their skillsets. 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 1,864 contract workers (including seasonal contract workers) as permanent workers in 2021.

Child labour



Signs prohibiting child labour at Rambong Sialang Estate, North Sumatra

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

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

Diversity and equal opportunity

We are committed to upholding the principle of equal opportunity and supporting the inclusion of women across our operations, including addressing 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. This involves organising routine activities for employees to voice their concerns regarding discrimination and sexual harassment. 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 2021, 229 women took maternity leave (2020: 366), 88% or 201 women returned to the same job position (77% in 2020). The rest remained on leave or chose to leave the company. In 2021, there were no incidents of discrimination or harassment reported via our whistle-blowing facility or to our Gender Committees.



Plasma Unit Assistant Rita at Arta Kencana Estate, South Sumatra

Freedom of association

We comply with the Indonesian law on freedom of association and regularly communicate to all employees their right 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 2021, 72% (2020: 75%) 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.

The collective bargaining process is detailed in our Labour Policy. We engage regularly with the labour unions of our workers through bipartite meetings to discuss 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 ensure adequate compensation for all IndoAgri employees. All workers receive a wage that is equal to or above the minimum wage set by their respective regional governments.



We have implemented a suite of initiatives to improve employee benefits, incentives and 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 the [next page](#) for our chapter on Community Relations and [page 41](#) for more information on healthcare and education facilities which employees and their dependants enjoy free of charge. IndoAgri employees also benefit from a government pension scheme, additional contributions from the company, and retirement packages (aligned with the Indonesian government's BPJS insurance scheme).

Data on remuneration as a percentage of the minimum legal wage is in the Appendix.



Students at elementary school in Riam Indah Estate, South Sumatra

Training and Development

Our people are our greatest assets. 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.

We provide upskilling opportunities for employees interested in leadership and career advancement. Relevant programmes include Managerial Development and Administrative Development for aspiring estates, mills, and refineries managers. Training topics range from environmental sustainability and technical agricultural skills to non-technical skills such as effective decision making and self-awareness. Continuing our virtual training efforts which started amidst the pandemic in 2020, we have developed e-learning materials which employees can access in their own time. We received positive feedback on these e-learning materials, and plan to extend these materials to employees across our operations, especially in the rural areas. When the COVID-19 outbreak began to subside in 2021, we resumed in-person training, especially for fresh graduates in our estates, mills and factories.

We report a 9% of permanent employee turnover in 2021, compared to 9% in 2020. Employee statistics and other data on training hours, turnover rate and new hires are in the Appendix.

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

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.



Training for Field Assistant candidates in Kayangan Estate, Riau



Community Relations



Children at a Rumah Pintar (Smart House) in Begerpang Estate, North Sumatra

Introduction

Good community relations are integral to our operations. We listen to the voices of our local stakeholders and strive to foster inclusive growth for rural communities in Indonesia. We respect the land rights of indigenous people, and play our part in ensuring the safety, health and well-being of communities we operate in.

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

Aligned with SDGs



Material topics and focus areas:

- Community rights and relations

Scope of section

All IndoAgri operations



Progress in 2021

In this section



Land Rights

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

Health facilities

189 clinics
199 Posyandu
60 doctors
263 midwives/nurses
34 ambulances

Education facilities

144 day care centres
150 schools
733 teachers
14,268 students
31,234 visitors to Rumah Pintar

Community projects

1 recognition award from the Ministry for Environment & Forestry for our support for PROKLIM projects in 31 sites
10/20 Rumah Pintar are financially self-sufficient
COVID-19 vaccination programme
56,548 people vaccinated in community

Community relations

Material topics	Goals	Progress in 2021
Community Rights and Relations	Comply with all Indonesian laws and regulations on land rights and land management	Full compliance with regulations
	Maintain zero incidents of FPIC violations on new development area	Zero incidents of FPIC violations on new development area

Community Rights and Relations

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

Land Rights

Our Policy commits us to the principles of FPIC. In spite of the complex land tenure systems in rural Indonesia, we remain steadfast in respecting the rights of communities and indigenous people.

We comply with Indonesian law and our Policy for all land transactions we are involved in. Prior to the development of every estate, we conduct an Environmental Impact Assessment (locally known as 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.

Any complaints from the local community regarding land rights can be filed 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, see [page 05](#). Complaints addressed to the government usually involve the local government office or land agency office (BPN). In 2021, there were no recorded incidents of FPIC violations, violations of the rights of indigenous peoples, or significant land rights issues that arose involving IndoAgri.

Complaints regarding other operational, social and environmental matters can be submitted directly to IndoAgri and are processed through our Grievance Mechanism. These complaints are sent to the relevant company representatives, who verify, follow-up, and mediate to achieve resolution. There is also room for whistleblowing through IndoAgri's usual engagement with the community, such as during regular stakeholder meetings and fire trainings days.

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

Access to Healthcare

We continue to ensure access to healthcare for the 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.

To encourage mothers and their children to visit the Posyandu regularly, we work with our Gender Committee

and village heads to reach out to mothers. During the COVID-19 pandemic, our Posyandu 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 2021, we have 189 medical clinics in our estates, 199 Posyandu and 34 ambulances, supported by 263 midwives/nurses and 60 doctors. Data on IndoAgri's healthcare facilities across Indonesia is in the Appendix.

Through our Cleft Lip Surgery Programme, we collaborate with hospitals and non-profit organisations to search for children born with a cleft lip or cleft palate, counsel their families, and provide examinations, surgery, as well as postoperative care and speech therapy. While the programme was paused in 2021 due to the pandemic, we hope to resume it as soon as possible.

Making vaccinations accessible for the community

In the areas in which we operate, we have been a key supporting partner of the national COVID-19 vaccination campaign. In collaboration with the Indonesian Palm Oil Association (GAPKI), the Ministry of Health, the national police and provincial governments, we have delivered vaccines across six provinces and 23 districts. As of 2021, more than 135,000 doses have been administered across our locations, to our workers, their families and the surrounding communities, including children and those with difficulty accessing vaccines.

For our support in accelerating the vaccine rollout, particularly to remote villages and tribes, IndoAgri received thanks from the Governor of South Sumatra and the traditional Dayak leader in Jempang, East Kalimantan.



Posyandu in Bah Lias Estate, North Sumatra



Access to Education

We contribute to the community's access to education through Rumah Pintar, translated as 'Smart Houses', 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 2021, 10 out of 20 Rumah Pintar were financially self-sufficient, and with the help of 24 tutors, have educated and upskilled 31,234 visitors. Data on IndoAgri's education facilities across Indonesia is in the Appendix.



Children reading at a Rumah Pintar in Dolok Estate, North Sumatra

Community resilience and food security

Our PROKLIM projects are part of Indonesia's national programme to build community resilience and food security through climate change mitigation and adaptation in the areas of 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 received one award from the Ministry for Environment & Forestry this year, and 21 awards in total since the programme first began in 2016. This year, we also introduced PROKLIM Principles & Criteria, which provide guidance on implementing PROKLIM activities and aim to encourage more IndoAgri units to implement PROKLIM.

Inculcating sustainability in daily living

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



Worker harvesting vegetables in his garden as part of our food security program in Balam Estate, Riau



Product Integrity



An employee at Priok Refinery, Jakarta, with our Bimoli cooking oil product

Introduction

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

Aligned with SDGs



Material topics and focus areas:

- Product quality and safety

Scope of section

EOF products



Progress in 2021

In this section



Product quality and safety

40%, or

375,166 tonnes of CPO produced by EOF Division certified to Food Safety Management Standard FSSC 22000

100% of food safety audits done for 75% of raw materials suppliers

100% of products and refineries are Halal-certified

Product integrity

Material topics	Goal/target	Progress in 2021
Product Quality and Safety	Quality and safety: comply with FSSC 22000 food safety management system	Full compliance
	Quality and safety: comply with Halal certification system	All products are Halal-certified
	Quality: complete annual audit on quality assurance	Audit completed for all refineries
	Quality: complete annual food safety audits for suppliers	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 take pride in producing safe and high-quality products that are trusted by our consumers. Formal change management processes ensure that we adhere to high standards of production. 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.

In 2021, we successfully implemented additional requirements of the latest version of FSSC 22000 (version 5) in spite of the challenges posed by the pandemic. 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. All IndoAgri product packaging meets the Indonesian National food safety standards. In 2021, 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 81% our EOF products serve consumers in the domestic Indonesian market. Our cooking oils are marketed under our Bimoli, Bimoli Spesial, Delima and Happy brands, while our margarine and shortening consumer products are packed and sold under our Royal Palmia, Palmia and Amanda brands.

To enhance the nutrition level of our products, we prioritise eliminating hydrogenated, hardened fat and substituting it with interesterified (IE) oil. R&D on IE is currently underway to further enhance our capabilities of IE oil production, and we have also set up a new IE oil plant in Surabaya. We have fully eliminated trans-fat from Palmia Serbaguna and Royal Palmia Butter Margarin, and plan to extend this substitution to all margarine and shortening products by the end of 2023. Since January 2021, all of our consumer pack cooking oil brands have been fortified with Vitamin A in line with national requirements.

 Read more [online](#)

Product Information, Packaging and Marketing

Our marketing and communication of product information are in compliance with all national and export market requirements. To fulfil allergen management requirements by the National Agency for Drug and Food Control of Indonesia (BPOM), we are in the process of including allergen information for all our products. As of 2021, 50% of packaging for our margarine and shortening domestic

Nutrition facts





Bimoli cooking oil product in production at Priok Refinery, Jakarta

products contain allergen information, and 98% of have been registered for packaging design changes. We are aiming for a 100% allergen disclosure rate by the end of 2022.

We strive to contribute to the Indonesian government's targets on plastic waste reduction through responsible consumption. We are actively engaging our suppliers to explore options for completely recyclable packaging and aim to have a viable packaging product by 2025. Our Delima and Amanda cooking oil brands have modified their 1-litre pouches to use packaging that is 23% thinner and requires less plastic. Our product packaging also complies with the Indonesian policy on Extended Producer Responsibility. We plan to phase out bagged oil in the future, in anticipation of changes to regulations.

With the pandemic-induced changes in customer lifestyle and purchasing habits, we have increased product distribution 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 to penetrate into the business-to-consumer market. As a result, we continue to maintain a sales volume similar to pre-pandemic times, despite the fall in business-to-business sales.

Building on our focus to digitalise and increase physical distancing in 2020, we strengthened our social media presence to enhance engagement with customers throughout the pandemic. For example, our cooking demos were hosted weekly on our Instagram page, [@palmiaid](#), and were well-received by individual consumers and SMEs. We have also published recipes on our website, which has performed well too. As of end December 2021, we have 82,453 followers, and our cooking demos receive up to 2,000 viewers per session.

⁵ Our target score for industrial customers in 2021 was 3.75. We achieved a score of 4.11, which translates into 110% of the target score.

⁶ Our target score for distributors in 2021 was 3.57. We achieved a score of 4.28, which translates into 120% of the target score.

Customer Service and Satisfaction

Our products are known for their high quality, price competitiveness, and consumer confidence. 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 2021, we surveyed a total of 76 industrial customers and 91 distributors. We received a score of 110%⁵ for industrial customers and 120%⁶ for distributors.

Indofood Group's centralised Customer Service Centre receives and responds to consumer feedback on our products and services. It 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. We have also opened channels of communication through our website or social media – Instagram and Facebook accounts. In 2021, we received 10 pieces of feedback from customers, most of which were product enquiries. All feedback received was responded to within two weeks.



Appendix - Data Summary

Environmental Data

Energy Consumption in Mills

Energy Consumption	2019		2020		2021	
	Gj ('000)	%	Gj ('000)	%	Gj ('000)	%
Fibre	5,274	65	4,573	62	4,194	64
Palm Shell	2,683	33	2,640	36	2,297	35
Total from Renewable Fuel	7,957	98	7,213	98	6,491	99
Diesel	124	2	101	2	86	1
Electricity from Grid	13	0	20	0	11	0
Total from Non Renewable Fuel	137	2	121	2	97	1
Total Energy Consumption	8,094	100	7,334	100	6,588	100
GJ/Tonne of FFB Processed	2.24		2.20		2.18	

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/or PROPER certified/audited palm oil mills (22 out of 27 mills). Percentage figures are rounded off.

Energy Consumption in Refineries

Energy Consumption	2019		2020		2021	
	Gj ('000)	%	Gj ('000)	%	Gj ('000)	%
Palm Shell	143	2	137	2	110	1
Palm Olein	29	0	2	0	-	0
Total Renewable Fuel	172	2	139	2	110	1
Diesel*	43	0	48	1	56	1
Coal	472	6	412	5	464	6
Gas**	7,434	91	7,144	91	7,479	90
Electricity	90	1	73	1	165	2
Total Non Renewable Fuel	8,039	98	7,677	98	8,164	99
Total Energy Consumption	8,211	100	7,816	100	8,274	100
GJ/Tonne Material Processed	0.96		0.99		0.96	

* Includes High Speed Diesel Oil and Marine Fuel Oil

** Includes 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	2019		2020		2021	
	Gj ('000)	%	Gj ('000)	%	Gj ('000)	%
Palm Shell	16	8	14	7	14	8
Rubber Wood	176	86	181	88	142	88
Total Renewable Fuel	192	94	195	95	156	96
Diesel (Litre)	8	4	6	3	2	1
Electricity (KWH)	4	2	5	2	4	3
Total Non Renewable Fuel	12	6	11	5	6	4
Total Energy Consumption (GJ)	204	100	206	100	162	100
GJ/Tonne of Rubber Produced	24.77		26.29		26.08	

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

GHG emissions

Emission Sources	Description	2019		2020		2021	
		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	191	0.23	193	0.26	(1.22)	(0.18)
Direct Emission Estate	Peat emissions	1,251	1.48	1,017	1.38	1,014	1.52
Direct Emission Estate	N ₂ O from Fertiliser	65	0.08	74	0.10	108	0.16
Direct Emission Estate	Fuel usage in the estates	-	-	-	-	0.00000428	0.00000001
Direct Emission Mill	Methane from POME	240	0.28	211	0.29	190	0.29
Direct Emission Mill	Fuel usage in the mills	10	0.01	8	0.01	6	0.01
Direct Emission Estate and Mill	Chemical usage in the mills and plantations	2	0.00	3	0.00	3	0.00
Indirect Emission Mill (Scope 2)	Electricity Emission	1	0.00	4	0.01	2	0.00
Transportation Emission (Scope 3)	Fuel Usage from Transport of FFB	39	0.05	35	0.05	34	0.05
Total Emissions from Mills and Estate Operations		1,800		1,545		1,235	
Emissions per Tonne of Palm Product			2.13		2.10		1.85

Note: Scope of data for 2021 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.



PROPER Evaluation and ISO 14001 Certification Status

Region	PROPER	ISO 14001 certification
Sumatra	● 10 mills, 2 factories and 1 refinery	17 mills and 1 refinery
Kalimantan	● 5 mills ● 2 mills	8 mills
Java	● 3 refineries and 2 factories	2 refineries
Sulawesi	● 1 refinery and 1 factory	factory and refinery implemented ISO 14001 (yet to be certified)

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

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

Social Data

Health and Safety Data

	2019	2020	2021
Fatalities	2	1	2
Rate of fatalities as a result of work-related injury ⁷	0.014	0.008	0.019
Rate of high-consequence work-related injuries (excluding fatalities) ⁸	0.021	0.016	0.010
Rate of recordable work-related injuries ⁹	1.46	1.22	1.92

Lowest Monthly Remuneration and Minimum Legal Wage

Region	Minimum legal wage (IDR)	IndoAgri lowest monthly remuneration (IDR) Male & Female	IndoAgri's lowest monthly remuneration as a percentage of minimum legal wage Male & Female
Java	1,953,000 - 4,494,513	1,953,000 - 5,600,625	100% - 125%
Sumatra	2,607,100 - 3,475,565	3,207,000 - 5,563,688	123% - 160%
Kalimantan	2,515,262 - 3,363,810	2,893,562 - 4,560,227	115% - 136%
Sulawesi	2,445,950 - 3,418,983	2,446,000 - 4,441,250	100% - 130%

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

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

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



Employee Statistics

	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)	25	19	785	282	566	184	481	117	1.857	602
Diploma (D1-D4)	149	14	1.593	246	1.589	191	1.178	126	4.509	577
Senior High School	308	34	2.872	264	2.666	204	1.781	128	7.627	630
Junior High School	162	4	2.080	127	2.710	286	1.616	203	6.568	620
Primary School	268	4	3.047	191	4.144	791	2.454	621	9.913	1.607
Total	912	75	10.377	1.110	11.675	1.656	7.510	1.195	30.474	4.036

Level										
Manager and Senior Manager	-	-	13	2	102	21	236	27	351	50
Supervisor	-	-	65	38	127	22	140	28	332	88
Staff	24	16	651	107	327	49	320	51	1.322	223
Administrative/Operational	888	58	9.648	963	11.118	1.564	6.816	1.089	28.470	3.674
Total	912	74	10.377	1.110	11.674	1.656	7.512	1.195	30.475	4.035

Region										
Sumatra	503	13	6.664	546	7.920	1.086	4.865	879	19.952	2.524
Kalimantan	327	39	2.721	361	2.462	338	1.230	179	6.740	917
Others	82	23	992	203	1.293	232	1.415	137	3.782	595
Total	912	75	10.377	1.110	11.675	1.656	7.510	1.195	30.474	4.036

Status										
Permanent Employee	912	75	10.377	1.110	11.675	1.656	7.510	1.195	30.474	4.036
Non Permanent Employee	999	55	1.477	189	621	131	338	48	3.435	423
Seasonal Workers	1.566	211	3.191	1.661	2.201	1.908	1.388	1.038	8.346	4.818
Total	3.477	341	15.045	2.960	14.497	3.695	9.236	2.281	42.255	9.277



New Hires

Region	18 – 24 Years		25 – 35 Years		36 – 45 Years		≥ 46 Years		Total	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Sumatra	33	2	34	2	8	-	-	-	75	4
Kalimantan	3	-	17	-	7	-	4	-	31	-
Others	76	13	53	8	6	-	8	-	143	21
Total	112	15	104	10	21	-	12	-	249	25

Resignations (Excluding Contract Workers)

Region	18 – 24 Years		25 – 35 Years		36 – 45 Years		≥ 46 Years		Total	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Sumatra	149	11	511	103	261	83	95	39	1.016	236
Kalimantan	145	14	520	126	372	156	149	90	1.186	386
Others	8	1	43	22	25	2	69	2	145	27
Total	302	26	1.074	251	658	241	313	131	2,347	649

Turnover Rate

Region	18 – 24 Years		25 – 35 Years		36 – 45 Years		≥ 46 Years	
	Male	Female	Male	Female	Male	Female	Male	Female
Sumatra	13%	30%	7%	15%	3%	7%	2%	4%
Kalimantan	24%	23%	17%	31%	14%	40%	11%	43%
Others	5%	3%	4%	10%	2%	1%	5%	1%

Turnover Group

9%

Training Hours

Level	Training Hours			Total Participants		
	Male	Female	Total	Male	Female	Total
Manager and Senior Manager	598	952	1.550	144	209	353
Supervisor	1.642	2.022	3.664	242	144	386
Staff	13.713	21.116	34.829	1.194	569	1.763
Administrative/Operational	19.836	13.852	33.688	5.177	718	5.895
Total	35.789	37.942	73.731	6.757	1.640	8.397



SMK3 Certification

Type	2019	2020	2021
Gold Rating	53	53	55
Palm Oil	39	39	41
Rubber	5	5	5
Tea	2	2	2
Cocoa	2	2	2
Refinery	3	3	3
Research	1	1	1
Bulking	1	1	1
Silver Rating	8	8	9
Palm Oil	7	7	8
Rubber	1	1	1

ISO 45001:2018 Certification

Type	2019 – 2022	2020 – 2023	2021 – 2024
Total Certified	1	2	13
Refinery	1	2	2
Rubber	-	-	5
Tea	-	-	2
Cocoa	-	-	2
Office	-	-	2

OHSAS 18001:2007 Certification

Type	2019	2020	2021
Total Certified	12	12	12
Refinery	1	1	1
Rubber	5	5	5
Tea	2	2	2
Cocoa	2	2	2
Office	2	2	2



Community Data

Medical Facilities

Medical Facilities	North Sumatra	South Sumatra	Kalimantan	Riau	Java	Sulawesi	Total
Division Clinic	42	31	17	38	2	1	131
Central Clinic	11	24	15	4	2	2	58
Ambulances	2	14	12	5	1	0	34
Doctors	1	2	1	3	0	0	7
Visiting Doctors	18	22	10	0	2	1	53
Midwife/Nurses	61	70	42	81	4	5	263
Posyandu	57	33	37	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	25	5	33	3	4	97
Primary Schools	5	17	1	17	1	1	42
Secondary Schools	2	1	0	4	0	0	7
High Schools	1	0	0	3	0	0	4
Teachers	91	165	21	428	17	11	733
Rumah Pintar	4	6	5	4	0	1	20



Glossary

Analisis Dampak Lingkungan (AMDAL)

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

Badan Penyelenggara Jaminan Sosial (BPJS)

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

Biodiversity

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

Biological Oxygen Demand (BOD)

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

Carbon Footprint

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

Child Labour

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

Crude Palm Oil (CPO)

Oil produced from oil palm fruits in milling process.

Food Safety System Certification (FSSC) 22000

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

Forced Labour

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

High-consequence work-related injury

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

HCV Assessment

Recording ecological or sociocultural attributes is part 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 crude palm kernel oil (CPKO) and other by-products.

Panitia Pembina Keselamatan dan Kesehatan Kerja (P2K3)

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

Palm Oil Mill Effluent (POME)

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

Plasma or Scheme 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.

Recordable work-related injury

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

Sistem Keselamatan dan Kesehatan Kerja (SMK3)

Occupational health and safety management system according to Indonesia regulation.

Social Impact Assessment (SIA)

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

Stakeholders

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