



Sustainability Policy

September 2025

Palm oil is one of the world's most widely used vegetable oils, valued for its versatility and productivity. Oil palm is among the highest-yielding oil crops, allowing more oil to be produced on less land compared to many alternatives.¹ This makes palm oil a crucial resource for meeting global demand for food and everyday products, while also supporting economic growth and the livelihoods of millions in producing regions.

We first launched our Sustainability Policy in 2014, marking a significant step in our journey towards responsible and sustainable palm oil production. This updated policy reflects our continued commitment to address evolving global challenges, strengthen our practices, and ensure that our growth benefits both people and the planet.

Guided by our Founder's 5Cs principle—that our actions must create value for the Community, Country, Climate, Customer, and Company—we are committed to producing palm oil that is high-quality, responsible, and sustainable.

This Sustainability Policy provides the overarching framework for how we operate and grow our business responsibly. It outlines our commitments to environmental protection and climate action, traceability and responsible supply, sustainable and responsible production, and respect for human rights. These commitments are supported by strong governance and a transparent grievance mechanism to ensure accountability and continuous improvement.

Scope

This Sustainability Policy applies to all Asian Agri operations, employees, subsidiaries, and all Fresh Fruit Bunch (FFB) suppliers, including plasma schemes, independent smallholders, and external suppliers, who are expected to comply with this Policy and uphold responsible and ethical practices.

The Policy is built around four key pillars:

- Environmental Protection and Climate Action
- Traceability and Responsible FFB Supply
- Sustainable and Responsible Production
- Respect for Human Rights

These pillars are supported by governance structures that ensure compliance with applicable laws, international conventions, and industry best practices. Where legal requirements differ from this Policy, we will comply with the law while continuing to uphold the intent of our commitments wherever possible.

Environmental Protection and Climate Action

We are committed to protecting forests, peatlands, and biodiversity, while taking concrete actions to address climate change. This includes a strict **no deforestation policy and no new development on peatlands**. We ensure that areas with **high conservation value, high carbon stock, or riparian zones** are safeguarded through careful assessments, long-term planning, and practical on-the-ground management. Our strict **no-**

¹ FAO agricultural statistics show that oil palm typically produces 3–4 tonnes of oil per hectare, significantly higher than soybean, rapeseed, and sunflower, which each yield less than 1 tonne per hectare on average. Source: FAO (Food and Agriculture Organization), "[FAOSTAT: Crops and Livestock Products – Yield](#)."



burning policy is rigorously enforced, and we actively collaborate with local communities on fire prevention and haze mitigation, utilizing monitoring and early warning systems.

We systematically track **greenhouse gas emissions** across our operations and implement strategies to **progressively reduce them**. We follow **global best practices** to maintain soil and water quality. In existing peatland plantations, we apply responsible management practices, and where areas are unsuitable for replanting, we explore restoration or alternative uses in consultation with government, experts, and other stakeholders.

Our work is aligned with the latest scientific knowledge and guided by collaborations with experts, communities, and multi-stakeholder groups to ensure the effectiveness of our conservation efforts.

Traceability and Responsible Supply

We are committed to building a **supply base that is both transparent and responsible**. This entails ensuring that every bunch of FFB delivered to our mills can be **traced back to its source** and is produced in accordance with our sustainability principles.

We recognize the importance of inclusivity and **actively support suppliers** in adopting sustainable practices, improving productivity, and strengthening livelihoods so they can be fully integrated into our supply base. We engage suppliers through continuous dialogue, training, and partnerships to promote best practices, responsible production, drive continuous improvement, and encourage innovation across the supply base. In instances where suppliers demonstrate unwillingness to engage with us in improvement programs, we may, as a last recourse, cease sourcing from them.

We uphold **transparency and accountability through independent verification**, reporting of progress, and a **grievance mechanism** that allows stakeholders to raise concerns. These measures help to strengthen trust, ensure compliance, and promote responsible growth across our supply base.

Sustainable and Responsible Production

We are committed to integrating sustainability across all aspects of our plantations and mills. This commitment is reflected in our adherence to **NDPE (No Deforestation, No Peat, No Exploitation) principles**, responsible land and water management, and replanting practices that protect long-term soil health. Our focus on intensification enables us to increase yield from existing land while minimizing environmental impact and supporting food security for surrounding communities.

To achieve these goals, we utilize **high-quality planting materials developed through research**, and continuously invest in innovation. These efforts help improve yields, enhance climate resilience, and strengthen long-term operational performance. We also implement **circular solutions**, including waste reduction, by-product reuse, improved energy and water efficiency, and the expansion of renewable energy across our operations.

We support smallholders through innovation and inclusive partnerships, enabling them to adopt best practices, improve productivity, and build long-term resilience. Through ongoing research, operational excellence, and collaboration, we ensure our production contributes positively to people, the planet, and the future of the palm oil sector.

Respect for Human Rights

We are committed to upholding and respecting human rights across our operations and supply base, in line with **internationally recognized standards**, including the UN Guiding Principles on Business and Human Rights (UNGPs) and International Labour Organization (ILO) conventions, and national regulations. We strive



to provide a **safe and healthy workplace** for all employees and ensure **fair treatment** for every worker, including contract, temporary, and migrant workers. We **strictly prohibit child labor, forced labor, harassment, and any form of discrimination**, and we promote **gender equality, diversity, and inclusion** in the workplace.

We respect workers' rights to **freedom of association and collective bargaining**, and foster an environment where employees can raise concerns without fear of retaliation. Our responsibility also extends to respecting the rights and cultures of **local and indigenous communities**. We are committed to **Free, Prior and Informed Consent (FPIC)** in any new development, ensuring land-use decisions are made transparently and with full participation of affected communities.

We are committed to raising awareness, promoting best practices, and implementing mechanisms to mitigate human rights risks in all our operations. Through these commitments, we aim to build a responsible and inclusive organization that respects people's rights, supports their well-being, and contributes to sustainable development for present and future generations.

Implementation, Monitoring and Reporting

We implement this Policy through structured action plans that translate our commitments into tangible, measurable initiatives. Progress is monitored against established targets and reviewed regularly by our internal teams and independent evaluators to ensure accountability. Findings and achievements are communicated transparently in our sustainability reports.

Continuous improvement is central to our approach. We collaborate with partners, adopt innovations where relevant to our operations, and leverage digital tools to strengthen support for smallholders, enhance supply chain traceability, and optimize operational management.

Governance

Sustainability is embedded into our governance framework, with oversight provided by our Executive Committee and senior management to ensure accountability for implementing this Policy. We comply with all relevant local and national regulations and continually adjust our practices to align with evolving international standards. We track performance through internal audits and independent evaluations, sharing updates openly through our reporting channels to promote clear accountability and stronger integration of sustainability across operations.

Grievance

We have set up a grievance mechanism accessible to all stakeholders connected to our operations or supply chain. It allows concerns to be raised directly with us, and we carefully review and respond to each one fairly and in a timely manner.

To maintain transparency, we publish information on grievances received and their resolution progress. When a violation is confirmed, we work closely affected parties to provide appropriate solutions and remedies. These experiences also help us strengthen our internal systems and prevent future occurrences.

Sumith Fernando
Managing Director