



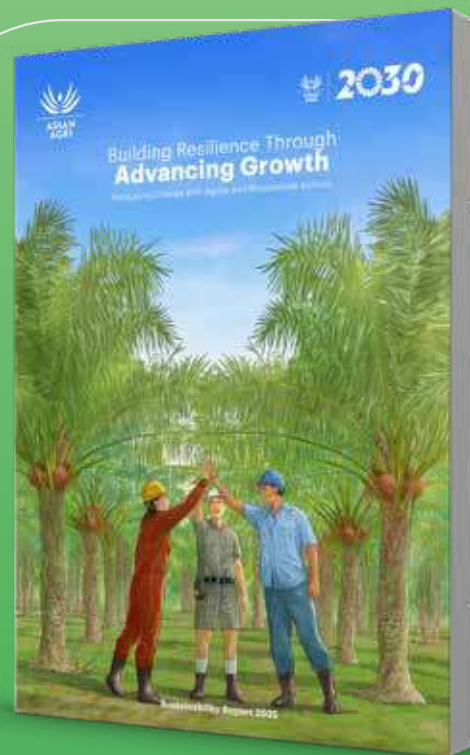
# Building Resilience Through **Advancing Growth**

Navigating Change with Agility and Responsible Actions





## Theme Explanation



2025 unfolded under pressure, uncertainty, and constant change. Across a rapidly shifting external landscape and continued operational challenges, Asian Agri stayed firmly on course, strengthening its foundations while driving consistent progress across the business. **“Building Resilience through Advancing Growth”** defines this trajectory. It reflects the belief that growth is not simply an outcome, but a driving force that reinforces resilience, enabling the organization to adapt, endure, and emerge stronger through challenging conditions.

**“Navigating Change with Agility and Responsible Actions”** expresses how this direction was brought to life. As conditions evolved throughout the year, agility became essential in responding with speed and precision to emerging challenges and opportunities. At the same time, every decision remained anchored in responsibility and long-term sustainability commitments. Together, these principles reflect a balance of responsiveness and accountability, ensuring progress is both decisive and principled.

The pairing of the main theme and sub-theme strengthens the narrative of the report. The main theme defines the organization’s ambition and mindset, while the sub-theme illustrates how that intent is executed in practice. Together, they offer a clearer view of 2025, not only in terms of outcomes, but also in the discipline, choices, and resilience that sustained them.

# TABLE OF CONTENTS

<b>About this report</b>	<b>6</b>	Stakeholder engagement	<b>24</b>
<b>Message from our Managing Director</b>	<b>8</b>	Sustainability governance	<b>25</b>
<b>2025 Summary progress</b>	<b>10</b>	Compliance with laws and regulations	<b>27</b>
<b>About Asian Agri</b>	<b>14</b>	<b>People empowerment and inclusive growth</b>	<b>30</b>
At a glance	14	Upholding human rights	30
<b>Approach to sustainability</b>	<b>18</b>	Smallholder partnerships	30
Asian Agri 2030	18	Our workforce	37
Materiality	20	Community development	45



<b>Climate and environmental management</b>	<b>50</b>
Our approach to climate change	50
Biodiversity and conservation	55
Peatland management	57
Fire prevention and mitigation	57
Water management	59
Waste management	60
Pesticides and fertilizers	61
Soil management	63

<b>Responsible and sustainable production</b>	<b>64</b>
Responsible supply chains	64
Optimizing productivity	68
<b>Appendices</b>	<b>70</b>



# About this Report [GRI 2-2, 2-3, 2-5]

Welcome to the ninth sustainability report from Asian Agri Group (“Asian Agri”), which updates the company’s sustainability performance for the 2025 calendar year. This publication has been prepared in accordance with the Global Reporting Initiative (GRI) Standards, including the GRI 13 Sector Standard for Agriculture, Aquaculture, and Fishing. The report is also guided by international and sector-wide frameworks, including the Roundtable on Sustainable Palm Oil (RSPO), the Zoological Society of London’s Sustainability Policy Transparency Toolkit (ZSL SPOTT), and alignment with the United Nations Sustainable Development Goals (SDGs).

GRI disclosures are included throughout the report and referenced under headings or subheadings as GRI XXX-XX or GRI 13.X.X.

## Report scope and boundaries

This comprehensive report provides an overview of Asian Agri’s operational sustainability performance and activities in North Sumatra, Riau, and Jambi, for the period of January 1 to December 31, 2025. It also includes historical data and information, where relevant and available.





## Responsiveness and engagement

Throughout this report, we provide appropriate context for our performance, with a primary focus on our unique social and environmental operational landscapes. To ensure this report remains responsive to themes and topics important to all our partners, we consulted several internal and external stakeholders, including a government agency, smallholder program partners (a certification body and a cooperative), an NGO, a financial institution, a buyer, a media representative, and our senior management across key operational areas. Feedback from these discussions helped inform our updated materiality assessment, which was conducted in conjunction with the development of this report, and guided our key reporting themes.

## Assurance

The information and data in this report have been audited by an independent assurer, PT SGS Indonesia, in alignment with GRI Universal Standards 2021 and the AA1000 Accountability Principles Standards (2018).

[Assurance statement](#)



# Message from our Managing Director [GRI 2-22]

**Dear stakeholders,**

We present our 2025 Sustainability Report, outlining our progress and priorities in a year shaped by tighter regulatory expectations, evolving market requirements, and ongoing sector constraints in the palm oil industry.

Sustainability remains integral to how we manage risk, maintain market access, and support long-term business performance.

## Asian Agri 2030

Our Asian Agri 2030 (AA2030) commitments, launched in 2022, continue to guide our approach across four areas: smallholder partnerships, inclusive growth, climate, and responsible production.

Progress in 2025 was steady, though uneven in some areas. While several targets remain on track, delivery continues to be influenced by external factors, particularly those affecting smallholders. This requires ongoing adjustment in program design and execution.

## Smallholders

Smallholders remain central to Asian Agri's supply base. Our early involvement in the Transmigration Program (PIR-Trans) in the 1980s laid the groundwork for our long-standing partnerships with smallholders. We source from plasma smallholders that manage a total planted area of 52,837 hectares.

We take our buyer seriously, supporting smallholders through access to high-quality planting materials and agronomic guidance. In parallel, we place strong emphasis on improving smallholder livelihoods through targeted corporate social responsibility (CSR) initiatives, capacity building programs, facilitated access to financing, and support for sustainability certification.

As of 2025, over 75% and 100% of plasma smallholders are certified to the Indonesian Sustainable Palm Oil (ISPO) and Roundtable on Sustainable Palm Oil (RSPO) standards, respectively.



For independent smallholders, certification progress continued through the Smallholder Inclusion for Better Livelihood & Empowerment (SMILE) programme. In 2025, four additional groups were certified, bringing the cumulative total to 4,464 smallholders across 9,829 hectares. Progress remains gradual due to fragmented landholdings and administrative complexities common across the sector.

Beyond certification, our efforts extend to smallholder replanting and productivity improvement to support more stable incomes. In 2025, we increased funding to strengthen agronomic support, optimize crop management practices, and expand capacity building initiatives. As of the end 2025, a total of 23,068 hectares has undergone replanting. These programs have also been extended to independent smallholders, reflecting partnerships that go beyond a conventional buyer-seller relationship.

## Traceability and Regulatory Readiness

Transparency and compliance requirements continue to shape market access. We are aligning our operations with international standards and have taken early steps to prepare for the European Union Deforestation Regulation (EUDR).

We maintain full traceability to plantation for all fresh fruit bunches sourced since 2017. While the palm kernel supply chain is inherently more complex, we have made steady progress, reaching 87% traceability to plantation. Further progress will depend on improvements in data availability and supplier integration.



At the national level, we continue to support government efforts to strengthen accountability and performance across the sector, recognizing regulatory reform as an important driver of long-term, systemic progress.

### Climate

Our approach to climate management focuses on operational emissions reduction. Methane capture and renewable energy are key components. As of end 2025, these measures have avoided 420,581 MT CO<sub>2</sub>e, and more than 95% of our energy was derived from renewable sources.

In 2026, we will conduct a climate-related assessment aligned with the Task Force on Climate-related Financial Disclosures (TCFD). This will support improved identification of climate risks and opportunities across our operations and value chain, while strengthening integration into business planning.

### Operations and Digitalisation

Operational discipline and excellence remains a priority. We are advancing replanting optimisation, reducing chemical inputs, and expanding circular practices, supported by increased use of digital technologies.

AI enabled data capturing, digital census systems, and AI analytics are being deployed to improve data accuracy, optimize inputs, and support certification compliance. These systems enable more timely and consistent decision-making across our operations.

### Closing

The operating environment is expected to remain complex, requiring closer alignment between regulatory expectations, market access, and on-the-ground realities. Navigating this environment will require greater agility in responding to external pressures while maintaining disciplined and consistent execution across our operations.

This complexity was evident throughout 2025, as continuing geopolitical tensions and disruptions to global trade contributed to volatility across energy, fertilizer, freight, and vegetable-oil markets. These conditions influenced crude palm oil and fresh fruit bunch prices while also affecting the cost and availability of essential plantation inputs, requiring careful procurement, field planning, and cost management.

In navigating these pressures, our teams have continued to demonstrate sustained effort and professionalism. I would like to recognize their discipline and perseverance in execution, which have been critical to maintaining operational consistency amid these demands.

Looking ahead, our focus remains on execution, namely strengthening existing programs, addressing structural constraints, and ensuring consistent, disciplined implementation across our operations.

### Sumith Fernando

Managing Director, Asian Agri

# 2025 Summary Progress

## Key highlights



### Governance and Assessments

<b>Policies, commitments, and strategies</b>	Updated Sustainability Policy	Updated Human Rights Policy
	Strengthened commitment to violence and harassment-free workplace	Updated Anti-Bribery and Anti-Corruption procedures
<b>Membership, recognition, and assessments</b>	CDP 2025: Maintained B Forest rating	2025 ZSL SPOTT assessment: Score increased from 76.5% (2024) to 79.6% (+3.1%)



### Certification

- 100% integrated mills RSPO-certified since 2022
- 100% plantations and mills ISPO-certified since 2019
- 100% of plantations and mills ISCC-certified since 2013
- Palm kernel shells GGL-certified since 2021



### Our Workforce

#### Employees

**23.5%**  
of workers are women

273 PCoE\* trainees trained, with 80% subsequently employed by Asian Agri

#### Communities

IDR **3.47** billion  
of CSR contributions

Provided 795 education packages to students

\*Plantation Center of Excellence (PCoE) program





## Smallholder Partnerships

### Plasma smallholders

**100%** plasma smallholders RSPO-certified since 2022

**21** cooperatives achieved ISPO certification, totaling 58 (76.3%)

IDR **5.47** billion premium allocated for plasma smallholders

**1,971** plasma smallholders trained

### Independent smallholders

**1** new cooperative joined our CSV independent smallholder program, totaling 57

**4** new cooperatives achieved RSPO certification under the SMILE program

**2,834** independent smallholders are part of our flagship SMILE\* program

\*Smallholder Inclusion for Better Livelihood and Empowerment



## Climate and Environmental Management

Avoided **420,581** MT CO<sub>2</sub>e of emissions across our mills through 11 methane capture facilities

**95.7%** of total energy consumed comes from renewable sources

Signed new feed-in tariff agreement to export up to 1 MW of renewable electricity to the national grid



## Responsible and Sustainable Production

Maintained **100%** FFB traceability to plantation from mill-level

Achieved **87.1%** PK traceability to plantation from crusher level



## Targets and progress

This section outlines Asian Agri's progress against our sustainability targets, including our list of Asian Agri 2030 (AA2030) targets. All goals listed have a 2030 target date, except those denoted with \* indicating a year-on-year target, or those denoted with \*\* representing targets with ongoing initiatives.

Target	Status as of December 2025
<b>People empowerment and inclusive growth</b>	
Double plasma smallholder income through replanting program (baseline of 15 MT of FFB/ha) [AA2030]	<b>Progress tracked:</b> Plasma smallholder income continues to increase. A contributing factor, amongst others, is our replanting program
100% completion of plasma smallholders' replanting program (against 2016 baseline of 60,000 hectares) [AA2030]	<b>On track:</b> 38.4% hectares replanted
100% Indonesian Sustainable Palm Oil (ISPO) certification for plasma smallholders [AA2030]	<b>On track:</b> 85.5% of plasma smallholders are ISPO certified (65 out of 76 KUDs)
Support 5,000 independent smallholders to be Roundtable of Sustainable Palm Oil (RSPO) certified [AA2030]	<b>On track:</b> Supported 2,834 independent smallholders with obtaining RSPO certified (57%)
Provide livelihood and vocational training to 5,000 community members [AA2030]	<b>On track:</b> Provided vocational training to 2,402 community members (48%)
Support establishment of small-medium enterprise (SMEs) in 159 villages that cover more than 500,000 hectares [AA2030]	<b>On track:</b> Supported SMEs in 72 villages out 159 villages (covering 516,544 hectares)
Distribute 5,000 education packages to students under the Bag-to-School program [AA2030]	<b>On track:</b> Provided 2,150 education packages to students (43%)
Zero fatalities*	<b>Needs improvement:</b> We deeply regret that there were four fatalities in 2025
<b>Climate and environmental management</b>	
Set aside one-to-one restoration ecosystem area [AA2030]	<b>On track:</b> An area equivalent to 16% has been reforested
Achieve net-zero emissions from land use [AA2030]	<b>Ongoing initiatives:</b> Continued programs on methane capture, conservation and restoration, chemical reduction, energy optimization, etc.
Optimize methane capture facilities for all mills [AA2030]	<b>In progress:</b> Existing 11 facilities avoided 420,581 MT CO <sub>2</sub> e
100% renewable energy for our operations [AA2030]	<b>In progress:</b> 95.7% of energy use at operations derived from renewable sources
Maintain no new land-use change (no new development)* [AA2030]	<b>Achieved:</b> Maintained no land expansion since 2003
Reduce chemical pesticide use by 50% (against 2022 baseline) [AA2030]	<b>On track:</b> 31.8% reduction achieved
Implementing circular economy best practices** [AA2030]	<b>Progress made:</b> We practice circularity by recycling organic waste streams, including utilization of EFB, fiber and shell, and capturing methane from POME to generate power
Promote eco-green for sustainable operations** [AA2030]	<b>Progress made:</b> We maintain 100% sustainability certifications and methane capture; almost 90% of biogas yield is used for energy generation (approximately 40% of total electricity generated)
Optimized recovery of waste oil* [AA2030]	<b>Progress made:</b> 17 press machines upgraded



Target	Status as of December 2025
<b>Responsible and sustainable production</b>	
100% traceability to plantation for FFB sourced* <sup>1</sup>	<b>Achieved since 2017</b>
Uphold our zero-burning policy*	<b>Achieved</b>
Maintain 100% certification (RSPO, ISPO)*	<b>Achieved</b>
<b>Good governance</b>	
Zero instances of corruption*	<b>Achieved</b>
New: Annual ethics and anti-corruption communication*	<b>Progress made:</b> Ethics and anti-corruption communications disseminated to all employees and made accessible via our employee platform
No non-compliance with laws and sustainability standards*	<b>Achieved</b>

<sup>1</sup> PK traceability is monitored internally but is not currently subject to a traceability-to-plantation target.

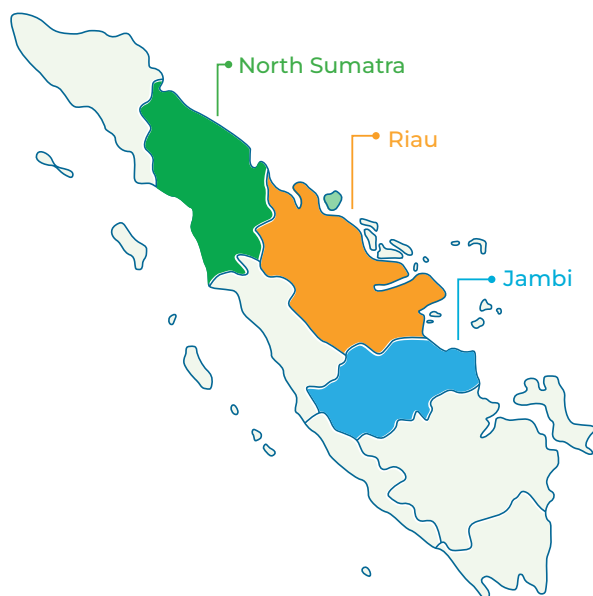
# About Asian Agri

## At a glance [GRI 2-1, 2-6]

Established in 1979 by PT Inti Indosawit Subur (PT IIS) in North Sumatra, Asian Agri has evolved into one of Asia's leading palm oil producers specializing in palm oil cultivation and processing. Asian Agri is a private company operating under PT IIS, which oversees 12 subsidiary companies, and is part of the Royal Golden Eagle (RGE) Group.

Asian Agri manages 30 estates, 23 mills, 13 kernel crushing plants (KCPs), including one newly commissioned kernel crushing plant at an existing mill in 2025, and 11 biogas plants across North Sumatra, Riau, and Jambi. Our operations cover seedling nurseries, plantations, and the processing of fresh fruit bunches (FFB) into crude palm oil (CPO), palm kernels (PK), and crude palm kernel oil (CPKO). These products serve both domestic and international markets, primarily in Asia and Europe. Our office is in Jakarta, with support from regional offices in Pekanbaru, Riau and Jambi city, with a total workforce of more than 25,000 people.

## Operational presence



Information about Asian Agri's products can be found on our [website](#).



### Provinces



### Plantation



### Mills



### Biogas plants



### Kernel crushing plants

Provinces	Plantation	Mills	Biogas plants	Kernel crushing plants
North Sumatra	14 estates 41,620 ha planted area	8 mills	5 biogas plants	3 KCPs
Riau	10 estates 32,665 ha planted area estates 29,394 ha plasma smallholder area	11 mills	4 biogas plants	7 KCPs
Jambi	6 estates 17,238 ha planted area estates 23,443 ha plasma smallholder area	4 mills	2 biogas plants	3 KCPs
<b>Total</b>	<b>30 estates with 91,523 hectares of planted area and 52,837 ha of plasma smallholder planted area</b>	<b>23 mills with total processing capacity of 1,300 MT FFB/hour</b>	<b>11 biogas plants with 58.8 MWh generated electricity in 2025</b>	<b>13 KCPs with capacity of 1,330 tons PK per day</b>

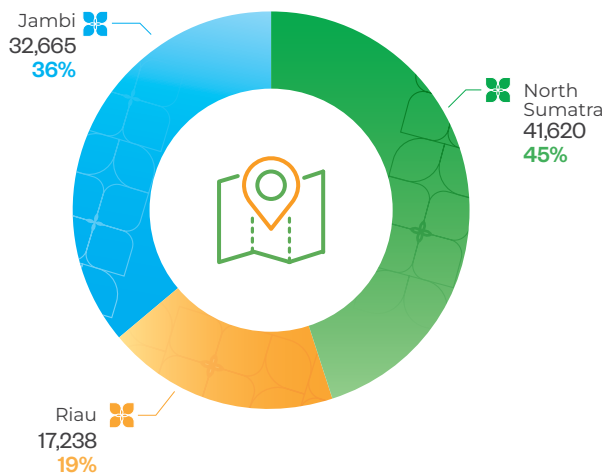
## Upstream operations

Asian Agri manages 91,523 hectares of planted area across North Sumatra, Riau, and Jambi provinces. In addition, we engage and support plasma smallholders who directly sell to our mills, cultivating 52,837 hectares of planted area. We also source FFB from external suppliers, 100% of whom are independent smallholders.

All FFB sourced is processed at our 23 mills to produce CPO.<sup>2</sup> In 2025, the sourcing composition of processed FFB comprised 43% from our own plantations, 13% from plasma smallholders, and 44% from independent smallholders. Our mills yielded 967,206 MT of CPO, 6.5% higher than in 2024, largely driven by improved FFB production and yield performance.

### Planted area by region 2025 (hectares [%])

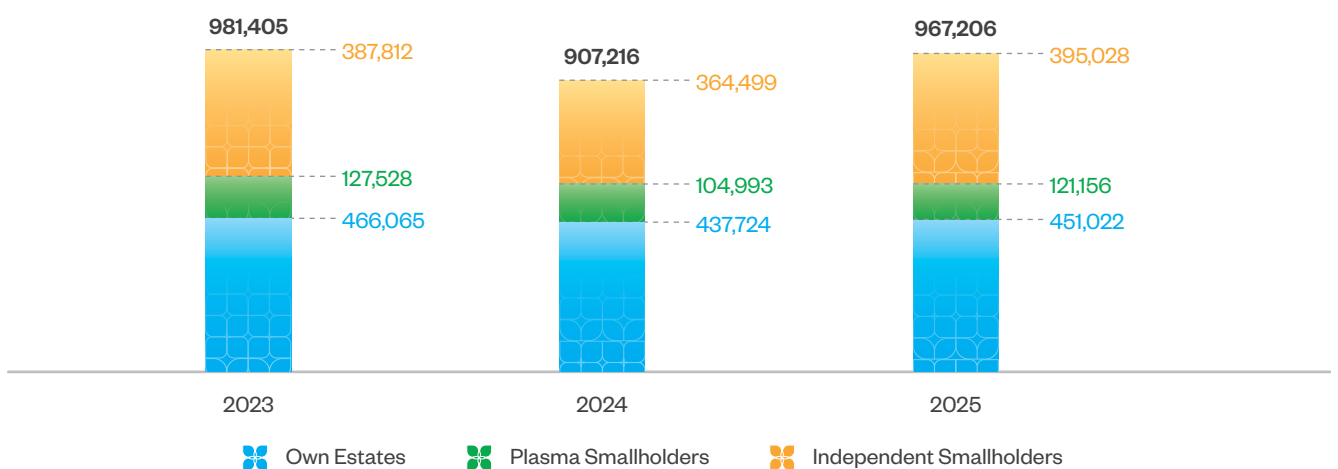
**Asian Agri planted area**  
Total : 91,523 ha



**Plasma smallholder planted area**  
Total : 52,837 ha



### CPO production by source 2023–2025 (MT)

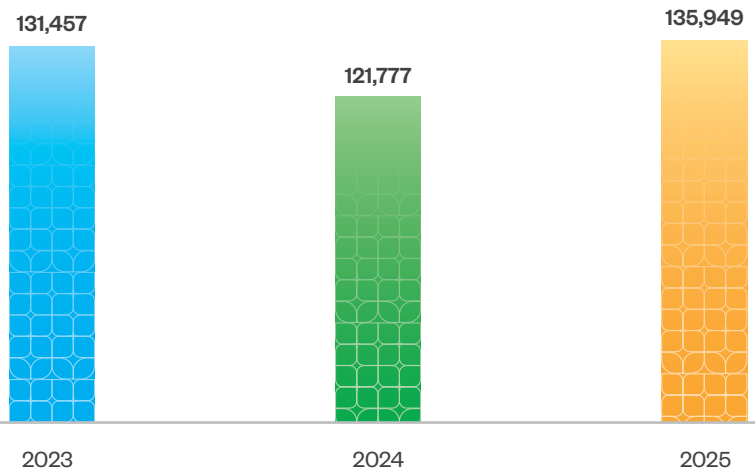


<sup>2</sup>Of our total mills, 20 are integrated with plantations, while the remaining three are independent mills that exclusively source and process external FFB.

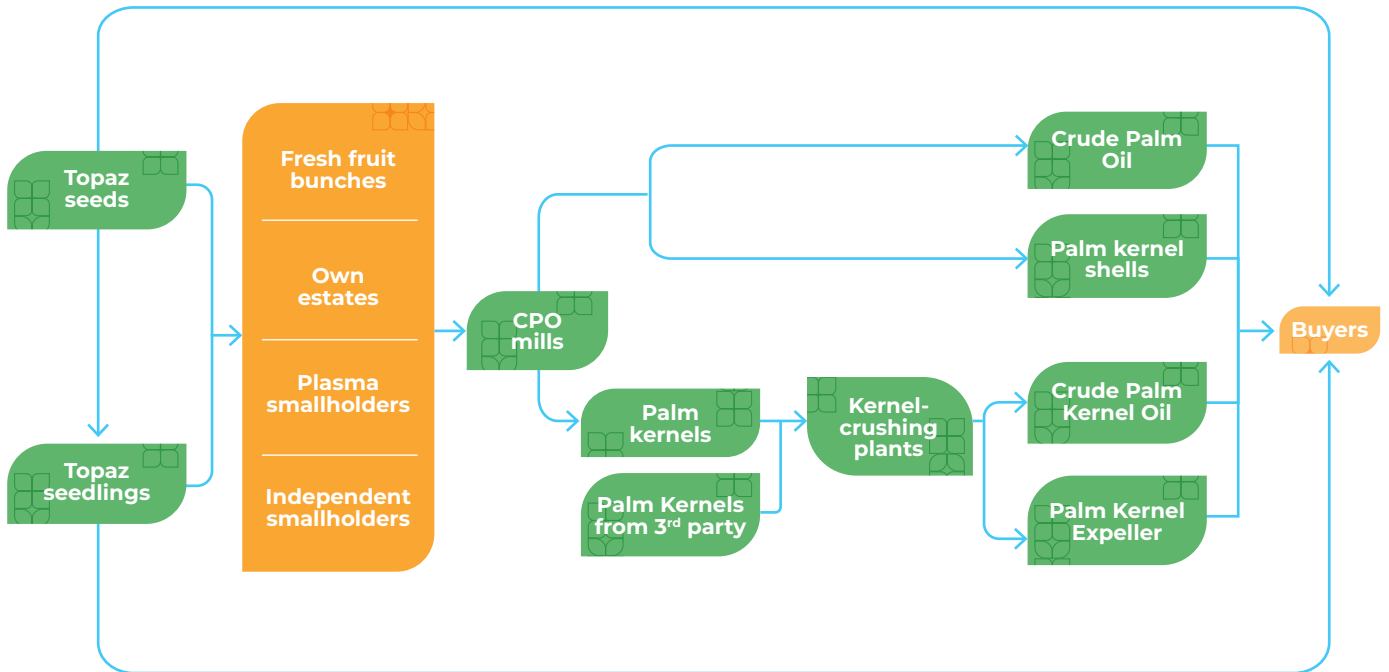
Palm kernels from the CPO production process are sent to our KCPs to produce CPKO, along with palm kernels sourced from third-party suppliers. Our palm oil and palm kernel products are then supplied to customers for further downstream processing into a range of end products, including food, fuel, and other palm-based derivatives. In 2025, CPKO production increased by 11.6% compared to 2024, driven by increased palm kernel output.

Our products, including CPO, PK, CPKO, palm kernel expeller (PKE), and palm kernel shell (PKS), are supplied as raw materials for further processing into a wide range of downstream products, including cooking oils, oleochemicals, biofuels, animal feed, and biomass energy.

### CPKO production 2023–2025 (MT)






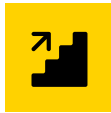


## Our value chain



## Our purpose, vision, and core values

At Asian Agri, we are committed to strengthening our management practices and sustainability performance to deliver positive environmental and social outcomes. We aim to further improve livelihoods through sustainable resource development, guided by our commitment to consistently uphold our core values across all our actions and behaviors throughout the organization.

Our Core Values TOPICC		
 <p><b>Complementary Team</b> We are aligned by our common purpose and work together as a <b>complementary team</b></p>	 <p><b>Ownership</b> We take <b>ownership</b> to achieve outstanding results and seek value at all times</p>	 <p><b>People</b> We develop our <b>people</b> to grow with us</p>
 <p><b>Integrity</b> We act with <b>integrity</b> at all times</p>	 <p><b>Customers</b> We understand our <b>customers</b> and deliver best values to them</p>	 <p><b>Continuous Improvement</b> We act with zero complacency and always strive for <b>continuous improvement</b></p>

# Approach to Sustainability [GRI 2-23, 2-24]

Our [Sustainability Policy](#) underscores our dedication to producing palm oil and its derivatives responsibly and sustainably. It includes our No Deforestation, No Peat, and No Exploitation (NDPE) commitments, which serve as our cornerstone policy and outline our pledge to protect high conservation value (HCV) areas and high carbon stock (HCS) forests, safeguard peatlands, and deliver positive socioeconomic outcomes for our workforce, smallholders, and communities.



## Updated 2025 Sustainability Policy

In 2025, our Sustainability Policy was revised following its 2014 launch. This updated blueprint is structured around four key pillars: Environmental Protection and Climate Action, Traceability and Responsible Fresh Fruit Bunches (FFB) Supply, Sustainable and Responsible Production, and Respect for Human Rights. It is also supported by governance structures that ensure compliance with applicable laws, international conventions, and industry best practices.

The scope of this policy extends beyond our operations, encompassing our subsidiaries and all our suppliers, including smallholders. It underpins all our other Asian Agri policies and has led to the development of our Human Rights Policy and Anti-Bribery and Anti-Corruption Policy. Key 2025 updates include the following:

- An expanded policy scope with clearer applicability for employees, subsidiaries, and suppliers, including our smallholders.
- Updated language on commitments to no-deforestation and no-peat, including commitments to the restoration of alternative use of unsuitable peatlands beyond best management practices.
- New organization-wide greenhouse gas (GHG) tracking and reduction commitments.
- Enhanced supplier engagement and smallholder inclusion approaches, including our innovation and partnerships agenda, and the adoption of digital tools to support supply chain activities.
- Updated human rights commitments in line with the United Nation Guiding Principles on Business and Human Rights (UNGPR), International Labour Organization (ILO) conventions, and pledges to mitigate human rights risks throughout our operations.
- Greater emphasis on diversity, equity, and inclusion.
- Outline of sustainability governance, including executive committee and senior management oversight
- Formalized grievance management commitment and approach.

These revisions do not represent a change in direction for Asian Agri. Instead, our policy has been updated to align with recent sector developments and lessons learned from implementing our NDPE pledges over the years. The revision process involved a detailed review of our existing commitments against our latest programs, on-the-ground stakeholder expectations, and sector initiatives, guided by standards such as the Roundtable on Sustainable Palm Oil (RSPO). We will update our progress against these commitments in future reporting.

See [Upholding human rights](#) for our recently updated Human Rights Policy.



## Asian Agri 2030

In 2022, we introduced Asian Agri 2030 (AA2030) to enhance our sustainability initiatives and environmental, social, and governance-related (ESG) programs. This sustainability strategy builds on, and in many cases exceeds, standard responsible palm oil industry priorities, with specific targets and clearly defined key performance indicators (KPIs). Our operations teams implement these objectives under the guidance of our AA2030 steering committee, led by Asian Agri's Managing Director.

Building on our existing efforts, our AA2030 plan advances four focus areas: deepening smallholder partnerships, enhancing community development, strengthening climate protection, and promoting responsible production practices. When developed, the 16 AA2030 targets were intended to be ambitious yet realistic. After four years of implementation, we are proud to have met some of these goals ahead of schedule; however, sustained effort and resources remain essential to maintain progress and achieve the remaining objectives. See [Targets and progress](#) for our progress made toward all AA2030 targets.

## Asian Agri 2030 Targets



### Smallholder Partnership

Intensive Engagement with Smallholders for Better Livelihood



**Double smallholder income** through replanting programs\*.



**100%** completion of smallholders' **replanting programs**.



**100%** **ISPO certification** for smallholders.



**5,000** independent smallholders to be **RSPO certified**.

### Inclusive Growth

Intensive Engagement with Smallholders for Better Livelihood



**Zero extreme poverty** surrounding our operational area.



Establishment of Small-Medium Enterprises that covers more than **500,000 hectares**.



Provide **5,000 sets of school essentials** to children through our Bag-to-School program.



Optimize **recovery of waste oil**.

### Climate Positive

Promote Sustainable Palm Oil through Best Management Practices



**One to One commitment** to restoration area.



**Net Zero emissions** from land use.



Optimize **methane capture facilities** for all mills.



**100% renewable energy** for our operations.

### Responsible & Sustainable Production

An Integrated Course of Action to Establish Sustainable Product



**No new land use change** for plantations.



Promote **eco-green** for sustainable operations.



Implement **circular economy** best practices.



**Reduce 50%** pesticide usage\*.

\*Note: against 2022 baselines

## Contributing to the SDGs

We are dedicated to aligning our operational agenda with the United Nations Sustainable Development Goals (SDGs). As such, our AA2030 supports Indonesia's broader development needs while addressing the specific priorities of local communities. We have mapped our contributions to the SDGs through an initial assessment when developing the AA2030 targets, focused on nine SDGs:

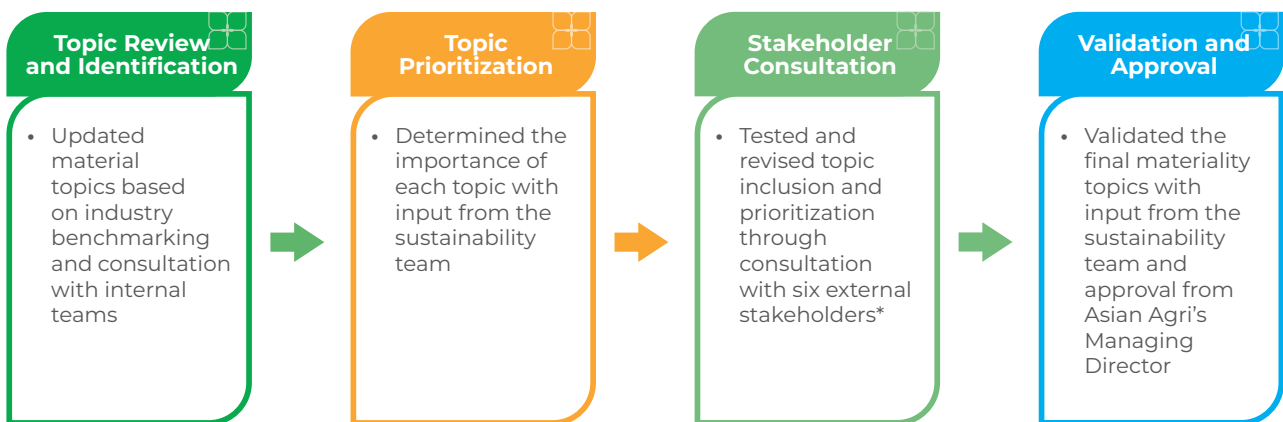


## Materiality [GRI 2-12, 2-14, 3-1, 3-2]

This report addresses the material ESG related topics most relevant to our business and stakeholders. These topics are reviewed and updated annually in conjunction with the development of our sustainability report. The final list of topics and accompanying matrix helps guide our internal sustainability strategies and report content.

Between Q3 2025 and Q1 2026, we completed a comprehensive review of our existing topics, resulting in a total of 16 material topics. These topics were organized into four main categories: Environmental management, Empowering people and communities, Good governance, and Sustainable supply chains.

## 2025 Materiality process



\*Note: covering one government agency, smallholder program partners (a certification body and a cooperative), an NGO, a bank, a buyer, and a media representative.



Supporting SDG 2 Through Stunting Prevention

## Changes to material topics from SR 2024

### Merged Topics

- The previous **“Indirect economic impacts”** topic has been subsumed under **“Smallholder engagement”**, reflecting how our smallholder engagement programs are focused on supporting economic development.
- The previous **“Emissions”** and **“Energy”** topics have been merged and named **“Climate mitigation and adaptation”**, covering all climate- and energy-related initiatives and reporting.
- The previous **“Compliance with laws and regulations”** and **“Anti-corruption”** topics have been merged to become **“Sustainability certification and compliance”**, that goes beyond regulatory requirements but also voluntary or market-led sustainability expectations.
- The previous **“Conservation of areas with HCV and HCS”**, **“Biodiversity”**, and **“Soil health”** topics are now merged under **“Biodiversity and conservation”**.
- **“Human rights”** and **“Employment and employment practices”** have been merged and updated to **“Human rights and labor practices”**, in line with our dedicated focus on addressing labor practice risks in palm oil.

### Updated Topic Names

- **“Supply chain traceability”** has been updated to **“Supplier engagement and responsible sourcing”**, reflecting how programs go beyond source identification to engagement on managing environmental and social risks.
- **“Pesticides use”** has been updated to **“Pesticides and chemical management”**.

### New Topics

While not new to Asian Agri programs, we have introduced a standalone topic on **“Gender, diversity, and inclusion”**.

### Asian Agri SR 2025 materiality matrix



While all topics are material to Asian Agri, we have identified eight in the high-priority quadrant as core material topics. In addition, three topics—Occupational health and safety (OHS), Water and effluents, and Waste—are considered high priority due to their significant operational impacts, industry focus, and regulatory relevance.

These 11 topics are disclosed in detail in alignment with applicable Global Reporting Index (GRI) Standards. All other topics remain relevant to our sustainability strategy and are addressed qualitatively or with limited disclosures, where appropriate, in line with applicable standards and best practices.



## Material topic definitions

No	Material Topic	Definition
<b>Environmental management</b>		
1	<b>Climate mitigation and adaptation</b>	Managing and monitoring GHG emissions, reducing carbon emissions through energy efficiency, renewable initiatives, and sustainable resource management; assessing and building resilience against the impacts of climate change.
2	<b>Biodiversity and conservation</b>	Identifying high carbon stock (HCS) and high conservation value (HCV) areas, protecting peatlands and riparian zones, rehabilitating forests through community programs, conserving biodiversity, and improving soil health.
3	<b>Fire prevention and management</b>	Preventing the occurrence of fires and responding to fire risks through hotspot monitoring and community collaboration.
4	<b>Pesticides and chemical management</b>	Managing pest and disease control sustainably through integrated pest management and integrated disease management; minimizing the use of chemicals.
5	<b>Water and effluents</b>	Responsible use of water by optimizing water usage, recycling water where possible, and ensuring all water discharge continues to meet regulatory thresholds.
6	<b>Waste</b>	Managing waste responsibly through reduction programs, repurposing organic by-products, and safe handling of hazardous materials.
<b>Empowering people and communities</b>		
7	<b>Smallholder empowerment</b>	Empowering plasma and independent smallholders to achieve positive economic, social, and environmental outcomes through integrated support programs that strengthen local economies, improve market access and infrastructure while also boosting sustainable livelihoods and food security.
8	<b>Local community empowerment</b>	Upholding the legal and customary rights of Indigenous Peoples and local communities by conducting free, prior, and informed consent (FPIC), participatory mapping, and supporting inclusive growth and well-being through economic, infrastructure, education, health, and environmental resilience programs.
9	<b>Human rights and labor practices</b>	Upholding employee human rights by promoting fair and favorable working conditions, preventing forced and child labor, upholding freedom of association, enabling access to grievance mechanisms, and investing in talent attraction and development
10	<b>Occupational health and safety</b>	Promoting a healthy and safe work environment by preventing fatalities, injuries, and illnesses.
11	<b>Gender, diversity, and inclusion</b>	Fostering equitable and inclusive workplaces by promoting equal opportunities, fair treatment, and meaningful participation across our operations.
<b>Good governance</b>		
12	<b>Sustainability certification and compliance</b>	Ensuring full compliance with applicable laws, regulations, and voluntary or market-led sustainability certification schemes.
13	<b>Sustainability governance</b>	Ensuring the highest standards of corporate governance by conducting business with integrity, preventing corruption, and adhering to internal policies and the RGE Global Code of Conduct.
14	<b>Stakeholder collaboration</b>	Engaging diverse stakeholder groups to address broader issues linked to the palm oil sector.
<b>Sustainable supply chains</b>		
15	<b>Supplier engagement and responsible sourcing</b>	Ensuring full traceability to plantation and promoting supplier sustainability through engagement and capacity building.
16	<b>Production optimization and efficiency</b>	Enhancing productivity through advanced R&D, high-yield and disease-resistant seeds, and championing digital innovation.

Note: topics highlighted in colour represent the 11 priority material topics that were subject to external assurance in accordance with GRI requirements.

## Stakeholder engagement [GRI 2-28, 2-29, 3-3]

Asian Agri prioritizes building trust and strong relationships with our stakeholders through transparent and consistent communication. We connect with our stakeholders via multiple channels, including forums, training sessions, site visits, and consultations. Our approaches are continuously reviewed and refined to ensure they remain effective and relevant.

For a detailed overview of our stakeholder interactions, please refer to our [Stakeholder engagement overview](#), which details our main stakeholder groups, engagement types, key topics, and responses.



### Sustainability expectations in the palm oil sector

Commentary by Desmoon Putra Kurnia, Vice President Corporate Bank | Bank Central Asia (BCA)

It is encouraging to see that Asian Agri continues to meet industry expectations through the implementation of NDPE commitments and robust sustainability practices. The company is widely recognized for its strong performance in Indonesia's palm oil sector, particularly for adopting sustainability certifications such as ISPO, RSPO, and ISCC. Asian Agri's strong engagement with smallholders further supports the development of a more inclusive and responsible supply chain. In addition, its peatland management and fire prevention initiatives are noteworthy, with several practices serving as industry references and being adopted by other companies.

Looking ahead, Asian Agri could further strengthen its ESG leadership by advancing its efforts toward net-zero waste, particularly through enhanced operational circularity and resource efficiency. Maintaining transparent and consistent communication on the progress of its AA2030 sustainability targets will also be important to reinforce stakeholder confidence.

*About: Asian Agri and BCA have collaborated since 2011. At the time of this report's publication, BCA is one of the seven banks that have signed a commitment to support Indonesia's Net Zero Emissions (NZE) commitment by 2060.*



## Our 2025 collaborations

We work with our industry peers and associations to advance our sustainability agenda across our operations, communities, and workforce.

### Overview of collaborations

- Smallholder Inclusion for Better Livelihood & Empowerment (SMILE) program in association with Apical Group and Kao Corporation. [\(See page 36\)](#)
- Fire Free Alliance (FFA), collaborating with industry leaders such as Asian Agri, APRIL Group and other leading palm companies to prevent forest and land fires. [\(See page 58\)](#)
- Medan Healthy Together (*Medan Sehat Bersama*)—a collaborative health and community well-being initiative in association with the Tanoto Foundation and the Medan City Health Office. [\(See page 49\)](#)
- Government offices on community health and education partnerships. [\(See page 49\)](#)

## Memberships

In addition to our direct partnerships, we participate in industry platforms that align with our sustainability goals. These memberships also enable us to stay informed on the latest trends and best practices in sustainable palm oil production. We have cultivated partnerships and memberships with the following national and international organizations and associations:

1. Roundtable on Sustainable Palm Oil (RSPO).
2. Fire Free Alliance (FFA).
3. Tropical Forest Alliance 2020.
4. Indonesia Employers Association (APINDO).
5. Indonesia Palm Oil Producers Association (GAPKI).
6. Sumatran Plantation Companies Cooperation Body (BKS-PPS).
7. Indonesia Biofuel Producer Association (*Asosiasi Produsen Listrik Bioenergi Indonesia* [APLIBI]).
8. Indonesian Germplasm Expedition Consortium (*Konsorsium Plasma Nutfah Kelapa Sawit Indonesia*).
9. Oil Palm Genome Project (OPGP) Consortium.

To further strengthen our industry presence, our senior executives regularly participate in key industry events. In 2025, Asian Agri attended the Indonesia Palm Oil Conference (IPOC), the RSPO Roundtable Conference (RT), the 10th Indonesia Palm Oil Stakeholders (IPOS) Forum, and the International Sustainability and Carbon Certification (ISCC) Southeast Asia (SEA) regional meetings.

## Sustainability ratings and benchmarks

Our sustainability performance is evaluated and integrated into various benchmark ratings. Since 2015, we have undergone annual assessments through the Zoological Society of London's Sustainable Palm Oil Transparency Toolkit (ZSL SPOTT). Additionally, we have been submitting responses to CDP Forest since 2018, earning a B score in the latest disclosure cycle.

As part of our compliance initiatives, we actively participate in the Public Disclosure Program for Environmental Compliance (*Program Penilaian Peringkat Kinerja Perusahaan dalam Pengelolaan Lingkungan Hidup* [PROPER]), managed by Indonesia's Ministry of Environment. We continuously monitor our performance for mills and peatlands against PROPER indicators through our digital platform. **All participating mills and estates with peatland areas achieved a Blue PROPER rating<sup>3</sup> during the reporting year**, with results for peatlands expected in 2026.

## Sustainability governance [GRI 2-9, 2-11, 2-12, 2-13, 2-14, 2-15, 2-17, 3-3]

Our robust governance framework ensures effective oversight and implementation of our sustainability policies throughout the organization. Sustainability is constantly reinforced from operational staff to management levels through KPIs and undergo annual reviews. The highest governance body at Asian Agri is the Management Committee, consisting of senior executives such as the Managing Director, Deputy Managing Director, Group Business Controller (GBC), Head of Business and Commercial, Head of Operations, and the Director of General Affairs. The Managing Director chairs the Management Committee and reports to the RGE Group Palm Business Board.

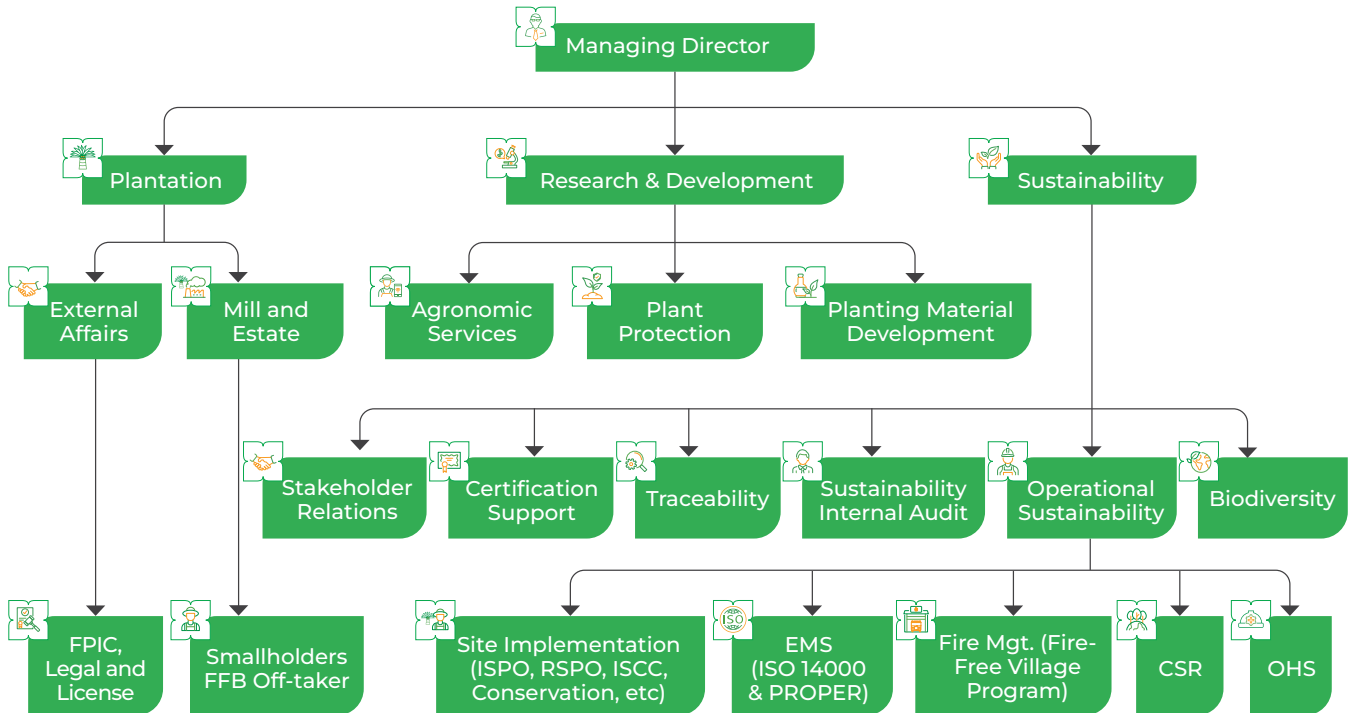
Our sustainability implementation is overseen by the Sustainability department, led by the Director of Sustainability and Stakeholder Relations, who reports to the Managing Director on a quarterly basis. This includes updating the Managing Director on the latest developments such as certification statuses, project progress, performance monitoring, and sustainability reporting. The Managing Director is responsible for major decisions, allocating necessary resources, overseeing our sustainability commitments, and the implementation of our Sustainability Policy. Asian Agri's dedicated team manages our daily sustainability agenda, including developing strategies, setting goals and KPIs, and coordinating the execution of various initiatives. This includes maintaining our sustainability certifications, aligning with market requirements on new standards and emerging regulations, addressing Sustainability Policy gaps and reported grievances, engaging stakeholders, including NGOs, and monitoring and reporting on Asian Agri's ongoing sustainability efforts.

Moreover, a dedicated AA2030 steering committee was established to oversee the integration of AA2030 into our business operations. Chaired by our Managing Director, with strategic support from RGE Directors, the committee provides direction and assistance to designated AA2030 champions. Additional support is provided by working groups that implement our AA2030 programs; they report their progress and performance updates to the steering committee.

To stay up to date, relevant members of our sustainability department and management teams attend training and workshops as needed, including sustainability leadership programs for the Managing Director and senior executives. In 2025, senior leadership and management members participated in five key capacity-building programs, including the Roundtable on Sustainable Palm Oil (RSPO) Roundtable, the Indonesian Palm Oil Conference (IPOC) 2025, the Palm Oil International Conference (PIPOC) 2025, the Apical Sustainability and Traceability Working Group, and our internal Sustainability Manager Training Program.

<sup>3</sup>A Blue PROPER rating is awarded to businesses that demonstrate strong environmental management efforts and meet minimum regulatory compliance standards.

## Sustainability governance structure



Asian Agri also manages sustainability-related risks and opportunities through our broader Enterprise Risk Management (ERM) framework, which supports long-term resilience and business continuity. The framework is overseen by our Risk Management Committee (RMC), which conducts an annual review of assessed risks and opportunities in consultation with department heads and is responsible for maintaining ownership and management of identified risks and opportunities. Risks are evaluated and managed at the departmental level. Key operational units, including plantation and mill operations, and high-risk functions, such as procurement and finance, are all covered under this process. These assessments are conducted regularly and form part of Asian Agri's overall risk identification and mitigation strategy. The most recent risks relate to sales and market conditions, labor regulations, worker safety, machinery defects and maintenance, plant disease, and mill-generated waste.

To ensure continued integrity in decision-making, Asian Agri enforces policies to identify, prevent, and manage conflicts of interest across all levels. Employees are required to avoid situations that may compromise impartiality, with external engagements subject to prior approval and potential conflicts disclosed to management and escalated as necessary. These requirements are outlined in our Employee Handbook, with similar disclosure expectations applied to suppliers. No conflicts of interest were identified or reported in 2025, including those related

to cross-board memberships, shareholding, or related-party transactions.

### Business ethics and anti-corruption [GRI 205-1, 205-2, 205-3]

We strive to uphold the highest standards of corporate governance, integrity, professionalism, and ethical conduct across all our activities and operations. These commitments are outlined in our Anti-Bribery and Corruption (ABC) Policy and our RGE Global Code of Conduct. These documents serve as a comprehensive guide for employees, suppliers, and business parties outlining acceptable behaviors while strictly prohibiting corruption, bribery, anti-competitive practices, and fraud. As of 2025, it has become mandatory for all employees to receive training upon induction followed by regular training updates. This requirement is set out in an updated version of the Asian Agri ABC Policy, which was communicated to all employees and made available on the company portal. No instances of corruption were reported in 2025.

Corruption risk assessments are conducted as part of our ERM framework. At present, the percentage of operations assessed for corruption-related risks is not quantified, as assessments are structured by function rather than by a consolidated operational coverage metric. Efforts are ongoing to enhance risk documentation and reporting systems to enable more comprehensive tracking and disclosure in the future.

Additionally, our Employee Handbook details procedures for managing potential conflicts of interest and the repercussions for non-compliance.

This includes zero cases of employee dismissal or disciplinary action undertaken, termination or non-renewals of contracts with business partners, and public legal cases brought against the company in relation to corruption.

**Compliance with laws and regulations** [GRI 2-27]

Asian Agri complies with all applicable business laws and regulations, including obtaining required land-use permits and maintaining environmental regulations. To ensure continued compliance, we develop and maintain KPIs, supported by regular audits and field visits conducted by operational internal audit teams. Moreover, we comply with all national tax and levy laws.

There were no instances of legal non-compliance during 2025.

In 2025, Indonesia intensified its efforts to align regional land records with national forest maps. As part of this process, several licensed mining and

plantation sites, including some managed by Asian Agri were identified and assessed by the *Satuan Tugas Penertiban Kawasan Hutan* (Satgas PKH), which subsequently laid claim to certain areas. To resolve these discrepancies, the Satgas PKH is overseeing a standardized enforcement process. In accordance with these spatial governance reforms, Asian Agri has relinquished affected areas and remains committed to full regulatory compliance as the situation evolves.

**Grievance mechanisms** [GRI 2-12, 2-16, 2-25, 2-26]

We recognize the importance of addressing stakeholder concerns through open, constructive dialogue. To facilitate this, we have established a clear and defined [grievance procedure](#) that enables external stakeholders across our operations and supply chain to report sustainability and governance concerns. If a grievance arises, we engage with the relevant parties, conduct on-site verification as needed, implement time-bound corrective action plans, and continuously monitor progress until resolution. We may escalate measure for supplier-related grievances where corrective actions are not taken or progress is insufficient, which can result in suspending or terminating the business relationship. Any critical grievance, internal or external, is escalated



to the Management Committee and the Managing Director, followed by an action plan.

Asian Agri provides internal grievance channels across all estates and mills, enabling employees to raise operational and work-related concerns through logbooks or confidential communication channels. Similarly, external stakeholders have multiple channels to report concerns related to business conduct and sustainability. Externally raised concerns, including those received through the RSPO complaints process, are closely monitored. All reports are kept confidential and, in line with our transparency commitment, publicly disclosed on our website. For more information, refer to our [grievance updates](#) page.

In 2025, one grievance related to a fire hotspot was recorded. The grievance was closed following on-the-ground verification confirming that no fires occurred. See our [Employee and worker access to grievance mechanisms](#) section on internal worker grievances.



## Response to Greenpeace report

In May 2025, Greenpeace International published a report linking certain former Asian Agri subsidiaries to deforestation activities, alleging these companies to be shadow companies of RGE Group. The subsidiaries listed in the report are not under the current control of Asian Agri's management and are not linked to our operations in any way, including the companies in question that were formerly under our management. The RGE Group has publicly disclosed the full list of companies within its corporate Group. All Asian Agri subsidiaries have maintained strict no-deforestation commitments since the policy came into effect in 2014.

We remain committed to transparency, accountability, and constructive engagement with all our stakeholders, including NGOs and local communities, and continue to focus on delivering positive outcomes. For more information, please refer to RGE Group's [statement](#).

### Certifications [GRI 3-3, 416-2]

We believe in going beyond compliance with national, regional, and local regulations and participating in industry-recognized sustainability certification schemes.

Certification	Description
	<p><b>Indonesian Sustainable Palm Oil (ISPO)</b> We comply with Indonesia's national certification scheme for sustainable palm oil — the Indonesian Sustainable Palm Oil (ISPO) standard. <b>Since 2019, 100% of our plantations and mills have been certified.</b></p>
	<p><b>Roundtable on Sustainable Palm Oil (RSPO)</b> Asian Agri has been a committed and active member of the RSPO since 2006, consistently adhering to the highest environmental and human rights standards required for certification. <b>Since 2022, 100% of our mills integrated with plantation and 100% of our land bank have been certified against the RSPO Principles and Criteria (P&amp;C).</b> We will consider the RSPO Supply Chain Certification Scheme (SCCS) for the remaining three independent mills and other downstream facilities in future, in line with market demand.</p>
	<p><b>The International Sustainability &amp; Carbon Certification (ISCC)</b> We have also pursued certification against the International Sustainability and Carbon Certification (ISCC) for our bio-based feedstocks and renewable products. <b>100% of our plantations and mills have been ISCC certified since 2013.</b> To date, 24 of our 25 mills have also held waste and residue certification, with the latest obtained in 2024 for our 2024-commissioned mill.</p>

### Product quality and safety certifications

Our core commitment is to continue safeguarding the health, hygiene, and safety of our products. To maintain product quality and minimize contamination, all 23 mills have been equipped with oil recovery facilities since 2021. These facilities separate waste and low-quality oils from high-quality crude palm oil (CPO), helping to prevent contaminants such as 3-monochloropropane-1,2-diol (3-MCPD) and glycidyl esters (GE) from entering food-grade CPO.

In 2025, there were no instances of non-compliance with regulations or voluntary codes concerning the health and safety impacts of our products.

 <p><b>ISO 9001:2015 Quality Management Systems</b></p> <p>Certification obtained for Asian Agri Learning Institute (AALI) since 2015 and Topaz nursery (OPRS) since 2007</p>	 <p><b>ISO 14001:2014 Environmental Management Systems</b></p> <p>23 mills</p>
 <p><b>Green Gold Label (GGL)</b></p> <p>Certified since 2021 for palm kernel shells</p>	 <p><b>Good Manufacturing Practices (GMP)*</b></p> <p>Certified since 2015 for palm kernel expeller products</p>
 <p><b>Kosher Certification*</b></p> <p>Certified since 2016 for all 21 mills and 11 kernel crushing plants (KCPs)</p>	 <p><b>Halal Certification from Indonesian Ulema Council (Majelis Ulama Indonesia)*</b></p> <p>Certified since 2024 for all 23 mills and 12 KCPs</p>

\*Certificates that assess products for health and safety impacts

As we advance our certification efforts, we remain committed to supporting smallholders within our supply chain to achieve certification. For more information, see this report's section on [Smallholder partnerships](#).

# People Empowerment and Inclusive Growth

## Upholding human rights [GRI 2-23, 2-24]

At Asian Agri, we are committed to upholding human rights and promoting fair labor practices throughout our supply chain. Building on the No Exploitation commitments of our No Deforestation, No Peat, and No Exploitation (NDPE) Policy and following human rights assessments conducted in 2019 and 2022, we established a standalone Human Rights Policy in 2023. Given the evolving nature of our industry and workforce, we continuously assess labor rights risks through audits, routine checks, worker committees, and engagement with trade unions. These initiatives have driven continuous improvements and informed updates to our Human Rights Policy in 2025. We also aim to strengthen internal capacity in human rights awareness, and ensured relevant team members attended a human rights workshop in November 2025.



### Updated Human Rights Policy 2025

Following a thorough internal review and consultation process, we updated our Human Rights Policy in August 2025. Key updates include the following:

- Builds on our commitment to the United Nations Declaration on Human Rights Defenders (UNDHRD), complementing our pre-existing alignment with globally recognized frameworks such as the International Bill of Human Rights (IBHR), the UN Guiding Principles on Business and Human Rights (UNGPs), the UN Declaration on the Rights of Indigenous Peoples (UNDRIP), the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the UN Global Compact (UNGC), as well as applicable local and national regulations.
- Reinforces expectations that suppliers and related parties comply with the policy, where they were previously encouraged to adhere to these international standards. The policy continues to apply to all Asian Agri employees and business units.
- Introduces more family-friendly practices and increased support for women's participation such as pledges to uphold reproductive rights and assist families in achieving a decent standard of living, building on our existing commitments.
- Outlines our approach to ensuring ethical recruitment practices are observed.
- Explicitly acknowledges certain vulnerable and marginalized groups, including, but not limited to, women, children, religious and ethnic minorities, Indigenous Peoples, environmental and human rights advocates, and migrant workers.
- Integrates free, prior, and informed consent (FPIC) into our stakeholder engagement strategy, echoing our long-standing practice since the 2014 Sustainability Policy was introduced.
- Adds a new commitment to conducting a Human Rights Due Diligence (HRDD) process to strengthen our sustainability framework with clear human rights targets, milestones, and performance indicators.

The revised policy has been made available on our website and can also be found [here](#).



## Smallholder partnerships [GRI 3-3, 203-1, 203-2, 13.23.4]

Smallholders are integral to Indonesia's agricultural landscape and play a crucial role in the global palm oil industry. For over 35 years, we have built and maintained strong partnerships with smallholders, guided by our belief in developing mutually beneficial relationships that support the development of smallholders and local communities while contributing to our business goals.

Of our total fresh fruit bunch (FFB) supply, 57% is sourced from Asian Agri's plasma and independent smallholders (13% and 44%, respectively). Plasma smallholders benefit from structured partnerships with our nucleus estates, while independent smallholders operate autonomously and engage with us through market-based relationships.

Despite their vital role, smallholders face complex, interlinked barriers related to yields, agricultural practices, land ownership, financing, market access, and economies of scale. We support them through replanting programs, the use of superior seed varieties, and dedicated engagement initiatives to promote best management practices and support, and access to technical assistance. These are implemented by our field teams in collaboration with external experts.

### Plasma smallholders

The plasma smallholders we work with were part of the Indonesian Government's Plasma Transmigration Program in 1987 (*Perkebunan Inti Rakyat*, also known as PIR-Trans), which benefited transmigrant families from Java. Under this program, we collaborate with plasma smallholders through structured contractual or credit arrangements, specifically at our operations in Riau and Jambi. These smallholders are organized into

farmer groups (*kelompok tani*), which are subsequently aggregated under legally registered village cooperatives (*Koperasi Unit Desa* [KUDs]), responsible for governance, coordination, and formal engagement on behalf of their members. As of today, the plasma smallholders have fully repaid the development loans provided under the PIR scheme and have successfully completed the program. While they now operate independently of Asian Agri, we continue to assist them through various capacity-building and development programs.

As of December 2025, we work with six plasma smallholder groups across Riau and Jambi, made up of 76 KUDs. These cover 52,837 hectares of plasma smallholder planted area – a size of land more than half of our own planted area. The total plasma FFB sourced in 2025, contributed to 121,156 tons of crude palm oil (MT CPO) processed. Notably, this was a 15.3% increase from 104,993 MT in 2024, primarily driven by higher yields from favorable weather conditions.



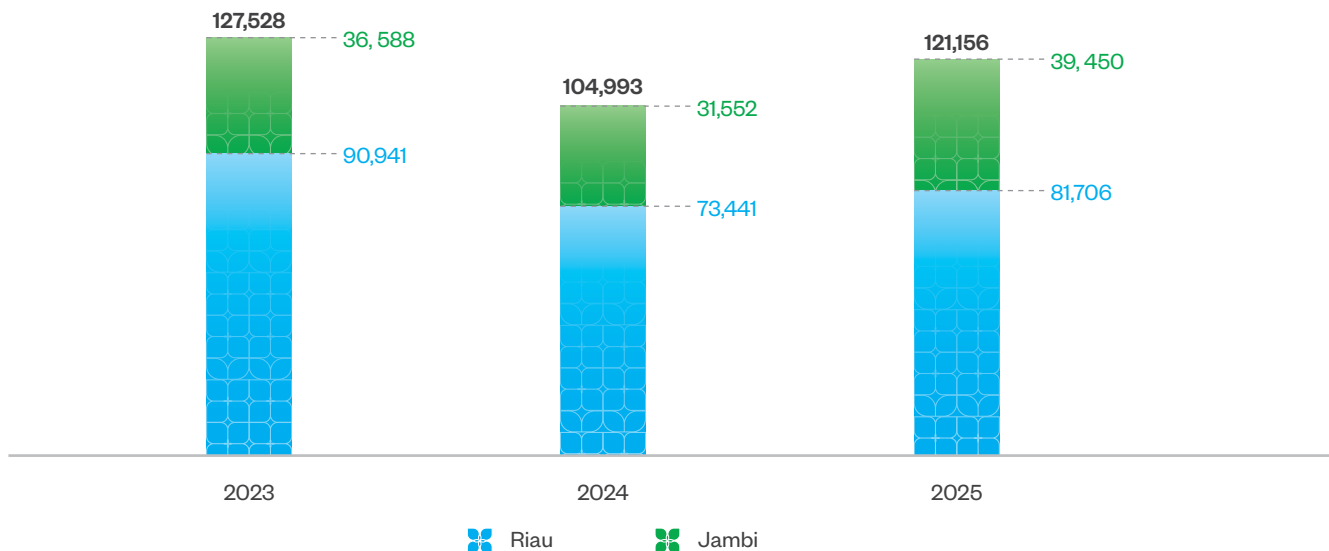
## Overview of plasma smallholders by region 2025

Plasma Smallholders	Riau	Jambi	Total
Smallholder plasma (no.)	3	3	6
Plasma smallholders (no.)	14,697	12,357	27,054
Plasma smallholder groups ( <i>Kelompok tani</i> ) (no.)	691	522	1,213
Plasma smallholder cooperatives (KUDs) (no.)	38	38	76
Total planted area by plasma smallholders (hectares)	29,394	23,443	52,837

Note:

1. We do not source from any plasma smallholders in North Sumatra.
2. Smallholder plasma numbers have been restated to reflect the reclassification of KKPA (*Kredit Koperasi Primer untuk Anggota*, a cooperative-based smallholder credit scheme) under plasma smallholders.

## CPO produced from plasma smallholders FFB by region 2023–2025 (MT)



## Support programs

Asian Agri provides technical and commercial assistance, including guidance on best management practices, with support from our 158-member Plasma Management Team. Our support primarily focuses on four main aspects:

### Training and Knowledge Sharing

Routinely organizing knowledge sharing and training sessions on oil palm best management practices, updated certification standards, first aid, and OSHE practices. Additionally, we maintain two-way communication to remain responsive to our smallholder needs.

### Certification

Assisting smallholders to secure ISPO and RSPO certifications so they can enter international markets, where selling certified FFB can enhance their livelihoods from additional premiums.

### Replanting

Since 2015, we have been supporting smallholders through replanting initiatives that address aging palms, declining productivity, and income disparities during the immature period. We also act as guarantor for replanting loans and share Best Management Practices (BMP) knowledge.

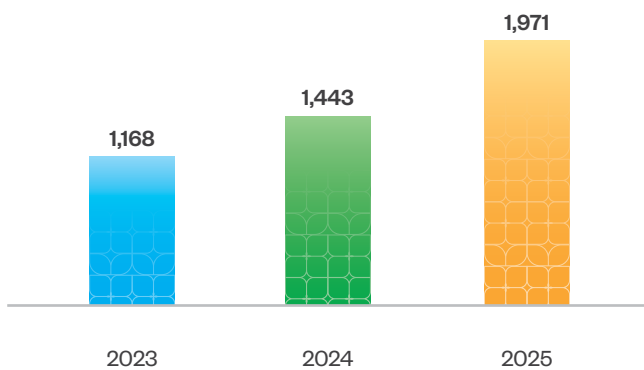
### Fire Prevention

Helping smallholders adopt land-clearing techniques by providing heavy machinery and targeted training, enabling them to clear land without resorting to slash-and-burn practices. [See page 57 for more information](#)

### Training and knowledge-sharing programs

In 2025, we conducted 29 educational and training sessions on good agricultural practices, basic fire management, High Conservation Value (HCV) awareness, and occupational health and safety for 1,971 plasma smallholders and representatives. We place a strong emphasis on scaling up capacity building and expanding outreach to smallholders, particularly through replanting socialization and certification refreshers. **This is demonstrated by a year-on-year rise in the number of participants, with 2025 marking a 79% increase since 2023.**

#### Participants trained: Plasma smallholders and representatives 2023–2025 (no.)



**Notes:**

1. 2024 data restated.
2. Representatives refer to committees or cooperative members.

#### Plasma smallholder certification progress

We also ensure that plasma smallholders comply with certification standards, including Indonesian Sustainable Palm Oil (ISPO) and Roundtable on Sustainable Palm oil (RSPO), extending Asian Agri’s certification audits to cover those of the plasma smallholders. As of December 2025, we have maintained 100% RSPO certification across all plasma smallholders we support.

For ISPO, we have supported 58 KUDs in obtaining certification and a further seven KUDs have passed the first stage of the audit process (representing 85.5% of all plasma KUDs). We remain on track to support 100% of our plasma smallholders in achieving ISPO certification by 2030.



Premium Sharing Distribution to Scheme Smallholders

## Smallholder replanting and income

Supporting smallholders during the replanting period is a top priority for Asian Agri. This is because oil palm trees typically take up to three years to begin fruiting, which often results in reduced income for smallholders due to their inability to sell FFB during this period. This income gap often leads smallholders to postpone replanting, further reducing their potential earnings from oil palm. To address these challenges, we have rolled out support initiatives focused on three key areas:

### Seed Access and Financial Assistance

- Supporting replanting and improving yields by providing smallholders with high-quality Topaz seedlings.
- Facilitating smallholders' access to loans by acting as a guarantor with banks, financial institutions, and the Indonesian Plantation Fund Management Agency (BPDP).

### Land Preparation

Assisting plasma smallholders with land preparation during the replanting phase, which typically takes around six months. This includes managing the felling of old trees, chipping and mulching biomass, tilling and fertilizing the soil, establishing planting points, and implementing soil conservation measures.

### Alternative Livelihood Sources

Helping smallholders diversify their income during the growth period of new oil palms by providing livestock, including cattle, chickens, fish, goats, and stingless honeybees (*kelulut*) as well as vegetable seeds and support for non-agricultural initiatives like handicrafts. This strategy helps to sustain smallholder livelihoods during the waiting period prior to the new palms becoming productive.

In line with our AA2030 commitment, we have pledged to complete replanting programs for all plasma smallholders across 60,000 hectares, by 2030. As of December 2025, we have successfully supported replanting of 23,068 hectares of plasma smallholder plantation area across 44 KUDs (26 in Riau and 18 in Jambi), resulting in a total of 38.4% of replanted area.

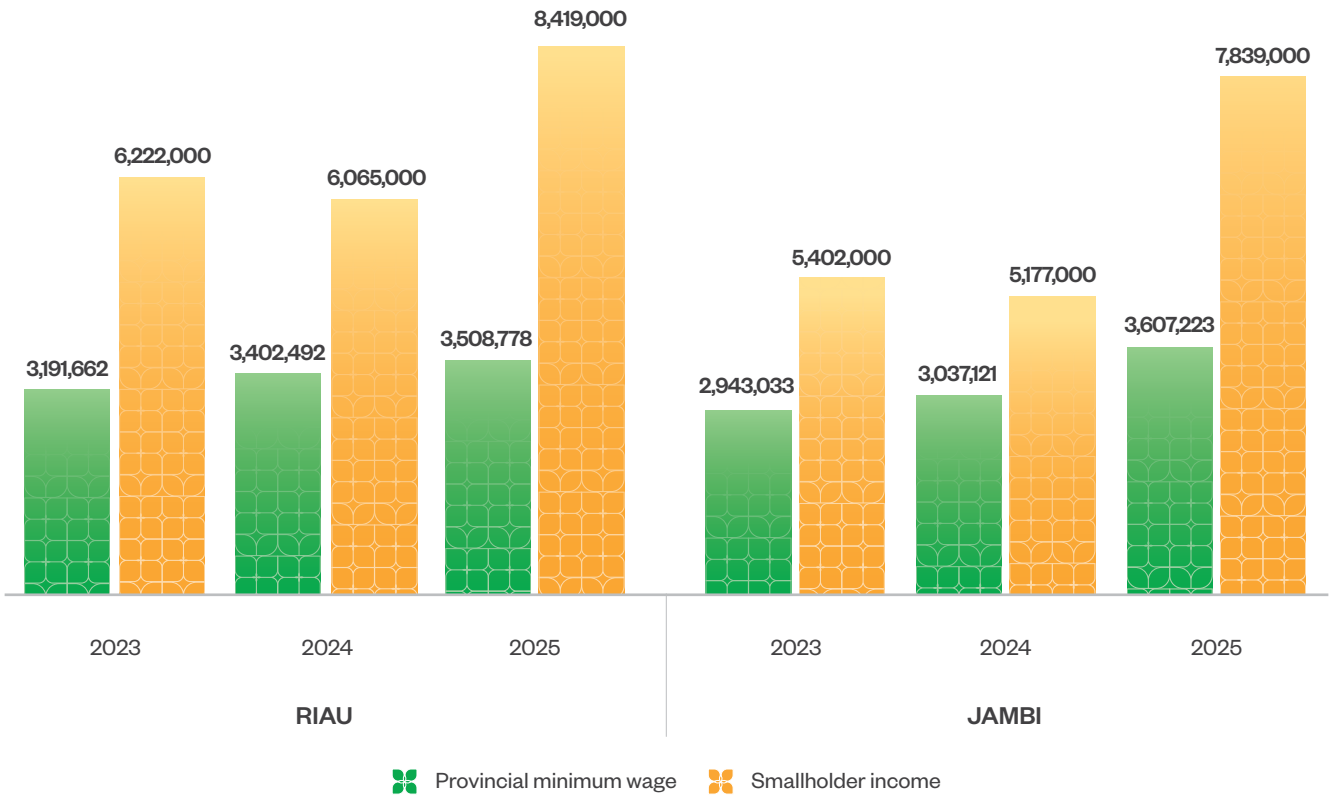
Through the replanting program, we have also set a goal to double smallholder income compared to the lowest recorded productivity of the first-generation of their palm trees, at 15 ton of FFB per hectare. Through years of the program, we have seen our replanting efforts contribute to higher smallholder incomes, while recognizing that other factors influence their earnings, such as improved yields, favorable weather conditions for harvesting, and other income streams. In 2025, the gross earnings of plasma smallholders in Riau were approximately 2.4 times the provincial minimum wage, while those in Jambi earned about 2.3 times the provincial minimum wage, an improvement from 2024 levels of around 1.8 times and 1.7 times, respectively.



Asian Agri's cooperatives in Riau sign replanting cooperation agreement



### Plasma smallholders income trends vs. provincial minimum wage 2023–2025 (IDR)



Note: Income data is based on FFB volume supplied by smallholders.

Our programs include a dedicated funding scheme that allocates a portion of premiums from the sale of certified sustainable palm oil. In 2025, a total of IDR 5.47 billion was allocated for premium sharing with plasma smallholders. Delivered through several in-kind initiatives and services, this funding supports efforts to improve agronomic skills and knowledge, enhance livestock cultivation, and renovate or construct village and plantation infrastructure.

#### Independent smallholders

Independent smallholders are oil palm farmers who operate without contractual obligations to sell to one company and independently finance and manage their plantations. This also means they can often face constraints in accessing finance, technical support, sustainability certification, and exposure to market price fluctuations. In 2025, 395,028 MT of our CPO produced came from independent smallholder FFB supply.

Given that independent smallholders contribute to 41% of our total production volumes –a significant portion of our supply base –we have invest in targeted programs to address any potential barriers they face.

These include strengthening smallholder capacity, improving market access, and advancing sustainable production with an aim to contribute to wider sectoral transformation by making knowledge on sustainable production more widely accessible to all smallholders.

#### Creating Shared Value (CSV) program

Launched in 2012, our CSV program supports independent smallholders through training on best practices, legal-entity support, access to high-quality seeds, and guidance on certification. This initiative was developed as a replication of our existing plasma smallholder programs at the time and rolled out on a voluntary basis for independent smallholders to take part in. This program also helps eligible smallholders pursue the RSPO Independent Smallholder Standard (RISS) certification.

Over the years, we have seen an increase in the number of independent smallholders participating in CSV. **As of December 2025, 8,236 smallholders across North Sumatra, Riau, and Jambi have taken part in this program.** Total outreach has covered 35,545 hectares of independent smallholder-planted area that supplied 11.9% of our external FFB sourced in 2025.

### Independent smallholders enrolled by region 2025

	North Sumatra	Riau	Jambi	Total
CSV smallholders enrolled (no.)	2,680	1,463	4,093	8,236
CSV smallholders area (ha)	15,005	5,122	15,419	35,545

### The Smallholder Inclusion for Better Livelihood & Empowerment (SMILE) program

Following the success of our CSV uptake, we launched a second independent smallholder program in 2020. In collaboration with our Apical Group and Kao Corporation partners, Asian Agri extended our CSV program model through a three-phase ten-year scheme called the Smallholder Inclusion for Better Livelihood and Empowerment (SMILE) program. Compared to CSV’s broad-based capacity-building mandate, SMILE is a targeted, long-term initiative designed to accelerate certification readiness and enhance market access for a selected group of smallholders, in line with downstream buyer commitments. The SMILE program offers tailored engagement, webinars, and workshops covering yield improvement, estate management, sustainability certification, and maximizing returns from certified palm oil. Since its establishment, SMILE has become Asian Agri’s prevailing RSPO certification support program for independent smallholders.

Recognizing the independent nature of smallholders and the need for sustained local engagement, we

collaborate with specialized farmer organizations. To support KUD management in North Sumatra and Riau, we partner with *Forum Petani Kelapa Sawit Berkelanjutan Indonesia* (FORTASBI), while *Yayasan Setara Jambi* and *Bentang Oasis* support the implementation for KUDs with traceability and RSPO certification processes in Jambi. In 2025, we conducted FPIC training for our CSV and smallholder teams, who are responsible for cascading the training to smallholders under the SMILE program.

### RSPO-certified independent smallholders

**As of December 2025, a total of 4,464 independent smallholders has obtained RSPO certification**—1,630 under the CSV program between 2014 and 2019, and 2,834 under the ongoing SMILE program. Of the 14 cooperatives targeted, smallholders from eight cooperatives have been certified under the SMILE program, which will continue till 2030. This steady progress shows we are well on track to achieve our AA2030 target to support 5,000 independent smallholders (covering 18,000 hectares of managed plantations) with RSPO certification by 2030.



SMILE Programme workshop

### Strengthening smallholder partnerships through multi-stakeholder collaboration

Joint commentary by Guntur Cahyo Prabowo, Head of Smallholder Unit, and Rukaiyah Rafiq, Head of Secretariat | RSPO and FORTASBI

SMILE's success is anchored in strong partnerships built through multi-stakeholder collaboration. We have witnessed several positive outcomes and received excellent smallholder feedback, with Asian Agri's support helping drive smallholders' adoption of sustainability standards such as RSPO certification and a shift toward collective management. We hope our smallholders' success continues to gain momentum, highlighting both the social benefits for them and the business advantages of buyer-smallholder collaboration, thereby strengthening the industry's reputation amid external scrutiny. We are optimistic that the support provided will enable independent smallholder groups to manage their operations sustainably and independently, while maintaining long-term relationships with Asian Agri.

Looking ahead, Asian Agri could further strengthen its supply chain by considering the establishment of small-scale mills and processing facilities owned by cooperatives and operated by smallholders. This approach would reinforce smallholder autonomy and independence, helping them organize effectively, achieve higher yields, and access credit and market premiums.

Commentary by Khairul Anam, Head of Cooperative | *Koperasi Konsumen Tebing Tinggi Pangkatan Sejahtera (KKTTPS)*

SMILE has helped independent smallholders transition from informal cooperation to more structured and confident organizations. The program has improved farming practices, strengthened the understanding of certification, and reduced practices such as open burning. Smallholders now have better access to training, advisory support, and markets, which has increased trust and long-term commitment. Most importantly, SMILE connects sustainability with tangible economic benefits. Certification, buyer engagement, and incentives have made a clear difference for participating smallholders. We hope this approach continues to expand and support even greater smallholder independence in the future.

*About: The collaboration between FORTASBI, KKTTPS and Asian Agri began in 2018. In 2020, KKTTPS joined Asian Agri's SMILE program and in 2021 was formally established as a cooperative, further strengthening the partnership. FORTASBI is a service-based organization that supports independent smallholders in adopting sustainable palm oil practices, particularly through certification schemes such as RSPO. The RSPO Smallholder Unit plays a complementary role by providing capacity-building programs aligned with RSPO's mandate to enhance smallholder inclusion within palm oil supply chains. Besides RSPO, FORTASBI also focuses on implementing ISPO standards.*

### Our workforce [GRI 2-23, 2-24, 3-3]

Our workforce is the backbone of our business. We strive to be a responsible employer by ensuring a safe, healthy, and inclusive environment that promotes employee well-being and productivity. We support our employees and workers through competitive benefits and welfare, alongside meaningful career development and growth opportunities.



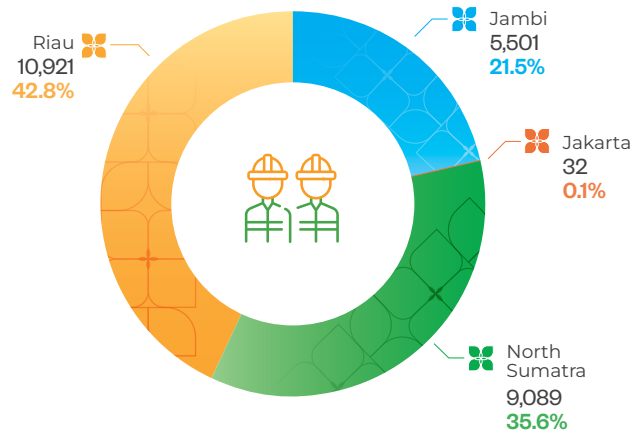
Winner Era Arafat – Harmony with the Community Category | Asian Agri Photo Competition 2025

### Workforce overview [GRI 2-7, 2-8]

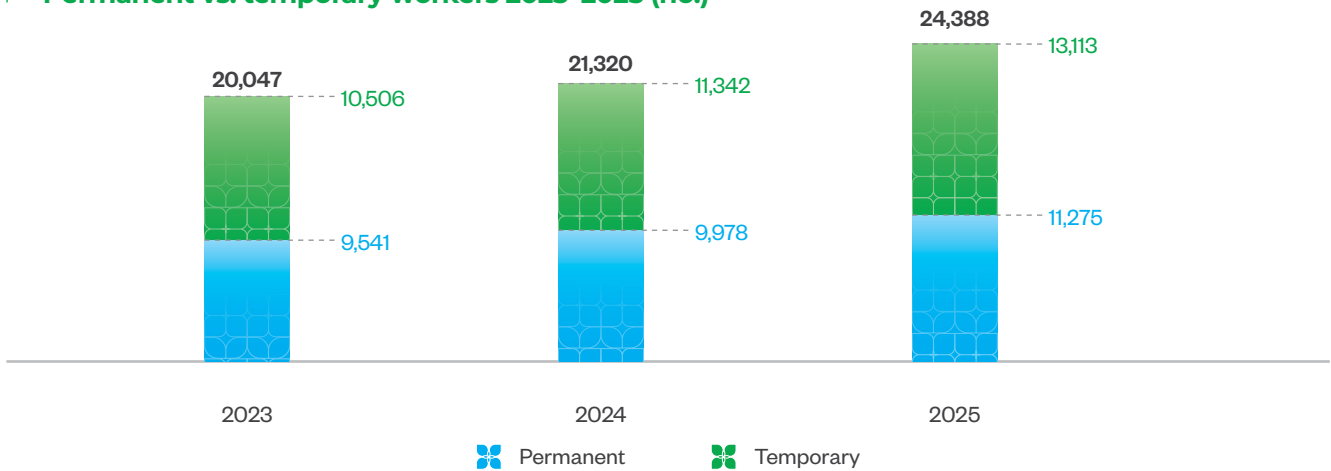
As of December 2025, Asian Agri employs 25,543 people. Of this total, 95% are on-the-ground workers across our operations, and the remaining 5% are employees in non-operational roles, comprising staff, management, and senior management.

As a result of additional replanting activities in 2025, we had to hire more workers in 2025 totaling 24,388 – a 14% increase compared to the previous year. Our employment strategies are shaped by the cyclical nature of plantation operations, and accordingly, we categorize workers as either permanent or temporary based on their contract duration. Temporary workers are deployed flexibly across different operational activities throughout the year. During peak periods, they support FFB harvesting and transport, while during lower crop periods they are reassigned to tasks such as empty fruit bunch (EFB) application, frond pruning, and road maintenance. The number of temporary workers varies depending on operational requirements, and some may be considered for permanent employment where long-term roles are identified. Of the total number of workers employed in 2025, 11,275 hold permanent positions (46%), while 13,113 are temporary (54%).

#### Workforce Total : 25,543



#### Permanent vs. temporary workers 2023–2025 (no.)



We also engage contractors for projects such as the construction of new mills or facilities and outsource a total of 83 security personnel for certain operational units, sourced from surrounding operational areas or through specialized professional firms.

### Diversity and equality [GRI 3-3, 405-1, 405-2, 406-1]

Asian Agri promotes fair and equitable treatment for all employees, regardless of ethnicity, nationality, religion, disability, gender, sexual orientation, union membership, political views, or age. We foster a workplace culture grounded in respect and professionalism and strictly prohibit all forms of bullying,

harassment, discrimination, and workplace violence, including gender-based violence. These standards are clearly communicated to all employees, along with guidance on how to access support channels.

In December 2025, we reaffirmed our commitment to preventing violence and harassment by issuing a standalone public commitment. This statement supplements our existing internal policies and aligns with industry best practices and the ILO Declaration on Fundamental Principles and Rights at Work.

There were no reported cases of discrimination in 2025.

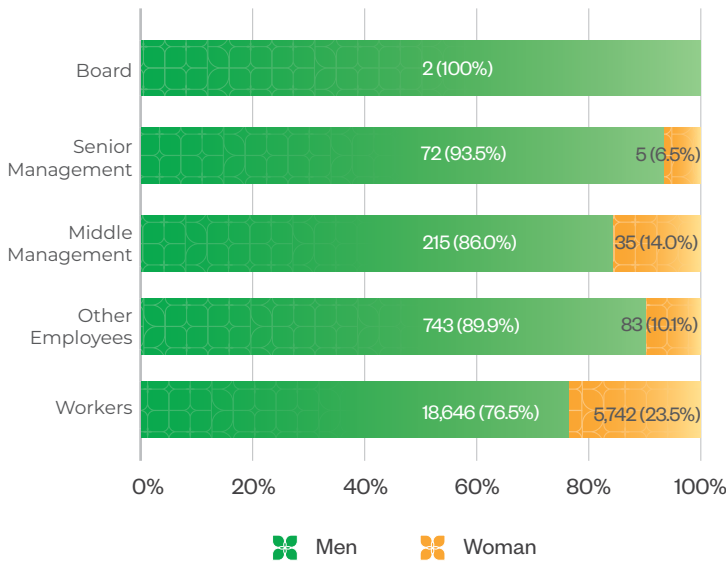
### Women in the workforce

As of December 2025, we employ 5,865 women, representing 23.0% of our total workforce. Across employee categories, women account for 6.5% of senior management, 14.0% of middle management, 10.1% of non-operational staff, and 23.5% of workers.

While we recognize the palm oil industry is traditionally male-dominated due to the physical demands of the work, we acknowledge that women play a critical role in the agricultural sector and in advancing rural development. To promote the inclusion of women in the workplace, we have established gender committees at each estate to address issues related to discrimination, harassment, and equal opportunities. These committees meet biannually and organize knowledge-sharing sessions and workshops covering topics such as health, family well-being, and other relevant social issues.

Men and women workers across all areas of operation receive equal entry-level wages, with a one-to-one ratio, regardless of gender. This ensures pay equality in both the quality and quantity of the work performed.

**Gender diversity by employee category (no [%])**



### Fair wages and benefits [GRI 202-1, 401-2, 13.20.1, 13.21.1, 13.21.3]








Asian Agri is dedicated to ensuring fair compensation and benefits for all our employees and workers, regardless of gender. Remuneration and employment conditions across the workforce, from entry-level employees to temporary workers, meet or exceed local minimum wage requirements in their respective provinces and districts.

For employees, workers, and their families living on-site at our mills and estates, we provide in-kind benefits such as housing with electricity and clean water, free healthcare and education (including childcare, preschool, and elementary school), transportation, sports facilities, and places of worship.

Our approach, which combines wages and in-kind support, aligns with the RSPO Decent Living Wage (DLW) standards. In line with RSPO guidance, we conduct an annual DLW analysis to ensure that wages and benefits remain fair and adequate for our workforce. The results consistently indicate that our wages meet RSPO's minimum DLW standard and verified by auditors each year. We also reference the draft RSPO Prevailing Wage Calculation Procedure (PWCP) in our assessments and are awaiting its finalization.

We take a structured approach to salary adjustments. Wage reviews take into account performance, job roles, internal equity, local regulatory requirements, and collective bargaining processes for unionized employees, with oversight and approval by designated management. As part of this process, permanent employees also undergo additional performance-based reviews.

Our comprehensive employee benefits package applies to permanent employees. Temporary workers receive similar benefits with the exception of performance bonuses and leave.

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

Our Employee Handbook outlines retirement and end-of-service benefits, including the statutory pension, joint employee–company contributions to old-age security benefits, severance entitlement, and options for annual contractual re-employment, subject to mutual agreement.

**Prohibition of forced and child labor** [GRI 408-1, 409-1]

Asian Agri maintains a strict zero-tolerance policy against forced and child labor across all our operations. All employees and workers are directly employed by Asian Agri. Compliance is monitored through daily inspections conducted by our employees in work areas. Additionally, we support families by providing access to childcare and educational facilities to promote children’s care and well-being, while ensuring continued access to education. This policy also extends to suppliers and subcontractors, who are required to sign a letter of commitment confirming their adherence to the same standards. Any violations may result in severe penalties, including possible termination of contract.

**Employee and worker access to grievance mechanisms** [GRI 2-25, 2-16, 2-26]

All employees and workers have access to our grievance mechanism without fear of reprisal or dismissal. Awareness of grievance channels is reinforced through training on internal procedures and by displaying informational posters in all offices. Grievances can be submitted through logbooks available at all our estates and mills. Operational disruptions are recorded in a Disruption Logbook; rights issues are reported in a Complaint Logbook. Additionally, employees can submit confidential reports via email (attention@asianagri.com), by telephone (+62 811 600 9430), or, for unionized employees, through their labor union. In 2025, an employee strike regarding labor conditions at one of our plantation operations took place. Such grievances are taken very seriously and are escalated as a critical concern to management. Negotiations are currently ongoing between both parties, for resolution of the issue.

**Freedom of association and collective bargaining** [GRI 2-30, 407-1, 13.21.1, 13.21.2]

We fully respect and support our employees’ and workers’ right to freely join a labor union of their choice and to participate in union meetings and activities. We engage with labor unions to establish formal collective bargaining agreements that cover key employment terms, including working hours, leave entitlements, wages, overtime rates, holiday allowances, social security benefits, health and safety measures, and termination procedures. These unions also support the resolution of workplace disputes by facilitating mediation with relevant authorities and, where necessary, assisting with escalation through formal labor channels. As of December 2025, 100% of our employees, including permanent and temporary workers, are covered by collective bargaining agreements.

For non-union employees and workers (generally staff level and above), employment terms follow the same principles and standards as those defined in individual contracts, thus ensuring consistent and fair employment practices throughout our workforce.

**Training and development** [GRI 404-1, 404-2]

We continue to invest in several employee development initiatives designed to upgrade technical, operational, leadership, and interpersonal skills, support career progression, and provide transition assistance for employees at different stages of employment.

### Overview of programs

Initiative	Description
<b>Plantation Centre of Excellence (PCoE)</b>	A talent development program for recent graduates that educates and trains prospective millers and managers in sustainable palm oil production. The course covers horticulture, mill processing, management, leadership, and certification. Each year, we select between 200 and 250 university graduates from across Indonesia to be trained at the Asian Agri Learning Institute (AALI) through a combination of classroom learning and on-the-job training.  Participants are selected through a rigorous process, with continuous program assessment based on performance, competence, character, and employment suitability. <b>In 2025, we trained 273 trainees primarily new graduates, of whom 219 were subsequently employed by Asian Agri.</b> Employed graduates undergo a further assessment two years after placement to evaluate their performance, practical application of knowledge, and workplace adaptability.
<b>Refresher Training</b>	Developed to strengthen and develop employees' technical and soft skills, this program covers topics such as company core values and policies, heavy equipment operation, boiler management, mill standard operating procedures, safety protocols, and basic firefighting techniques.
<b>Young Assistant Development Program</b>	Focused on developing employee competencies to build a solid career foundation during the first two years of employment.
<b>Management Development Program</b>	Targeted at employees in management positions, this program develops leadership skills, change management, decision-making, and financial acumen. Senior management and directors also receive training that integrates ESG and sustainability topics into leadership development.
<b>Foreman Training Program</b>	Geared toward non-staff forepersons, this annual program offers entry-level training, skills development, and promotion pathways.
<b>New Product Introduction Training</b>	Conducted in collaboration with vendors to equip employees with the knowledge to adapt and use new products effectively.
<b>Performance Reviews</b>	Our Performance Management System (PMS) facilitates annual and periodic performance reviews, including performance planning, and mid-year and year-end evaluations. <b>In 2025, 100% of employees completed their annual performance reviews.</b>
<b>Fire-Free Village Program (FFVP)</b>	Designed to strengthen employees' competencies in fire prevention and community engagement through training on hotspot monitoring, fire risk mitigation, awareness building, and emergency preparedness.



Team building activities at Asian Agri's Training Center in Riau

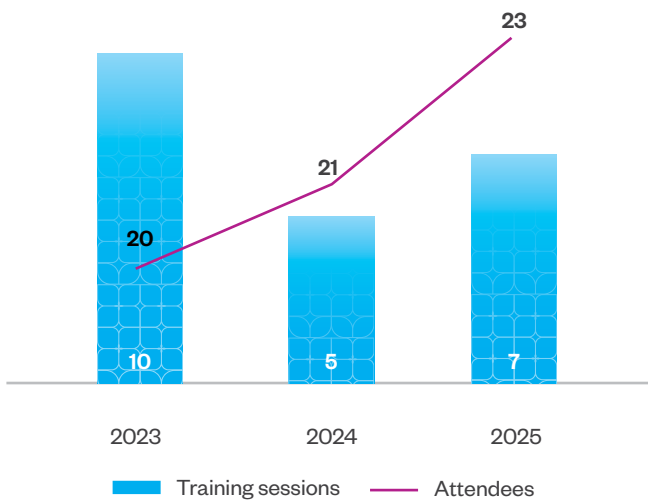
Asian Agri further supports skills development through Workday, an online learning platform that provides accessible resources through a variety of voluntary modules focused on both technical and soft skills. For employees and workers approaching retirement, our HR team provides transition support and retirement preparation programs.

Asian Agri's Learning & Development team oversees all training planning and outcomes. Feedback from post-training assessments is regularly collected to improve programs and assess how effectively the training translates into workplace practices.

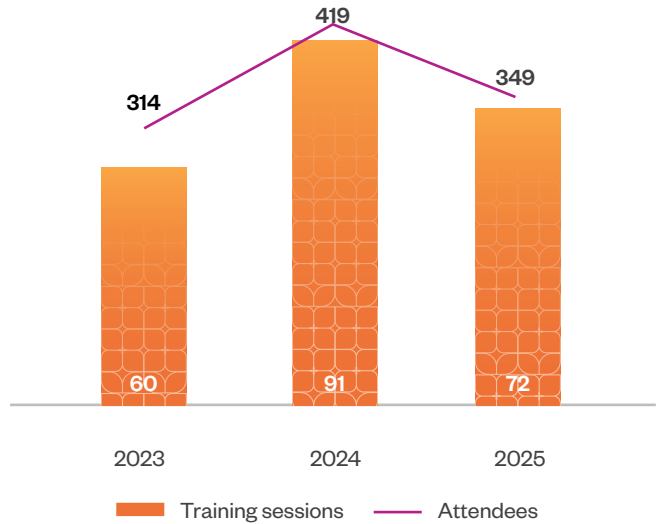
In 2025, our employees received an average of 24.85 hours of training.

### Training sessions and attendees by employee category 2023–2025 (no.)

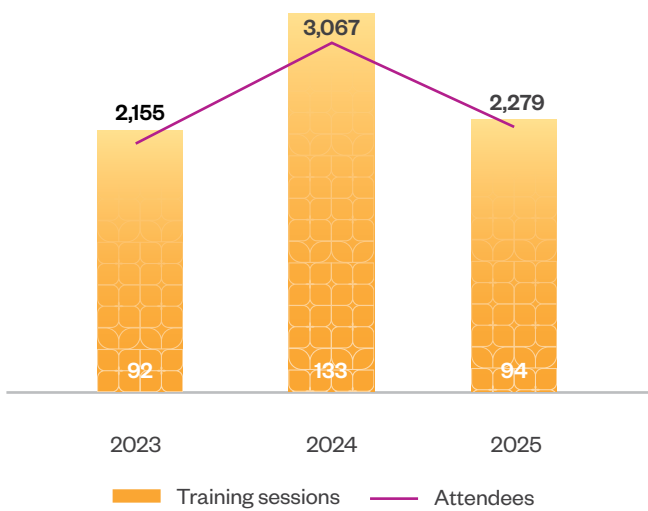
#### Senior Management



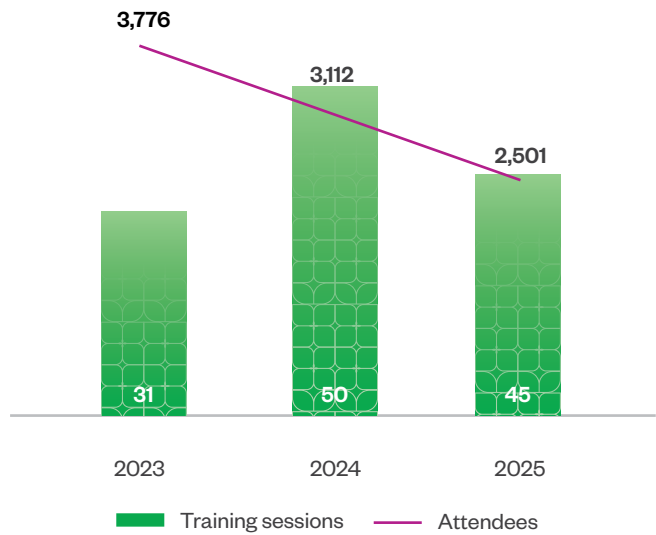
#### Middle Management



#### Other Employees



#### Workers



Note: Attendees' data is inclusive of all sessions attended by employees which attend multiple training sessions per year.

**Occupational health and safety** [GRI 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10]

Asian Agri strives to cultivate and maintain a strong safety culture across all operations, with an unwavering commitment to zero fatalities and disabilities.

We have established and implemented an Occupational Health and Safety (OHS) management system (*Sistem Manajemen Keselamatan dan Kesehatan Kerja* or SMK3) that complies with Indonesian regulations and aligns with ISO 45001:2018. This applies to all employees and workers, including subcontractors and suppliers present at our operations.

Our OHS Committee oversees safety education and training, and the resolution of employee safety concerns. We conduct annual training sessions and safety drills covering basic safety procedures, first aid, hazard and risk identification, the proper handling of hazardous materials, emergency response planning, and firefighting techniques. The Committee comprises the following:

- An OHS Manager, who oversees policies, objectives, and performance.
- Dedicated General OHS Specialists (GOHSSs) at estates and mills, who oversee identified hazards, deliver training, and ensure equipment is up to code. They also host monthly meetings to assess performance and address issues, and report to the OHS Manager. Summaries and outcomes of these meetings are reported quarterly to the local employment agency.
- OHS Coordinators, who support GOHSSs and report to the OHS Manager.

**OHS risk management**

Workplace risks are managed through a hierarchy of controls. Hazards are eliminated where possible, achieved through the phase-out of highly hazardous chemicals, regular equipment upgrades, and ongoing hazard monitoring. Where risks cannot be fully eliminated, task-specific personal protective equipment (PPE) is provided before work begins.

Key operational risks include machinery accidents, cuts from tools and equipment, falling fresh fruit bunches, slips and falls, chemical exposure, commuting accidents, burns, and animal-related injuries. To mitigate these risks, our employees and workers attend daily pre-work refresher sessions focused on PPE use and safe work practices. Monthly safety bulletins and warning signage in medium- and high-risk areas reinforce a culture of safety awareness.

**Worker participation**

Asian Agri actively seeks input from employees and workers and integrates their feedback into updates to our standard operating procedures (SOPs). We also gather input through regular meetings with forepersons and worker representatives. Employees and workers can report unsafe practices using complaint logbooks at site offices. They also have the authority to stop work in cases of imminent danger and can report incidents or hazards directly to OHS officers by telephone or email.



OHS Commemoration Ceremony attended by the Pelalawan Regency Manpower Office in Riau

To further reinforce positive safety behavior and awareness, we emphasize that OHS is a shared responsibility across all units. In 2025, our awareness programs were revised to shift away from unit-level safety performance recognition to focus on cultivating a proactive safety culture at Group level. This includes reinforcing accountability and enhancing awareness across operations, particularly in higher-risk areas. Our approach aims to ensure that safety is consistently upheld as a core value, particularly during periods requiring heightened vigilance and collective commitment.

### Safeguarding worker health

Our health insurance plan covers all employees, workers, and their families, providing access to medical treatment and essential medications at no cost. This is complemented by on-site healthcare facilities and preventive health initiatives to support overall well-being, including the following:

- Clinics located within each estate or estate cluster provide essential treatment, issue medical clearance, and facilitate referrals to hospitals for severe injuries or specialized care.
- Health posts are strategically located across plantations and mills to handle minor injuries.
- First aid kits are available at all offices, mills, and workshops, along with chemical material safety data sheets (MSDS) for immediate reference in case of injuries pertaining to chemical exposure.
- Annual medical checkups for all workers, and biannual health examinations for those frequently exposed to chemicals.
- Company doctors conduct regular health workshops to promote disease prevention, emergency response preparedness, and healthier lifestyles.
- Participation in the Chronic Disease Management Program (Prolanis) to support workers and their families with chronic conditions.
- Well-being activities are organized by operational units, including sports events, outings, entertainment nights, and religious activities.

In 2025, we recorded no cases of work-related ill health across our operations.

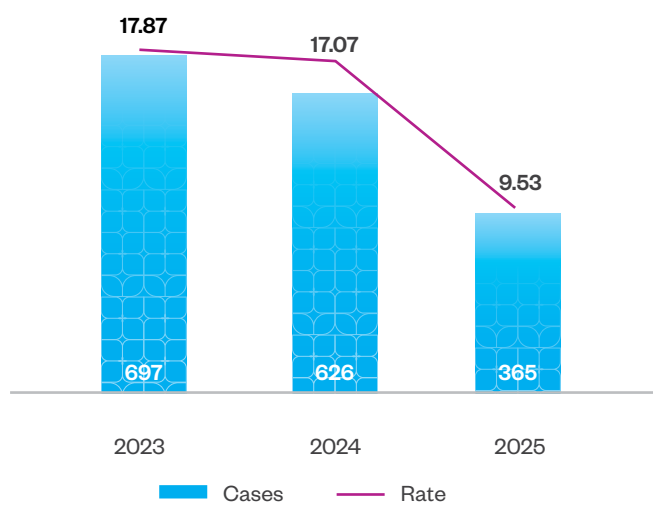
Beyond our workforce, Asian Agri also supports community health by operating integrated healthcare centers (*posyandu*) for pregnant women and children, collaborating with the National Population and Family Planning Board (*Badan Kependudukan dan Keluarga Berencana Nasional* [BKKBN]) on family-planning initiatives, and partnering with the National Social Security Administering Body for Health (*Badan Penyelenggara Jaminan Sosial* [BPJS]) to provide family healthcare services. For more on community health initiatives, see [Health](#).

### Our OHS performance

OHS performance is regularly monitored and reviewed to strengthen and continuously improve the OHS management system. All incidents and near misses trigger investigations under our Hazard Identification, Risk Assessment, and Determining Controls (HIRADC) framework. In the event of an incident, site OHS officers must initiate investigations within 48 hours, including evidence collection and witness interviews. For major incidents, the Head Office OHS team conducts a site investigation within the same timeframe. Investigation findings inform corrective and preventive actions, and risk assessments are updated accordingly.

We are pleased to report a steady reduction in high-consequence incidents over the years. Our 2025 injury rate is 46.7% and 44.2% lower than in 2023 and 2024, respectively. This reflects our concerted efforts in health and safety measures employed across the organization.

Number and rate of high-consequence work-related injuries 2023–2025



Note: High-consequence work-related injuries refer to cases requiring medical treatment. The rate of injuries measures lost productivity due to accidents. It is calculated as the number of injuries per one million hours worked.

We are deeply saddened to report that four workplace fatalities occurred in 2025, marking the highest number recorded in several years. The incidents involved a fall from height, a vehicle-related accident, an injury from handling fertilizer sacks, and an EFB-handling accident. We treat each fatality with the utmost seriousness. Thoroughly addressing each issue has been a top priority for us, including at the Board level. Investigations were conducted and corrective actions implemented in each case. Additionally, a strengthened safety program is being developed to reinforce awareness across the organization, with a focus on hazard identification, procedural compliance, risk perception, and the proper use of PPE.

### Fatalities by region in 2023–2025 (no.)

Region	2023	2024	2025
North Sumatra	0	0	1
Riau	1	0	2
Jambi	0	0	1
<b>Total</b>	<b>1</b>	<b>0</b>	<b>4</b>

We also track incidents requiring first aid treatment. See [Performance data](#) for further details.

### Community development [GRI 3-3]

Asian Agri is dedicated to respecting land and community rights while supporting the livelihoods of communities within and near our operational areas. Guided by ongoing stakeholder engagement, our community programs are tailored to local needs, with an emphasis on education, economic empowerment, infrastructure, and health.

### Upholding land and community rights [GRI 411-1, 413-1, 413-2, 13.13.1, 13.13.3, 13.14.1, 13.14.2, 13.14.4]

We respect and uphold the legal and customary rights of local and Indigenous communities. We are committed to obtaining free, prior, and informed consent (FPIC) before conducting any land-related business activities, including smallholder replanting programs, taking on a transparent and inclusive approach. The FPIC process includes conducting initial assessments to identify landowners and potential replanting areas, followed by engagement with relevant village cooperatives (KUDs) and individual smallholders or landowners. Information on any replanting procedure and potential socioeconomic impacts, risks and benefits is provided during the consultation process and made accessible to all stakeholders. Landowners are given an opportunity to negotiate terms before any agreement is reached. Asian Agri acknowledges and respects the right of farmers to decline participation or, if consensus cannot be reached, to decline participation.

In accordance with FPIC principles and Indonesian regulatory requirements, we also conduct social and environmental impact assessments (SEIAs). These assessments enable us to understand the impacts of our business activities on local communities' livelihoods and land use, which in turn informs the development of appropriate mitigation and management measures to address any identified social, environmental risks, or both. SEIAs are conducted on a project-specific basis. The latest assessment was an SEIA addendum process in 2025, initiated for a new kernel crushing plant (KCP) within one of our existing mill complexes,

with support from an environmental consultant. The commitment to conduct SEIAs is also expected of our suppliers.

Stakeholder concerns regarding land and customary rights can be raised through our readily accessible grievance mechanism, which safeguards complainants against any form of retaliation. Asian Agri's grievance process supports the fair, prompt resolution of issues by consulting affected parties and applying corrective action plans where necessary. To foster greater trust and strengthen relationships, we also actively engage with smallholders and local communities near our operations. No community grievances were reported in 2025.

### Community support [GRI 3-3, 203-1, 203-2]

Asian Agri has adopted a long-term strategy for our community programs, combining direct engagement with collaborative efforts to deliver widespread economic and social benefits. Our programs are designed to foster trust and maintain long-standing relationships centered on supporting livelihoods, promoting education, improving access to resources, and strengthening community resilience.

In 2025, our Corporate Social Responsibility (CSR)-related monetary contributions, provided on a voluntary and non commercial basis, totaled **IDR 3.47 billion**. The largest share (approximately 38%) was allocated to infrastructure development, including the renovation and provision of building materials, the construction and maintenance of places of worship, and improvements to roads and sewage systems. This was followed by contributions to social causes (34.5%) such as disaster relief, support for traditional and cultural activities, and healthcare initiatives (11.7%), including blood donation drives and the distribution of vitamins.

### CSR expenditure by category 2025 (% of total)

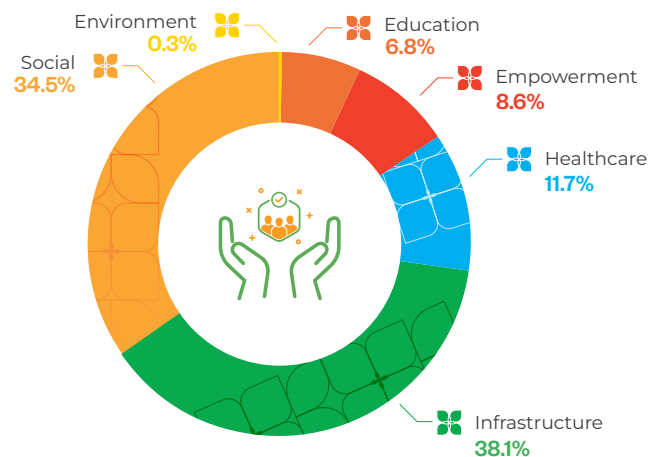




Photo by Andriyanto Wijayadi

## Education

A key focus of Asian Agri’s community development efforts is education, reflecting our commitment to encouraging inclusive growth and creating long-term social impact. We implement targeted initiatives to improve access to quality education and empower future generations to contribute meaningfully to sustainable development.

### Educational assistance

We offer scholarships to children of employees and workers who show promising academic achievement at the elementary, middle, and high school levels. In 2025, a total of 120 deserving children of Asian Agri’s staff received scholarships.



### 2025 Overview

**Schools supported by sustainable palm oil management courses**

**6** schools in three regions

**Scholarships awarded**

**120** recipients

**Bag-to-School packages distributed to students**

**265** packages for students

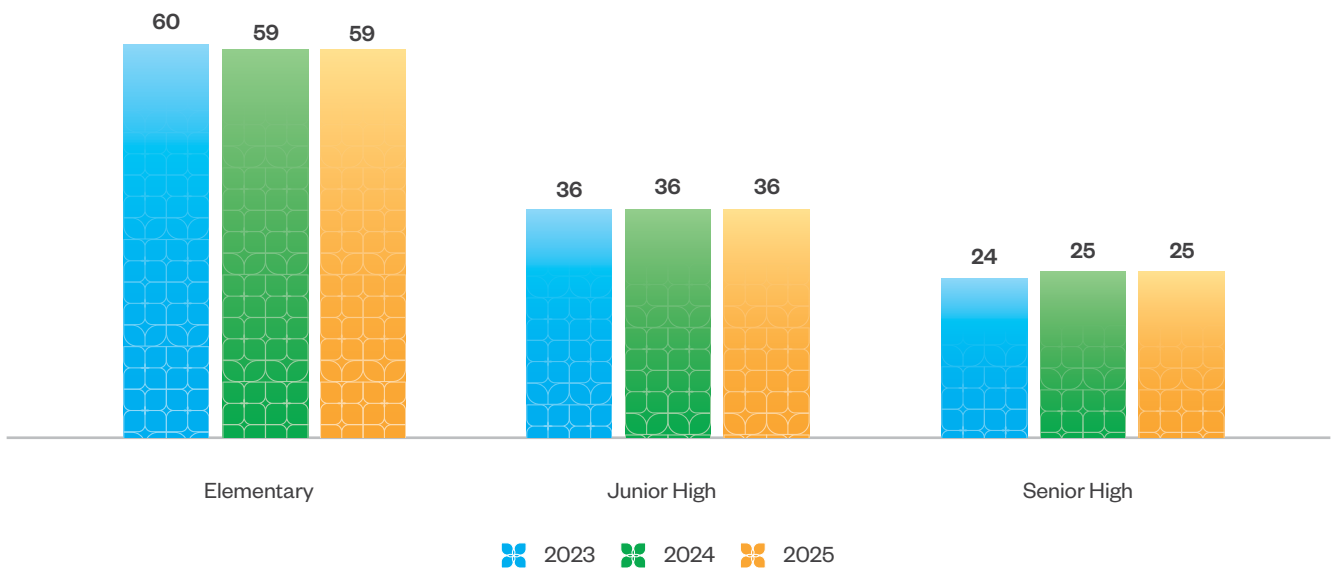
**Educational outreach sustainable palm oil programs**

Students across **9** schools in 3 regions

**Community members trained in vocational skills**

**666** community members trained

### Scholarship recipients by education level 2023–2025 (no.)



#### Sekolah Sawit Lestari (SSL)

First launched in Jambi in 2016, SSL aims to facilitate knowledge transfer on sustainable palm oil management to students and surrounding communities. The program integrates practical learning into formal school activities through curriculum collaboration, hands-on field-based training, and exposure to responsible plantation practices. As of December 2025, SSL has expanded to six schools: four in Jambi, one in Riau, and another in North Sumatra, with 560 plants planted across 4.25 hectares.

In 2021, SSL was introduced at SMKN 6 Tanjung Jabung Barat, Jambi, where oil palm planting was carried out on approximately three hectares of the school’s vacant land. In early 2025, Asian Agri completed the handover of the program to the school, enabling the school to manage the cultivated area independently. The handover included the first harvest, which is expected to contribute to the school’s operational funding and support continued application of the technical skills developed through the program.



SSL’s first harvest handover at SMKN 6 Tanjung Jabung Barat, Jambi

### Livelihood and vocational training

We provide vocational training to enhance skills in several areas such as palm oil harvesting, plantation management, and mechanics. These programs focus on developing harvesting competency and are primarily targeted at surrounding communities and local villagers. **In 2025, we trained 666 community members, bringing the total number trained to 2,402 to date. This represents 48% progress toward our AA2030 target of equipping 5,000 individuals with relevant skills.**

#### Bag-to-School

Our Bag-to-School initiative, launched in 2022, provides financial assistance in the form of essential learning materials to communities surrounding Asian Agri’s operational areas. In 2025, a total of 265 education assistance packages were distributed to students across five villages in North Sumatra, comprising 140 for elementary school, 75 for junior high school, and 50 for senior high school. Each package included a school bag, writing supplies, books, worksheets, uniforms, and shoes.

**As of December 2025, we have distributed a cumulative total of 2,150 packages, achieving 43% of our AA2030 target of 5,000 packages by 2030.**



*Distribution of education packages to students in Jambi*

#### Teaching schools: One hour with palm oil

Since 2023, Asian Agri has conducted outreach programs at schools near our operations to raise awareness of sustainable palm oil. These one-hour sessions cover responsible agricultural practices, with new topics introduced each subsequent year. In 2025, the program was conducted at nine schools in North Sumatra, Riau, and Jambi province and was expanded to include hygiene education.

### Economic empowerment

Since 2017, we have been operating the Independent Palm Oil Village (*Desa Sawit Mandiri*) program at several locations to support economic empowerment in rural communities by equipping villagers with technical skills related to sustainable agriculture and crop productivity. In 2025, the program was introduced at a new location, Kampung Simpang Perak Jaya, Siak Regency, where 220 palm oil seedlings were planted on village-owned land (*Tanah Kas Desa*). This supports community members to transform previously unutilized land into potential sources of household income.

Asian Agri also actively promotes the development of micro, small, and medium enterprises (MSMEs) to diversify and strengthen local economies. Through targeted outreach and practical training, we support communities in identifying market-aligned commodities and building local businesses. **In 2025, we aided 72 MSMEs out of 159 villages surrounding our operational areas, covering 516,544 hectares, thereby remaining on track to meet our AA2030 target of establishing SMEs in all 159 villages.**

### Infrastructure

Asian Agri contributes to the maintenance and improvement of infrastructure in areas surrounding our operations through close collaboration with local communities. Our 2025 activities included:

- repairs to a 237-meter ditch that serves as drainage for a shared access route between our operational sites and nearby residential areas.
- distributing 150 sacks of cement to 75 households to support minor home repairs.
- cleaning and maintenance at eight places of worship, carried out by Asian Agri employees.



Free Health screening

### Health

Together with the Tanoto Foundation we regularly organize community programs that promote health awareness. Our 2025 activities included:

- hosting a two-day event attended by 200 participants, providing free health screenings to support the early detection and prevention of non-communicable diseases.
- conducting blood donation drives across our operations, resulting in the collection of 184 bags of blood to support local healthcare services.
- collaborating with local government agencies to strengthen community health initiatives, including partnerships with the local government health office and the family planning agency to support stunting prevention efforts at the integrated community health post (*posyandu*) level.
- supporting local school sports events in collaboration with the local government education office as part of broader health promotion activities.

### Disaster relief and aid

In 2025, several local communities and households surrounding our operations were affected by flooding. Our 2025 activities included:

- distributing 100 sacks of rice and other essentials in January 2025 to affected communities in Datuk Tanah Datar district.
- a donation in February 2025 of 350 kg of rice and 150 boxes of instant noodles to the Pangkalan Kerinci and Langgam districts.

### Food security

Asian Agri contributes to food security in local communities by addressing short-term nutritional needs and investing in initiatives that promote sustainable food solutions. In 2025, basic food supplies included:

- 400 kg of rice donated to the Melati Foundation, an orphanage caring for differently abled children.
- 200 fruit tree seedlings, which were planted in two villages to support alternative food sources for residents.

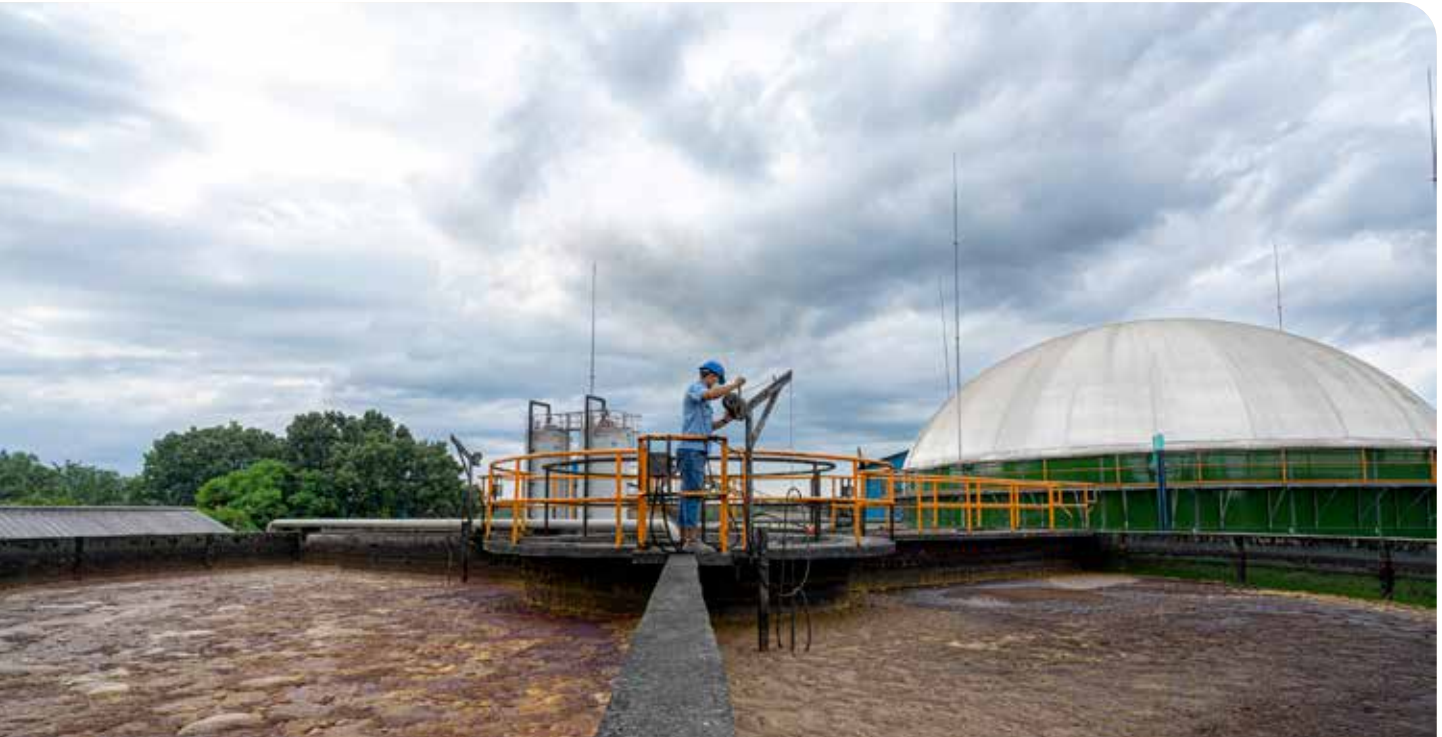
We also support longer-term food resilience through agricultural initiatives to help optimize land use during replanting cycles while supporting crop diversification, and strengthening local food availability. Our 2025 activities included:

- launching an upland rice farming program on replanted land in Riau to promote local food production. This inaugural program, in partnership with the Karya Tani cooperative, covers 20 hectares.
- cultivating corn in Pelalawan Regency and Asahan Regency, supporting the government's initiative to strengthen national food security.

### Social and cultural

We maintain close ties with local communities through social and cultural activities such as *Dhuafa* assistance packages, grocery bazaars, and local art events.

# Climate and Environmental Management [GRI 2-23, 2-24]



Winner: Kesuma Wijaya – Sustainability Around Us Category | Asian Agri Photo Competition 2025

## Our approach to climate change [GRI 3-3]

Asian Agri remains committed to mitigating climate impacts across our palm oil operations. As part of the Agriculture, Forestry and Other Land Use (AFOLU) sector, we recognize both our responsibility to lower greenhouse gas (GHG) emissions and to reduce our exposure to the physical and transition risks of climate change. This commitment is reinforced by our clear AA2030 targets to achieve net-zero land-use emissions by 2030, supported by our 2030 Carbon Neutrality Roadmap.

Our climate actions focus on integrating best management practices, innovation, and collaboration across our operations and supply chain. This includes our No Deforestation, No Peat, and No Exploitation (NDPE) commitment, methane capture from palm oil mill effluent (POME), increased use of renewable energy, waste-to-energy solutions, and reduced reliance on chemical pesticides through biological and mechanical controls. These initiatives aim to lower emissions, improve operational efficiency, and boost long-term productivity.

## Group emissions [GRI 305-1, 305-2, 305-4, 305-7]

We use the GHG Protocol to measure and report our GHG emissions annually. This includes both direct emissions covering fuel combustion and fugitive emissions<sup>4</sup> from our own operations (Scope 1) and indirect emissions from the use of purchased electricity (Scope 2). In 2025, our total emissions amounted to 3,034,606 tons of carbon dioxide equivalent (MT CO<sub>2</sub>e). Of this total, majority of our emissions – 99.7% – come from Scope 1 sources. In comparison, 0.29% are Scope 2, or indirect emissions, generated by purchased electricity. Overall, Scope 1 and Scope 2 emissions have remained relatively stable since 2023.

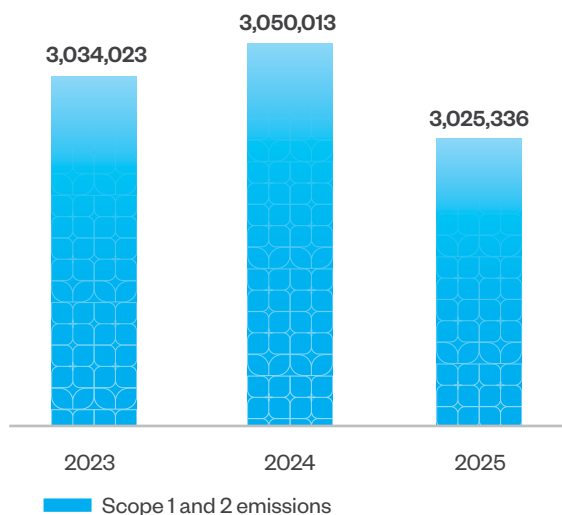
One of the ways we track our progress on our carbon footprint is by assessing our emission intensity. Starting with our 2021 baseline of 4.48 MT CO<sub>2</sub>e per ton of crude palm oil (CPO) processed (MT CO<sub>2</sub>e /MT CPO), we had initially set a target to reduce emissions intensity by 2% every year. However, we recognize that our current GHG emission intensity calculations

<sup>4</sup> Our fugitive emissions are primarily methane emissions from our POME treatment lagoons at mills that do not yet have methane capture facilities installed. These Scope 1 fugitive emission are modelled based on the quantity and BOD levels of POME generated at these mills. For mills with methane capture, we assume the methane leakage to be negligible.

include land sector emissions which have limited room for reduction through direct interventions. We will reassess the feasibility and scope of our target in the near future and report accordingly.

In addition to GHG emissions, we monitor other air emissions, including nitrogen oxide (NO<sub>2</sub>) and sulfur oxide (SO<sub>2</sub>), and particulate matter, in accordance with regulatory requirements to ensure compliance with applicable thresholds. Data is currently maintained at the site level and has not yet been consolidated for Group-wide reporting.

### Absolute Scope 1 and 2 emissions 2023–2025 (MT CO<sub>2</sub>e)



**Notes:**

1. We apply an operational control approach, meaning we account for GHG emissions from all facilities where we have the authority to introduce and implement operational policies.
2. Emissions are calculated using a customized tool developed by external consultants. The tool aligns with the GHG Protocol and ISO 14064-1 standards. These calculations are based on activity data and relevant emission factors.
3. Our GHG inventory coverage and Global Warming Potential (GWP) include CO<sub>2</sub> with a GWP of 1, CH<sub>4</sub> with a GWP of 27, and N<sub>2</sub>O with a GWP of 273. GWP rates are based on the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6).
4. Emission factors for Scope 1: B35: 0.00176 tCO<sub>2</sub>e per liter; Gasoline: 0.00228 tCO<sub>2</sub>e per liter.
5. Emission factors for Scope 2: Electricity emission factors are based on data issued by the Indonesian Ministry of Energy and Mineral Resources, available at: <https://jdih.esdm.go.id/index.php/web/result/2183/detail>
6. Emission sources: 33 estates (30 Asian Agri-owned and 3 plasma smallholder-managed); all 23 mills, inclusive of entities with biogas plants and kernel crushing plants; and four offices.
7. Emissions intensity is calculated as Scope 1 and 2 emissions per ton of CPO produced.

### GHG inventory 2023–2025 (MT CO<sub>2</sub>e)

	2023	2024	2025
Total Scope 1 emissions	3,027,269	3,043,792	3,017,035
Total Scope 2 emissions	6,754	6,221	8,301
<b>Total emissions</b>	<b>3,034,023</b>	<b>3,050,013</b>	<b>3,025,336</b>
Biogenic emissions	774,799	741,923	744,217

**Notes:**

1. Scope 1 and Scope 2 emissions are reported excluding biogenic carbon emissions, which are disclosed separately.
2. Scope 2 emissions are calculated using the location-based method, based on electricity emission factors issued by Indonesia’s Ministry of Energy and Mineral Resources.
3. The operational control approach is applied to define emission boundaries.
4. GWP values are based on the IPCC AR6.

While we have not yet initiated Scope 3 emissions accounting, we recognize its importance and are exploring the necessary measures to expand our GHG inventory to include indirect emissions in the future.




## Reducing our carbon footprint [GRI 305-5]

### Carbon roadmap

As part of Asian Agri's concerted efforts to reduce our carbon footprint, we have established a carbon roadmap to map a path toward carbon neutrality by 2030. This roadmap incorporates strategies to advance our sustainability targets across our entire supply chain, including expanding our biogas facility plans, securing global carbon certification for carbon trading, and strengthening our conservation efforts.

One of our most impactful GHG reduction programs is the installation of methane capture systems to capture methane released from the POME treatment process. **As of December 2025, 11 biogas plants with methane capture technology are in operation. Collectively, these facilities avoided 420,583 MT CO<sub>2</sub>e of emissions across our mills.** In line with our AA2030 target to optimize all our mills, we are exploring the feasibility of installing additional methane capture systems.

We are currently reviewing our parameters and methodology to report against our carbon neutrality targets. This includes exploring carbon credit schemes, such as Indonesia's *Sistem Registri Nasional* (SRN) certification, to determine our conservation areas may be suitable for participation in voluntary carbon markets and for potential carbon credit sales to third parties. Updates will be provided in future reporting. In the meantime, we continue to track our progress using carbon emissions intensity.

<p><b>Plantation</b></p> 	<ul style="list-style-type: none"> <li>• Zero burning policy: Strict adherence to zero burning practices</li> <li>• Peatland management: No new developments on peatlands and improved peatland management to minimize emissions</li> <li>• Conservation areas: Protecting and enriching degraded areas (e.g., riparian zones) while preserving natural ecosystems</li> </ul>	<ul style="list-style-type: none"> <li>• Chemical reduction: Reducing the use of pesticides and chemicals to lower emissions</li> <li>• Energy efficiency: Increasing efficiency in heavy equipment and transportation usage</li> <li>• Investment in renewable energy: Expanding solar PV projects to reduce dependency on non-renewable energy sources</li> <li>• Ecosystem restoration: Enhancing sequestration and biodiversity in selected areas</li> </ul>
<p><b>Mills and Kernel Crushing Plants</b></p> 	<ul style="list-style-type: none"> <li>• Biogas plant expansion: Adding new biogas plants to convert methane from POME into renewable energy</li> </ul>	<ul style="list-style-type: none"> <li>• Utilizing FFB by-products: Using palm kernel shells and fiber as renewable energy sources</li> <li>• Energy efficiency: Continuing to reduce energy consumption and improve energy efficiency across all operations</li> </ul>
<p><b>Multi-Sectoral Strategies</b></p> 	<ul style="list-style-type: none"> <li>• Carbon certification: Initiating carbon projects for conservation areas and biogas plants, aligning with national (Indonesia's SRN system) standard and supporting Nationally Determined Contribution (NDC)</li> </ul>	<ul style="list-style-type: none"> <li>• Project design for certification: Developing project design documents to support certification</li> </ul>

### Feed-In Tariff Participation Through Public-Private Collaboration

In July 2025, our subsidiary, PT Indo Sepadan Jaya began supplying renewable electricity to Indonesia’s state-owned electricity utility and national grid operator, *Perusahaan Listrik Negara* (PT PLN)’s North Sumatra regional unit. Following this, the company signed a three-year commercial operation date (COD) agreement in November 2025 to export up to one megawatt (MW) of power generated from surplus methane gas at our biogas power plant. By converting previously underutilized gas into electricity, the initiative supports grid reliability in the Rantau Prapat area and contributes to national decarbonization efforts.

[Asian Agri signs agreement to supply renewable energy to PLN in North Sumatra](#)

### Improving reporting against climate disclosure standards

Asian Agri recognizes the importance of aligning with emerging global sustainability disclosure standards, including IFRS S2: Climate-related Disclosures. Although we are in the early stages of formal climate-related financial reporting, our climate-related disclosures mapped against the IFRS S2 pillars of governance, strategy, risk management, and metrics and targets are outlined in the index below.

In December 2025, Asian Agri began a company-wide Climate Change Risk Assessment (CCRA). The results of this assessment will strengthen our understanding of climate-related risks and opportunities and include a physical climate risk assessment aligned with IFRS S2 Climate-Related Disclosures. It also incorporates capacity-building workshops on IFRS S2/Task Force on Climate-related Financial Disclosures (TCFD) requirements. These initiatives will enhance our data quality and governance and support the development of climate scenario analysis to inform long-term decision-making. Detailed findings from the transition risk assessment will be disclosed in our next sustainability report.

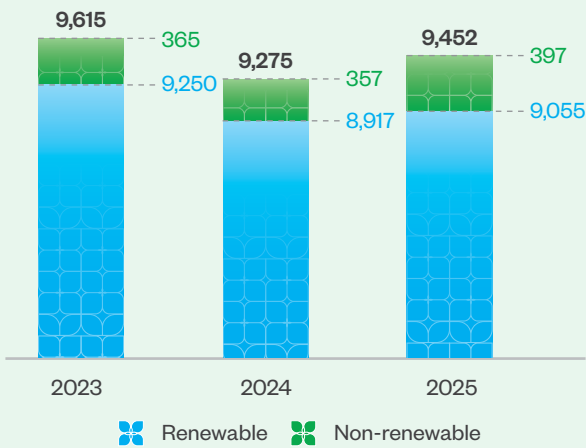
Pillars of IFRS S2	Description	Summary of Asian Agri’s Response	Section reference in SR 2025
<b>Governance</b>	Management’s, executives’ and the Board’s responsibility for oversight of climate-related risks and opportunities and their role in governance.	As an integral part of AA2030, climate-related considerations are embedded within our corporate governance framework. Our sustainability team is responsible for driving our sustainability strategy and initiatives, including climate-related actions. As we further develop our climate agenda, we will continue to strengthen the governance mechanisms overseeing climate-related risks and opportunities.	<a href="#">Sustainability governance, page 25</a>
<b>Strategy</b>	The impact of climate-related risks and opportunities on the organization’s business model, strategy, and financial planning.	We continuously monitor the impact of extreme weather events on our operations and have observed instances where extreme weather caused disruptions in our supply chain and plantation activities. Recognizing our vulnerability to climate change, we are taking steps to enhance our climate resilience. As part of this effort, we initiated a CCRA in 2025, that provides a structured approach to identifying and addressing climate-related risks in our long-term strategy.	<a href="#">Message from our Managing Director, page 8</a>
<b>Risk management</b>	The processes and policies used to identify, assess, prioritize, and monitor climate-related risks.	Currently, climate-related risks are managed within our broader enterprise risk management framework, rather than through a dedicated climate risk management system. While we do not yet have a standalone climate risk framework, our holistic risk management approach considers environmental factors, including climate, when assessing operational and financial risks. As we advance our climate strategy, we aim to integrate a more structured climate risk management approach.	<a href="#">Sustainability governance structure, page 26</a>
<b>Metrics and targets</b>	Disclose information relevant to climate target.	We have established ambitious climate-related targets as part of our AA2030 commitment, including carbon neutrality and 100% renewable energy. We continuously monitor our progress toward these targets and refine our approach year by year to ensure alignment with our sustainability commitments and evolving industry standards.	<a href="#">Climate and environmental management, page 50</a>

## Energy management [GRI 302-1, 302-3]

Asian Agri continues to improve energy efficiency and integrate clean energy across our operations. Our renewable energy efforts focus on advancing energy circularity and developing more self-sufficient energy systems, particularly through bioenergy and waste-to-energy solutions. Building on progress in previous years, we have incorporated biofuel into our shift to cleaner energy sources, including the transition from B35 to B40 in 2025.

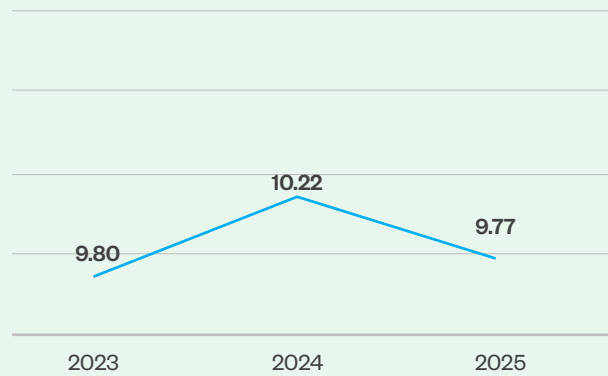
In 2025, our operations consumed a total of 9,455 terajoules (TJ) of energy. Our total energy consumption increased by 3.8% in 2025 due to increased CPO production compared to the previous year. Our energy intensity, however, showed a 6.6% reduction in 2025 reflecting higher CPO output.

**Energy Consumption by type 2023–2025 (TJ)**



Note: Total energy includes energy exported to the national grid.

**Energy Consumption by type 2023–2025 (GJ/MT CPO)**



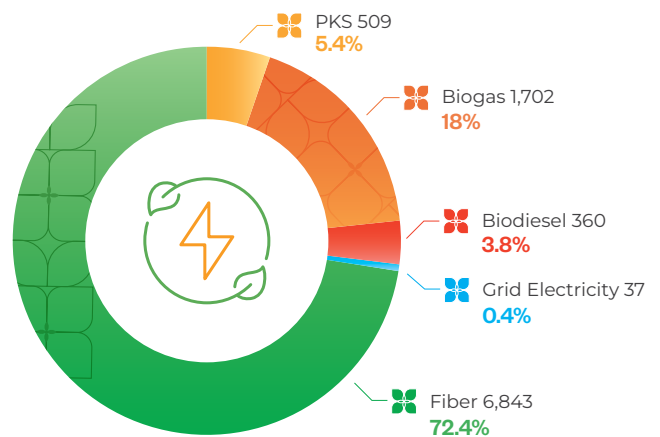
**Over 95% of our upstream energy is derived from renewable sources**, primarily from milling by-products such as palm fiber (from EFB and fruitlet fibers) and palm kernel shells (PKS), which are used as boiler fuel at our mills. Additionally, our methane capture facilities convert methane gas from POME into electricity. To achieve our AA2030 target of 100% renewable energy across operations, we are conducting feasibility studies for solar panel installations at housing complexes and other buildings. Biodiesel and purchased electricity make up the remaining 5% of our total energy consumption.

Asian Agri continues to implement various energy conservation and efficiency initiatives across its operations, including resource optimization at mills, on-site renewable energy utilization, and continuous process improvements. These efforts help reduce reliance on fossil-based energy sources while improving overall energy efficiency.

We are also strengthening our internal data management systems to enhance the tracking and quantification of energy savings attributable to specific conservation and efficiency measures.

In 2025, we also exported surplus renewable electricity generated by our methane-capture facilities to the national grid, totaling 12 terajoules (TJ) of energy.

**Energy consumption by source 2025 (TJ[%])**  
Total : 9,452 TJ



Note: Total energy includes energy exported to the national grid (12 TJ).

## Biodiversity and conservation [GRI 3-3, 304-2, 304-3, 101-1, 101-2, 13.4.2, 13.4.4]

We continue to uphold our no deforestation commitments since our cut-off date and monitor compliance through certification processes. For our own plantations and plasma smallholders, concession maps are regularly submitted and reviewed during our ISCC and RSPO recertification – a process supported by geospatial risk screening tools such as Global Risk Assessment Services (GRAS) or Areal Risk Intelligence Assessment (ARIA). These tools help identify potential risks related to land-use change, biodiversity, and social aspects, informing mitigation and management actions.

In line with our commitment to conserving biodiversity and natural resources, we actively maintain conservation areas. Since 2014, our efforts have been guided by our Sustainability Policy, which includes the protection of designated HCS and HCV areas, and peatlands, while promoting positive socioeconomic outcomes for individuals and communities. **As of December 2025, we have set aside 1,594 hectares for conservation.** This includes HCV and HCS areas, in-situ forests, village burial grounds, customary

village land, riparian buffers, and other designated conservation areas within our concessions.

Our conservation planning is guided by assessments and recommendations from accredited assessors under the High Conservation Value Network Assessor Licensing Scheme (ALS). Based on these evaluations, we designate riparian buffer zones to safeguard water resources used in nearby communities and implement site-specific management plans to safeguard ecologically sensitive areas. Recognizing the risks of fire and water pollution to biodiversity, we have also implemented comprehensive fire prevention and effluent management systems.

### Protecting rare and endangered species

Several species listed as Critically Endangered and Endangered by the International Union for Conservation of Nature (IUCN) have been identified within our concessions. Our comprehensive species list is regularly updated and made available on our [website](#), in accordance with Indonesia's national legislation on protected species (Government Regulation No. 106/2018).



Asian Agri's HCV area in Asahan, North Sumatra

To support species conservation, Asian Agri conducts biannual habitat monitoring to assess ecological conditions and observe changes over time. We enforce a strict zero-tolerance policy prohibiting the capture, hunting, and fishing of endangered species across our operations. This mandate is reinforced by signage, routine patrols, and biodiversity monitoring. Any breach of this policy is addressed through corrective and disciplinary measures, with serious violations escalated to legal action.

### Reforestation initiatives

One of Asian Agri's AA2030 conservation commitments is an integral one-to-one restoration objective: to restore, manage, or conserve an area of degraded land equal to our total planted area by 2030. This means that for every hectare of cultivated land, one hectare of ecosystem will be restored or conserved, covering 100,000 hectares of ecosystems aligned with our cultivated land footprint.

Our strategy prioritizes preserving existing ecosystems while rehabilitating degraded areas, including high-potential landscapes across Indonesia that promote ecosystem restoration and carbon sequestration. Furthermore, we rehabilitate degraded areas, such as riparian zones, through community-based initiatives, including fruit-tree planting in partnership with local communities. We are implementing our restoration initiatives in phases, subject to regulatory approval.

In 2024, we secured ecosystem restoration permits and, in accordance with the principles of free, prior, and informed consent (FPIC), collaborated with local communities to enhance livelihoods by establishing

nurseries and planting a range of forest tree species, including non-timber forest products. Additionally, we carried out boundary marking, forest patrolling, wildlife monitoring, and completion of the forest inventory. As of 2025, restoration activities completed under this initiative account for 16% of progress towards our AA2030 target.

### Exploring community restoration partnerships

Key to our restoration approaches is close collaboration with local communities to support restoration activities in community-managed areas through seed provision and capacity building. This helps us to meet our broader environmental objectives by restoring ecosystems and boosting biodiversity while continuing to honor customary rights and traditional practices. It also strengthens community capacity to sustainably manage customary forests, including through the cultivation of non-timber forest products and improved local forest governance.

However, the effectiveness of these initiatives depends on each community's willingness to implement agreed plans. An early example was our 2021 collaboration with the Community Forest Ecosystem Service (CFES), a non-profit focused on community-based forest conservation in Kerinci, Jambi. Through the years, we have learnt that not all community members have supported the initiative, and beyond extending support, Asian Agri has limited ability in ensuring program objectives are followed on the ground. Despite this, we remain committed to exploring new partnerships and strengthening future collaborations by applying lessons learned.



Asian Agri's HCV area in Asahan, North Sumatra



### Toward shared prosperity through landscape approaches

Commentary by Rizal Algamar, Southeast Asia Director | Tropical Forest Alliance (TFA)

Business competitiveness in the palm oil sector can be strengthened by inclusivity, particularly through the implementation of landscape and jurisdictional approaches. While important, these approaches are inherently complex and require the involvement of a wide array of stakeholders including companies, NGOs, and government agencies. Success therefore depends on trust-building, the development of shared agendas, and strengthened stakeholder capacity. Ultimately, collaboration should aim to create shared prosperity across the landscape or jurisdiction.

In this context, Asian Agri stands out as one of the few companies able to engage effectively with diverse stakeholder groups through aligned messaging supported by credible data. For companies like Asian Agri, success should be measured beyond environmental disclosures alone, with an emphasis placed on demonstrating tangible social outcomes and poverty alleviation for local communities.

*About: The Tropical Forest Alliance (TFA) is an initiative under the World Economic Forum (WEF), with a mandate to decouple deforestation from key agricultural commodity supply chains. In Southeast Asia, TFA's primary focus is the palm oil sector.*



## Peatland management

In line with our Sustainability Policy, we are committed to no new development on peatland of any depth. Our peatland estates were established in the 1990s and we currently manage seven estates with peatland in North Sumatra and Riau, accounting for approximately 25% of our total plantation area. We do not own any estates on peatland in Jambi.

Our peatland management strategy is focused on mitigating key risks associated with peat cultivation, including nitrous oxide (N<sub>2</sub>O) emissions, environmental degradation, fire risk, and declines in long-term oil palm productivity. Our objective is to maintain peatland ecosystem functions, including their role as carbon sinks, while supporting sustainable production.

Before replanting on existing peatland estates, our research and development (R&D) team conducts thorough site assessments and mapping to identify sensitive areas and ensure that replanting does not extend beyond previously cultivated land. Where peat areas are deemed unsuitable for replanting, we collaborate with relevant stakeholders and local communities to identify appropriate long-term restoration or alternative land-use options. We also evaluate site-specific peat characteristics to inform water management strategies.

Peatland management practices are guided by RSPO best management practices, with a focus on maintaining optimal water levels, minimizing soil subsidence, and preserving organic matter. These measures help reduce fire risk, limit emissions, and support peatland biodiversity.

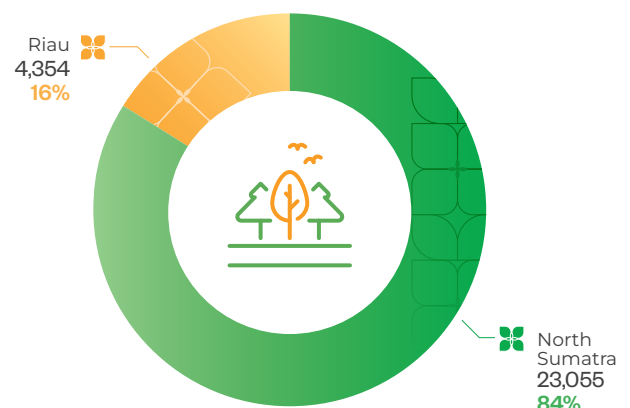
## Fire prevention and mitigation [GRI 3-3]

Fires pose a significant threat in and around our operational areas. As such, fire risk management is vital to safeguarding concession areas, conserving biodiversity, and ensuring the safety of our employees and neighboring communities. To address these threats, we have adopted a proactive, community-based approach to fire risk management, supported by capacity building, monitoring, and collaboration with relevant stakeholders.

We conduct training programs at the Asian Agri Learning Institute, focused on fire prevention, risk detection, and basic firefighting techniques. Fire prevention training is provided to new plantation employees as part of their onboarding process, complemented by annual refresher courses for workers across operational locations.

### Petland area by region 2025 (ha[%])

Total : 27,409 ha



Our efforts are supported by regular fire drills and awareness initiatives, including the installation of informational signage in fire-prone areas. Asian Agri also collaborates with local firefighters and emergency services to ensure coordinated and timely responses to potential fire incidents.

### Monitoring hotspots

Hotspot alerts are routinely monitored using inputs from our Fire Prevention and Management Team, satellite-based monitoring systems, and feedback received through our grievance mechanisms. In 2025, no fire incidents or hotspots were detected within our own or plasma estates. A total of 185 hotspots were detected in surrounding communities, but none resulted in fires.

➤ Further investigation reports can be found [here](#).

### Fire-Free Village Program (FFVP)

Asian Agri has been a member of the Fire Free Alliance (FFA) since 2016. This voluntary multi-stakeholder initiative focuses on eliminating fires in Indonesia's forestry and agricultural sectors. Through the alliance, Asian Agri contributes data and insights

and exchanges best practices with peers to enhance fire prevention strategies and address transboundary haze risks.

At the operational level, Asian Agri has implemented the Fire-Free Village Program (FFVP), a community-based initiative aligned with FFA principles that promotes fire-free land management. The program's goals include increasing awareness of fire risks with communities, promoting alternative land-clearing techniques, and applying incentive-based strategies to sustain community participation.

To implement the program, we work closely with key stakeholders, including the Indonesian National Armed Forces, law enforcement, the Ministry of Environment and Forestry's Fire Task Force (*Manggala Agni*), and local village institutions. These partnerships strengthen prevention efforts through joint patrols, knowledge sharing, and capacity-building activities.

Since its launch in 2016, our FFVP program has been rolled out across 16 villages, covering approximately 343,300 hectares. In 2025, Asian Agri conducted five training sessions and distributed IDR 150 million in incentives to participating villages that remained fire-free.



Awarding the Fire-Free Village Reward to a village that successfully maintained its area free from fires

## Water management [GRI 3-3, 303-1, 303-3, 303-4, 303-5]

Palm oil production is water intensive and requires effective management to improve efficiency, reduce environmental impacts, and safeguard water resources for nearby communities. Asian Agri is committed to responsible water management across our plantations and mills.

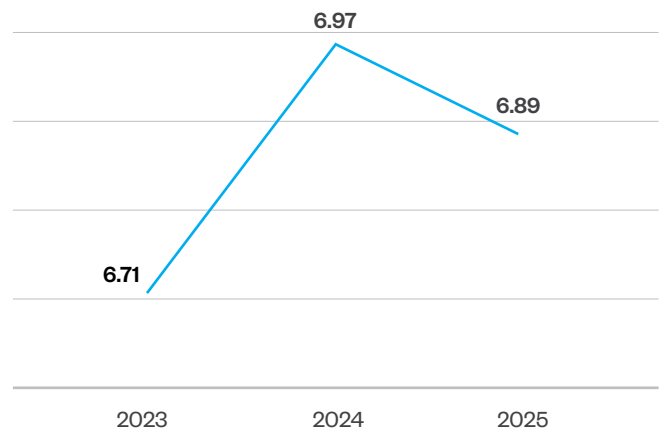
A large share of the water used in our upstream operations comes from rainwater, reducing reliance on surface and groundwater. Our plantations do not use irrigation systems, even during dry seasons. Water withdrawals primarily occur at our mills, where freshwater from rivers and groundwater is used for power generation, fresh fruit bunch (FFB) sterilization, and domestic purposes, including employee housing, offices, and nurseries.

Before undertaking new projects, we conduct environmental impact assessments (EIAs) to identify water-related risks and avoid operating in water-stressed areas. Untreated water is treated and monitored before use, in accordance with standard quality parameters, including pH, silica, total hardness, chlorine, and alkalinity. Our operations are not located in water-stressed areas. We engage with local communities, relevant authorities, and other stakeholders through environmental permitting, impact assessment processes, and routine operational communication to identify and manage shared water-related risks and priorities.

In 2025, we consumed a total of 6,669 megaliters (ML) of water across all our operations. Our water intensity for palm oil processing improved to 0.95 m<sup>3</sup> per metric ton of FFB processed (MT/FFB), from 1.01 m<sup>3</sup>/MT FFB in 2024. This is in line with industry averages and reflects the efficiency of our water management across our mills.

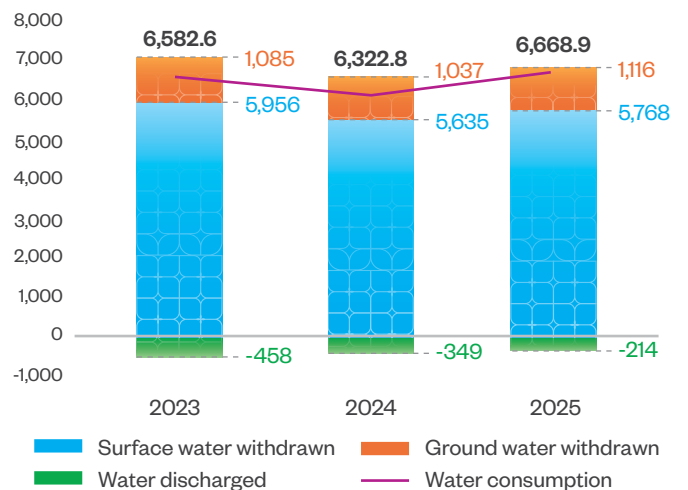
Water withdrawal and discharge data are primarily measured using flowmeters installed at mill intake points and effluent discharge outlets, including land application systems and receiving water bodies. Where direct measurement is not available (e.g., domestic water use in housing facilities and certain groundwater abstraction points), volumes are estimated based on standard per capita consumption assumptions and/or pump capacity and operating hours. Flowmeters are periodically calibrated to ensure data accuracy. Data are compiled at the site level and aggregated at the Group level for reporting purposes, with estimates applied to non-process water streams and partially metered sources, which represent a relatively small proportion of total water use.

### Water consumption intensity 2023–2025 (m<sup>3</sup>/MT CPO)



We also actively pursue water circularity initiatives to improve operational efficiency. For instance, methane is captured from POME via anaerobic digestion, reducing GHG emissions and improving effluent quality. Although large-scale water recycling is constrained by current technology and the high organic content of wastewater, we will continue collaborating with technology providers to explore practical solutions.

### Water consumption by source 2023–2025 (ML)



**Notes:**

- Discharged water refers to treated palm oil mill effluent that is not reused as liquid fertilizer.
- All water withdrawn from surface and groundwater sources, and all water discharge are categorized as freshwater, defined by a total dissolved solids (TDS) level below 1,000 mg/L.

### Safe discharge of effluents [GRI 303-2]

To prevent impacts on groundwater and nearby water sources, we treat POME before discharge. At selected mills, POME is used as feedstock for biogas facilities, while other mills manage POME through open-pond wastewater treatment systems.

We also monitor and manage biochemical oxygen demand (BOD) and chemical oxygen demand (COD) levels each month to ensure they remain below national regulatory thresholds. In 2025, all BOD and COD levels remained below these limits, and no non-compliance incidents were recorded during the reporting year.

Where permitted and in compliance with regulatory requirements, treated POME is applied to land as a supplementary organic fertilizer. In peatland areas, POME is not applied to land; instead, effluent from mills near peatlands is fully treated and discharged into designated water bodies in accordance with applicable standards.

To ensure continued compliance with regulatory requirements, effluent quality is continuously monitored through the Ministry of Environment's Online Continuous Wastewater Quality Monitoring System (SPARING). This mechanism, which tracks key parameters such as pH, COD, total suspended solids (TSS), and effluent volume, is part of the documentation required under the PROPER assessment framework.

### Waste management [GRI 3-3, 306-1, 306-2, 306-3, 306-4, 306-5]

Asian Agri is committed to effective waste management strategies and to consistently meeting regulatory requirements. We adopt a circular economy approach throughout our operations, ensuring that by-products are utilized efficiently through optimal practices at our plantations and mills. Since CPO production generates organic waste, we strive to reduce and reintegrate it into our operations.



EFB application in the field as fertilizer

### Waste by type and management method

Waste Type	Source	Disposal Method
Oil palm fronds	Pruning	Reused through land application as mulch and organic fertilizer
Oil palm trunks	Replanting activities	Left to decompose on site or mechanically processed for soil nutrient recovery
EFB	CPO extraction process	Reused through mulching or trenching in plantations. Where land application is not recommended, EFB is incinerated and the resulting ash is applied to the field. Post-pressed EFB is also used as boiler biomass fuel
Mesocarp fiber	CPO extraction process	Recovered and used as biomass fuel for energy generation
PKS	CPO extraction process	Recovered and used as biomass fuel. Any excess is sold to third parties for energy recovery
POME	CPO extraction process (Liquid waste)	Treated for land application, when permitted. Also used as feedstock for biogas production or treated and discharged into water bodies, according to local regulations

### Organic waste produced, reused, and diverted 2023–2025 (MT)

Waste Type		2023	2024	2025
EFB	Produced	872,533	773,497	760,269
	Diverted from disposal	618,775	450,738	399,731
	Sent to disposal	0	0	0
Fiber	Produced	615,188	580,815	595,063
	Diverted from disposal	615,188	580,815	595,063
	Sent to disposal	0	0	0
Shell	Produced	288,372	256,182	292,391
	Diverted from disposal	33,435	38,970	26,529
	Sent to disposal	n/a	n/a	n/a
POME	Produced	2,550,631	2,371,048	2,542,091
	Diverted from disposal	2,092,464	2,021,897	2,327,640
	Sent to disposal	458,167	349,151	214,451

**Notes:**

1. Waste diverted refers to waste that is redirected from landfill or incineration for internal reuse or application. This mainly includes organic waste used as fertilizer or for land application.
2. Waste sent to disposal refers to waste directed to landfill, incineration, or other disposal methods, either on- or off-site. This also includes treated POME discharged to water bodies, in accordance with applicable regulations.
3. Surplus EFB and shells are temporarily stored on-site for later applications or use as biomass fuel and are utilized in subsequent periods as part of normal operational consumption together with waste generated during the current years.
4. POME is reported in metric tons (MT), assuming a density of 1 MT/m<sup>3</sup>.

We are continuously improving our operational procedures to reduce waste and optimize resource efficiency across our mill operations. As part of these efforts, waste and residual oils from FFB and EFB pressing are collected separately and repurposed to produce non-food-grade oils.

### Managing inorganic waste

We responsibly manage inorganic waste in accordance with all applicable regulations. All hazardous waste, including lubricants and pesticide packaging, is managed, processed, and disposed of by authorized service providers in accordance with established waste management protocols. Prior to collection, hazardous waste is stored in designated areas and regularly monitored to ensure proper conditions.

Non-hazardous inorganic waste, such as household and office waste, is collected and disposed of at designated landfills within our concessions. Other recyclable waste streams, such as metal scrap, are segregated and sent to third-party recyclers for recovery and repurpose. Our annual hazardous inorganic waste data is available [here](#).

### Pesticides and fertilizers [GRI 3-3]

We recognize the potential environmental and health risks associated with pesticides and fertilizers. Consequently, we manage pests, diseases, and nutrient inputs through methods that prioritize environmental protection, worker safety, and plantation productivity. Our strategy remains focused on prevention, targeted application, and continuous improvement, supported by our long-term R&D team.

### Integrated pest management

We implement an Integrated Pest Management (IPM) approach across our plantations in accordance with our Agronomy Policy Manual. Through these approaches, we aim to minimize reliance on chemical inputs, including herbicides such as glyphosate, by prioritizing biological controls, ecosystem-based pest management, and targeted application methods. Key elements of our IPM approach are:

- **Pest surveillance:** Regular monitoring enables the early detection of pest populations and supports targeted pesticide application only when action thresholds are exceeded, thereby reducing environmental impact.
- **Biological and ecological pest controls:** We prioritize natural control methods, including the introduction and conservation of natural predators and pathogens, to suppress pest populations sustainably.
- **Ecosystem enhancement:** Habitat management, beneficial plant species, and ecosystem improvements are implemented to strengthen the natural pest-predator balance, informed by surveillance data.
- **Non-chemical controls:** Traps, lures, and pheromone attractants are used where appropriate to manage pest populations and minimize reliance on chemical inputs.

### Selective application of pesticides

In addition to biological control methods, Asian Agri applies chemical pesticides to oil palms using targeted techniques such as trunk injections, root infusions for epiphytic plants, and controlled spraying of young shoots and axils. The use of Paraquat has been banned since 2019, and we do not use chemicals listed under the Stockholm or Rotterdam Conventions. Pesticides classified as WHO Class 1A or 1B are used only as a last resort in critical situations such as severe rodent infestations. Only approved pesticides are procured and applied.

As part of our digital initiatives, we deploy drones to apply chemicals for pest and diseases control in our plantations, which has shown more than 95% effectiveness rate.

### Reducing pesticides

Through use of biological controls and precision application, we target to reduce pesticide use<sup>5</sup> by 50% by 2030. We are progressively making headway towards this target. **In 2025, we used 72,981 kilograms (kg) of insecticide, a 29.05% reduction from our baseline of 102,860 kg in 2022.**

### Worker safety

To ensure the continued protection of our employees' health and safety during chemical handling, we provide appropriate personal protective equipment and training on its proper use. Employees regularly exposed to pesticides also receive a medical check-up every six months, and pregnant staff are reassigned to roles without chemical exposure.

### Integrated disease management

Our R&D efforts also support Integrated Disease Management (IDM) by developing disease-tolerant planting materials to manage *Ganoderma boninense*, a soil-borne, white-rot fungus that causes basal stem rot and poses significant risks during early replanting cycles. These efforts aim to reduce diseases and enhance the resilience of our plantations.



Starting the day with positive energy

<sup>5</sup> This target covers three insecticides—deltamethrin, lambda-cyhalothrin, and acephate—used for the control of bagworms, caterpillars, and rhinoceros beetles.

## Soil management [GRI 13.5.1]

We have adopted advanced agricultural management practices and continue to explore ways to enhance soil fertility, prevent erosion, and mitigate land degradation. This focus is particularly important as approximately three-quarters of our properties are located on mineral soils in humid tropical environments, and several plantations that are over 30 years old are currently undergoing replanting. To support our soil management efforts, we have developed property-specific soil maps.

To maintain optimal soil health, Asian Agri responsibly applies fertilizers following the 4C stewardship principles: correct dosage, method, timing, and placement. Our approach combines organic nutrients from mill by-products, such as EFB, POME, bunch ash, and decanter solids, applied in accordance with Ministry of Agriculture guidelines, with targeted inorganic fertilizers to meet crop nutrient requirements. Organic inputs improve soil structure, moisture retention, and nutrient availability, while inorganic fertilizers are used strategically during peak nutrient demand and phased out prior to replanting. Our fertilizer strategy is further supported by site-specific nutrient budgets, annual leaf tissue analyses, periodic soil assessments, and the ongoing evaluation of innovative fertilizer technologies.

Our soil management practices extend to supplying smallholder under Asian Agri’s Corporate Shared Value (CSV) program training. We will explore opportunities to progressively expand engagement to a broader supplier base.



### Inorganic fertilizer use intensity by region 2023–2025 (tons/hectare)

Region	2023	2024	2025
<b>Mature plantations</b>			
North Sumatra	1.15	1.27	1.27
Riau	1.05	1.14	0.46
Jambi	1.22	1.50	1.49
<b>Immature plantations</b>			
North Sumatra	0.60	0.69	0.60
Riau	1.05	0.24	1.06
Jambi	1.22	0.52	0.90

# Responsible and Sustainable Production

## Responsible supply chains [GRI 2-6, 2-23, 2-24, 13.4.1, 13.23.1, 13.23.2]

Given that 40% of our fresh fruit bunch (FFB) supply and 25% of our palm kernel (PK) supply come from external sources, we place significant importance on ensuring that our supplier engagement and assessment systems minimize environmental and social risks within our supply chain.

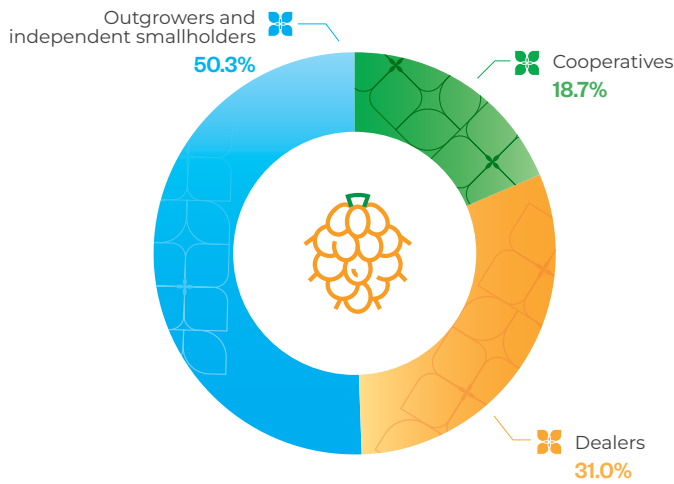
In 2025, our mills sourced FFB from a total of 187 external suppliers, which consist of 50.3% outgrowers and independent smallholders, 31.0% dealers, and 18.7% cooperatives. Of this total, 18 were new suppliers to Asian Agri.

Our kernel crushing plants also sourced PK from 57 external suppliers, of which 14 were new suppliers in 2025. Of the total PK suppliers, 1.8% supplied FFB from their own plantations, 34.5% sourced FFB from a combination of their own plantations and third parties, while 63.6% sourced solely from third parties.

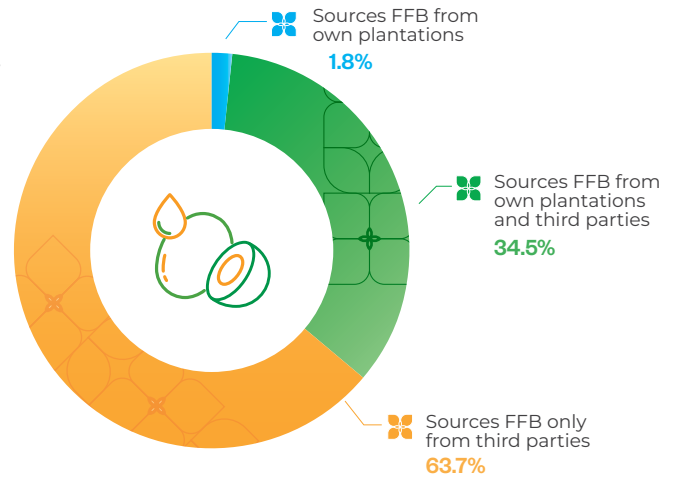


### External FFB and PK supplier by type 2025 (% of total)

#### External FFB supplier by type



#### External PK suppliers by type



#### FFB suppliers by region 2023–2025 (no.)

Region	2023	2024	2025
North Sumatra	89	84	83
Riau	63	83	76
Jambi	20	30	27
<b>Total number of suppliers</b>	<b>172</b>	<b>197</b>	<b>186</b>

#### PK suppliers by region 2023–2025 (no.)

Region	2023	2024	2025
North Sumatra	19	24	19
Riau	16	24	26
Jambi	8	14	11
<b>Total number of suppliers</b>	<b>43</b>	<b>62</b>	<b>56</b>

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

#### New suppliers by type 2023–2025 (no.)

	2023	2024	2025
New FFB suppliers	28	24	18
New PK suppliers	23	20	14



## Traceability

### Asian Agri has maintained 100% traceability to plantation (TTP) for all crude palm oil (CPO) since 2017.

Achieving full traceability to plantation for PK is more challenging given the complexity of our supply chains. We have achieved 100% traceability to the supplying mill (Tier 1) for all PK suppliers and advancing TTP for crude palm kernel oil (CPKO) forms part of our ongoing improvement plans. Recognizing that many of our PK suppliers' participation in our buyers' upstream traceability and monitoring programs, we leverage on the visibility provided by these shared suppliers to complement our own traceability assessments and strengthen data accuracy. **We have made good progress over the years and have achieved 87.1%<sup>6</sup> total traceability to plantation for PK as of December 2025.**



#### Advancing transparency through inclusive palm oil supply chains

Commentary by Bukti Bagia, Senior Manager, Supply Chains and Livelihood Transformation | World Resource Institute (WRI) Indonesia

Asian Agri is recognized for its sustainability efforts, especially in supporting smallholders. The company was an early adopter, investing for over a decade in empowering smallholders, building capacity, and obtaining RSPO certification. Asian Agri is well-positioned to leverage its supply chain position to encourage small- and medium-sized companies to adopt more sustainable practices.

To further strengthen disclosure, Asian Agri could specify whether small- and medium-sized enterprises within its supply chain meet its sustainability standards. Full transparency would enhance supply chain credibility by building trust among investors, consumers, and other stakeholders.

*About: WRI Indonesia is an independent non-profit organization focused on environmental and social issues related to land use, climate, energy, and sustainable development. To achieve its objectives, WRI Indonesia works with governments, smallholders, and private-sector partners, including Asian Agri, through multistakeholder platforms and forums.*



## Ensuring supplier compliance [GRI 3-3, 308-1, 308-2, 414-1, 414-2, 13.4.3]

To mitigate environmental and social risks across our supply chain, we implement structured engagement programs with suppliers to build long-term relationships and ensure alignment with the requirements set out in our Sustainability Policy and NDPE commitments. For independent smallholders, we recognize the importance of their inclusion in the supply chain and actively support them in adopting sustainable practices, improving productivity, and strengthening livelihoods. See more about our support programs under [Independent smallholders](#).

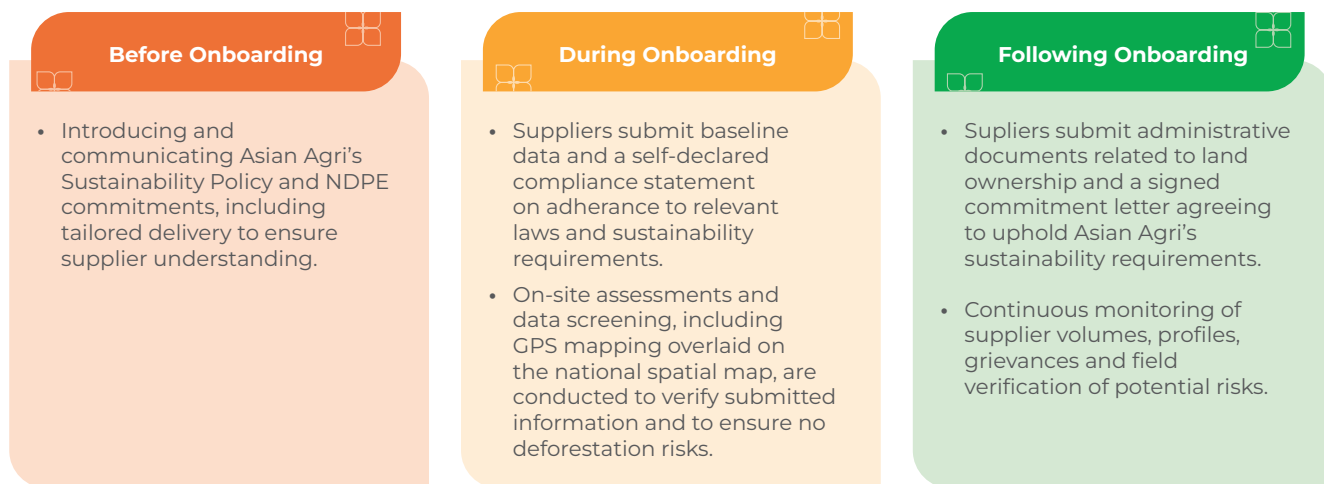
We take a structured approach for all new and existing suppliers. Since new suppliers are typically onboarded individually rather than in large batches, engagement is conducted on a one-to-one basis.

Post-onboarding, we conduct continuous monitoring and case-by-case verification. This includes:

- **Supply monitoring:** We track supplier delivery volumes and profiles. Any significant or unexplained increases in supply trigger further investigation to verify source integrity.
- **Grievance and external intelligence tracking:** We monitor reports from stakeholders, NGOs, and other third-party platforms. Suppliers linked to grievances or potential non-compliance are subject to targeted assessments.
- **Risk-based field verification:** Ground checks and site visits are conducted when risks are identified (e.g., production anomalies, land expansion concerns, or third-party reports).
- **NDPE reporting and traceability:** We regularly compile and disclose NDPE profiles (including no-deforestation and no-peat indicators) to support supply chain transparency.

<sup>6</sup> Calculated as the proportion of PK sourced from suppliers with identified FFB origin (across own estates, smallholders, and third-party suppliers) relative to our total PK sourced during the reporting period.

## Supplier onboarding and monitoring approach



For PK suppliers, our monitoring approach is further strengthened through alignment with downstream customer requirements. Many of our PK suppliers are also part of downstream supply chains that implement structured annual assessment processes (e.g., self-assessment questionnaires covering operational, environmental, and social aspects). Where available, we leverage and review relevant information shared through these mechanisms to complement our own monitoring, particularly for identifying potential risks or changes in supplier practices. This combined approach enables us to maintain visibility over PK suppliers without duplicating assessment efforts, while ensuring that any identified risks are followed up through targeted verification and engagement.

Identified non-compliances are verified and addressed according to severity, with serious violations without intent to establish corrective actions resulting in cessation of the business relationship.

For plasma smallholders and participants in our smallholder programs, monitoring is conducted through close collaboration, with an emphasis on continuous engagement, regular extensions services, and technical assistance. In addition to periodic visits, forepersons are placed within plasma and Corporate Shared Value (CSV) areas to provide ongoing oversight and support, ensuring day-to-day adherence to agronomic and compliance standards.

Supplementing our own supplier monitoring efforts, we submit our no-deforestation and no-peat profiles to our customers, in line with the industry-adopted NDPE Implementation Reporting Framework (NDPE IRF). These results support our assessment of NDPE compliance and deforestation- and conversion-free supply chain performance.

### Collaboration is key to meeting Apical Group's evolving sustainability expectations

Commentary by Tor Mooi See, Director of Sustainability | Apical Group

Asian Agri plays a crucial role in supporting our efforts, particularly in traceability, NDPE implementation, and regulatory compliance, including the European Union Deforestation Regulation (EUDR). To align with emerging market and regulatory expectations, partners must implement responsible sourcing standards by demonstrating consistent, actionable steps on the ground. Asian Agri's proactive data provision and continuous engagement throughout the compliance process have been essential to upholding credible and transparent sourcing practices.

At the end of the day, responsible sourcing is a shared responsibility that extends beyond mills to include dealers and smallholders. Asian Agri is well positioned to support this transition, particularly by advancing TTP and reinforcing its NDPE expectations across the broader supply chain. Smallholder inclusion, supported by initiatives such as the Smallholder Inclusion for Better Livelihood and Empowerment (SMILE), demonstrates how responsible sourcing can not only enhance livelihoods but also build long-term supply chain resilience. Ongoing collaboration, grounded in transparency, trust, and flexibility, will be crucial as expectations continue to rise.

*About: Apical Group is a midstream palm oil company with six refineries across Indonesia, including facilities in Sumatra, Java, and Kalimantan. The company also operates in China, has joint ventures in Indonesia and Spain, and plans to expand in Malaysia and Brazil.*



Winner: Kesuma Wijaya – Us & Asian Agri Category | Asian Agri Photo Competition 2025

## Optimizing productivity [GRI 3-3]

In contrast to other vegetable oil crops, palm oil offers exceptional productivity and land-use efficiency. To meet growing demand while preventing deforestation, we prioritize replanting and optimizing yields across our estates and smallholder operations. By optimizing existing land rather than expanding into new areas, we reduce pressure on forests and natural habitats. Replanting occurs within existing planted areas, replacing aging, less productive oil palms. Replanting is further supported by improved planting materials that enhance early growth and long-term productivity. To this end, we invest significantly in research and improved agricultural practices.

## Research and development

Asian Agri operates three specialized research and development (R&D) facilities across North Sumatra and Riau, including an analytical and agronomy center in Tebing Tinggi, planting material and biotech facilities in Pangkalan Kerinci, and the Oil Palm Research Station in Topaz, Riau. These centers focus on improving oil palm breeding and seed quality, enhancing land productivity, managing fertilizer use, optimizing oil extraction rates, strengthening pest and disease management, and building resilience to climate-related risks. Field trials are conducted regularly across multiple sites to further support the development and verification of sustainable, high-yield agricultural practices.

One of our flagship facilities is the Asian Agri R&D Center, which features an accredited analytical lab that provides technical analysis, training, and capacity building to support sustainable, high-yield production. Our labs are certified to ISO 17025:2017 and ISO

9001:2015. They are assessed annually and consistently perform strongly in international proficiency testing under the Wageningen Evaluating Programs for Analytical Laboratories (WEPAL).

Our R&D is supported by a multidisciplinary team of 58 researchers and 179 research technicians with expertise spanning agronomy, soil and land assessment, pest and disease management, breeding and seed production, biotechnology and tissue culture, analytical laboratory services, and data analysis. The team also provides direct technical support and field advisory services to plantation operations, including laboratory testing, e.g., leaf, fertilizer, and effluent analysis, soil surveys and land mapping, development of superior planting materials, and field trials across diverse agroclimatic conditions.

## DxP superior seeds

Core to our R&D efforts is improving oil palm productivity through the use of superior planting materials. Since 1992, we have developed several elite varieties that underpin our award-winning DxP Topaz seeds, known for high yields and adaptability across diverse growing conditions. The series has evolved from its first to its fourth generation through continuous selection and field testing. Our improved Topaz variety delivers average yields of 40.5 tons of FFB per hectare annually during the third to sixth year of fruiting, contributing to a CPO yield of 29.7% and a kernel yield of 4.1%, even in less fertile or low-rainfall areas.

DxP Topaz was initially developed to support internal replanting programs, but since 2004, the seed has also been offered to independent smallholders for commercial sale.

## Digitalization and mechanization

To further improve quality, productivity, and cost-effectiveness, Asian Agri pursues continuous improvement through digitalization and mechanization. For example, we have introduced automated machinery and digital tools for replanting activities to support our workforce through improved efficiency, accuracy, and safety. We have also operated two other innovations: tractor grabbers to mechanically collect and handle FFB and bin trucks to transport harvested FFB from the field to collection sites. These advancements not only increase operational output but also reduce the physical burden on workers.



### Overview of digital initiatives

Digital Initiatives	Description
Artificial intelligence (AI) for crop monitoring	Uses aerial imagery and AI models to support palm tree counting, yield estimation, and crop maturity assessment, thereby improving data accuracy and planning.
Drones for plantations operations	Deploys drone technology for mapping, aerial photography, tree counting, spraying, and crop protection, which increases productivity, reduces costs, and enhances operational efficiency.
GPS-enabled tablets for field data collection	Enables real-time, geotagged data capture for estate activities. Improves traceability, monitoring, and decision-making across our operations.
Digital tablets for mill operations	Supports data collection for grading, dispatch, quality assurance, maintenance, and inventory management. Reduces manual errors and strengthens operational oversight.

### Customized Drones For Targeted Pesticide And Fertilizer Application

Since 2015, Asian Agri has gradually adopted drone technology in our plantation operations, starting with mapping and aerial photography and later expanding to include crop protection and nutrient application. Specialized drones are currently being used for precise and targeted application of pesticides and fertilizers, particularly in mature or hard-to-access areas, where manual spraying is often less effective. This enhances spray quality, increases coverage, minimizes the need for multiple applications, and boosts operational efficiency. Our ground validation has shown an effectiveness rate of over 95%. This technology has been deployed across our plantation operations in North Sumatra, Riau, and Jambi, with application carried out on a targeted, needs basis rather than uniformly across all estates.

Supported by digital census and mapping tools, drone deployment is guided by threshold-based assessments rather than blanket treatment. Affected areas are accurately identified, mapped, and treated selectively, minimizing chemical use and potential environmental impacts. This precision-based approach supports soil protection, reduces input waste, and contributes to Asian Agri's long-term objective of reducing pesticide use while maintaining effective crop protection and yield performance.

We strive to improve operational efficiency by minimizing production losses throughout our operations. Although some losses are unavoidable, we have implemented targeted mitigation measures at several key stages of production, including the following:

- Loose fruit recovery:** Reduces waste by systematically collecting loose oil palm fruit during harvesting, transportation, and at mill reception points.
- Optimized oil extraction:** Improves efficiency through machinery upgrades (17 press machines in 2025) and facility improvements, enabling higher oil recovery from FFBs and empty fruit bunches (EFB) while maximizing the use of residual oil.
- Leakage prevention:** Mill equipment is regularly inspected and maintained to prevent CPO leaks and associated losses.

# Appendices

## Our group of companies [GRI 2-2]

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

## Stakeholder engagement overview [GRI 2-29]

Stakeholder Group	Engagement Method and Frequency	Topic of Interest	Asian Agri's Response
<b>Academia and students</b>	<ul style="list-style-type: none"> <li>Site visits (as required)</li> <li>Educational programs (e.g., field trips for high school and university students to learn about oil palm, if programmed; regularly)</li> </ul>	<ul style="list-style-type: none"> <li>Research and learning purposes such as comparison between scheme smallholders and other schemes</li> </ul>	<ul style="list-style-type: none"> <li>Research and learning purposes such as comparison between scheme smallholders and other schemes</li> </ul>
<b>Banks and financial institutions</b>	<ul style="list-style-type: none"> <li>One-on-one engagement (as required)</li> <li>Sustainability reports (annually)</li> <li>Annual reports (annually)</li> </ul>	<ul style="list-style-type: none"> <li>Company's sustainability commitments, initiatives, and progress</li> <li>Company's financial performance</li> <li>Opportunities to collaborate on smallholder replanting program</li> </ul>	<ul style="list-style-type: none"> <li>Shared information on our sustainability policy, commitments, programs, and progress</li> </ul>
<b>Buyers</b>	<ul style="list-style-type: none"> <li>One-on-one engagement (regularly)</li> <li>Sustainability reports (annually)</li> <li>Website (periodically)</li> </ul>	<ul style="list-style-type: none"> <li>Company's sustainability commitments and performance, especially traceability and reducing GHG emissions</li> </ul>	<ul style="list-style-type: none"> <li>Develop clear communication on company policies and performance for traceability and GHG emission reductions</li> </ul>
<b>Certification bodies (e.g., RSPO, ISPO, ISCC)</b>	<ul style="list-style-type: none"> <li>Audits (annually)</li> <li>Site visits (annually)</li> <li>Training (as required)</li> <li>Forums (as required)</li> <li>Reporting (annually)</li> </ul>	<ul style="list-style-type: none"> <li>Company's sustainability commitments and performance on issues such as No Deforestation, No Peat Development, and No Exploitation (NDPE)</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing improvements in our understanding of certification requirements</li> </ul>

Stakeholder Group	Engagement Method and Frequency	Topic of Interest	Asian Agri's Response
<b>Employees</b>	<ul style="list-style-type: none"> <li>Internal meetings (regularly)</li> <li>Training (based on topics, twice yearly)</li> <li>Sustainability reports (annually)</li> <li>Annual reports (annually)</li> <li>Website (periodically)</li> </ul>	<ul style="list-style-type: none"> <li>Employee welfare, development, and benefits</li> </ul>	<ul style="list-style-type: none"> <li>Regularly review and improve our approach to employee attraction, management, and retention</li> </ul>
<b>Government bodies (e.g., ministries, agencies)</b>	<ul style="list-style-type: none"> <li>Site visits (as required)</li> <li>Seminars, forums (as required)</li> <li>Sustainability reports (annually)</li> <li>Annual reports (annually)</li> <li>Website (periodically)</li> </ul>	<ul style="list-style-type: none"> <li>Company's compliance with regulations and NDPE commitment</li> <li>Company's contribution to national agenda such as supporting smallholders and reducing GHG emissions</li> </ul>	<ul style="list-style-type: none"> <li>Develop clear communication of the company's compliance with regulations and performance in meeting the standards</li> </ul>
<b>Independent and scheme smallholders</b>	<ul style="list-style-type: none"> <li>One-on-one engagement (regularly, daily)</li> <li>Training, field studies, and other engagements through our smallholder empowerment programs (regularly)</li> </ul>	<ul style="list-style-type: none"> <li>Support for replanting, fertilization, harvesting, certification compliance, and quality seeds</li> </ul>	<ul style="list-style-type: none"> <li>Develop and refine our smallholder empowerment programs are fit-for-purpose and adequately meet their needs</li> </ul>
<b>Industry groups and trade associations</b>	<ul style="list-style-type: none"> <li>One-on-one engagement (as required)</li> <li>Multi-stakeholder forums and events (as required, regularly)</li> <li>Sustainability reports (annually)</li> </ul>	<ul style="list-style-type: none"> <li>Company's sustainability commitments, initiatives, and progress</li> <li>Opportunities for collaboration</li> </ul>	<ul style="list-style-type: none"> <li>Attend as spokesperson in several events and focus group discussions</li> <li>Participate in exhibitions</li> </ul>
<b>International stakeholders (e.g., European Parliament, EU Ambassadors)</b>	<ul style="list-style-type: none"> <li>Site visits (as required)</li> <li>One-on-one engagement (as required)</li> </ul>	<ul style="list-style-type: none"> <li>Company's sustainability commitments and performance on issues such as traceability</li> </ul>	<ul style="list-style-type: none"> <li>Build capacity and knowledge on agricultural practices in Indonesia</li> </ul>
<b>Local communities</b>	<ul style="list-style-type: none"> <li>Direct engagement through our community programs and Fire-Free Village Program (FFVP) (regularly)</li> <li>Grievance mechanism (for socialization; annually)</li> </ul>	<ul style="list-style-type: none"> <li>Free, prior, and informed consent (FPIC) concerns</li> <li>Company's sustainability commitments and performance, especially education, health, infrastructure, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Develop and refine communication and implementation of FPIC commitments</li> <li>Provide relevant and effective support through community programs and FFVP</li> </ul>
<b>Indigenous Peoples</b>	<ul style="list-style-type: none"> <li>Third-party Social Impact Assessment (conducted annually, reviewed biennially),</li> <li>Grievance mechanism</li> </ul>	<ul style="list-style-type: none"> <li>FPIC concerns</li> <li>Company's sustainability commitments, including community development rights and land tenure</li> </ul>	<ul style="list-style-type: none"> <li>Communication</li> <li>Implementation of FPIC commitments</li> <li>Deliver community programs</li> </ul>
<b>Media</b>	<ul style="list-style-type: none"> <li>One-on-one engagement (as required)</li> <li>Multi-stakeholder forums (regularly)</li> <li>Website and social media (ongoing)</li> <li>Sustainability reports (annually)</li> </ul>	<ul style="list-style-type: none"> <li>Company's sustainability commitments and performance on issues such as employee welfare, fires, smallholder partnerships, and quality seeds</li> </ul>	<ul style="list-style-type: none"> <li>Issuing press releases</li> <li>Develop clear communication on all sustainability commitments through our policies and reporting</li> </ul>
<b>Non-governmental organizations (NGOs)</b>	<ul style="list-style-type: none"> <li>One-on-one engagement (as required)</li> <li>Multi-stakeholder forums (as required)</li> <li>Sustainability reports (annually)</li> <li>Website (periodically)</li> </ul>	<ul style="list-style-type: none"> <li>Company's sustainability commitments and performance on issues such as deforestation, peatland development, and traceability</li> <li>Stakeholder grievances</li> </ul>	<ul style="list-style-type: none"> <li>Develop clear communication of all sustainability commitments through our policies and reporting</li> <li>Investigate and respond to grievances raised</li> </ul>

**Assurance statement** [GRI 2-5]



# ASSURANCE STATEMENT

## SGS INDONESIA'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE ASIAN AGRICULTURE SUSTAINABILITY REPORT FOR 2025

### NATURE OF THE ASSURANCE/VERIFICATION

PT. SGS Indonesia was commissioned by Asian Agri to conduct an independent assurance of the Sustainability Report 2025 period 1 January - 31 December 2025

### INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all Asian Agri's stakeholders.

### RESPONSIBILITIES

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

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

### ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

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

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

### SCOPE OF ASSURANCE

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

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

### SPECIFIED PERFORMANCE INFORMATION AND DISCLOSURES INCLUDED IN SCOPE

- Climate mitigation and adaptation,
- Biodiversity and conservation
- Water and effluents
- Waste
- Smallholder empowerment
- Local community empowerment
- Human rights and labor practices
- Occupational health and safety
- Sustainability certification and compliance
- Sustainability governance
- Supplier engagement and responsible sourcing

### ASSURANCE METHODOLOGY

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

- Buatan 1 both mill and estate in Riau Province.
- Segati both mill and estate in Riau Province.
- Tungkal Ulu both mill and estate in Jambi Province.
- Taman Raja both mill and estate in Jambi Province.

The external bodies and stakeholders were also interviewed, for example:

- Community beneficiaries of the mill and estate CSR programs in surrounding Segati both mill and estate in Riau Province
- Community beneficiaries of the mill and estate CSR programs in Buatan 1 both mill and estate in North Riau Province
- Labor Union of Buatan 1 both mill and estate in Riau Province

Asian Agri Sustainability report 2025 covers PT. Inti Indosawit Subur as parent company and 12 subsidiaries. Companies operate in 3 Provinces: North Sumatera Province, Riau Province and Jambi Province.

### LIMITATIONS

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

### INDEPENDENCE AND COMPETENCE

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

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors Environmental Management System (EMS) Lead Auditor, Quality Management System (QMS) Lead Auditor, Occupational Health and Safety Management System (OHSMS) Lead Auditor, Round Table on Sustainable Palm Oil (RSPO) Auditor, International Sustainability and Carbon Certification (ISCC) Auditor, and the Associate Certified Sustainability Assurance Practitioner (ACSAP).

### FINDINGS AND CONCLUSIONS

#### ASSURANCE OPINION

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

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

#### ADHERENCE TO AA1000 ACCOUNTABILITY PRINCIPLES (2018)

##### INCLUSIVITY

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

**MATERIALITY**

Asian Agri has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group, and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders. Priority material topics are Climate mitigation and adaptation, Biodiversity and conservation, Water and effluents, Waste, Smallholder empowerment, Local community empowerment, Human rights and labor practices, Occupational health and safety, Sustainability certification and compliance, Sustainability governance, Supplier engagement and responsible sourcing.

**RESPONSIVENESS**

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

**IMPACT**

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

**QUALITY AND RELIABILITY OF SPECIFIED PERFORMANCE INFORMATION**

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

**ADHERENCE TO GLOBAL REPORTING INITIATIVE SUSTAINABILITY REPORTING STANDARDS (2021)**

In our opinion, Asian Agri’s Sustainability Report 2025 is presented in accordance with the Global Reporting Initiative Sustainability Reporting Standards 2021 and GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022 and fulfills all the required content and quality criteria.

**Foundation**

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

**General Disclosures**

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

**Material Topics**

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

Signed:

For and on behalf of SGS Indonesia



**Sebastian Lee**  
**Business Assurance Director**  
**Jakarta, Indonesia**  
**12 May 2026**



**AA1000**  
**Licensed Report**  
**000-8/V3-VCALL**

**WWW.SGS.COM**

## Performance Data [GRI 2-7, 401-1, 405-1, 13.6.2]

### General Disclosures

Indicators	Description	UoM	2025	2024	2023
<b>Activities, value chain, and other business relationships</b>	<b>Asian Agri planted area</b>	ha	<b>91,523</b>	<b>93,735</b>	<b>93,846</b>
	North Sumatra	ha	41,620	42,611	42,627
	Riau	ha	32,665	33,373	33,431
	Jambi	ha	17,238	17,751	17,788
	<b>Plasma smallholder planted area</b>	ha	<b>52,837</b>	<b>52,893</b>	<b>52,893</b>
	North Sumatra	ha	n/a	n/a	n/a
	Riau	ha	29,394	29,261	29,261
	Jambi	ha	23,443	23,632	23,632
	<b>Plantations</b>	no.	<b>30</b>	<b>30</b>	<b>30</b>
	North Sumatra	no.	14	14	14
	Riau	no.	10	10	10
	Jambi	no.	6	6	6
	<b>Mills</b>	no.	<b>23</b>	<b>23</b>	<b>22</b>
	North Sumatra	no.	8	8	8
	Riau	no.	11	11	10
	Jambi	no.	4	4	4
	<b>Kernel crushing plants</b>	no.	<b>13</b>	<b>12</b>	<b>11</b>
	North Sumatra	no.	3	3	3
	Riau	no.	7	6	5
	Jambi	no.	3	3	3
<b>Employees</b>	<b>Total employees</b>	no.	<b>25,543</b>	<b>22,422</b>	<b>21,557</b>
	<b>Permanent employees by gender</b>	no.	<b>12,430</b>	<b>11,080</b>	<b>10,651</b>
	Male	no.	11,515	10,224	9,941
	Female	no.	915	856	710
	<b>Permanent employees by region</b>	no.	<b>12,430</b>	<b>11,080</b>	<b>10,651</b>
	North Sumatra	no.	5,133	4,396	4,439
	Riau	no.	5,364	4,781	4,252
	Jambi	no.	1,901	1,870	1,928
	Jakarta		32	33	32
	<b>Temporary employees by gender</b>	no.	<b>13,113</b>	<b>11,342</b>	<b>10,506</b>
	Male	no.	8,163	7,190	6,617
	Female	no.	4,950	4,152	3,889
	<b>Temporary employees by region</b>	no.	<b>13,113</b>	<b>11,342</b>	<b>10,506</b>
	North Sumatra	no.	3,956	4,430	4,289
Riau	no.	5,557	4,261	4,076	
Jambi	no.	3,600	2,651	2,141	

## People Empowerment and Inclusive Growth

Indicators	Description	UoM	2025	2024	2023
<b>Smallholder partnerships</b>					
<b>Plasma smallholders</b>	<b>Total cooperatives</b>	no.	76	76	76
	Riau	no.	38	38	38
	Jambi	no.	38	38	38
	<b>Total individual smallholders</b>	no.	27,054	27,075	27,082
	Riau	no.	14,697	14,718	14,725
	Jambi	no.	12,357	12,357	12,357
	Total RSPO-certified cooperatives	no.	76	76	76
	Total RSPO-certified area	ha	52,837	52,885	52,899
	Total ISPO-certified cooperatives	no.	58	37	26
	Total ISPO-certified area	ha	13,963	10,614	8,676
<b>Independent smallholders supported</b>	<b>Total cooperatives</b>				
	CSV	no.	57	58	64
	CSV under SMILE program	no.	14	10	10
	<b>Total individual smallholders</b>				
	CSV	no.	8,236	7,628	8,079
	CSV under SMILE program	no.	4,513	3,436	3,083
	<b>Total planted area</b>				
	CSV	ha	35,545	34,843	37,417
	CSV under SMILE program	ha	11,005	9,050	
	<b>Total RSPO-certified cooperatives</b>				
	CSV	no.	12	8	8
	CSV under SMILE program	no.	8	4	4
	<b>Total RSPO-certified area</b>				
	CSV	ha	9,830	7,026	7,026
CSV under SMILE program	ha	6,574	3,770	3,770	

Indicators	Description	UoM	2025	2024	2023
<b>Our workforce</b>					
<b>Diversity and equality</b>	<b>Composition of Board of Directors</b>				
	Male	no.	2	2	2
	Female	no.	0	0	0
	<30 years old	no.	0	0	0
	30–50 years old	no.	1	1	0
	>50 years old	no.	1	1	2

Indicators	Description	UoM	2025	2024	2023
	<b>Composition of senior management</b>				
	Male	no.	72	75	72
	Female	no.	5	5	5
	<30 years old	no.	0	0	0
	30–50 years old	no.	39	36	40
	>50 years old	no.	38	44	37
	<b>Composition of middle management</b>				
	Male	no.	215	205	196
	Female	no.	35	37	34
	<30 years old	no.	10	7	4
	30–50 years old	no.	196	188	183
	>50 years old	no.	44	47	43
	<b>Composition of other employees</b>				
	Male	no.	743	692	716
	Female	no.	83	86	85
	<30 years old	no.	562	482	554
	30–50 years old	no.	247	275	227
	>50 years old	no.	17	21	20
	<b>Composition of employees and workers</b>				
	Male	no.	12,307	17,414	16,558
	Female	no.	13,236	5,008	4,599
	<30 years old	no.	7,810	6,351	5,739
	30–50 years old	no.	15,339	14,049	13,414
	>50 years old	no.	2,394	2,022	2,004
<b>New hires</b>	<b>New hires by age group</b>				
	<30 years old	no.	2,386	2,378	1,734
	30–50 years old	no.	1,439	1,632	1,151
	>50 years old	no.	64	49	26
	<b>New hires rates by age group</b>				
	<30 years old	%	9.30%	10.6%	8.9%
	30–50 years old	%	5.60%	7.4%	5.5%
	>50 years old	%	0.30%	0.2%	0.2%
	<b>New hires by gender</b>				
	Male	no.	2,961	3,031	2,428
	Female	no.	928	1,052	483
	<b>New hires rates by gender</b>				
	Male	%	11.60%	13.5%	12.2%
Female	%	3.60%	4.7%	2.4%	

Indicators	Description	UoM	2025	2024	2023
<b>Parental leave</b>	<b>Total workforce entitled to parental leave</b>	no.	12,430	11,080	10,651
	Male	no.	11,515	10,224	9,941
	Female	no.	915	856	710
	<b>Total employees that took parental leave in the previous year</b>	no.	117	303	330
	Male	no.	97	288	287
	Female	no.	20	15	41
	<b>Employees who returned to work after parental leave ended in the previous year</b>	no.	117	296	328
	Male	no.	97	287	287
	Female	no.	20	9	41
	<b>Employees who are still employed 12 months after parental leave</b>	no.	296	328	328
	Male	no.	287	287	287
	Female	no.	9	41	41
<b>Occupational health and safety</b>	<b>First aid incidents</b>				
	North Sumatra	no.	495	559	526
	Riau	no.	820	500	534
	Jambi	no.	353	297	349
	<b>Medical aid incidents</b>				
	North Sumatra	no.	87	152	239
	Riau	no.	222	389	371
	Jambi	no.	56	85	87
	<b>Total hours worked</b>				
	North Sumatra	no.	16,131,623	15,442,088	16,082,171
	Riau	no.	14,743,575	13,648,320	15,315,536
	Jambi	no.	7,442,820	7,587,563	7,598,646

### Climate and Environmental Management

Indicators	Description	UoM	2025	2024	2023
<b>Energy management</b>	Energy consumption by source	GJ	9,453,954	9,274,744	9,615,096
	Renewable energy	GJ	9,054,961	8,917,381	9,250,313
	Fiber	GJ	6,843,231	6,679,377	7,074,661
	PKS	GJ	509,356	748,468	641,956
	Biogas	GJ	1,702,373	1,489,536	1,533,696
	Non-renewable energy	GJ	398,994	357,363	364,782
	Grid electricity	GJ	38,904	27,466	29,277
	Biodiesel B30	GJ	n/a	n/a	335,505

Indicators	Description	UoM	2025	2024	2023
	Biodiesel B35	GJ	25,334	329,897	n/a
	Biodiesel B40	GJ	334,756	n/a	n/a
<b>Fire prevention and mitigation</b>	Hotspots detected in own plantations	no.	0	6	1
	Actual fires in own plantations	no.	0	0	0
	Hotspots detected in plasma smallholder areas	no.	0	12	8
	Actual fires in plasma smallholder area	no.	0	0	0
	Hotspots detected in surrounding communities	no.	185	149	180
	Actual fires in surrounding communities	no.	0	0	0
	<b>Safe discharge of effluents</b>	<b>Average POME BOD for land application</b>			
North Sumatra		mg/L	2,763	3,454	3,677
Riau		mg/L	1,975	1,925	1,880
Jambi		mg/L	1,775	1,594	1,520
<b>Average POME COD for land application</b>					
North Sumatra		mg/L	8,521	3,912	9,245
Riau		mg/L	5,171	4,421	4,344
Jambi	mg/L	5,765	4,862	5,030	
<b>Managing inorganic waste</b>	Total inorganic waste	MT	172.10	116.79	182.26
	Used lubricants	MT	104.33	72.05	116.38
	Chemical packaging	MT	38.78	22.79	32.86
	Used lubricant filters	MT	14.72	11.63	18.35
	Used batteries	MT	11.43	7.38	11.88
	Medical and lab waste	MT	0.70	0.49	1.14
	e-Waste	MT	1.32	1.40	1.39
	Used air filters	MT	0.82	1.06	0.26
	Used resin and water filters	MT	0.00	0.002	0.002
<b>Pesticides use by WHO category</b>	Class 1A	Kg/Ha	-	<0.00001	<0.00001
	Class 1B	Kg/Ha	0.0041	0.0041	0.0046
	Class II	Kg/Ha	0.2952	0.196	0.2202
	Class III	Kg/Ha	1.2016	0.9515	0.8977
	Class IV	Kg/Ha	0.0713	0.0635	0.0488

## GRI content index

The Global Reporting Initiative (GRI) is a widely adopted multi-stakeholder standard for sustainability reporting that provides guidance on determining report content and indicators. It has been designed to enhance the global comparability and quality of information on environmental and social impacts, thereby enabling greater transparency and accountability of organizations. Our 2025 Sustainability Report has been prepared in alignment with the 2021 GRI Standards and the GRI 13 Standards for Agriculture. Our GRI Content Index references our 2025 Sustainability Report and the [Asian Agri Website](#).

<b>Statement of use</b>	Asian Agri Group has reported in accordance with the GRI Standards for the period 1 January 2025 to 31 December 2025.
<b>GRI 1 used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standard</b>	GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022

GRI Standard/ Other source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) omitted	Reason	Explanation	
<b>1. The organization and its reporting practices</b>						
GRI 2: General Disclosures 2021	2-1 Organizational details	At a glance, p. 14			Reasons for omission not permitted	
	2-2 Entities included in the organization's sustainability reporting	About this report, p. 6 Our group of companies, p. 70			Reasons for omission not permitted	
	2-3 Reporting period, frequency and contact point	About this report, p. 6 Glossary, p. 97 Contact, p. 98			Reasons for omission not permitted	
	2-4 Restatements of information	Available throughout, where relevant			Reasons for omission not permitted	
	2-5 External assurance	About this report, p. 6 Assurance statement, p. 72			Reasons for omission not permitted	
<b>2. Activities and workers</b>						
GRI 2: General Disclosures 2021	2-6 Activities, value chain, and other business relationships	At a glance, p.14 Responsible supply chains, p. 64				
	2-7 Employees	Workforce overview, p. 38 Performance data, p. 75	b. iii, v	Not applicable	All directly hired personnel are engaged under employment contracts that specify regular working hour expectations. As such, there were no individuals working under non-guaranteed or zero-hour arrangements in 2025	

GRI Standard/ Other source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) omitted	Reason	Explanation	
	2-8 Workers who are not employees	Workforce overview, p. 38				
<b>3. Governance</b>						
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	Sustainability governance, p. 25	All c except v.	Confidentiality constraints	This information cannot be disclosed, as the Group consists of private companies	
	2-10 Nomination and selection of the highest governance body			Confidentiality constraints	This information cannot be disclosed, as the Group consists of private companies	
	2-11 Chair of the highest governance body	Sustainability governance, p. 25				
	2-12 Role of the highest governance body in overseeing the management of impacts	Materiality, p. 20 Sustainability governance, p. 25 Grievance mechanisms, p. 27				
	2-13 Delegation of responsibility for managing impacts	Sustainability governance, p. 25				
	2-14 Role of the highest governance body in sustainability reporting	Materiality, p. 20 Sustainability governance, p. 25				
	2-15 Conflicts of interest	Sustainability governance, p. 25				
	2-16 Communication of critical concerns	Grievance mechanisms, p. 27				
	2-17 Collective knowledge of the highest governance body	Sustainability governance, p. 25				
	2-18 Evaluation of the performance of the highest governance body	The performance of the Managing Director and the Management Committee is assessed internally using a Balanced Scorecard, a performance management tool widely used for strategic planning and assessment in organizations.				

GRI Standard/ Other source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) omitted	Reason	Explanation	
	2-19 Remuneration policies					
	2-20 Process to determine remuneration			Confidentiality constraints	This information cannot be disclosed, as the Group consists of private companies	
	2-21 Annual total compensation ratio					

#### 4. Strategy, policies, and practices

GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	Message from our Managing Director, p. 8
	2-23 Policy commitments	Approach to sustainability, p. 18 Upholding human rights, p. 30 Our workforce, p. 37 Climate and environmental management, p. 50 Responsible supply chains, p. 64
	2-24 Embedding policy commitments	Approach to sustainability, p. 18 Upholding human rights, p. 30 Our workforce, p. 37 Climate and environmental management, p. 50 Responsible supply chains, p. 64
	2-25 Processes to remediate negative impacts	Grievance mechanisms, p. 27 Employee and worker access to grievance mechanisms, p. 40
	2-26 Mechanisms for seeking advice and raising concerns	Employee and worker access to grievance mechanisms, p. 40 <a href="#">Asian Agri website – Grievance</a>
	2-27 Compliance with laws and regulations	Compliance with laws and regulations, p. 27
	2-28 Membership associations	Stakeholder engagement, p. 24

GRI Standard/ Other source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) omitted	Reason	Explanation	
<b>5. Stakeholder engagement</b>						
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	Stakeholder engagement, p. 24 Stakeholder engagement overview, p. 70				
	2-30 Collective bargaining agreements	Freedom of association and collective bargaining, p. 40				
<b>Materiality</b>						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality, p. 20				
	3-2 List of material topics	Materiality, p. 20				
<b>Sustainability certification and compliance</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Certifications, p. 28				
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories		Information unavailable	Not material to Asian Agri		13.10.2
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Certifications, p. 28				
GRI Topic Standard 13.10 Food safety	13.10.4 Report the percentage of production volume from sites certified to internationally recognized food safety standards		Information unavailable	Not material to Asian Agri		13.10.4
	13.10.5 Report the number of recalls issued for food safety reasons and the total volume of products recalled		Information unavailable	Not material to Asian Agri		13.10.5

GRI Standard/ Other source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) omitted	Reason	Explanation	
<b>Smallholder empowerment</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics Describe actions taken to support the economic inclusion of farmers and their communities, and the effectiveness of these actions; Describe actions taken to identify and adjust the sourcing practices that cause or contribute to negative impacts on economic inclusion of farmers in the supply chain	Smallholder partnership, p. 30				13.22.1
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Smallholder partnership, p. 30				13.22.3
	203-2 Significant indirect economic impacts	Smallholder partnership, p. 30				13.22.4
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers			Information unavailable	Not material to Asian Agri	
<b>Climate mitigation and adaptation</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Our approach to climate change, p. 50				13.1.1 13.2.1
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change			Information unavailable	In progress Asian Agri initiated a company-wide climate change risk assessment in December 2025	13.2.2
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy management, p. 54	c. ii, iii, iv; d. ii, iii, iv	Not applicable	Asian Agri does not purchase or sell any heating, cooling, or steam	
	302-2 Energy consumption outside of the organization			Information unavailable	Data is currently not available due to limited visibility and control over external parties	
	302-3 Energy intensity	Energy management, p. 54				
	302-4 Reduction of energy consumption			Information unavailable	Data not recorded	

GRI Standard/ Other source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) omitted	Reason	Explanation	
	302-5 Reductions in energy requirements of products and services			Information unavailable	Asian Agri produces intermediate commodities (CPO, CPKO) that do not have direct energy requirements during use phase under the Company's control	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Group emissions, p. 50				13.1.2
	305-2 Energy indirect (Scope 2) GHG emissions	Group emissions, p. 50				13.1.3
	305-3 Other indirect (Scope 3) GHG emissions			Information unavailable		13.1.4
	305-4 GHG emissions intensity	Group emissions, p. 50				13.1.5
	305-5 Reduction of GHG emissions	Reducing our carbon footprint, p. 52				13.1.6
	305-6 Emissions of ozone-depleting substances (ODS)			Not applicable	Our operations emit a negligible, nonmaterial amount of these emissions	13.1.7
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOX), and other significant air emissions	Group emissions, p. 50	a, b, c	Information unavailable	Data not recorded	13.1.8
<b>Biodiversity and conservation</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Biodiversity and conservation, p. 55 Fire-Free Village Program (FFVP), p. 58 Ensuring supplier compliance, p. 66				13.4.1
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas			Confidentiality constraints	This information cannot be disclosed, as the Group consists of private companies	13.3.2
	304-2 Significant impacts of activities, products and services on biodiversity	Biodiversity and conservation, p. 55				13.3.3

GRI Standard/ Other source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) omitted	Reason	Explanation	
	304-3 Habitats protected or restored	Biodiversity and conservation, p. 55				13.3.4
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Asian Agri website – Zero Deforestation				13.3.5
GRI 101: Biodiversity 2024	101-1 Policies to halt and reverse biodiversity loss	Biodiversity and conservation, p. 55				
	101-2 Management of biodiversity impacts	Biodiversity and conservation, p. 55, 56				
GRI 13.4: Natural ecosystem conversion	13.4.2 Assessment method and percentage of production volume sourced from own land deemed to be deforestation-free	Biodiversity and conservation, p. 55				13.4.2
	13.4.3 Assessment method and percentage of production volume sourced from suppliers deemed to be deforestation-free	Ensuring supplier compliance, p. 66	Data on percentage of volume deemed to be deforestation- or conversion-free	Information unavailable	Data not recorded	13.4.3
	13.4.4 Hectares and location cleared at own operations since cut-off date	Biodiversity and conservation, p. 55				13.4.4
	13.4.5 Hectares and location cleared at suppliers' operations since cut-off date			Information unavailable	Data not recorded	13.4.5

**Human rights and labor practices**

GRI 3: Material Topics 2021	3-3 Management of material topics	Our workforce, p. 37				13.16.1 13.18.1
GRI 202: Market Presence 2016	202-1 Ratios of standard entry-level wage by gender compared to local minimum wage	Fair wages and benefits, p. 39	b	Not applicable	The use of outsourced workers is limited and not considered material to the Company's workforce structure. Third-party service providers are expected to comply with applicable labor regulations, including minimum wage requirements.	

GRI Standard/ Other source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) omitted	Reason	Explanation	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Performance data, p. 75				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Fair wages and benefits, p. 39				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Training and development, p. 40				
	404-2 Programs for upgrading employee skills and transition assistance programs	Training and development, p. 40				
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Freedom of association and collective bargaining, p. 40				13.18.2
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Prohibition of forced and child labor, p. 40				13.17.2
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Prohibition of forced and child labor, p. 40				13.16.2
Topic 13.20 Employment practices	13.20.1 Describe policies and practices regarding recruitment of workers	Fair wages and benefits, p. 39			There is no recruitment policy for third-party agencies, as Asian Agri directly recruits and pays our workers	13.20.1
Topic 13.21 Living income and living wage	13.21.1 Describe commitments and methodology related to providing a living income or paying a living wage	Fair wages and benefits, p. 39 Freedom of association and collective bargaining, p. 40				13.21.1

GRI Standard/ Other source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) omitted	Reason	Explanation	
	13.21.2 Percentage of employees and workers who are not employees whose work is controlled or covered by CBAs that have terms related to wage levels and frequency of wage payments	Freedom of association and collective bargaining, p. 40				13.21.2
	13.21.3 Percentage of employees and workers who are not employees whose work is controlled is paid above living wage	Fair wages and benefits, p. 39				13.21.3
<b>Local community empowerment</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Community development, p. 45				13.12.1
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed			Confidentiality constraints	This information cannot be disclosed, as the Group consists of private companies	13.22.2
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Community support, p. 45				13.22.3
	203-2 Significant indirect economic impacts	Community support, p. 45				13.22.4
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Our security teams undergo structured training as part of our Human Resources module, covering security practices, environmental and operational security topics, delivered internally, with occasional support from external authorities. Around half of our security personnel have received dedicated human rights training				
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of Indigenous Peoples Additional sector recommendations	Upholding land and community rights, p. 45				13.14.2

GRI Standard/ Other source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) omitted	Reason	Explanation	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Upholding land and community rights, p. 45				13.12.2
	413-2 Operations with significant actual and potential negative impacts on local communities	Upholding land and community rights, p. 45				13.12.3
Topic 13.9 Food security	3-3 Management of material topics Describe the effectiveness of food security programs, partnerships to address food security, and policies to address food loss in the supply chain	Community support, p. 45  Asian Agri contributes to food security by addressing short-term nutritional needs and promoting sustainable food solutions				13.9.1
Topic 13.13 Land and resource rights	13.13.1 Commitments to respect land and natural resource rights	Upholding land and community rights, p. 45				13.13.1
	13.13.3 Size and location of operations where violations of land and natural resource rights occurred and the groups of rights holders affected	Upholding land and community rights, p. 45				13.13.3
Topic 13.14 Rights of Indigenous People	13.14.1 Approach to engaging with Indigenous Peoples	Upholding land and community rights, p. 45				13.14.1
	13.14.2 Identified incidents of violations involving the rights of Indigenous Peoples	Upholding land and community rights, p. 45				13.14.2
	13.14.4 Report if the organization has been involved in the process of seeking FPIC	Upholding land and community rights, p. 45				13.14.4
<b>Sustainability governance</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability governance, p. 25				

GRI Standard/ Other source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) omitted	Reason	Explanation	
<b>Supplier engagement and responsible sourcing</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Responsible supply chain, p. 64				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers			Information unavailable	Not material to Asian Agri	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Ensuring supplier compliance, p. 66				
	308-2 Negative environmental impacts in the supply chain and actions taken	Ensuring supplier compliance, p. 66				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Ensuring supplier compliance, p. 66				
	414-2 Negative social impacts in the supply chain and actions taken	Ensuring supplier compliance, p. 66				
Topic 13.23 Supply chain traceability	13.23.1 Describe the rationale and methodology for tracing the source, origin, or production conditions of the products sourced by the organization	Responsible supply chains, p. 64				13.23.1
	13.23.2 Describe the level of traceability in place for products sourced	Responsible supply chains, p. 64				13.23.2
	13.23.3 Report the percentage of sourced volume certified to internationally recognized standards	Plasma smallholder certification progress p. 33, RSPO-certified independent smallholders p. 36				13.23.3
	13.23.4 Describe improvement projects to get suppliers certified to internationally recognized standards	Smallholder partnership, p. 30				13.23.4
<b>Production optimization and efficiency</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Optimizing productivity, p. 68				

GRI Standard/ Other source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) omitted	Reason	Explanation	
<b>Occupational health and safety</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Occupational health and safety, p. 43				13.19.1
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational health and safety, p. 43				13.19.2
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational health and safety, p. 43				13.19.3
	403-3 Occupational health services	Occupational health and safety, p. 43				13.19.4
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational health and safety, p. 43				13.19.5
	403-5 Worker training on occupational health and safety	Occupational health and safety, p. 43				13.19.6
	403-6 Promotion of worker health	Occupational health and safety, p. 43				13.19.7
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational health and safety, p. 43				13.19.8
	403-8 Workers covered by an occupational health and safety management system	Occupational health and safety, p. 43				13.19.9
	403-9 Work-related injuries	Occupational health and safety, p. 43	b	Information unavailable	Data is currently not available due to limited visibility and control over external parties	13.19.10
	403-10 Work-related ill health	Occupational health and safety, p. 43	b	Information unavailable	Data is currently not available due to limited visibility and control over external parties	13.19.11

GRI Standard/ Other source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) omitted	Reason	Explanation	
<b>Pesticides and chemical management</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics Pest management plan and actions taken to prevent, minimize and remediate negative impacts, and plans to switch to less hazardous pesticides	Pesticides and fertilizers, p. 61				13.6.1
Topic 13.5 Soil health	13.5.1 Describe the soil management plan	Soil management, p. 63				13.5.1
Topic 13.6 Pesticides use	13.6.2 Volume and intensity of pesticide use by toxicity hazard levels	Performance data, p. 75				13.6.2
<b>Fire prevention and management</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Fire prevention and mitigation, p. 57				
<b>Water and effluents</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Water management, p. 59				13.7.1
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water management, p. 59				13.7.2
	303-2 Management of water discharge-related impacts	Safe discharge of effluents, p. 60				13.7.3
	303-3 Water withdrawal	Water management, p. 59				13.7.4
	303-4 Water discharge	Water management, p. 59				13.7.5
	303-5 Water consumption	Water management, p. 59				13.7.6
<b>Stakeholder collaboration</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Stakeholder engagement, p. 24				
<b>Waste</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Waste management, p. 60				13.8.1

GRI Standard/ Other source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) omitted	Reason	Explanation	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste management, p. 60				13.8.2
	306-2 Management of significant waste-related impacts	Waste management, p. 60				13.8.3
	306-3 Waste generated	Waste management, p. 60				13.8.4
	306-4 Waste diverted from disposal	Waste management, p. 60				13.8.5
	306-5 Waste directed to disposal	Waste management, p. 60				13.8.6
<b>Gender equality and inclusion</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Diversity and equality, p. 38				13.15.1
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Diversity and equality, p. 38 Performance data, p. 75				13.15.2
	405-2 Ratio of basic salary and remuneration of women to men	Diversity and equality, p. 38				13.15.3
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Diversity and equality, p. 38				13.15.4
Topic 13.15 Non-discrimination and equal opportunity	13.15.5 Describe differences in employment terms and the approach to compensation based on workers' nationality or migrant status			Not applicable	All Asian Agri workers in our operations are Indonesian nationals. Therefore, employment terms and conditions are applied consistently within this worker category	13.15.5

GRI Standard/ Other source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) omitted	Reason	Explanation	
<b>General disclosures</b>						
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Business ethics and anti-corruption, p. 27				13.26.2
	205-2 Communication and training about anti-corruption policies and procedures	Business ethics and anti-corruption, p. 27				13.26.3
	205-3 Confirmed incidents of corruption and actions taken	Business ethics and anti-corruption, p. 27				13.26.4
<b>GRI 13 Topics not material to Asian Agri</b>			<b>Explanation</b>			
13.11	Animal health and welfare		Asian Agri does not handle animals in its operations			
13.24	Public policy		Asian Agri does not make political contributions			
13.25	Anti-competitive behavior		Asian Agri was not subject to legal action during the reporting period			

## Glossary [GRI 2-3]

### **AMDAL/Environmental Impact Assessment (EIA)**

| A process to assess the anticipated environmental impacts of a proposed development or project. If these impacts are considered unacceptable, appropriate design changes or other relevant mitigation measures may be taken to reduce or prevent adverse effects.

**Biofuel** | A fuel that is produced from biomass, i. e., plant material or animal waste.

**Biogas** | A gas that is generated by the anaerobic digestion or fermentation of organic matter such as manure, sewage sludge, municipal solid waste, biodegradable waste, or any other biodegradable feedstock. It produces methane and carbon dioxide and can be used as a source of fuel.

**Biological oxygen demand (BOD)** | A measure of the dissolved oxygen required by microorganisms to oxidize reduced substances in water and waste.

**Chemical oxygen demand (COD)** | The amount of oxygen needed to oxidize the organic matter present in water.

**Collective bargaining** | The ongoing process of negotiation between representatives of workers and employers to establish the conditions of employment.

**Deforestation** | The conversion of forest to other land use or the long-term reduction of tree canopy cover. This includes conversion of natural forests to tree plantations, agricultural land, pasture, water reservoirs, and urban areas, but excludes timber production areas managed to ensure forest regeneration after logging.

**Effluent** | Liquid waste generated by industrial activity.

**Employee** | Our workforce at the staff level up to the highest positions, including those based in mills, estates, and offices. Responsibilities primarily involve administrative, managerial, and supervisory tasks. This category also includes specialized roles such as medical professionals and researchers.

**Fire-free village program (FFVP)** | A fire management pilot program that provides training, equipment, and economic incentives to local communities to help prevent fires. Members of the Fire Free Alliance (FFA)— including APRIL, Asian Agri, IOI Group, Musim Mas, Sime Darby, and Wilmar International—are currently implementing their own FFVPs as part of their membership commitments.

**Free, prior, and informed consent (FPIC)** | A specific right of Indigenous Peoples, recognized by the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). FPIC allows Indigenous communities to give or withhold consent for a project that may affect them or their territories. Consent can be withdrawn at any stage of the process. Moreover, FPIC enables them to negotiate the conditions under which a project will be designed, implemented, monitored, and evaluated.

**Freedom of association** | The right of a person to join with other people, for example, as a union, to defend their labor rights.

**Fresh fruit bunches (FFB)** | The fruit from the oil palm, which is then processed into crude palm oil and palm kernel. This is the raw material for palm oil mills.

**Forced labor** | Work that is performed involuntarily and under the menace of any penalty. It refers to situations in which individuals are coerced to work through violence or intimidation, or by more subtle means such as manipulated debt, retention of identity papers, or threats of denunciation to immigration authorities.

**Indonesian Sustainable Palm Oil (ISPO)** | Indonesia's mandatory national sustainable palm oil standard.

**International Sustainability and Carbon Certificate (ISCC)** | A global biomass and bioenergy certification scheme.

**Peatland** | Terrestrial wetland ecosystems where waterlogged conditions prevent plant material from fully decomposing. Peatlands store more carbon than all other vegetation types combined, cover at least 3% of the global land surface, and play a critical role in preventing and mitigating climate change.

**Plasma transmigration program (Perkebunan Inti Rakyat)** | An Indonesian government program to support the development of smallholder plantations. Plantation companies (the nucleus) assist and support the surrounding community plantations (the plasma).

**Public Disclosure Program for Environmental Compliance (PROPER)** | A public disclosure program that promotes adherence to environmental management laws and regulations within the industry. Managed annually by Indonesia's Ministry of Environment and Forestry,

PROPER ratings are divided into two color-coded main categories: compliance, which includes blue, red, and black ratings, and beyond compliance, which is marked by gold and green ratings. Gold represents the highest achievement, while black signifies the lowest rating, indicating non-compliance.

**Smallholders** | Farmers who grow oil palm alongside subsistence crops, where the family provides most of the labor and the farm serves as a principal source of income, and the planted oil palm area is less than 50 hectares. Over three million smallholders and small-scale farmers worldwide make a living from palm oil. This report refers to two types of smallholders: independent and plasma scheme.

#### **Social and environmental impact assessment (SEIA)**

| A process for predicting and assessing the potential environmental and social impacts of a proposed project, evaluating alternatives, and designing appropriate mitigation, management, and monitoring measures.

#### **Roundtable on Sustainable Palm Oil (RSPO)**

| A non-profit organization that brings together stakeholders from seven sectors of the palm oil industry: oil palm producers; processors or traders; consumer goods manufacturers; retailers; banks, investors, or both; and environmental and social nongovernmental organizations (NGOs). RSPO is a global multi-stakeholder initiative that develops and implements standards for sustainable palm oil.

**Sustainability** | A dynamic process that guarantees the persistence of natural and human systems in an equitable manner.

**Stakeholder** | Any group, individual, member, or system that affects or can be affected by a company's actions.

**Traceability** | A process for tracing palm oil throughout the supply chain from the source of fresh fruit bunches.

**Worker** | Asian Agri's workforce at the non-staff level, primarily based in our mills and estates. These roles include daily operational activities in plantations and mills, and workshop and administrative support functions. Workers are categorized as permanent or temporary.

**Zero-burn Policy** | A land-clearing where either logged over secondary forests or an old area of plantation tree crops such as oil palm are cut, chipped, stacked, and left on site to decompose naturally.

Publication date: DD MM 2026

## Contact [GRI 2-3]

### **Asian Agri**

Jl. Palembang Kav. 35-37  
Kebon Melati Tanah Abang Kota Adm. Central Jakarta  
DKI Jakarta, 10230, Indonesia  
Telephone: +62 21 2301 119  
Fax: +62 21 2301 120



# Sustainability Report 2025



**Asian Agri**

Jl. Palembang Kav. 35-37  
Kebon Melati Tanah Abang  
Kota Adm. Central Jakarta  
DKI Jakarta, 10230, Indonesia  
Telephone : +62 21 2301 119  
Fax : +62 21 2301 120

