



ANJ



2023

SUSTAINABILITY REPORT
PT Austindo Nusantara Jaya Tbk.

ANJ 2030:
SAFEGUARDING
VALUES,
SECURING TRUST



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ANJ 2030: SAFEGUARDING VALUES, SECURING TRUST

Together with our peers in the agribusiness sector, we have had to adapt to an ever-shifting geopolitical landscape and the undeniable impact of climate change to sustain a responsible and economically viable business. As a result, our targets and processes are constantly evolving to remain relevant in this dynamic system. Yet, amid continuous flux, two things endure – ANJ’s steadfast commitment to its core values and the resulting trust we have earned with our brand.

Our values are our guiding star, the common denominator to our principles, functions, and ambitions; and the glue that binds us. This year, we re-emphasized values training and socialization across our business. While our employees are introduced to our values during their induction, we acknowledge that commitment and adherence may diminish over time. Introducing regular value training proved to be successful, with employees assuming greater ownership of and pride in our values. Some employees have even taken their dedication to greater heights by engaging with ANJ’s values champion platform. Here, individuals actively promote adherence and guide conversation around the importance of our values for our business and people. This year we brought our values champions together in a two-day retreat, providing them the opportunity to discuss the core values, and develop means to ensure consistent and universal appreciation of our values across our business entities.

We work closely with communities, local governments, vendors and contractors across our operating region; building strong relationships founded on trust is central to our strategy. We are also accountable to our stakeholders and shareholders, who are entitled to expect that ANJ will abide by its commitments and achieve the targets it sets. By exhibiting continued commitment to our values, our people can place trust in our mission, despite the changes they may observe to our structure, systems and processes. Knowing that no matter the economic, social or environmental climate, there will always be a common and steadfast foundation to our work is a comfort that all our people can rely on, especially when all else seems to be in a state of uncertain flux. When our people trust ANJ to perform to the highest standard of corporate governance and responsible development, we receive the necessary support to execute our mission to the best of our ability. Trust is bidirectional and mutually beneficial. By safeguarding and championing our values, we can ensure a long and prosperous future for our business and the people whose lives benefit from its presence.



ABOUT THIS REPORT

This is PT Austindo Nusantara Jaya Tbk's (ANJ's) eighth annual Sustainability Report, prepared in accordance with the GRI Standards for the duration spanning from January 1, 2023, to December 31, 2023. The Sustainability Report includes all the business entities featured in our consolidated financial statements. [2-2, 2-3]

Table 01. Entities included in the report (POJK51-C.3.D, 2-1,2-2)

| Subsidiary | Location | Type of Business |
|---|-----------------|--------------------------------------|
| PT Austindo Nusantara Jaya Tbk. | Jakarta | Holding company, palm oil production |
| PT Austindo Nusantara Jaya Agri (ANJA) | North Sumatra | Palm oil production |
| PT Austindo Nusantara Jaya Agri Siajs (ANJAS) | North Sumatra | Palm oil production |
| PT Sahabat Mewah dan Makmur (SMM) | Bangka Belitung | Palm oil production |
| PT Kayung Agro Lestari (KAL) | West Kalimantan | Palm oil production |
| PT Galempa Sejahtera Bersama (GSB) | South Sumatra | Palm oil production |
| PT Putera Manunggal Perkasa (PMP) | Southwest Papua | Palm oil production |
| PT Permata Putera Mandiri (PPM) | Southwest Papua | Palm oil production |
| PT ANJ Agri Papua (ANJAP) | Southwest Papua | Sago starch production |
| PT Gading Mas Indonesia Teguh (GMIT) | East Java | Vegetables |
| PT Austindo Aufwind New Energy (AANE) | Bangka Belitung | Renewable energy |

There are restatements of the prior years' information in this report due to changes in how measurement method and assumption are conducted. Restatement and any implications will be acknowledged in the respective specific disclosure. No significant changes occurred to our organization, core business, value chain, and other business relationships since our previous report. [2-4, 2-6]

We adhere to a policy of obtaining independent external assurance for our report to enhance its credibility and verify compliance with standards. The British Standards Institution (BSI) has been selected to provide Type 2 Moderate Level Assurance under the 2018 Addendum, utilizing the AA1000 Assurance Standard (2008) in accordance to our policy regarding appointment and evaluation of independent assurance companies. BSI is an entirely independent third party selected and approved by our Board of Directors for its complete impartiality, expertise and professionalism. Additional details regarding the assurance process and its complete statement report can be found on pages 156 - 159. [2-5]

The Global Reporting Initiative (GRI) content index, which specifies each of the GRI Standards used and lists all disclosures included in the report is presented in the Annex to this report. Please contact our Corporate Communications Department at anj.corcomm@anj-group.com for any questions regarding this report. [2-3]



ABOUT ANJ GROUP

PT Austindo Nusantara Jaya Tbk. (ANJ) is an agribusiness company based and fully operates in Indonesia that aspires to be globally recognized for its commitment to elevating the lives of people and nature. Founded in April 1993 as PT Austindo Teguh Jaya, the Company adopted its current name in 1998 and became a public company in 2013. Throughout 2023, there were no significant changes to the Company led by corporate actions such as acquisitions, mergers or the opening/closing of offices and operational areas. [\[2-1, POJK51-C.6\]](#)

We engage directly and through subsidiaries in the production and sale of crude palm oil (CPO), palm kernel (PK), palm kernel oil (PKO) and other food crops such as sago and edamame. Our renewable energy division operates a unit that utilizes Palm Oil Mill Effluent (POME) as its primary resource, converting biogas into electricity that powers one of our plantations in Bangka Belitung and serves the State Electricity Company (PLN) as an Independent Power Producer. Our operations are located in North Sumatra, South Sumatra, Bangka Belitung, West Kalimantan, Southwest Papua and East Java. Our head office sits in Jakarta. [\[2-6, POJK51-C.3.d, POJK51-C.4\]](#)

In 2023, our Company experienced financial growth, with total assets increasing by 1.9%, or USD 11.5 million from USD 602.6 million at the end of 2022 to USD 614.1 million at the end of 2023. Concurrently, total liabilities rose by 5.8%, from USD 178.5 million in 2022 to USD 188.7 million. This financial movement reflects our strategic efforts towards growth, demonstrating a balanced approach to managing our assets and liabilities for long-term stability and expansion. [\[POJK51-C.3.a\]](#)

Our palm oil business unit, currently representing 98.6% of our revenue, integrates the cultivation and harvesting of fresh fruit bunches (FFB) from our oil palm plantations; processing CPO, PK and PKO; and selling these products. Our oil palm supply chain incorporates several external parties, including independent farmers and cooperatives, from whom we purchase additional palm fruit for processing at our mills. The CPO, PK and PKO are either sold directly to both domestic and foreign companies for further processing into derivative products or are sold to agents and distributors. [\[2-6\]](#)

We pioneered Indonesia's first commercial-scale natural sago harvesting and processing operation in South Sorong, Southwest Papua, through our subsidiary that manages a 40,000-hectare concession. The natural sago is harvested from land owned by villagers under customary rights, who receive payment for every sago log harvested. We process these logs at our sago mill to produce dry sago starch, which is mainly sold to the domestic food industry but is also available for purchase by consumers under our retail brand called Sapapua®. [\[2-6\]](#)

Since 2015, we have been producing fresh and frozen edamame at our subsidiary in East Java which serves both domestic and export markets. We have a strategic partnership with the Asia Food Group, a company based in Taiwan, to export frozen edamame to Japan. Aside from edamame, we have started to develop other vegetables, such as okra and green bean. These vegetables are cultivated and supplied by local smallholder farmers. Our frozen edamame retail brand is called Edashi®. [\[2-6\]](#)

COMPANY NAME (2-1)

PT Austindo Nusantara Jaya Tbk.

HEAD OFFICE (POJK51-C.2, 2-1)

BTPN Tower, 40th Floor
Jl. Dr. Ide Anak Agung Gde Agung Kav. 5.5-5.6
Jakarta 12950
☎ (62-21) 2965 1777
📠 (62-21) 2965 1788

BUSINESS ACTIVITY (POJK51-C.4)

Trading, services and operations related to palm oil plantation and processing, as well as trading of palm oil products, sago harvesting and processing, vegetable production and processing (edamame) and renewable energy business.

PRODUCTS AND SERVICES (POJK51-C.4)

Crude Palm Oil (CPO), Palm Kernel (PK) and Palm Kernel Oil (PKO), Sago, Vegetable (Edamame) and Renewable Energy from Palm Oil Mill Effluent (POME).

DATE OF ESTABLISHMENT

April 16, 1993

LEGAL FORM (2-1)

- Publicly listed company, listed on the Indonesia Stock Exchange (IDX) since 2013 under the stock code ANJT.
- KBLI Code 01262 (Palm Oil) "Green" category under the Indonesian Green Taxonomy Edition 1.0 (2022), as all operating estates have obtained ISPO and RSPO certification.

WEBSITE AND SOCIAL MEDIA (POJK51-C.2)



www.anj-group.com

link : <https://www.anj-group.com/>



anjgroup.id

link : <https://www.instagram.com/anjgroup.id/>



anjgroup.id

link : <https://www.facebook.com/anjgroup.id>



PT Austindo Nusantara Jaya Tbk

link : <https://id.linkedin.com/company/pt-austindo-nusantara-jaya-tbk>



ANJ Group

link : <https://youtube.com/@anjgroup2879>

Share Ownership As Of 31 December 2023
(POJK51-C.3.c, 2-1)



40.85%

PT Austindo Kencana Jaya



40.85%

PT Memimpin Dengan Nurani



8.83%

Public



4.74%

George Santosa Tahija



4.74%

Sjakon George Tahija



0.00%

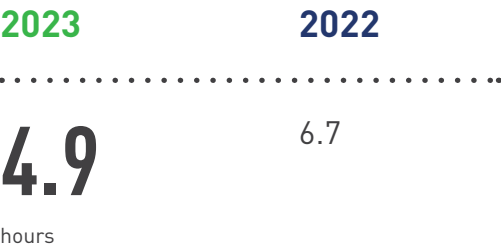
Yayasan Tahija

SUSTAINABILITY 2023 PERFORMANCE HIGHLIGHTS

[COMPARE TO 2022]

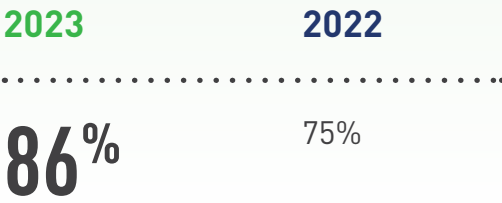
PEOPLE

Average Training Hours per Employee

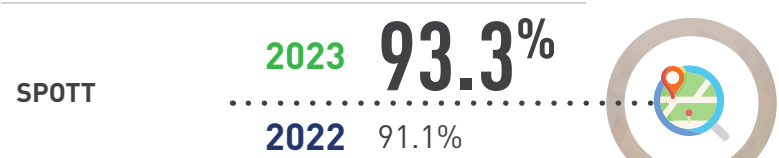
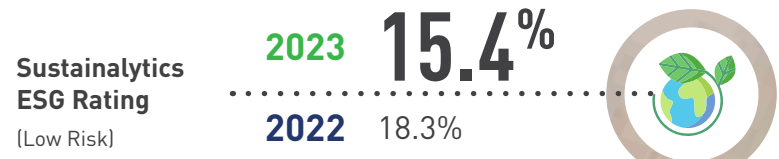


PROSPERITY

Plasma & Partnership Cooperatives
RSPO Certification



OUR SUSTAINABILITY COMMITMENTS



| | | | |
|------------|--------------------|-----------|------|
| CDP Forest | CDP Climate Change | CDP Water | |
| A- | B | B | 2023 |
| A- | A- | B | 2022 |



PLANET

Net GHG Emission Intensity for Palm Oil

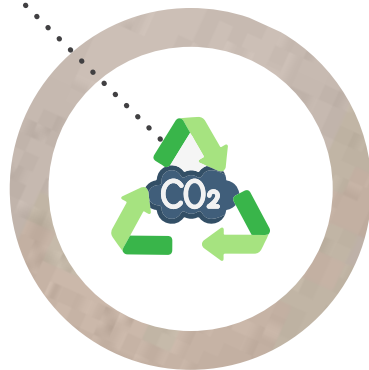
2023

0.66

(Ton CO₂eq/Ton CPO)

2022

0.77



Water Intensity

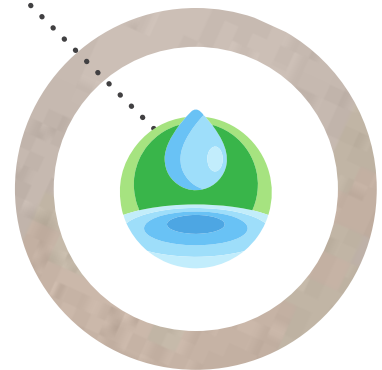
2023

0.971

(M³/Ton FFB)

2022

1.088



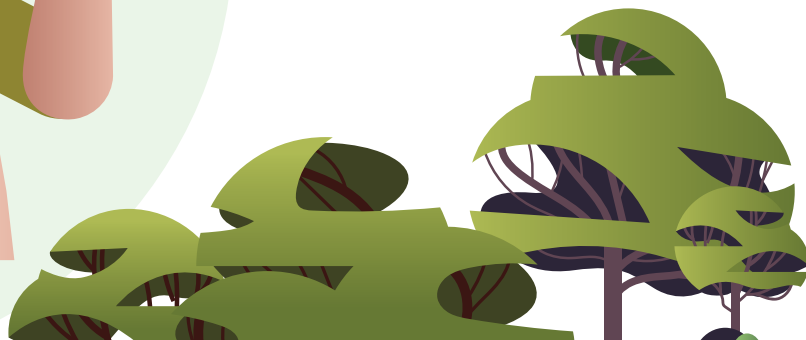
Percentage Renewable Energy to Total Energy (%)

2023

43%

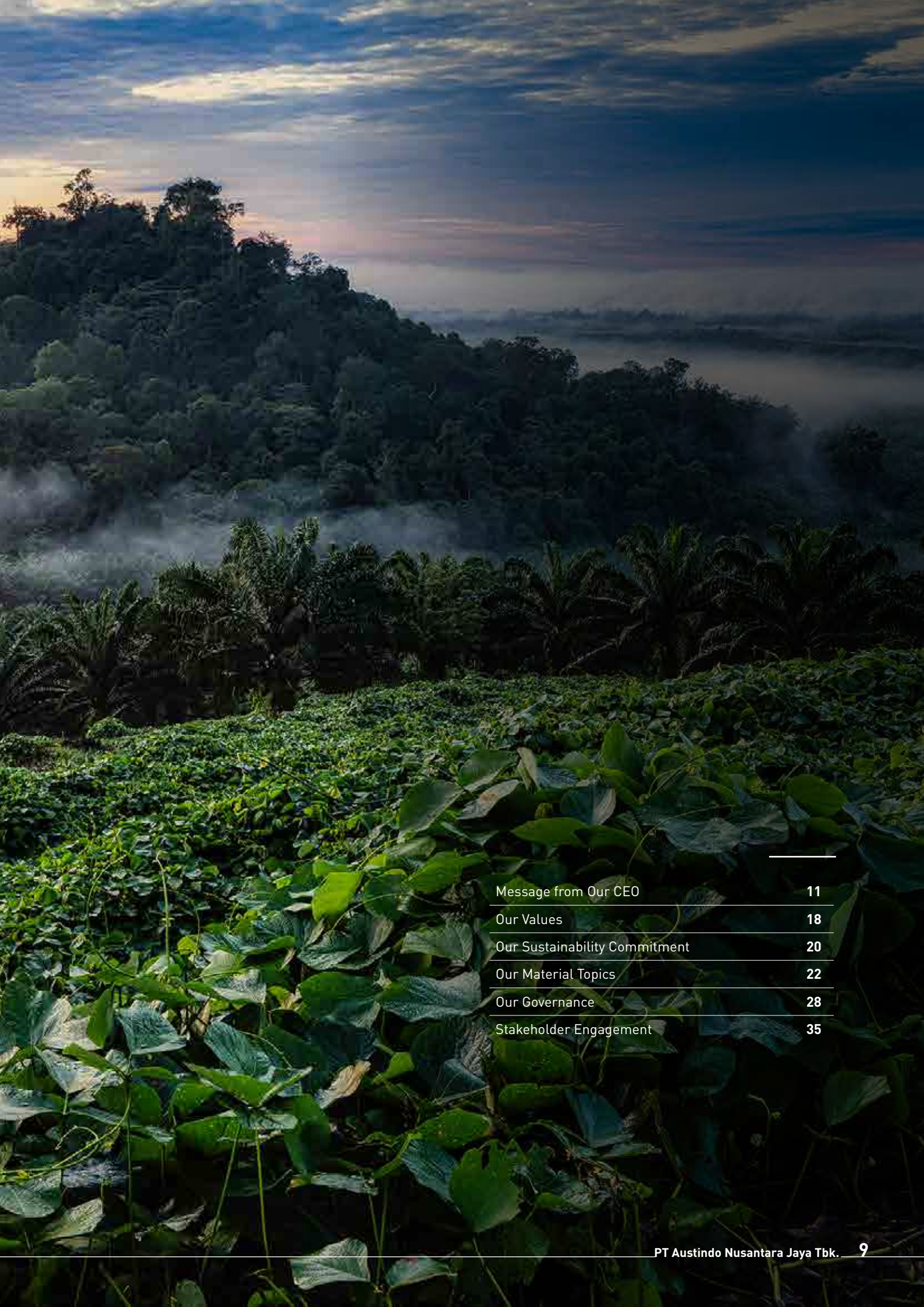
2022

38%





OUR SUSTAINABILITY COMMITMENTS



| | |
|-------------------------------|----|
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Lucas Kurniawan
President Director

Message from OUR CEO

Dear Stakeholders,

With the thought-provoking sentiments of COP28 reverberating in both the political sphere and sustainability landscape at large, I am pleased to present ANJ's commitment to and investment in climate action, as well as the other fundamental facets of responsible development, in this Sustainability Report for the 2023 reporting period. Through this report, ANJ details its approach to developing a productive and efficient agribusiness while consciously operating within the Planetary Boundaries and supporting Just Transition. To us, sustainable development means going beyond mitigating climate risk and pursuing our journey to Net Zero. ANJ designs its strategies to maintain the equitable integration of three indivisible pillars of sustainability: People, Planet and Prosperity. I believe that this report presents a transparent review of ANJ's sustainability journey and contributing activities. We also highlight progress towards targets, notable achievements and challenges and how ANJ has adapted its policies, projects and ambitions in consideration of this year's *El Niño* conditions and prevailing social and political climate.

While I am relieved to see the catastrophic impacts of the COVID-19 pandemic waning and the gradual resumption of 'normal' trade conditions, new challenges have continued to arise throughout 2023. Of particular importance is the ongoing *El Niño*, which has already caused extremes of weather across our operating region. Unfortunately, we can only anticipate more erratic, frequent and severe periods of *El Niño* and *La Niña* in addition to the projected intensification of extreme weather events. The past few years have demonstrated the importance of reinforcing our systems to be prepared for uncertainty. Our business model is not just devoted to increasing production and yields through the expansion of our operations. Instead, we are acutely aware of the fundamental need to engineer mechanisms that are adaptable and resilient in changing climates, because without securing this foundation, our business will not withstand what lies ahead.

It is with this statement that I must raise the importance of our sustainability model – one that encompasses People (Human wellbeing), Planet (Stewardship of natural resources and management of the environment) and Prosperity (Long-term economic viability). Responsible development is at the core of ANJ's mission and we cannot feasibly operate without paying the highest respect to the communities and environment within our operating regions. Supporting each of the three pillars through our responsible development initiatives requires significant capital investment, but each year we are reminded that our hard work pays off and a sustainable business model is both profitable and successful long-term. The support we have received from our people, communities, local and national governments and other actors within our industry, as well as the significant progress the Company has made toward its emissions reduction targets, demonstrates that operating on a basis that generates benefits beyond the scope of our production quota is a holistically advantageous strategy. I am also glad to highlight that in 2023 we did not receive any complaints from communities which were not resolved within the statutory 14 days as per the timeframe stipulated in our Grievance Mechanism and the related Standard Operating Procedures (SOP), nor was the Company the subject of unsubstantiated negative press. As a company that operates across a vast operating region, working with diverse and unique communities, I believe that this is a sentiment to ANJ's inclusive approach to project development that emphasizes community engagement and autonomy. (POJK51-D.1.a)

As 2023 drew to a close, ANJ's governance model, tailored to our expansive region, celebrated significant achievements when our subsidiaries, SMM and ANJA, secured the Gold PROPER award for outstanding environmental management and social innovation, marking their fourth and third consecutive wins. Additionally, ANJAS and KAL attained the Green PROPER award for a second time. Beyond environmental efforts, ANJ's sustainability commitment encompasses

innovative programs targeting job creation, poverty alleviation, gender equality and fostering a sustainable food system. This year marks the completion of our plasma certification project in Belitung, meaning that 86% of plasma and smallholder partnerships we work with are now RSP0/ISPO certified. This puts us ahead of the plan for 2023, and well on track to meet our target of 100% certified in 2025. ANJ also went to additional lengths to ensure that all certified cooperatives in Southwest Papua are Identity Preserved, which guarantees complete traceability through the absence of uncertified external FFB. The consistent attainment of Gold PROPER since 2020 reflects ANJ's dedication to maintaining high environmental standards and sustainable community development initiatives, setting a benchmark for others in the industry. The ongoing improvement in sustainability ratings reaffirms our responsible development agenda. I proudly present this report on behalf of ANJ and eagerly anticipate our continued growth toward becoming a more environmentally, socially and economically conscious agribusiness company. (POJK51-D.1.b)

Strategies (POJK51-D.1.c)

The relative market stability experienced in 2023 was a welcomed change that supported the Company's increased investment in strengthening internal processes. The past few years of challenging conditions have allowed ANJ to value periods of relative calm but have also highlighted the need to seize stability and use it to ensure we are prepared for future uncertainty.

This year, we critically reviewed existing strategies, programs and initiatives during the annual strategic session and identified critical areas of weakness and opportunities for improvement. Unfortunately, several events this year reflected concerning adherence to ANJ's values. Therefore, management made the conscientious decision to reinforce ANJ's core values across our operating regions through improved values training, running the values champions retreat and introducing training courses with a specific value focus where we observed issues. (POJK51-D.1.a)

In September 2023, we were also honoured to have our Legal Director invited by the United Nations Global Compact to take part in the ThinkLab on Transformational Governance, a global initiative that aims to define thinking, curate best practices and develop knowledge, guidance and tools that empower business sector action on transformational governance.

We continue to uphold our strict adherence to our Sustainability Policy, serving as the foundation for reducing social and environmental risks. Aligned with the RSP0 guiding principles, our policy encompasses

Corporate Social Responsibility and transparency, and adheres to No Deforestation, No Peat and No Exploitation (NDPE) guidelines. In October we published our standalone Biodiversity Strategy, a public document which elaborates on our commitment to enhance and protect biodiversity. The United Nations Sustainable Development Goals (UN SDGs) remained integral to ANJ's mission. The Company was recognized by the United Nations for its commitment to the SDGs when it was selected for the UN Global Compact Faster Forward initiative. The initiative supports companies in their achievement of one of the SDG's. ANJ chose to focus on achieving Net Zero by 2030, a target towards which I believe we made good progress in 2023. (POJK51-D.1.a)

Annually, we scrutinize the previous year's key priorities to gauge their ongoing relevance. Following an internal review this year, both the Board of Directors (BOD) and Board of Commissioners (BOC) affirmed the continued relevance of our material topics. Our strategic goals are time-bound and subject to annual review, with outcomes detailed in our annual sustainability report. Notably, GHG emissions and carbon footprint remain our primary concerns, followed by forest and biodiversity protection, and upholding good corporate governance practices and traceability within the supply chain. Setting ambitious targets, such as achieving Net Zero Emissions by 2030 and increasing renewable energy usage to over 60%, underscore our sustainability agenda. We also aim to reduce GHG intensity by 30% and fossil fuel dependence by 20% by 2030 and 2025, respectively, measured against our 2015 baseline.

Our employees remain the cornerstone of ANJ's success and growth. Their well-being, rights, safety and health at work are fundamental to our operations. Prioritizing safety leadership and risk mitigation strategies underscores our commitment to preserving lives and welfare across our workforce and local communities. We persist in emphasizing safety awareness, compliance, and training to minimize workplace risks for both employees and contractors.

ESG Journey

I am incredibly proud of ANJ's progress in its ESG journey. In 2023, the Company solidified its position as an industry leader in sustainable development, receiving notable recognition for its outstanding ESG performance. We observed further improvements to our SPOTT score, which increased from 91.1% in 2022 to 93.3% in 2023, placing ANJ in fifth place in the global rankings and first position for the Indonesian companies assessed by SPOTT. While it is a wonderful indicator of success, ANJ maintains that any claims of progress must be actualized and the Company will not engage in superficial initiatives for the sake of winning awards. (POJK51-D.1.b)

With most assessment platforms with which ANJ engages awarding the Company the highest possible scores, we have shifted our attention towards maintaining our status and identifying areas wherein we can strengthen our performance even if it results in marginal gains to our ESG scores. ANJ takes its responsibility as a role model very seriously, and with more industry actors using our processes as a guide when developing their strategies, our people must adhere to the Company's core principles and exhibit best practices across its operations.

A core ambition of ANJ's ESG journey has been to develop a culture of appreciation for the values underpinned by ESG. I believe that our constant endeavour to transparently engage with several reporting platforms has allowed our people to gain an understanding of what it takes to perform at the highest level in sustainability practice. Throughout our operations, we hope to promote authenticity in our activities. Not being driven by awards and accolades supports the genuine development of projects and initiatives that will provide substantive benefits to people, the environment and the economy. I am glad to report that through our ESG journey, I have observed a shift in mindset towards ESG at all levels of the Company away from regarding it as a mere checkbox and towards accepting its holistic worth for our development.

Our commitment to sustainability performance reporting has also helped management to make key strategic decisions. The integrated approach to reporting, which we have adopted to streamline the process, provides our teams with critical insights into areas of strength and weakness and has been essential to identifying areas for improvement. In saying this, reporting is a long and time-consuming process, with not all the assessments occurring concurrently or covering comparable topics. With the recent proliferation of sustainability reporting platforms, management is hesitant to make any further commitments amidst concerns about investing too highly in reporting against numerous platforms.

As for ANJ's ESG targets, we made excellent progress in 2023. The Company bases its ESG journey on achieving measurable, time-bound targets. In 2023, several targets were ahead of schedule, or surpassed the target, such as 86% RSPO/ISPO certification of plasma and partnerships in 2023, which puts us well on track to achieve 100% by the target year of 2025; implementing the electronic traceability system, eTIS, in 100% of our oil palm operations and those of our suppliers; achieving 99% traceability by 2025 (achieving 100% in 2023); and reducing water use intensity to below 1 ton for each ton of FFB. As ANJ is driven by continuous growth, we hope to utilize the remaining resources allocated to the achievement of these targets to enhance the respective

projects and initiatives and ensure that our progress is maintained. (POJK51-D.1.b)

We are also well on our way to achieving all other targets on schedule. Most notably, this year we recorded an 83.8% decrease in GHG emissions from baseline, which puts the Company on track to achieve the coveted goal of Net Zero by 2030. Contributors to the achievement of this goal is the electrostatic precipitator at KAL and the successful completion of solar panel installation on the roof of the GMIT factory, in addition to the significant positive impact of ANJ's decision to maintain a large forest conservation and biodiversity area in Southwest Papua. The solar panels at GMIT resulted in a reduction in GHG emissions from the factory of 19% in its first year. This year, we increased our renewable energy portfolio to 43%, nearing our target of 60% by 2025. (POJK51-D.1.b)

Our fire prevention and early warning systems are nearing overall completion. By December 2023, the development team had completed the construction of the reservoir, allowing the system to function at full capacity. The final element remains the installation of pipe protection, to ensure durability, after which we will be glad to announce project completion. I am happy to report that there were no major fire incidents in 2023. We acknowledge that the *El Niño* conditions will test our fire prevention systems, but both management and our on-site teams have faith in the robustness and efficacy of the measures which we have invested in over the past few years. (POJK51-D.1.c)

Finally, I am pleased to announce that ANJ observed zero working fatalities in 2023, which we owe to our improved operational health and safety programs. Regrettably, however, there were two fatalities among our contractors. While contractor safety does not fall under ANJ's responsibility, we feel that these events may reflect a lack of adherence to our policies. Therefore, our management team has decided to focus on re-training our staff on Occupational Health and Safety (OHS) and investing in schemes to improve safety awareness and culture amongst our contractors. We have also turned our attention to the issue of heat stress among our plantation workers. As the climate warms and workers are exposed to harsher conditions, we must prioritize developing systems to ensure adequate hydration and opportunities to seek shade and respite from the heat. If we fail to address this growing concern, we are at risk of losing productivity in a component of our operations which cannot feasibly be mechanized, which could potentially result in significant losses for the Company. (POJK51-D.1.b)

Responsible Development Highlights

At ANJ we have adopted an approach to sustainable development, termed responsible development, that emphasizes sustained and meaningful benefits to the environment, economy and people in our operating regions. We believe that the notion of responsible development considers each of the three pillars of sustainable development with equal importance and recognizes that within a complex and interdisciplinary sustainability landscape, it is impossible to adequately support pillars in isolation. (POJK51-D.1.a)

Year-on-year our responsible development projects are tested by the unique and ever-changing socio-economic and environmental conditions. ANJ's aim when developing and pursuing our responsible development agenda is to remain adaptable and resilient in unpredictable circumstances. While several awarding bodies, such as the PROPER award, require novel innovation on an annual basis, the Company prioritizes maintaining our responsible development initiatives, strengthening existing programs and partnerships and adjusting ambitions and projections to best suit prevailing contexts.

While projects may evolve, we remain committed to our priorities for responsible development. Once again, our focus was on food security, which the UN Secretary-General maintains is integral to achieving all 17 Sustainable Development Goals and fossil fuel phase-out, which, for better or for worse, was the central discussion point of COP28. The repeated acceleration of our priorities at the global scale further justifies our decision to uphold them and encourages our people to continue their devoted efforts in pursuing ANJ's ambitious targets. Further confirmation of the propriety of our targets was ANJ's selection for the United Nations Global Compact (UNGC) Faster Forward initiative, where companies who are deemed to uphold exceptional sustainability standards are selected to fast-track their achievement of a chosen SDG. This year, ANJ chose to focus on achieving Net Zero.

In June 2023, ANJ held its first Responsible Development (RD) Excellence Awards in Belitung. Planning for this year's ceremony was a priority for the respective management teams to ensure that our outstanding responsible development initiatives received the high praise they deserved. The awards aim to highlight the new and ongoing programs which have demonstrated great development over the course of the year. There were several categories of award, each of which required extensive deliberation on behalf of the Sustainability Committee to determine the most deserving winner.

The overall Most Outstanding RD Project award was won by Tumpas Lara at SMM, while the Most Valued Project was the e-TIS system. *Warung Mama* won the Most Valued Building Block Formation Project and Eco-enzyme won the Best Adopted Building Block Project. Further recognition was given to the PENDAKI program, which won the Best Project that Elevates Corporate Reputation Internationally, and RSPO certification of smallholders as the Best Completed Project. The event was an outstanding success, inspiring winners, runners-up, and attendees alike to persevere with their hard work and continue to strive for greatness.

I am also very proud to report on programs such as the transportation and savings cooperatives which may not have received awards but have all matured in the past year to a point where they are largely self-sufficient. This is a wonderful achievement for our people, as the central aim of ANJ's responsible development ventures is to develop programs that are sustainable and will live on in the eventual absence of ANJ's involvement.

Our sustainability teams also introduced several new programs in 2023 to support our communities, including the farming of chicken and fish in ANJA, *Mina Padi* in SMM and the Kelas Bersinar environmental awareness program at KAL. Our flagship biodiversity monitoring initiative, PENDAKI, entered an exciting new phase with the launch of the PENDAKI Champion application in September 2023, putting us a stronger position to strengthen the statistical quality of the species observation data.

In a further exciting development for ANJ's sustainability agenda, which holds great potential to encourage additional financial support and community buy-in for our sustainability initiatives, we commissioned a third party to conduct a comprehensive Biodiversity Richness Valuation of our KAL estate. The assessment covers a range of factors, from the carbon value, the aesthetic value, and the direct economic contribution of biodiversity to people living within the area, to the impact value of active conservation management. The valuation calculates a Total Conservation Value for the area in USD, which is a very useful tool for companies, such as ANJ, to justify investment in sustainability and biodiversity conservation.

I would also like to note that, this year, we placed a greater emphasis on female empowerment in each of our responsible development programs through providing women with greater responsibility and autonomy by placing them in positions of authority. We believe that such action sets a precedent for the rightful role of women within the community and marks the start of a shift in culture towards one of gender equality.

Moving Forward

Planning for the future might appear inconsequential amid unpredictable local and global conditions. Hence, establishing a resilient approach to responsible development that endures uncertainty and equips our workforce with robust strategies during challenging times stands as a fundamental aspect of ANJ's core mission. While forecasting the future remains elusive, readiness for whatever lies ahead remains within our reach.

ANJ's future priorities chiefly revolve around fortifying our operations and responsible development initiatives to confront more severe weather patterns. Anticipating increased frequency and intensity of *El Niño* and *La Niña* years necessitates readiness to address the impacts of extreme droughts, floods, and the environmental and human toll of abrupt shifts between these extremes. The looming threat of dramatic climate change accentuates the imminent rise in global food insecurity, a persistent issue in many of our operating regions. To counter these challenges, ANJ is poised to heavily invest in flood and fire prevention systems, community-based farming programs, livelihood enhancements, forest and biodiversity protection, and emissions reduction initiatives. Additionally, prioritizing infrastructure improvements across our regions stands as a crucial measure to safeguard both people and the environment.

Establishing enduring objectives, like our aim to achieve Net Zero emissions by 2030, has enabled ANJ to create a central roadmap guiding our advancement and the adoption of responsible development strategies, both current and future. The enhancements in our sustainability reporting systems this year have also empowered the Company to refine its reporting methods, providing management with more intricate insights into strengths and weaknesses, along with additional time to manage and address any areas needing attention. This heightened efficiency in our reporting systems has further enabled ANJ to participate across a wider spectrum of reporting platforms.

Safeguarding Values, Securing Trust is an appropriate theme for our Sustainability Report this year. By upholding and reinvigorating our core values, ANJ has cultivated a culture of trust among its People and external stakeholders. Nurturing strong relationships means that ANJ receives unwavering support, even in times of shifting priorities, as we consistently earn trust in the Company's steadfast commitments to championing our values, good corporate governance and a solid approach to responsible development. As part of this commitment, ANJ prioritizes transparency and authenticity in facing challenges, meaning that we focus on taking a

sustainable, ethical approach even if it requires greater investment on our behalf. I anticipate that going forward, we will continue refining our strategies in the constantly evolving sustainability landscape where communities, governments, and other industry actors look towards ANJ as a role model and a trustworthy partner.

On behalf of the BOD, I would like to thank all ANJ's people. To our commissioners, management, employees, contractors, smallholder farmers, partners, and investors, I am grateful for your continued support in realizing ANJ's sustainability targets. Our appreciation also goes to our stakeholders, including local communities in our operating areas, business partners, local and national government, non-governmental and community-based organizations, the scientific community, and the media. ANJ's sustainability agenda is extensive and interdisciplinary. Without the support of our vast network of collaborators and partners, progress in this area would fall short of the urgent requirement to make a dramatic and lasting change to the way that agribusinesses operate. We value the relationships that allow ANJ to champion responsible development and set an example for others within our industry. Moving forward, I am very optimistic about the contributions we can make to the sustainability landscape, and I look forward to observing how future collaboration will support ANJ's journey.

LUCAS KURNIAWAN

President Director



STATEMENT OF RESPONSIBILITY

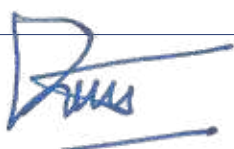
**By the Members of the Board of Directors and the Board of Commissioners
for the 2023 Sustainability Report of PT Austindo Nusantara Jaya Tbk.**

Jakarta, April 30, 2024


We, the undersigned, declare that the information contained in the 2023 Sustainability Report of PT Austindo Nusantara Jaya Tbk. is complete and we are responsible for the accuracy of the report's content.

Thus, this statement is duly made by the Board of Directors and Board of Commissioners.

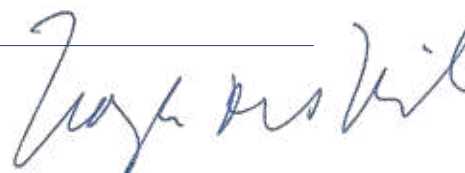
BOARD OF DIRECTORS



Lucas Kurniawan
President Director



Geetha Govindan
Vice President Director



Naga Waskita
Director



Aloysius D'Cruz
Director



Nopri Pitoy
Director



Mohammad Fitriyansyah
Director

BOARD OF COMMISSIONERS



Adrianto Machribie
President Commissioner (Independent)



George Santosa Tahija
Commissioner



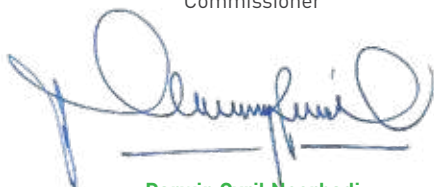
Sjakon George Tahija
Commissioner



Anastasius Wahyuhadi
Commissioner



J. Kristiadi
Independent Commissioner



Darwin Cyril Noerhadi
Independent Commissioner



Istini Tatiek Siddharta
Commissioner

OUR VALUES

(POJK51-C.1)

Responsible business practices are important to ANJ; thus, we take into account ethical, environmental, and social considerations alongside financial ones. Our Vision, Mission, and Values statement is available on our website and distributed to all employees and contractors in both Indonesian and English. It outlines our value system of integrity, respect for people and the environment, and continuous improvement. All ANJ contracts include sections that indicate expectations about respecting our principles and sustainable business practices. All our business partners, vendors, and investors are made fully aware of these expectations. Workers are inducted into the Company's culture at the start of employment, and taught to cherish its vision, mission, and core values; subsequent trainings are held at regular intervals to reinforce these concepts. (POJK51-F.1)



VISION

To become a world-class agribusiness-based food company that elevates the lives of people and nature.



MISSION

- **People and nature oriented:**
People and nature as the north star of the Company, guiding every aspect of all business activities.
- **Striving for world-class excellence:**
A continuous quest to comply with and exceed local and global standards, exercising good corporate governance.
- **Sustainable growth for prosperity:**
Achieving widespread economic prosperity without exhausting the finite resources at our disposal.
- **Integrity:**
Doing the right thing at all times, in all circumstances, regardless of the consequences or of anyone watching.

VALUES



INTEGRITY



**RESPECT FOR PEOPLE
AND THE ENVIRONMENT**



**CONTINUOUS
IMPROVEMENT**

OUR SUSTAINABILITY COMMITMENT (POJK51-A.1)



The ANJ Sustainability Policy represents our company's commitment to Sustainable Development. It is accessible on our website [<https://www.anj-group.com/en/sustainability-approach-and-policies>]. Following the RSPO Principles & Criteria (P&C 2018) and other internationally recognized benchmarks, the Sustainability Policy was last amended on October 31, 2019 and signed by the ANJ Board of Directors, making clear our commitments to preventing and mitigating the negative impacts of our operations on communities and the environment. It is formulated in a way that supports and connects the 17 United Nations Sustainable Development Goals (UN SDGs) to our sustainable

development strategy. The Sustainability Policy is accompanied by an Implementation Guidance brief that is updated for continual improvement or to reflect any changes to the RSPO Terms and Conditions. Several elements of the Sustainability Policy Implementation Guidance were revised in 2021 to provide greater clarity. This policy remains effective regardless of alterations in the composition of the BOD. [2-23]

The policy is governed by the guiding principles of Corporate and Social Responsibility, Transparency and No Exploitation. The pillars of this policy are (1) long-term economic viability (Prosperity), (2) human welfare



(People) and (3) stewardship of natural resources and environmental management (Planet). This strategy seeks to strike a balance between economic growth, human welfare and environmental care and management. [2-24]

As stated in the Universal Declaration of Human Rights (UNHDR), our Sustainability Policy affirms our commitment to safeguarding the human rights of all actors who may be affected by our operations, including our employees, local communities and vulnerable groups that are put at risk due to our activities or our suppliers' activities, if any. [2-22, 2-23]

Each of our suppliers must comply with and completely commit to our Sustainability Policy, putting into action the requirements and commitments outlined therein and allowing us to evaluate their sustainability efforts. The Sustainability Policy and its implementation guidance are shared with all employees and suppliers.

OUR MATERIAL TOPICS (POJK51-A.1)



IN THIS SUSTAINABILITY REPORT, ANJ HAS METICULOUSLY ADHERED TO THE AA1000 PRINCIPLES OF INCLUSIVITY, MATERIALITY, RESPONSIVENESS AND IMPACT. OUR INTERNAL ANALYSIS, COLLATION AND IDENTIFICATION OF ISSUES THAT WE HAVE GATHERED FROM A WIDE RANGE OF STAKEHOLDERS OVER THE YEARS INFORM US OF THE CONTENT AND MATERIAL TOPICS CONTAINED IN THIS REPORT. WE CONDUCTED A THOROUGH ANALYSIS OF OUR ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) IMPACTS IN 2021 TO SET OUR SUSTAINABILITY STRATEGY AND ESG GOALS."



After discussions with the BOD, BOC and senior executives and managers in 2023, we feel that the items highlighted through that process are still relevant and constitute the most material sustainability issues for us. [\[3-1\]](#)






In addition, the conversations we had with customers, auditors and observers and the rise of sustainability-conscious practices in our field, have solidified these topics as central to our work. Such contributions have supplemented the concerns and viewpoints we have received via our continuous stakeholder engagement with the perspectives of a broader variety of stakeholders. We also considered industry issues highlighted in the GRI Sector Standard as additional input for reviewing

our topics. In this report, we are also exercising GRI 13, the GRI Sector Standard for the Agriculture, Aquaculture and Fishing Sector. [\[3-1\]](#)

The results of this process are summarized in the table below, where seven main subjects and twenty subtopics were selected. Our BOD and BOC were instrumental in defining the subject matter of this report and setting sustainability targets. All of the topics and themes were discussed and approved by the BOD and BOC. During the writing process, members of the BOD and BOC were also interviewed to get their take on sustainability issues related to their specific roles. All members of the BOD and BOC have read and approved this report. [\[2-14\]](#)

LIST OF MATERIAL TOPICS (3-2)

| | | |
|--|---|---|
| <p>Standard Disclosures</p> <p>GRI 302, GRI 305, GRI 306</p> <p>Related SDGs</p>  | <p>Material topics</p> <p>GHG Emissions and Carbon Footprint</p> <p>Sub-topics</p> <ul style="list-style-type: none"> • GHG emission and energy efficiency • Waste recycling • Climate risk and adaptation | <p>Associated Targets</p> <ul style="list-style-type: none"> • 30% GHG (Scope 1&2) intensity reduction from 2015 baseline by 2030 • Net Zero emissions by 2030 • Increase renewable energy portfolio to above 60% • Reduce our fossil fuel dependence by 20% by 2025 |
| <p>Standard Disclosures</p> <p>GRI 303, GRI 304</p> <p>Related SDGs</p>  | <p>Material topics</p> <p>Protecting Forests and Biodiversity</p> <p>Sub-topics</p> <ul style="list-style-type: none"> • Biodiversity and conservation • Deforestation • Water management • Fire prevention and management | <p>Associated Targets</p> <ul style="list-style-type: none"> • Have a robust biodiversity monitoring program in place by 2025 • Include biodiversity accounting of at least two business units into the reporting system by 2030 • Zero major fire incidents and no deforestation • Implement fire early warning system depending on likelihood and post-even impacts. • Implement peat management system and best practices to keep peat subsidence not exceeding 4.75 cm or lower on annual basis. • Implement water management systems and best practices |

| | | |
|--|--|---|
| <p>Standard Disclosures</p> <p>GRI 308, GRI 414</p> <p>Related SDGs</p>  | <p>Material topics</p> <p>Supply Chain Practices</p> <p>Sub-topics</p> <ul style="list-style-type: none"> • Supplier environmental and social practices • Traceability | <p>Associated Targets</p> <ul style="list-style-type: none"> • RSP0/ISPO certification for all plasma and partnerships by 2025 • 90% smallholders engagement to advocate sustainable palm oil practices by 2025 • 100% suppliers compliance with ANJ's sustainable palm oil sourcing commitment by 2030 • Achieve 99% traceable FFB from 3rd parties by 2025, at the latest • Implement the electronic traceability program to support the traceability of all suppliers by 2023 • Suppliers due diligence to assess compliance with ANJ sourcing policies |
| <p>Standard Disclosures</p> <p>GRI 403, GRI 404, GRI 405</p> <p>Related SDGs</p>  | <p>Material topics</p> <p>Working Conditions</p> <p>Sub-topics</p> <ul style="list-style-type: none"> • Occupational Health and Safety • Training and education • Diversity and women's empowerment | <p>Associated Targets</p> <ul style="list-style-type: none"> • Improve working and living conditions for all workers by providing access to affordable staple food ; clean and proper housing facilities; access to clean water and sanitation; access to health, recreational, and telecommunication facilities; and facilitate religious practices by 2025 • Increase environment, health and safety awareness to achieve zero fatality from work-related accidents • Implement a work environment which supports gender equality and no discrimination by 2023 |
| <p>Standard Disclosures</p> <p>GRI 407, GRI 408, GRI 409</p> <p>Related SDGs</p>  | <p>Material topics</p> <p>Labor rights</p> <p>Sub-topics</p> <ul style="list-style-type: none"> • Forced labor • Child labor • Freedom of Association | <p>Associated Targets</p> <ul style="list-style-type: none"> • Provide access to early and primary education facilities for children of workers in all of our operating concessions by 2027 • Zero grievances and findings related to forced labor, human trafficking and child labor issues |
| <p>Standard Disclosures</p> <p>GRI 413</p> <p>Related SDGs</p>  | <p>Material topics</p> <p>Local communities</p> <p>Sub-topics</p> <ul style="list-style-type: none"> • Rights of local communities • Community Involvement and Development | <p>Associated Targets</p> <ul style="list-style-type: none"> • - |
| <p>Standard Disclosures</p> <p>GRI 201, GRI 203</p> <p>Related SDGs</p>  | <p>Material topics</p> <p>Prosperity and inclusive growth</p> <p>Sub-topics</p> <ul style="list-style-type: none"> • Economic performance • Innovation and sustainable production • Socio-economic welfare and livelihoods | <p>Associated Targets</p> <ul style="list-style-type: none"> • - |

ESG TARGET AND ACHIEVEMENTS 2023



REDUCE GHG EMISSIONS

AMBITION



Net-zero

emissions/carbon neutral by 2030



Reduce gross GHG intensity for Scope 1 and Scope 2 without considering sequestration in 2030 compared to 2015



DECREASE FOSSIL FUELS



Increase renewable energy portfolio by 2025



Reduce our fossil fuel dependence by 2025



WATER EFFICIENCY



Achieve water intensity of 1 ton of water for each ton of fresh fruit bunch (FFB) processed by 2027 at the latest



PROMOTE SUSTAINABILITY TO SMALLHOLDERS



of all plasma and partnership smallholders are RSPO Certified by the end of 2025



smallholders engagement to advocate the sustainable palm oil practices by 2025



suppliers to comply with ANJ's sustainable palm oil sourcing commitment by 2030

ACHIEVEMENT BY END 2022



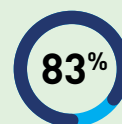
Net GHG emission of **274,970** Ton CO₂eq
80% net GHG emission decrease
 compared to the baseline year (2015)



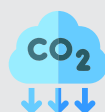
Gross GHG intensity Palm Oil for
 Scope 1 and 2 without considering
 sequestration is reduced by **6%**
 compared to 2015

PROGRESS BY END 2023

226,219
 Ton CO₂eq Net
 GHG emission



Net GHG emission
 decrease compared to
 the baseline year (2015)



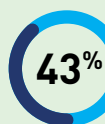
Gross GHG intensity Palm Oil for
 Scope 1 and 2 without considering
 sequestration is reduced by **17.8%**
 compared to 2015



Renewable energy portfolio



Fossil fuel dependence
 Reduced by **9.4%** compared to 2017



Renewable energy portfolio



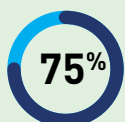
Fossil fuel dependence
 Reduced compared to 2017



1.088 ton of water for each ton of
 FFB processed in 2022



0.971 ton of water for each ton
 of FFB processed in
 2023



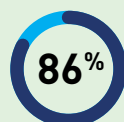
RSPO certified



smallholders engage



53,672 tons of certified FFB
 purchased
 in 2022 (**9.88%**)



RSPO certified



smallholders engage



62,129 tons of certified FFB
 purchased in 2023 (**19%**)

ESG TARGET AND ACHIEVEMENTS 2023



AMBITION



Stable population trend for species which trigger HCV

Zero

human-wildlife conflict in our areas of operation, related to IUCN Threatened and Protected Species, based on Indonesian regulations



Zero major fire incident



No deforestation



- Zero work-related fatalities



- Worker access to clean water and sanitation and health facilities by 2025



- Worker access to recreational and telecommunication facilities by 2025



Facilitate access to primary education facilities for children of workers in all of our operating concessions



0

grievance and findings related to forced labor, human trafficking and child labor issues

ACHIEVEMENT BY END 2022



More than **78,000** observation records, from our internal citizen scientists



80 fauna species and **53** flora species in the IUCN threatened species list were identified in our areas. (Validated by an independent third party)

There was no human-wildlife conflict causing harm to the wildlife on the IUCN Red List of Threatened and Protected Species list

PROGRESS BY END 2023

More than

109,000

observation records, from our internal citizen scientists

77 & 74
Fauna Species Flora Species

in the IUCN threatened species list were identified in our areas. (Validated by an independent third party)

There was no human-wildlife conflict causing harm to the wildlife on the IUCN Red List of Threatened and Protected Species list



No major fire incident

Integrated fire management infrastructure phase 2 in KAL was completed in 2022

- No new planting and replanting in HCV (High Conservation Value), HCS (High Carbon Stock) and peat area since the issuance of our sustainability policy on October 31, 2019
- No illegal or non-compliant palm oil land use change at ANJ since October 31, 2019 and FFB suppliers' estates since December 31, 2020
- No encroachment



No major fire incident

99.3% Integrated fire management phase 3 infrastructure was completed in 2023

- No new planting and replanting in HCV (High Conservation Value), HCS (High Carbon Stock) and peat area since the issuance of our sustainability policy on October 31, 2019
- No illegal or non-compliant palm oil land use change at ANJ since October 31, 2019 and FFB suppliers' estates since December 31, 2020
- No encroachment



0 fatality in 2022*

- Clean water, sanitation and health access are provided to direct workers
- The access for contractors' workers (indirect workers) is in progress
- Access to recreational facilities is available to all workers
- Access to worship facility with religious leader visiting the site

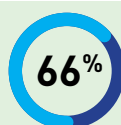
*There is one contractor fatality case in 2022



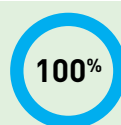
0 fatality in 2023*

- Clean water, sanitation and health access are provided to direct workers
- The access for contractors' workers (indirect workers) is in progress
- Access to recreational facilities is available to all workers
- Access to worship facilities with religious leaders visiting the sites

*There are two contractor fatality cases in 2023



Four out of six Palm Oil operating concessions have provided access for children of workers to primary education facilities.



all concessions have provided access to early childhood / preschool education



- No submitted grievance related to forced labor, human trafficking and child labor issues
- We have also provided training in all areas (Internal, Vendor /Contractor) regarding forced labor, human trafficking and child labor



**TRANSPARENCY,
ACCOUNTABILITY,
RESPONSIBILITY,
INDEPENDENCE
AND FAIRNESS ARE
CORNERSTONES OF GOOD
CORPORATE GOVERNANCE
(GCG) AND WE ARE
DEDICATED TO WHOLLY
RESPECTING THESE
VALUES. WE BELIEVE GCG IS
ESSENTIAL FOR DELIVERING
SUSTAINABLE VALUES TO
ALL OUR STAKEHOLDERS
AND ENSURING THE
COMPANY'S LONG-TERM
GROWTH IN LINE WITH
OUR RESPONSIBLE
DEVELOPMENT GOALS."**

OUR GOVERNANCE

Our corporate governance framework is made up of a set of policies, controls, processes and standards that apply to the whole company. These help to define roles and responsibilities and ensure that everyone has a mutual understanding and that decisions are made with full transparency and accountability. The framework is based on the Company's basic values of integrity, respect for people and the environment and a commitment to continuous improvement, as outlined in the Company's Code of Ethics on Business Conduct.

According to Law No. 40/2007 on Limited Liability Companies, three mutually independent authorities govern ANJ:

- The General Meeting of Shareholders (GMS) is the highest decision-making body.
- The Board of Commissioners (BOC) advises the Board of Directors and oversees Company management.
- The Board of Directors (BOD) manages the Company for its shareholders. [\[2-9\]](#)

The GMS is the main forum for shareholders to exercise their rights to make specific decisions about the Company, receive reports from the BOC and BOD on their performance and accountability, and question the relevant Boards. The Company must have an Annual General Meeting of Shareholders (AGMS) within six months after its financial year ends. At any time, an Extraordinary General Meeting of Shareholders (EGMS) can be called. The GMS mandates the BOD and BOC to manage issues and decisions regarding economic, environmental and social issues and holds them accountable for these decisions.

The highest governing body is divided into two tiers: the BOD, which serves as the executive board and the BOC, which serves as the supervisory board. The President Commissioner of the BOC, a non-executive position and the President Director of the BOD, an executive position, chair the two-tier governance system. There are clearly defined procedures in place for dealing with actual or alleged conflicts of interest between the Company and the personal interests of the BOD and BOC. Members of the BOD, BOC and Controlling Shareholders' affiliations are stated in the Company's Annual Report (page 167) and comply with Financial Services Authority (Otoritas Jasa Keuangan/OJK) rules. [\[2-11, 2-15\]](#)

The BOC is assisted in its supervisory role by four Committees: The Audit Committee, Risk Management Committee, Nomination and Remuneration Committee and Corporate Social Responsibility (CSR) and Sustainability Committee, each chaired by one of the Commissioners. Each of these committees assists the BOC in reviewing the effectiveness and due diligence of the organization concerning the Company's impacts on the economy, environment, society and human rights. [2-12]

The BOC is made up of seven non-executive commissioners, three of whom are independent. The BOD has six executive directors. Both the BOC and the BOD are appointed for a period that lasts until the fifth GMS following their appointment. Members of the BOC may have jobs outside of the Company's group, while

members of the BOD are not allowed to have jobs outside of the Company's Group. Under-represented social groups or stakeholders are not represented.

In 2023, following the GMS held on June 7, the composition of the BOC and BOD underwent changes. This was after the shareholders consented to Mr. Istama Tatang Siddharta stepping down as a Commissioner of the Company and the subsequent appointment of Mr. Mohammad Fitriyansyah as a Director of the Company. [POJK51-C.6]

More information about our BOD and BOC can be found on our website, [<https://www.anj-group.com/en/struktur-perusahaan>] and our Annual Report page 62-77. [2-9]

Table 02. Board of Commissioners (2-9)

| Name | Position | Term started | Term ends | Independent |
|-------------------------|------------------------|--------------|-----------|-------------|
| Adrianto Machribie | President Commissioner | AGMS 2020 | AGMS 2025 | √ |
| George Santosa Tahija | Commissioner | AGMS 2020 | AGMS 2025 | |
| Sjakon George Tahija | Commissioner | AGMS 2020 | AGMS 2025 | |
| Anastasius Wahyuhadi | Commissioner | AGMS 2020 | AGMS 2025 | |
| J. Kristiadi | Commissioner | AGMS 2020 | AGMS 2025 | √ |
| Darwin Cyril Noerhadi | Commissioner | AGMS 2021 | AGMS 2026 | √ |
| Istini Tatiek Siddharta | Commissioner | AGMS 2021 | AGMS 2026 | |

Table 03. Board of Directors (2-9)

| Name | Position | Term started | Term ends |
|-----------------------|-------------------------|--------------|-----------|
| Lucas Kurniawan | President Director | AGMS 2021 | AGMS 2026 |
| Geetha Govindan | Vice President Director | AGMS 2021 | AGMS 2026 |
| Naga Waskita | Director | AGMS 2022 | AGMS 2027 |
| Aloysius D'Cruz | Director | AGMS 2021 | AGMS 2026 |
| Nopri Pitoy | Director | AGMS 2021 | AGMS 2026 |
| Mohammad Fitriyansyah | Director | AGMS 2023 | AGMS 2028 |

Diversity is valued across all levels of the organization, including the executive level. Members of the BOC and the BOD have extensive experience, qualifications and understanding that the Company feels are required to realize ANJ's goals. The diversity of ANJ's Board is consistent with the Appendix of the OJK Circular Letter No. 32/SEOJK.04/2015 on Corporate Governance Guidelines for Public Listed Companies. Details of the diversity of ANJ's Board are disclosed on our Annual Report page 160-161.

The composition of the board reflects the Company's priorities through a fusion of collegial and individual expertise. Appointments to the Company's BOC and BOD are made after careful deliberation that considers their knowledge and expertise in the plantation business, as well as their integrity and dedication.

Board Nomination and Evaluation

At the GMS, shareholders appoint Commissioners and Directors based on the recommendations from the Company's Nomination and Remuneration Committee (NRC). Candidates, including independent Commissioners, must be nominated by at least one shareholder who owns at least 10% of the total shares with voting rights. Other stakeholders, aside from shareholders, are not involved in the process. Diversity criteria, as well as skill and experience in economic, environmental and social domains, are taken into account during the nomination and selection process. The independence of board members is also considered, since boards are made up of professional Directors and independent Commissioners who are not related to or affiliated with the Company's shareholders, in accordance with the provisions of OJK Regulation No.33/POJK.04/2014. Furthermore, the NRC is chaired by an independent Commissioner to guarantee that the nomination and selection processes are as impartial as possible. More information about the selection and nomination of the BOD and BOC can be found on page 151-157 of the Annual Report. [2-10]

Annually, the GMS evaluates the performance of the BOC and BOD based on their annual accountability reports. Additionally, each Board conducts an annual self-evaluation of its performance. No external parties were selected to examine the performance of the BOC or BOD. [2-18]

The BOD has key performance indicators (KPIs) linked to the Company strategy and implementation plan, including sustainability targets or objectives. Each member evaluates their performance against these KPIs at the conclusion of the evaluation period. Each member of the BOD is accountable for at least one of the KPIs for Responsible Development (RD). The collegial performance assessment of the BOC is carried out by each Commissioner. The final evaluation will be presented to the Nomination and Remuneration Committee in the Board of Commissioners meeting. The President Commissioner provides feedbacks or improvements on the assessment of the Board of Commissioners, if deemed necessary. [2-18]

The President Director verifies and evaluates the annual performance of BOD members. Meanwhile, the annual performance of the President Director is reviewed and assessed by the NRC. The outcomes of the evaluations are further examined with the NRC, and compensation recommendations for Directors are made. Based on the self-assessment results, the Committee also directs the development of areas of improvement. [2-18]

To integrate our commitments into our decision-making and execution, ANJ has a policy to include 15% of the management performance, including at the Board level, in the ESG initiative targets, under the Responsible Development program. Every employee and member of the BOD should participate in at least one RD project. Failure to fulfill agreed-upon objectives will result in a poor performance evaluation grade for the respective Board members, hence reducing their performance-based annual bonus. [2-19, POJK51-F.1]

Board Remuneration

The Company is dedicated to developing a competitive, fair, risk-based remuneration structure that is consistent with industry practice and current laws and regulations. The Company also ensures that no individual is paid less than the government-mandated minimum wage. Further, the Company examines the remuneration applicable in related businesses (peer group) and the Company's capabilities. [2-19]

In compliance with applicable laws and regulations, the Company implements remuneration policies that encompass all levels of the organization, including the BOC, the BOD, and the workers and include both mandatory components and additional benefits. Members of the BOC are paid a monthly honorarium, whereas members of the BOD are paid a base salary, a performance bonus,

allowances, benefits, management stock options and long-term retainer bonus if the member of the BOD remains at the service with the Company at the end of fifth year after the retainer bonus is granted. Liability insurance covers all Commissioners and Directors. No clawback clauses are included in the remuneration and benefits received by the BOD and BOC. The shareholders at the GMS decide on the level of remuneration for both the Commissioners and the Directors based on the suggestion of the NRC. Details on remuneration are disclosed in our Annual Report on page 164-166. We refrain from providing sign-on bonuses and recruitment incentive payments, whereas termination compensation and retirement benefits are provided in accordance with Indonesia's labor law. [2-19, 2-20]

The Company did not hire outside advisors to develop its remuneration policy. However, to remain competitive, the Company conducted salary benchmarking using third-party surveys. The remuneration policy of the Company is based on performance, competitiveness, fairness and risk. There is no system in place to seek stakeholder inputs when considering board remuneration. [2-20]

Due to confidentiality considerations, we are unable to disclose specifics regarding the annual compensation ratio between the highest-paid individual and the median annual total compensation for all employees, along with the percentage increase of this ratio. Nonetheless, relevant data and information regarding this matter are readily accessible and available upon request. [2-21]

Training for the BOD and BOC (POJK51-E.2)

We take steps to ensure that our BOD members have the knowledge and skills necessary to properly implement our sustainability goals. Board members acquire sustainability training and knowledge through a variety of means, including short courses, workshops and seminars, self-study and participation in sustainability-related projects. Certain members of the BOD underwent training on sustainable development subjects in 2023, as shown in the table below. [2-17]

Table 04. Training and Development of BOD on Sustainable Development Topics

| No | Trainings | Participants | Date |
|-----|--|-----------------|---------------------------------------|
| 1. | Global Deep Dive 1 - Business & Human Rights Accelerator - UN Global Compact | Lucas Kurniawan | February 7, 2023 |
| 2. | EU Carbon Border Adjustment Mechanism: What it means for businesses in Asia Pacific and their decarbonization Journey | Lucas Kurniawan | March 29, 2023 |
| 3. | The Importance of ESG and Countering Negative Campaigns in the CPO Sector | Lucas Kurniawan | April 4, 2023 |
| 4. | Local Peer-to-Peer Learning Session 3: Prioritizing Potential Impacts Based on Severity and Likelihood | Lucas Kurniawan | April 18, 2023 |
| 5. | 2023 International Seminar on Carbon Neutrality and Energy Policy by Korea Chamber of Commerce and Industry | Lucas Kurniawan | May 3, 2023 |
| 6. | Peer-to-Peer Learning Session 4: BHR Accelerator - UN Global Compact | Lucas Kurniawan | May 17, 2023 |
| 7. | Business and Human Rights Accelerator: Global Deep Dive 6 - UN Global Compact | Lucas Kurniawan | June 26, 2023 |
| 8. | Launch of 2023 CDP Global Forest Report: "Beyond Climate and into Nature: Developing Strategies Towards Environmental Stewardship" | Lucas Kurniawan | August 2, 2023 |
| 9. | Climate Ambition Accelerator: Regional peer sharing on SBTi journey | Lucas Kurniawan | August 16, 2023 |
| 10. | Coaching Clinic 3 SDG 16 Business Framework: Inspiring Transformational Governance | Naga Waskita | April 4, 2023 |
| 11. | RSPO Conference: Solutions for Worker Health and Safety in a Heating Climate | Geetha Govindan | November 20, 2023 - November 22, 2023 |
| 12. | Business and Human Rights Accelerator - UN Global Compact | Nunik Maharani | February 7, 2023 |



Our team regularly engages with communities to raise awareness and promote our sustainability policies and initiatives

Sustainability Governance (POJK51-E.1)

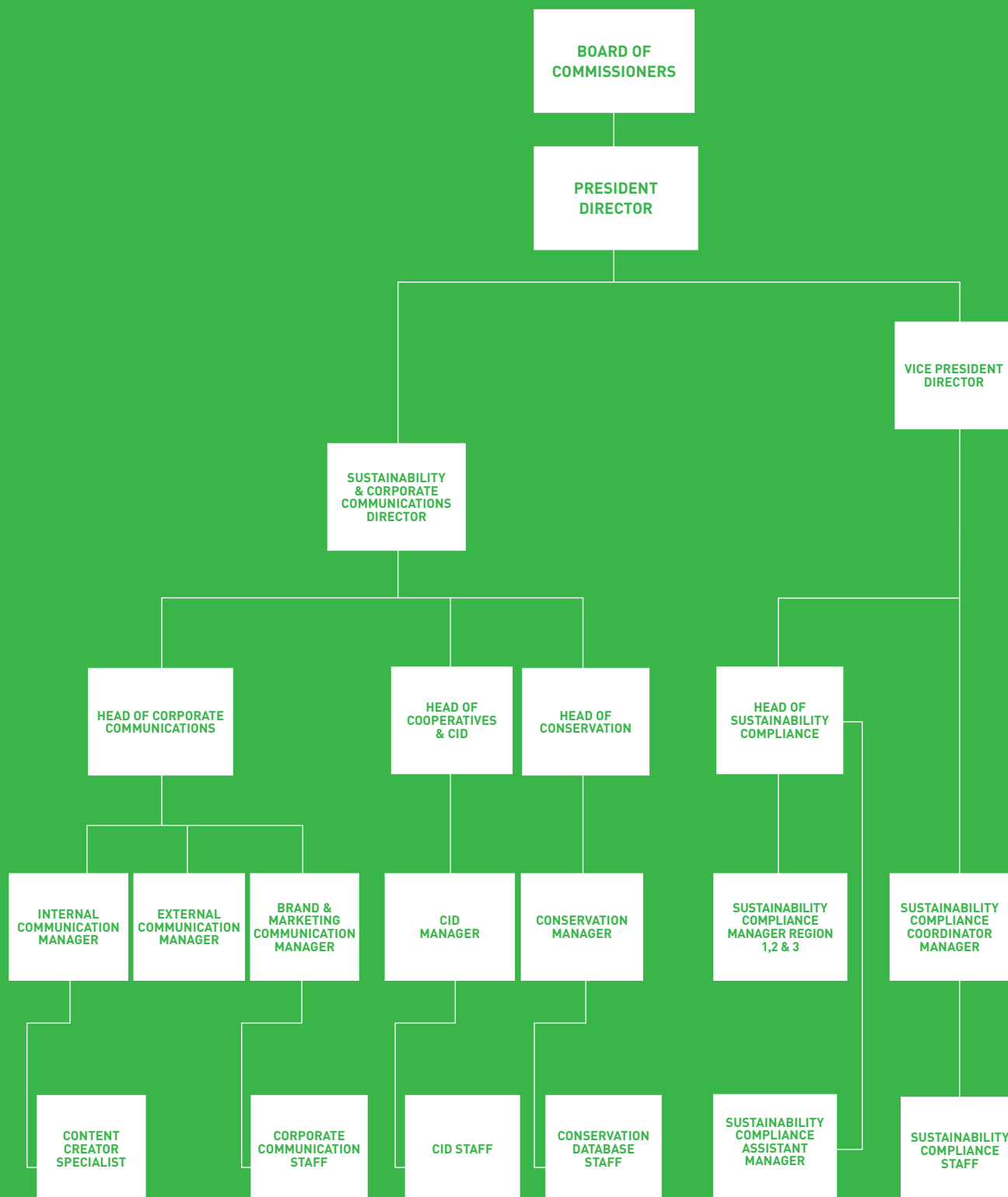
The BOD led by the President Director, is responsible for leading, managing, directing day-to-day operations, and ensuring that the Company adheres to its vision and mission, as well as good governance standards. The President Director oversees the activity of all Directors. [2-9]

The CSR and Sustainability Committee ensures that the BOC can accurately supervise and monitor the Company's CSR and sustainability commitments, which are based on operational risks and opportunities. The group meets quarterly to examine challenges, progress on responsible development initiatives, environmental and social issues and community grievances, community participation, government engagement, biodiversity protection, alignment with SDGs, media attention, and sustainability recognitions. In 2023, the CSR and Sustainability Committee met four times, with full attendance at each meeting. Sjakon George Tahija, a Commissioner of the Company, chairs the CSR and Sustainability Committee. [2-12]

The Director of Sustainability oversees developing and implementing the Company's sustainability commitments and initiatives. A team of senior managers supports the Director of Sustainability, including the Head of CID and Cooperatives, the Head of Conservation, and the Head of Corporate Communications. Other departments that are directly related to the sustainability function also collaborate with the sustainability department. Senior executives report quarterly to the CSR & Sustainability Committee and bi-weekly to the ANJ Executive Leadership Team (AELT) meetings, which are attended by all members of the BOD, including those from subsidiaries. [2-13]

Given the importance of sustainable palm oil operations to our sustainability performance and carbon footprint, the Vice President Director oversees and manages the impacts of our palm oil operations, as well as the risks and opportunities associated with climate change. [2-13]

Sustainability Governance Structure (2-9, 2-13, POJK51-E.1)





STAKEHOLDER ENGAGEMENT (POJK51-E.4)



TO ACTIVELY INVOLVE AND ENGAGE WITH STAKEHOLDERS AT ALL LEVELS (LOCAL, REGIONAL, NATIONAL AND INTERNATIONAL), WE EMPLOY A WIDE VARIETY OF STRATEGIES. EMPLOYEES, SUPPLIERS AND CONSUMERS, SHAREHOLDERS, GOVERNMENT AND REGULATORS, LOCAL COMMUNITIES, COMMUNITY-BASED GROUPS, NON-GOVERNMENTAL ORGANIZATIONS, BUSINESS PARTNERS, INDUSTRY PEERS AND ASSOCIATIONS AND THE MEDIA ARE ALL EXAMPLES OF SIGNIFICANT STAKEHOLDER CATEGORIES FOR US. THROUGH CONSISTENT INTERACTION AND COMMUNICATION, BOTH FORMALLY AND INFORMALLY, COMMENTS AND CONCERNS ARE GATHERED." [2-29]

Stakeholder engagement activities, such as community forums and consultation groups, the implementation of community complaints and grievance mechanisms, representation on certain industry association committees and initiatives and community programs, must be planned, implemented, and documented by all our business entities. Our internal processes of identifying and mapping our stakeholders are kept current through continuous communication with those with whom we aim to engage. [2-29]

Stakeholders outside of the organization are consulted to better comprehend and address the environmental, social and economic subjects and challenges highlighted in the report. Our staff are updated through a variety of internal platforms, including but not limited to e-mail, a newsletter (Simpul), a magazine (Cakrawala), intranet, town halls, anonymous surveys, social events, and meetings. We provide both English and Indonesian versions of our internal documentation and announcements. [2-29]

Our staff regularly conduct dialogue with local communities to share and discuss our sustainability and commitments.



TESTIMONIALS



Tommy Sudjarwadi

Partner, Dunamis Organization Service

ANJ is a forward-thinking business organization that has integrated a visionary set of values and principles well before the 3P concept (Prosperity, Planet, People) became a benchmark for business success. These elements form the core of ANJ's operations and are rigorously detailed, promoted, and consistently applied under the banner of ANJ Values.

In a business landscape predominantly focused on profit, ANJ Values acts as a robust counterbalance, ensuring that ANJ maintains a focus on human welfare and environmental sustainability. This equilibrium is maintained through the strict discipline of ANJ's shareholders and senior leadership, as well as the cultivation of a strong organizational culture anchored in ANJ Values.

A variety of initiatives and critical routines are carried out to sustain ANJ Values, especially involving key decision-makers and Values Guardians. In 2023, Values Champions from various levels collaborated to fortify their roles across the organization. The strategy comprised three main actions: Commit (to reinforce commitment), Model (to serve as exemplars), and Reinforce (to promote consistent behaviors among employees). While these efforts may seem straightforward, the tireless work to mutually strengthen the relationships among Values Champions and more broadly among all employees, establishes ANJ Values as a robust foundation for ANJ, positioning it as a reliable and sustainable organization.



Hadrianus Andjar Rafiastanto

Deputy Chief of Party, USAID Sustainable Environmental Governance Across Regions (SEGAR) Activity

During four field trips undertaken during the year by the Sustainable Environmental Governance Across Regions (SEGAR) Activity to the KAL concession, including its High Conservation value (HCV) area, the commitment of the company to the protection and management of its 3,973 hectares HCV area is evident.

The area constitutes 23% of its total concession and plays a key role in conserving the habitat of the resident orangutan population within. KAL's Conservation Team has consistently implemented good HCV management and monitoring, consistent with its plan and supported by strong data collection and analysis.

Further, KAL has shown its willingness to support biodiversity and forest protection outside its concession area, by working with the local community and district government to conserve threatened mangrove ecosystems in two neighbouring villages, Kuala Satong and Kuala Tolak, as well as conserving forests and orangutans in Laman Satong village.

In addition, KAL has provided technical assistance to independent smallholders in neighbouring villages to improve their capacity to produce oil palm more sustainably, as well as supporting the Village Forest Management Unit and village-owned water bottling enterprise in Laman Satong to strengthen local sustainable livelihoods.

These activities demonstrate KAL's commitment to meeting Environmental, Social and Governance (ESG) standards, as well as its contribution to Sustainable Development Goals (SDGs).



DR. Edi Purwanto

Director, Tropenbos Indonesia

We are proud of the strong partnership between KAL and Tropenbos Indonesia (TI) in preserving the forest since 2016. Our collaboration in developing the Essential Ecosystem Management Plan (KEE) for the Putri-Gunung Tarak-Gunung Palung Landscape, Ketapang Regency, has resulted in significant achievements, including the allocation of 3,973 hectares of High Conservation Value (HCV) areas.

We highly appreciate KAL's efforts in ensuring environmental protection and sustainable development around its operational areas. The collaboration between KAL and TI has not only benefited environmental preservation but also improved the welfare of local communities, such as the development and empowerment of Kuala Tolak, Kuala Satong and Laman Satong villages.

We hope this partnership continues to grow and brings broader positive impacts on the environment and local communities around Ketapang Regency.

Grievance and Whistleblowing Systems

We have in place a grievance procedure for stakeholders to report complaints or issues. Complaints can be communicated directly to our Community Involvement and Development (CID) or security employees at each estate, or via digital channels. Grievances are recorded and reviewed at the estate level and depending on the severity and scale of the case, may be escalated. Each report must be investigated within fourteen days of receipt. We are committed to addressing concerns and taking corrective action following the verification of reports and in the event of real adverse effects or violations by the Company. As per the RSPO Principles and Criteria, an independent third party assessed and validated our grievance procedure. [2-25]

To ensure that the Company's values are consistently emphasized at all levels and throughout all business areas, we established the Values Champion system in 2013. Values Champions are employees who have been selected to promote ANJ's core values and observe how these values are being applied on the job. The Company looks to its Values Champions to set an example of how those principles are actualized. Values Champions provide a monthly report to their assigned Values Champion Coordinator detailing any major practices that were or were not in line with the Company values. ANJ's Values Guardians, commissioners George Tahija and Anastasius Wahyuhadi, receive these monthly reports after they have been evaluated by the Values

Champion Committee at the Jakarta headquarters. Unethical actions are investigated and depending on the circumstances, disciplinary measures may be taken. 35 Values Champions were working across the ANJ Group at the end of 2023.

In addition, we have a whistleblowing system (WBS) known as Berani Bicara. Through this channel, any employee, third-party vendor, supplier or other stakeholder may report concerns securely and confidentially regarding any suspected misconduct, such as fraud, corrupt practices, violations of the Code of Ethics or the corporate values or any violation of laws and regulations by any member or associate of the Company. The system is intended to aid in the prevention and early detection of wrongdoing that could be harmful to the Company or its reputation. The Internal Audit Unit conducts investigations into whistleblower reports. [2-26]

Other channels such as internal audits, stakeholder meetings, reviews of social and environmental assessments and the annual shareholders meeting, also allow for the expression of critical issues. Important economic, social, and environmental issues are considered at the meetings of the CSR & Sustainability Committee and the AELT. Joint meetings between the BOC and the BOD provide an additional forum for debating these crucial issues and critical concerns. [2-16, 2-26]



Through our WBS channel, Berani Bicara, the Company ensures the confidentiality of all informants.



FEATURE STORY

ANJ VALUES: NAVIGATING CHANGE IN AGRIBUSINESS WITH INTEGRITY AND TRUST



ANJ's Values Guardian, George S. Tahija, expressed pride and optimism regarding our Values Champions, who are dedicated to extending ANJ's values to all employees across the organization.

Navigating the complexities of the modern agribusiness sector requires resilience, adaptability, and a clear set of guiding principles. ANJ has faced the challenges of a rapidly changing geopolitical landscape and the undeniable impacts of climate change head-on, with a commitment to maintaining a responsible and economically viable business. Amidst this environment of constant change, ANJ has anchored itself in two constants: a steadfast commitment to its core values and the trust it has earned within its brand.

These core values —Integrity, Respect for People and the Environment and Continuous Improvement— serve as ANJ's North Star, guiding every aspect of its operations, from strategic decisions to daily tasks. They are the foundation of the Company's identity and the lens through which all business activities are evaluated and executed. These values have been firmly upheld throughout the years and have never grown obsolete since its formulation 25 years ago.

Currently, ANJ employs several mechanisms to reinforce its values, such as the whistle-blowing system "Berani Bicara," LKS Bipartit, the Gender Committee and Values Champion.

These instruments are all aimed at protecting the Company from practices that violate its core values.

Among these, the Values Champion stands out as the longest-serving instrument, having laid the groundwork for value implementation at ANJ well before the introduction of the other systems.

The genesis of ANJ Values was rooted in 1998 when ANJ formulated its core values. In 2003, ANJ management underwent its first retreat, signifying the Company's commitment not only defining its values but also actively living by them. In 2013, the formal inception of Values Champion (VC) batch 1 marked a significant evolution when a group of employees was explicitly recognized and tasked with championing the core values. Since then, the framework and procedures of VC have been methodically structured, incorporating regular meetings and reporting mechanisms. This systematic approach facilitates the champions' continuous engagement and accountability toward their roles.

Two in-depth retreats in 2016 and 2023 further demonstrated the seriousness of the Company to foster stronger sense of community among the champions and serving as a vital checkpoint to

assess the progress and impact of the program while planning future actions. With a theme of “Becoming Great Values Champions: from Values to Corporate Culture”, the retreat in March 27-28, 2023, focused on both celebrating the achievements and looking forward to future challenges and opportunities while adapting to the evolving needs of the Company and its environment. By the end of the event, participants were imbued with a renewed enthusiasm for fulfilling their roles as Values Champions.

During the event, George Tahija, ANJ’s Values Guardian, expressed his pride and optimism about the evolution of the Values Champion. He remarked, “Witnessing the transformation of VC from its initial steps as a foundational initiative to a comprehensive framework that actively molds our company’s culture gave me immense pride. The dedication and enthusiasm of our Champions was remarkable. Their willingness to voice opinions, engage in meaningful discussions, and actively contribute to group and classroom settings have been pivotal. They have adhered to the event schedule with notable discipline and punctuality, courageously tackling real challenges and issues. I am convinced that participation in this retreat has enriched their understanding of their roles as Values Champions. I remain optimistic that with the sustained support from all our Champions, these values will be firmly ingrained within our corporate ethos.”

Equally important is how ANJ values are then extended to all employees, ensuring comprehensive engagement and participation across the organization. After a two-year hiatus from in-person format due to Covid-19 pandemic, ANJ Values Workshop commenced with its first live meeting in 2022 continuing to 2023, conducting sessions across business units including ANJA, ANJAS, SMM, KAL, ANJT, GMIT, ANJAP, PMP and PPM. The primary goal of this initiative is to ensure that every ANJ employee understands and embodies the established vision, mission, and core values in their behavior and personal attributes. 28 workshop sessions were conducted within 2023. The workshops also ensured that employees from all levels of work and divisions participated actively.

The ANJ Values Workshop plays a crucial role in fostering the personal development of ANJ employees, instilling a

sense of pride and ownership, as well as ensuring that all employees internalize the Company’s core values as to have a unified perceptions of the Company’s culture and what is expected from them.

This initiative’s significance is highlighted by the direct involvement of the Values Guardians, George Tahija and Anastasius Wahyuhadi, who are the Commissioners of the Company. They take responsibility for ensuring the Company’s actions reflect its core values.

In a recent survey, 40% of respondents acknowledged that the Values Champion instrument has a very good impact on the Company, while an additional 44% acknowledged its good impact. This indicates a strong endorsement of the instrument, with a combined 84% of participants affirming its positive influence. The consensus among nearly all respondents is that the Values Champion should be continued as it forms the foundation of the Company’s existence. This consensus highlights the effectiveness of the Values Champion instrument in fostering a positive and enduring organizational culture. This deliberate focus on values and culture underscores ANJ’s recognition that long-term success and sustainability are not just about financial performance but also about building a strong, value-driven organization. In doing so, ANJ ensures that its commitment to integrity remains at the forefront of its business strategy, fostering a trust that resonates with its key stakeholders.







Anastasius Wahyuhadi, shared insightful reflection on the ongoing journey of VC: “Values Champion, both as an instrument and especially as individuals, is always work in progress; we must acknowledge the ongoing opportunities for improvement through humility, self-reflection, and a committed spirit to enhance our efforts. Building a company culture through instilling values is a gigantic task — it demands our perseverance and resilience, but I am confident that ANJ will navigate these challenges successfully.” His words serve as a reminder of the commitment and diligence required to build and maintain a meaningful organizational culture.

In a world of constant flux, ANJ’s dedication to its core values and the trust it has earned and nurtured within its brand stand as testaments to its vision and leadership in the agribusiness sector. Through continuous engagement and reinvigoration of its values, ANJ not only navigates the challenges of today but also paves the way for a resilient and sustainable future.



ANJ's Values Guardian, Anastasius Wahyuhadi, congratulated the employees who had just been appointed as Values Champions.

CRITICAL CONCERNS REPORTED IN 2023 (2-26)

| DESCRIPTION OF CASES | | | DESCRIPTION OF CASES | | | DESCRIPTION OF CASES | | |
|--|---|--|--|----|--|--|---|--|
|  Fraud & Manipulation (Integrity related) | | |  Non-Compliance with Internal Control SOP | | |  Operational Inefficiency | | |
| Major | - | | Major | - | | Major | - | |
| Minor | 1 | | Minor | 11 | | Minor | - | |
| Total Cases | 1 | | Total Cases | 11 | | Total Cases | - | |
| TOTAL | | | | | | | | |
|  MAJOR - | | |  MINOR 12 | | |  TOTAL CASE 12 | | |

We endeavor to meet and surpass local and international rules, standards and prevailing laws and regulations. There were no cases of non-compliance against laws and regulations that resulted in fines or other non-monetary sanctions in 2023. (2-27)

External Initiatives and Memberships

Participating in national and regional groups that encourage information exchange and better standards and compliance among producers and other stakeholders is an important aspect of our stakeholder engagement strategy. These memberships do not add significant expenses beyond the annual subscription amount paid by the Company. (2-28)

Table 05. ANJ's membership in associations in 2023 (POJK51-C.5)

| ASSOCIATION | ROLE |
|--|---|
| Indonesian Public Listed Companies Association (AEI) | Participates as an active member. |
| Indonesian Palm Oil Producers' Association (GAPKI): Central Office, Bangka Belitung and North Sumatra Branch | Participates in forums to encourage a conducive climate for the palm oil industry, increase capacity for sustainable palm oil, advocate for solutions to problems in the palm oil industry and synergize with the government on related policies; Active member in Sustainability section (GAPKI Central Office). |
| Association of Large Private Plantations (APBS) Belitung | Participates in forums to coordinate compliance with government policies, discuss solutions to industry problems, and share information. |
| Indonesian Chamber of Commerce and Industry (KADIN) | Participates in fostering the development of the business community and all its stakeholders, regarding economic policy formulation and implementation throughout Indonesia. |
| Indonesian Sago Community (MASSI) | Participates in promoting the development of sago as part of the national food security effort. |
| Roundtable on Sustainable Palm Oil (RSPO) | Participates actively in two working groups: No-deforestation Task Force and Indonesia National Interpretation; Represents Indonesian Growers Caucus as Complaint Panel member. |
| Indonesian Growers Caucus | Participates as a member to promote sustainable palm oil management and best practices and to share insights of common interests in the industry. |
| UN Global Compact | Signatory of the UN Global Compact. |
| Indonesian Sustainable Palm Oil Forum (FoKSBI) | Participates as an active member. |



Palm oil landscape at our subsidiaries in Southwest Papua.



PROSPERITY

| | |
|---|----|
| Economic Performance Amid Global Challenges | 45 |
| Upholding Best Practices in Supply Chain and Traceability | 51 |
| Upholding Highest Commitments to Customer Excellence | 58 |
| Fostering Community Prosperity and Well-Being | 59 |



ANJ'S RESPONSIBLE DEVELOPMENT APPROACH IS ANCHORED IN ROBUST AND SUSTAINABLE ECONOMIC PERFORMANCE, WHICH SERVES AS A CORNERSTONE OF OUR OPERATIONS. WE RECOGNIZE ITS PIVOTAL ROLE IN ENSURING THE LONG-TERM SUCCESS OF OUR COMPANY AND IN FOSTERING POSITIVE ECONOMIC OUTCOMES AND GROWTH WITHIN THE COMMUNITIES WE SERVE, ESPECIALLY THOSE WITHIN OUR VALUE CHAIN. ECONOMIC PERFORMANCE SERVES AS THE FOUNDATION FOR ACHIEVING A HARMONIOUS EQUILIBRIUM BETWEEN PEOPLE, PLANET AND PROSPERITY. "



Setting up safety nets on FFB trucks helps prevent fruits from falling during transportation.

Central to ANJ's mission is the inclusivity of our operations, aimed at creating opportunities and fostering community development. By integrating local smallholder farmers into our value chain, offering employment prospects, and catalyzing business opportunities, we actively contribute to the betterment of our surrounding communities. Moreover, our presence attracts workers and their families to the region, thereby stimulating local economic growth through creating demand for goods and services from nearby merchants, grocery stores, eateries, and other enterprises. We aspire to evolve into a driving force for economic advancement at both local and regional levels.

To ensure widespread socioeconomic empowerment, we implement initiatives such as Community Involvement and Development (CID) and Responsible Development (RD) projects. These endeavors are designed to facilitate the participation of all members of the community in the local economy, particularly those who are marginalized. By doing so, we aim to enable every individual to fully engage with and benefit from local economic growth and development.



ECONOMIC PERFORMANCE AMID GLOBAL CHALLENGES

Compared to recent years, the economic climate in 2023 improved but still faced significant hurdles from the profound impact of the pandemic on businesses and the global economy, as well as the *El Niño* phenomenon, which has already caused extremes of weather across our operating region. *El Niño*'s aberrant weather patterns brought about a prolonged drought condition, leading to reduced yields and diminished fruit quality. Overall, the *El Niño* event of 2023 highlighted the importance of resilience and adaptation in the face of climate change for the palm oil industry.

Market volatility and competition also posed challenges to the Indonesian palm oil industry in 2023. Fluctuations in the global market continued to impact the profitability of palm oil producers, particularly smallholders. For example, in 2023, the average price of crude palm oil (CPO) in Indonesia reached a peak of around USD 965 per metric ton in February but dropped to around USD 795 per metric ton by December. Competition from other vegetable oils, such as soybean and rapeseed oils added complexity to the market dynamics. Additionally, forthcoming regulatory measures in importing countries, such as the European Union Deforestation Regulation (EUDR), may have a significant impact on the palm oil industry in Indonesia. This specific regulation aims to reduce the import of products linked to deforestation, including palm oil, by setting stricter criteria for sustainable production. As the Netherlands is one of the top five largest importers of Indonesian palm oil, this regulation may lead to a decline in demand and a subsequent decrease in exports. The European Union's RED II directive, which aims to phase out high-risk biofuels like palm oil-based biofuels, may also reduce the demand for Indonesian palm oil exports. Moving forward, ANJ and the wider industry will need to consider these challenges to ensure that negative impacts are mitigated.

Accelerating Growth and Fostering Innovation (POJK51-F.26)

Given the unpredictable nature of the global economy, our primary approach to sustaining growth and resilience is to integrate ESG strategies into our core business framework. Several of our ESG programs, including the composting initiative, have demonstrated cost-effectiveness. We are committed to further exploring additional projects and investing in agronomic innovations to enhance productivity. Concurrently, we will maintain a focus on cost management and restrict non-essential capital expenditures to preserve profit margins. These efforts complement existing strategies like replanting and optimizing our factories' production capacity.

ANJ is dedicated to research and development (R&D), exemplified by the establishment of an R&D section at SMM in 2015. This R&D capability was developed in partnership with the French agricultural research group, *Centre de Coopération Internationale en Recherche Agronomique pour le Développement* (CIRAD). Our R&D laboratory houses a team of experts in soil science, microbiology, statistics, pests and diseases, alongside field research personnel who oversee field trials and monitor optimal management practices. Collaborating closely with our estates, the R&D team implements best agronomic practices and fosters innovation.

Additionally, we will persist with our replanting program in the ANJA and SMM estates with the objective to maintain a balanced age composition of palm plants, ensuring sustainable production in the coming year. In addition, efforts to secure land compensation at GSB will continue, with a target of consolidating 3,000 hectares of contiguous area for the HGU process. As our plantations in Southwest Papua has reached maturity in 2023, we proceed with planned infrastructure developments, primarily focusing on road lateriting, to enhance logistics and transportation efficiency.



Workers harvest mature oil palm plants, carefully cutting and collecting the fresh fruit bunches.

As part of Indonesia's food diversification and security efforts, we believe that sago starch presents a significant opportunity as a sustainable alternative carbohydrate source, which can help reduce reliance on rice, wheat, and other staple grains. Sago starch, being gluten-free and with beneficial digestive properties, has potential applications in various food products. We are observing a growing interest in its use in processed foods, both domestically and in export markets such as Japan, Singapore, Malaysia and China. To take advantage of this, throughout 2023, we are continuing our efforts in preparing the launch of our second sago estate area with the main objective to increase the number of logs processed per day and stabilize production volumes to meet our targets in serving the markets.

Moreover, we will enhance our sago starch extraction rate by optimizing our current processing technology, to boost output volumes and lower production costs per kilogram. Additionally, we intend to establish a biomass power plant to increase our utilization of renewable energy sources and decrease fuel expenses.

In our edamame venture, we concentrate our strategic efforts in a number of key areas, including: to expand the planted area by establishing broader collaborations with farmers in and around Jember; to increase yields by implementing the best agronomic practices, investing in seed quality programs and strengthening our integrated pest management strategies; to develop professional and skilled Field Assistants through the Field Assistant Development Program to guide farmers towards better yields; to optimize the plant capacity by processing other raw vegetables during low edamame production periods; to expand export markets to countries beyond the Asia Foods channels; to grow the domestic market with Edashi-branded frozen edamame packs.

As part of our sustainability strategy, which aims to reduce reliance on fossil fuels and greenhouse gas emissions, we recognize the potential of biogas for internal energy consumption. Our management team is committed to accelerating our renewable energy initiatives, including the consideration of building a new biogas facility at either ANJA or KAL. This initiative will not only help reduce our dependence on fossil fuels but also mitigate the risk of potential shortages in the future.

Navigating Challenges to Forge Ahead in Production and Sales (POJK51-B.1.a, POJK51-F.2)

In 2023, we expanded our total productive oil palm plantation area to 43,400 hectares, a 1,163 hectares increase from 2022. Including plasma and partnership schemes, our total planted area slightly decreased to 53,521 hectares due to the allocation of replanted areas located within the riparian river boundary as conservation areas in SMM and ANJA. Our focus on the replanting program at SMM and ANJA estates has been instrumental in maintaining a balanced palm oil age profile to support our output and future growth, with an average palm oil age of 13.0 years as of December 31, 2023.

Despite challenges, our Fresh Fruit Bunches (FFB) production saw an increase of 4.8% to 881,051 tons in 2023, with an average output of 20.3 tons per hectare. This growth was driven by additional newly mature declarations in plantations Southwest Papua and GSB, as well as the replanted areas in SMM and ANJA. Our yield enhancement projects, including increased compost use and pollination innovations, helped offset production losses from replanting. Additionally, we employ the use of high-yield seeds in replanting areas to secure higher production outputs.

Table 06. Comparison of Actual Performance Against Target 2023 (POJK51-F.2)

| | Target 2023 | Realization 2023 | % of Achievement |
|--|------------------|-------------------|------------------|
| Palm oil production (metric tons) | | | |
| FFB production | 917,017 | 881,051 | 96.1% |
| FFB purchase | 568,492 | 503,811 | 88.6% |
| CPO production | 310,657 | 283,659 | 91.3% |
| PK production | 62,757 | 52,432 | 83.5% |
| PKO production | 1,768 | 1,459 | 82.5% |
| Sago starch production (metric tons) | 3,970 | 1,896 | 47.8% |
| Edamame production (metric tons) | | | |
| Fresh edamame production | 2,040 | 1,710 | 83.8% |
| Frozen edamame production | 2,747 | 553 | 20.1% |
| Frozen mukimame production | 94 | 201 | 213.8% |
| Renewable energy production (kWh) | 9,113,211 | 10,219,453 | 112.1% |
| CPO sales (metric tons) | 319,077 | 288,941 | 90.6% |
| PK sales (metric tons) | 58,171 | 52,581 | 90.4% |
| Revenue (million USD) | 258.1 | 236.5 | 91.6% |
| Gross profit (million USD) | 48.9 | 31.6 | 64.6% |
| Income before tax (million USD) | 15.3 | 9.6 | 62.5% |
| Net profit for the year (million USD) | 4.2 | 1.9 | 45.5% |




Apart from the objective to maintain mill utilization rates and support local farmers, we had to lower FFB purchases from outside suppliers by 6.4%, with a total purchase of 503,811 tons in 2023. This was mainly due to road access restrictions at ANJA in Q1 2023 by the local government, as well as fierce price competition from the newly emerging mills without plantations ("independent mills"). The road access restriction was lifted in April 2023 and we have since resumed the external FFB purchases as usual.




Overall, we recorded a 2.9% increase in CPO production up to 283,659 tons in 2023. During the year 2023, there was a notable rise in sales volume, reaching 288,941 tons, which represents an increase of 4.9% from the sales volume recorded in 2022, which was 275,320 tons. Alongside the increase in sales volume, the revenue generated from CPO sales in 2023 amounted to an impressive USD 211.9 million. Despite price fluctuations, we achieved an average selling price of USD 731 per ton in 2023. However, this figure remains lower than the USD 842 per ton in 2022.




Sustainable Palm Oil Production in 2023 (In Tons)

[POJK51-B.1.D, POJK51-F.2, 13-23-3]




NUCLEUS

| 2023 | |
|---|---------|
| | tons |
|  CPO | 187,904 |
|  PK | 31,939 |
|  PKO | 1,459 |


| 2022 | |
|---|---------|
| | tons |
|  CPO | 159,133 |
|  PK | 32,127 |
|  PKO | 1,052 |

| 2021 | |
|---|---------|
| | tons |
|  CPO | 152,792 |
|  PK | 32,772 |
|  PKO | 1,080 |




PLASMA AND PARTNERSHIPS


| 2023 | |
|---|--------|
| | tons |
|  CPO | 13,307 |
|  PK | 2,352 |
|  PKO | 0 |




| 2022 | |
|---|--------|
| | tons |
|  CPO | 20,939 |
|  PK | 1,975 |
|  PKO | 0 |

| 2021 | |
|---|-------|
| | tons |
|  CPO | 9,818 |
|  PK | 1,586 |
|  PKO | 0 |




TOTAL SUSTAINABLE PRODUCT




| 2023 | |
|---|---------|
| | tons |
|  CPO | 201,212 |
|  PK | 34,290 |
|  PKO | 1,459 |



| 2022 | |
|---|---------|
| | tons |
|  CPO | 180,072 |
|  PK | 34,102 |
|  PKO | 1,052 |

| 2021 | |
|---|---------|
| | tons |
|  CPO | 162,610 |
|  PK | 34,358 |
|  PKO | 1,080 |




TOTAL PRODUCTION

| 2023 | |
|---|---------|
| | tons |
|  CPO | 283,659 |
|  PK | 52,432 |
|  PKO | 1,459 |


| 2022 | |
|---|---------|
| | tons |
|  CPO | 275,769 |
|  PK | 55,011 |
|  PKO | 1,052 |

| 2021 | |
|---|---------|
| | tons |
|  CPO | 262,683 |
|  PK | 51,531 |
|  PKO | 1,080 |

% SUSTAINABLE PRODUCT

| 2023 | |
|---|------|
| | % |
|  CPO | 71% |
|  PK | 65% |
|  PKO | 100% |

| 2022 | |
|---|------|
| | % |
|  CPO | 65% |
|  PK | 62% |
|  PKO | 100% |

| 2021 | |
|---|------|
| | % |
|  CPO | 62% |
|  PK | 67% |
|  PKO | 100% |

In 2023, our production of Palm Kernel (PK) reached 52,432 tons, with a 4.4% decrease in sales volume to 52,581 tons, at an average selling price of USD 358 per ton. Additionally, our production of Crude Palm Kernel Oil (CPKO) from the Kernel Crushing Plant (KCP) in Southwest Papua increased to 1,459 tons, with sales of 1,049 tons, generating USD 0.8 million in sales income at an average price of USD 734 per ton. Palm oil remained our core business, contributing USD 233.1 million, or 98.6% of total revenue, in 2023, with a gross profit of USD 37.9 million and a profit before tax of USD 18.9 million.

In our sago segment, we focus on promoting cost efficiency, which led us to scale down the mill operation to one shift per day in 2023. This resulted in a reduction in total tual processed from 356,320 tuals in 2022 to 249,598 in 2023. In 2023, we achieved a production of 1,896 tons of sago starch, realizing 47.8% of our 3,970-ton target with an average extraction rate of 7.6% per tual. We saw an improvement in our extraction rate in the second half of 2023, increasing from 6.9% in July 2023 to 10.1% by December. We recorded our highest extraction rate of 11.3% in November 2023. This improvement was mainly due to the initiative of our estate team in changing the criteria on selecting sago trees to be harvested as well as innovation in our mill to maximize the number of tual processed. We posted a lower sales value from our sago business in 2023, due to the unfavorable sales volume variance along with a lower sago starch production volume compared to 2022. In 2023, we sold a total of 1,585 tons of sago starch and focused on selling our product in the domestic market by expanding our customer base. Meanwhile, our selling price for sago starch was relatively stable throughout the year with average selling price of IDR 8,505 per kg at the end of 2023.

In 2023, our sago revenue totaled USD 0.9 million, down from USD 1.6 million in 2022. This decrease was mainly due to technical issues and efforts to minimize fuel consumption by reducing operational hours. Other operational factors such as equipment maintenance, water quality for the production process and the use of generators to enhance fuel efficiency also contributed to this loss. To overcome these challenges, we have decided to significantly reduce operations temporarily to address these issues. Our priority is to ensure that all operational aspects are optimized to enhance efficiency and productivity, with the ultimate goal of reaching our production target.

The edamame business continued to record another positive growth during the year. Production increased to 2,860 tons in 2023, an increase of 12.9% compared to 2,533 tons in 2022. This was mainly due to the increase in plantation area in 2023 of 531 hectares compared to 429 hectares in 2022. However, our edamame plantations faced outbreaks of pests in the second half of 2023, which was intensified by drought-like conditions in the third quarter, brought on by the *El Niño*. This resulted in a frozen edamame production of 553 tons in 2023, representing a total achievement of 20.1% compared to our target of 2,747 tons. In response to this issue, we decided to sell most of our product as fresh edamame and mukimame (peeled edamame) to minimize waste and reject volume.

In 2023, the Company booked a positive sales growth from the vegetable segment, largely from the sales of fresh edamame and frozen mukimame, which increased by 3.0% and 73.1% from 2022, respectively. Fresh edamame sales volume increased to 1,703 tons, while mukimame sales volume increased by 111 tons to 192 tons in 2023. In contrast, sales volume from frozen edamame slipped 21.6% to 364 tons in 2023, compared to 464 tons in 2022, mainly due to lower production volume due to pests. 2023 saw a total revenue in the vegetable segment of USD 1.9 million, compared to USD 1.7 million in 2022.

AANE's electricity generation and sales rose from 9,899,429 kWh in 2022 to 10,219,453 kWh in 2023, representing a positive variance of 12.1% from our budget of 9,113,211 kWh. This was largely attributable to major maintenance in the second quarter of 2023 to maximize the utilization rate of the machines. The service concession revenue remained stable at USD 0.6 million in 2023, aligning with the fixed tariff of IDR 975/kWh.

In 2023, the consolidated revenue stood at USD 236.5 million, marking a 12.1% decrease from the USD 269.2 million reported in 2022. Additionally, the net profit significantly dropped to USD 1.9 million from the previous year's USD 21.2 million. The primary reasons for this downturn are attributed to lower average selling prices for Crude Palm Oil (CPO), Palm Kernel (PK) and Palm Kernel Oil (PKO). These declines in selling prices were compounded by an increase in depreciation and interest expenses, which collectively exerted downward pressure on the financial performance for the year. [\(POJK51-B.1.b, POJK51-B.1.c\)](#)

Table 07. Direct Economic Value Generated and Distributed (USD) (POJK51-F.3, 201-1)

| DESCRIPTION | 2023 | 2022 | 2021 |
|---|--------------------|--------------------|--------------------|
| Economic Value Generated | | | |
| Revenue | 236,511,703 | 269,166,721 | 267,383,923 |
| Dividend income | 498,784 | 640,276 | 278,883 |
| Other income | 2,559,784 | 2,266,459 | 1,772,121 |
| Finance income | 308,523 | 471,473 | 613,586 |
| Total Economic Value Generated (A) | 239,878,794 | 272,544,928 | 270,048,513 |
| Economic Value Distributed | | | |
| Operating Costs | 205,441,884 | 218,788,315 | 193,882,369 |
| Employee Wages and Benefits | 7,592,423 | 6,151,154 | 8,928,914 |
| Payments to Shareholders | 6,239,282 | 9,666,022 | 928,280 |
| Payments to Creditors | 9,651,484 | 4,949,142 | 4,488,131 |
| Payments to Government | 11,983,869 | 16,655,415 | 16,478,775 |
| Community Investments | 5,901,980 | 5,657,875 | 4,438,612 |
| Total Economic Value Distributed (B) | 246,810,922 | 261,867,923 | 229,145,080 |
| Economic Value Retained (A-B) | (6,932,128) | 10,677,006 | 40,903,433 |

Total Environmental and Social Expenses in 2023 (in USD) (POJK51-F.3, POJK51-F.4)

| | | |
|---|--|--|
|  Total Environmental Expenses (USD) |  Total Social Expenses (USD) | Total Social and Environmental Expenses (USD) |
| 2023 1,344,322 | 2023 720,033 | 2023 2,064,356 |
| 2022 743,200 | 2022 796,713 | 2022 1,539,913 |

Complying to Defined Benefit Plan (201-3)

We have a post-employment benefit plan for all permanent employees in compliance with Indonesian Labor Law requirements. The defined benefit plan is managed through Dana Pensiun Lembaga Keuangan (DPLK) Manulife, an insurance company, with the Company contributing 100% of the benefits. Employee contributions nor their consent is not required as participation is mandatory under government regulations. There is no minimum funding requirement under the arrangement with DPLK Manulife. The Company engages Manulife solely to manage the fund to fulfill post-employment obligations to employees. [201-3]

In 2023, we contributed a total of USD 0.1 million to the employee retirement plan managed by DPLK Manulife, recognizing a post-employment benefits obligation of USD 13.7 million. To fully meet our post-employment benefits obligations, we rely on funds from our operational results and support from our equities, as the total obligation represents only 3.2% of our equities. We did not receive any financial assistance from the government in 2023. [201-4]

UPHOLDING BEST PRACTICES IN SUPPLY CHAIN AND TRACEABILITY (POJK51-B.1.E)



A truck collects and transports fresh fruit bunches (FFB) from smallholder plantations to our mill, facilitating efficient production chain.

Suppliers play a crucial role in our value chain and our goal of promoting prosperity in the areas where we operate. Within our palm oil business, we categorize suppliers of oil palm fresh fruit bunches (FFB) into two groups: plasma smallholders and partnership smallholders (kemitraan) which fall under “scheme supplier” and third-party suppliers, namely plantation companies, and cooperatives which we call “independent supplier”. Over 4,100 farmers and agents are actively engaged in our value chain, either independently through suppliers or as part of a cooperative. Additionally, our vegetable business in Jember, East Java, directly collaborates with 58 smallholder farmers who collectively cultivate 531 hectares of land to supply our business. In our sago business in Southwest Papua, the natural sago forests are traditionally owned by eight native family clans, who receive compensation for each sago log collected.

The involvement of smallholder suppliers presents significant long-term economic opportunities for them. In the case of perennial crops like palm oil, which have a lifecycle of over 25 years, business relationships with fresh fruit bunch (FFB) suppliers can be enduring, lasting decades. Our mills and factories regularly purchase crops from smallholders at fair prices, contributing to increased income and reduced poverty in the areas where we operate. This, in turn, indirectly stimulates local economic growth and creates job opportunities.

However, we acknowledge that the operations of our FFB suppliers can have detrimental effects on forests

and biodiversity. The opportunity to supply FFB may incentivize farmers to clear forests and establish palm oil plantations. Suppliers may also lack the technical knowledge and capacity to implement sustainable palm oil practices. Furthermore, smallholder farmers, especially independent ones, may lack legal titles to the land they cultivate, with their land sometimes located in protected or forest areas where agricultural activities are illegal.

Given the significant social and environmental impacts of FFB suppliers compared to other suppliers, we consider the activities of FFB suppliers to be material in our operations. Currently, we source FFB from suppliers in our operations in North Sumatra (ANJA and ANJAS), West Kalimantan (KAL), and Belitung Island (SMM). Our operations in Southwest Papua (PPM and PMP) are currently validating their plasma scheme with local authorities. In 2023, an MoU related to this program was signed by all stakeholders, and the establishment process has since commenced. The plasma agreement was signed by all parties in January 2024 which marked the fulfilment of our plasma obligation in Southwest Papua estates.

Ensuring a stable supply of FFB from these suppliers is a priority for us to support our business growth in our communities while minimizing the potential negative impacts of their activities. Recognizing the critical importance of maintaining the entire value chain, we have implemented programs to empower smallholders and established a traceability system.



FEATURE STORY

EMPOWERING THE COMMUNITY THROUGH PLASMA PROGRAM IN SOUTHWEST PAPUA



Our staff engaged with local communities around our concession area in Southwest Papua to raise awareness of the plasma program.

Palm oil has long played a pivotal role in Indonesia's economic landscape. However, with this growth came environmental and social challenges. ANJ recognized the need to balance economic development with responsible land use and community empowerment, thus the birth of ANJ's plasma program in Southwest Papua under PMP and PPM in 2023.

This program exemplifies an advanced integration of sustainable agriculture with community empowerment, highlighted by a strong commitment to environmental stewardship and local economic development.

Under this model, the program partners with local farmers and cooperatives, granting them access to a financing scheme from the company. Such an arrangement ensures that the plasma plantation land remains owned by the plasma cooperatives, while still benefiting from the company's financial support. By taking this approach, the Company is empowering individuals to become active participants in the

agricultural value chain. This strategy not only creates employment opportunities but also fosters entrepreneurship and enhances skill development among community members.

The program's inception was initially guided by regulations requiring land allocation (20% of total land) to the community as part of the HGU (Hak Guna Usaha/Right to Cultivate) acquisition process. ANJ has transformed this obligation into a pioneering partnership model, encouraging former hunters and gatherers to become integral parts of the palm oil business ecosystem. Despite the high operational costs due to Papua's challenging natural conditions, infrastructure and human resources, ANJ has shown resilience and commitment. The partnership includes two corporations and two cooperatives, where members, primarily CPCL (Calon Petani, Calon Lahan/Plantation Implementers), are supported through infrastructure development, seedling provision, training, and interest-free loans with a grace period of a maximum 11 years. The model demonstrates a balance between regulatory

compliance and mutual concessions, ensuring both parties gain reciprocal advantages and undertake shared risks, even if these benefits materialize over a more extended timeframe.

The initiative's backbone is its declared commitment to allocate 1,618 hectares for the plasma program, a strategic move to involve various stakeholders, including local governments of South Sorong and an adjacent district, in a unified effort towards sustainable development. The plasma program includes government-regulated schemes, partnerships with communities wanting to become MMS (Mitra Masyarakat Sekitar/ Surrounding Community) partners, and independent suppliers, presenting a multifaceted approach to community engagement and empowerment.

Building partnerships in Papua faces significant challenges, including the high costs and complex logistics. Nonetheless, ANJ remains dedicated, impacting 268 households in PPM (spanning 32 clans across three villages, covering over 715 hectares) and 94 households in PMP (across 17 clans and three villages, covering over 902 hectares). The plasma program has not only provided economic benefits but also facilitated access to healthcare and education - essential services that underpin the growth and development of the community.

The plasma cooperatives are also being allocated an allowance of IDR 720,000 per hectare per year to encourage members to focus exclusively on palm oil cultivation, and not divert their efforts into other ventures. Furthermore, the allowance is integrated into the financing strategy to motivate farmers fostering patience and perseverance while they anticipate the results of their business. Through this, the program hopes to bolster the palm oil sector's productivity and, in the end, sustainability.

In terms of social impact, the palm oil plasma program has strengthened a sense of ownership and empowerment among community members. By involving locals in decision-making processes and prioritizing their needs and aspirations, companies have forged strong partnerships based on mutual respect and collaboration. This has not only strengthened social cohesion but has also instilled a sense of pride and belonging within communities.

The initiative has been well-received and acknowledged by the South Sorong Regency of Southwest Papua government as a positive example of collaboration.

Assistant II for Economic & Development Affairs, Mr. Johan Hendrik Kokorule, SE, from the South Sorong Regency Government, said "The South Sorong

Regency Government in Southwest Papua expresses its appreciation to ANJ for its strong commitment to running the palm oil plasma program in our region. This program is a meaningful initiative, not only in enhancing sustainable palm oil production but also in helping improve the local community's welfare. ANJ also provides training, guidance, and access to the latest technology for palm oil farmers, enabling them to increase productivity and the quality of their harvests. This, in turn, has opened new economic opportunities and strengthened the economic resilience of the community amidst existing challenges. We hope this initiative can continue to grow and inspire other companies to invest in community and environmental development in South Sorong Regency, Southwest Papua."

As the program moves forward, it faces ongoing challenges, including the local community's inclination towards immediate gratification, a trait rooted in their hunting and gathering culture. This stands in contrast to the nature of palm oil cultivation, which requires a long-term investment perspective and offers returns over an extended timeline. Despite such complexity, the foundation laid by ANJ's plasma program in Southwest Papua offers promising prospects for sustainable agricultural practices, economic empowerment and community resilience.

This initiative stands as evidence of ANJ's dedication to achieving inclusive growth and sustainable development, setting a best practice in investing in community and environmental development in South Sorong and beyond.



Mr. Johan Hendrik Kokorule, SE, Assistant II for Economic & Development Affairs, South Sorong Regency, Southwest Papua.

Advancing Effective Approaches in Smallholder Empowerment Program

We mandate that our FFB suppliers meet rigorous technical, financial, administrative and legal criteria to ensure sourcing does not occur from forest areas. Additionally, suppliers must adhere to environmental, social, health and safety and quality standards outlined in our Sustainability Policy and commit to our code of conduct by signing an Integrity Pledge. Both existing and potential suppliers undergo thorough screening processes, with regular evaluations conducted for existing suppliers. Moreover, the performance of significant FFB suppliers is benchmarked against the standards and commitments of the RSPO and our Sustainability Policy. Notably, in 2023, no new or current suppliers were terminated due to failure to comply with social and environmental obligations. However, during the same period, we acknowledge that several suppliers encountered challenges in meeting these standards. Consequently, we provided close supervision and actively advocated for their improvement to ensure they meet the required criteria. [308-1, 308-2, 414-1, 414-2]

We recognize that our stringent sustainability criteria and standards may be challenging for our smallholder suppliers to meet without assistance. Therefore, we are committed to not enforcing compliance abruptly or applying a “no purchase” policy without considering the potentially severe impact on their livelihoods. However, this does not mean we will compromise on our standards when purchasing from them. Instead, our approach is to provide capacity-building programs for farmers, encouraging them to adopt best practices in agronomy, and sustainable agriculture principles, and meet traceability standards. We also assist independent smallholders in formalizing the legality of their land use and obtaining the necessary certificates of land ownership from authorities. [13-22-1][13-23-4]

Our smallholder engagement programs are managed by various departments within our organization, including the Business Process and Business Development-Smallholders Department, the Plasma and Cooperatives Department, the Commercial Department, the Sustainability Compliance Department and the ICT and GIS Department. Additionally, we have a cross-functional task force that coordinates and manages supplier engagement activities to meet our targets. In 2023, we conducted 33 socialization programs attended by 479 smallholder farmers and related stakeholders. Despite a decrease in the number of meetups compared to last year, we have implemented a more efficient socialization program by organizing larger group meetings instead of individual sessions. This approach enables us to reach a greater number of farmers effectively. Furthermore, we invited farmers to join social media groups we developed called “BESTARI” to provide regular knowledge, support and educational information. All of these efforts are implemented to achieve our goal so at least 90% of all our smallholders adopt sustainable palm oil practices by 2025.

Our programs aim to assist smallholders in enhancing their productivity and crop quality, which will benefit our business. Simultaneously, these efforts help avoid potential environmental and social issues, which are crucial for sustainable development. Through our programs, we are confident that all our FFB suppliers, including independent smallholders, will be able to comply with our sustainable palm oil policy by 2030. We collaborate with government authorities to support independent smallholders in clarifying or resolving their land legality issues, aiming to assist them in complying with future land legality enforcement by the government and requirements set by our buyers.

In January 2023, KAL signed an MoU with USAID SEGAR to support independent farmers within KAL’s supply chain in Ketapang, West Kalimantan, through certification activities to meet sustainability standards, improving capacity, and developing farmer institutions. USAID SEGAR is a collaborative initiative between The United States Agency for International Development (USAID) and the National Development Planning Agency (Bappenas) of the Republic of Indonesia. This program is specifically designed to support Indonesia’s ambitious development goals. It focuses on creating a harmonious balance between conserving the country’s rich biodiversity and promoting sustainable practices in land use. Simultaneously, USAID SEGAR aims to integrate these environmental efforts with strategies that ensure economic growth and development of inclusive livelihoods for its people. This partnership will be implemented in the villages of Laman Satong, Kuala Satong, Kuala Tolak, Matan Hilir Utara District, and Simpang Toga Sambelangaan Village, Nanga Tayap District, Ketapang Regency. [13-23-4]

Furthermore, we have a certification program where we encourage our suppliers to obtain RSPO certification by meeting RSPO standards in their plantations. Our target is to achieve 100% RSPO Certification of our plasma and partnership cooperatives (excluding independent smallholders) by 2025. While we saw 75% progress last year, 2023 marks the completion of our plasma RSPO certification project in Belitung Island, meaning that 86% of our 14 plasma and smallholder cooperatives with which ANJ works are now RSPO certified. This certification ensures full traceability by guaranteeing that there is no mixing with external Fresh Fruit Bunches (FFB). Under this accomplishment, we processed 946,932 tons of RSPO certified FFB, accounting for 69% of our overall FFB processed volume. This attainment highlights the cooperatives’ commitment to maintaining the purity and traceability of their produce, setting a benchmark for sustainable and responsible agricultural practices. In addition, suppliers that have obtained RSPO certification may obtain premiums from sustainable FFB, a testament to the value placed on sustainable farming practices. These premiums are then redistributed to farmers, ensuring that the benefits of sustainable cultivation are shared across the community. In 2023, 8 out of 14 suppliers, representing 57%, were able to secure a premium price for their products. This scheme highlights ANJ’s commitment to incentivizing sustainable farming practices. [13-23-3, 13-23-4]



FEATURE STORY

JOURNEY TOWARD SUSTAINABLE HARVESTS: USAID & KAL SPEARHEADING PALM OIL SMALLHOLDER EMPOWERMENT IN INDONESIA



USAID SEGAR team, KAL Resident Director Jerileva Purba and KAL conservation team, starting a collaboration to promote responsible agricultural practices.

The collaboration between USAID Sustainable Environmental Governance Across Regions (SEGAR) and PT Kayung Agro Lestari (KAL) marks a pivotal moment in the empowerment of palm oil smallholders in Indonesia. USAID SEGAR, a joint effort by The United States Agency for International Development (USAID) and Indonesia's National Development Planning Agency (Bappenas), aims to bolster Indonesia's development goals. The initiative seeks to strike a balance between biodiversity conservation and sustainable land use, while also integrating economic growth and inclusive livelihood development strategies.

This important partnership, formalized through a memorandum of understanding (MOU) signed on January 25, 2023, at the Ketapang Regent's Hall, is a testament to the concerted efforts being made towards sustainable agricultural practices in the palm oil sector in the region. With the backing of the Ketapang District Government, this initiative is not just about improving the sustainability credentials of KAL's supply chain but also about enhancing the livelihoods and environmental stewardship of independent smallholders in Ketapang, West Kalimantan.

The palm oil industry has often been at the center of debates around environmental sustainability, with concerns ranging from deforestation to loss of biodiversity. However, palm oil remains a vital economic commodity for Indonesia, contributing significantly to the national economy and the livelihoods of millions of smallholder farmers. The partnership between USAID SEGAR and KAL is a forward-looking approach aimed at reconciling economic development with environmental sustainability. By focusing on the certification of independent smallholders to meet sustainability standards, this collaboration is setting a precedent for how companies and development agencies can work together to achieve mutual goals of economic empowerment and environmental conservation.

The strategic implementation of the program targets specific locations namely Laman Satong Village, Kuala Satong Village and Kuala Tolak Village in Matan Hilir Utara Subdistrict, as well as Simpang Tiga Sembelangaan Village in Nanga Tayap Subdistrict. These areas are pivotal



FEATURE STORY

in KAL's supply chain and are representative of the broader challenges and opportunities faced by smallholders in the region. The initiative aims to provide these farmers with the tools, knowledge, and support needed to improve their agricultural practices, enhance yields, and meet sustainability standards such as Indonesian Sustainable Palm Oil (ISPO) certification.

To ensure smooth execution of this program, USAID SEGAR has brought on board the Ketapang Development Partner (Mitra Pembangunan Ketapang/MPK) as the implementing partner. Their responsibilities include facilitating program socializations, managing the administrative aspects of the Cultivation Registration Certificate (Surat Tanda Daftar Budidaya/STDB) and orchestrating the formation of the palm oil farmers' association, the Asosiasi Kelompok Petani Sawit Harapan Matan Bersama (AKSHMB).

As of the end of 2023, fifty-two farmers have submitted their proposal for STDB certificates, which are undergoing the validation process by the local government, entering a key phase in the pilot project.

Next steps, they will be embarking on a detailed ISPO certification journey, clustered into two primary phases:

Firstly, they will build a robust foundation for their groups through comprehensive training, education, and technical support. This stage focuses on instilling sustainability principles, imparting best agricultural practices, ensuring legal compliance, and enhancing management and organizational skills.

Secondly, the certification assessment phase begins, aiming to verify the group's adherence to the ISPO standards. This involves a sequence of steps: an internal audit to review practices, a proposal for certification audit to assess readiness, the actual certification audit to evaluate compliance and any necessary corrective actions derived from these audits. Upon successfully navigating these stages, the farmer groups will earn their designation as ISPO-certified farmers.

The potential economic benefits of this program are multifaceted. For smallholders, achieving certification can open new markets, improve crop quality and yield, and increase income

stability. For KAL and other stakeholders in the palm oil supply chain, working with certified smallholders helps to ensure a sustainable and traceable supply of palm oil, which is increasingly demanded by consumers worldwide.

Moreover, the environmental benefits of this initiative are significant. Sustainable agricultural practices help in the conservation of critical ecosystems, reduce the carbon footprint of palm oil production, and ensure the preservation of biodiversity. By integrating environmental, social and governance (ESG) principles into their operations, companies like KAL are taking a proactive stance in mitigating the environmental impacts of their business activities.

The local government's support, as demonstrated by the presence and endorsement of the Vice Regent of Ketapang, H. Farhan, SE, M.Si, during the MoU signing ceremony, underscores the importance of collaborative efforts in achieving sustainable development goals (SDGs). The program aims to create a model of integration, synergy and collaboration among governmental agencies and institutions, NGOs and the private sector. Such a holistic approach is essential for addressing the complex challenges of sustainable development in the palm oil sector.

The partnership between USAID SEGAR and KAL represents a significant step forward in the journey towards sustainable palm oil production in Indonesia. By focusing on the empowerment of independent smallholders, this program not only aims to improve the sustainability of the palm oil supply chain but also enhances the socio-economic well-being of farmers and their communities. Through strategic collaboration, community engagement and a commitment to environmental stewardship, this initiative is paving the way for a more sustainable and equitable palm oil industry. As the program unfolds, it will serve as a benchmark for similar initiatives globally, demonstrating the power of partnership in achieving sustainable development.



Pioneering Progress to Improve Plantation Traceability

A worker scanning the EPMS (Electronic Plantation Mobile Solution) card using application developed by our internal programmer team.

We are dedicated to maintaining full supply chain traceability to the plantation level, aligning with RSPO requirements and our Sustainability Policy. Our traceability efforts aim to establish a reliable system for acquiring, processing and transparently publishing data, thereby fostering trust among our supply chain stakeholders. By the end of 2025, we aim to achieve over 99 percent traceability of third-party FFB. Currently, we have successfully achieved a 100% traceability rate for Fresh Fruit Bunches (FFB) supplied by third parties. Despite this success, we are not complacent and continue to carry out assessments for ongoing improvement. Our commitment extends to improving the quality of the data in our system, safeguarding against various risks, including the possibility of fraud and data manipulation of FFB, which not only undermines the integrity of supply chains but also poses significant risks to the company's commitment to environmental stewardship and ethical practices. [\[13-23-1, 13-23-2\]](#)

As part of our digital transformation program, we developed an electronic traceability system, eTIS, to enable real-time recording and data entry. This system assists our third-party FFB vendors to collect, report, and troubleshoot traceability data. In 2022, we successfully deployed the eTIS system in all our palm oil operations and by 2023 all FFB suppliers had adopted the system. The eTIS system is expected to help suppliers complete administrative paperwork for traceability, which is a key challenge in achieving 100% traceability in some regions.

Another milestone in our digital transformation is the initiation of SIGAP (Sistem Informasi GMIT untuk Agrikultura dan Pabrik), specifically designed to support agricultural operations and the processing of frozen edamame or okra,

encompasses the entire process in the fields, from land and farmer selection, land preparation, planting, plant maintenance, harvesting, to shipping. Recently, SIGAP has been expanded to include factory processes, from receiving harvests, sorting, blanching, to IQF (Individual Quick Freezing) processes, as well as sanitation (in locker areas). Going forward, SIGAP will be developed to cover up to the packaging and delivery of the final product.

The use of this technology enables the GMIT team to more easily establish partnerships with farmers and ensures a strong traceability system to monitor the quality and safety of the produced products. [\[13-22-1, 13-23-1\]](#)

Overall, our stakeholders, including farmers, agents and suppliers, actively participate in our traceability program and corporate sourcing policy through various official and informal socialization events. This community engagement ensures they understand the importance of providing reliable traceability data. We invest heavily in engaging with our FFB supply chain at all levels, although these activities are challenging due to the dispersed nature of our independent suppliers across our operations, often in areas with limited access. Hence, we see an opportunity to leverage information technology and social media to more efficiently engage with smallholder farmers.

Management receives traceability rate reports once every month and supplier engagement achievement reports every three months. Furthermore, our traceability data undergoes annual internal audits and external audits every two years as part of the RSPO certification system. These regular reports offer management insight into any issues, ensuring they are addressed promptly as soon as any urgency arises.

UPHOLDING HIGHEST COMMITMENTS TO CUSTOMER EXCELLENCE

While our core business focuses on palm oil, we also produce and market consumer products, namely edamame and sago. Within this context, ANJ holds a steadfast commitment to its customers, ensuring that every aspect of its product and service delivery upholds the highest standards of quality and integrity. This dedication is rooted in several key areas, as outlined below:

- 1. Commitment to Providing Equivalent Service for Products to Customers:** ANJ pledges to offer consistent and equitable services across its product and service range. This commitment ensures that all customers receive the same level of quality and attention, reaffirming ANJ's dedication to fairness and customers' satisfaction. [\[POJK51-F.17\]](#)
- 2. Products Evaluated for Customer Safety:** A cornerstone of ANJ's customer commitment is the assurance that all products have been rigorously evaluated for safety and health standards. This evaluation process guarantees that ANJ only markets products proven to be safe, thereby protecting customers' well-being and fostering trust in the ANJ brand. Additionally, ANJ discloses important information related to the products we sell including nutritional facts, potential allergens, and disclaimers regarding the non-use of preservatives and colorant agents. This transparency allows customers to make informed decisions, highlighting ANJ's dedication to honesty and ethical business practices. [\[POJK51-F.27, POJK51-F.28\]](#)
- 3. Number of Products Recalled:** In the interest of transparency, ANJ reports that no products were recalled in the year 2023. This achievement underscores ANJ's commitment to quality control and product reliability, further building customers' confidence in the ANJ brand. [\[POJK51-F.29\]](#)
- 4. Customer Satisfaction Survey:** ANJ regularly conducts customer satisfaction surveys to gather feedback and insights directly from its customers. These surveys are a critical tool for continuous improvement, allowing ANJ to align its products more closely with customers' needs and preferences. In the 2023 surveys, we observed that customers raised no complaints about ANJ products. [\[POJK51-F.30\]](#)

Through these commitments, ANJ demonstrates its unwavering dedication to not only meeting but exceeding customers' expectations. This approach not only fosters a strong relationship with customers but also positions ANJ as a responsible and trustworthy brand in the marketplace.



Our laboratory staff doing quality testing of CPO sample produced by our palm oil mill.

FOSTERING COMMUNITY PROSPERITY AND WELL-BEING (POJK51-B.3, POJK51-F.23, POJK51-F.25)



AT THE HEART OF OUR MISSION LIES A STEADFAST COMMITMENT TO ENSURING THAT EVERY INDIVIDUAL WITHIN THE COMMUNITIES NEIGHBORING OUR OPERATIONS HAS EQUITABLE ACCESS TO OPPORTUNITIES FOR PROSPERITY. ALIGNED WITH THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGS), OUR RESPONSIBLE DEVELOPMENT AGENDA PLACES A STRONG EMPHASIS ON FOSTERING ECONOMIC OPPORTUNITIES AS A CORNERSTONE FOR SUSTAINABLE GROWTH AND COMMUNITY WELL-BEING."

Central to our approach is the establishment of local partnerships and opportunities that amplify the positive impacts of our economic activities. We believe that inclusive growth is essential, ensuring that local communities are not left behind in the pursuit of economic progress.

Our efforts to enhance community well-being encompass a range of initiatives, including health, education and socio-economic empowerment programs, as well as infrastructure development and support for social, cultural, and religious projects. Most of our programs are led and executed directly by our employee as part of our Responsible Development program. Local governments and community groups, such as farmers and artisans, are actively engaged in these programs, ensuring their relevance and effectiveness within the community. We have ensured the full implementation of community development and engagement initiatives across every one of our operational sites, achieving a comprehensive reach and impact. [\[413-1\]](#)

Recognizing that the presence of a modern corporation in remote areas can catalyze socio-economic change, we are mindful of the potential negative consequences that such changes may bring, including the risk of marginalizing communities lacking the skills and technical expertise needed to thrive in a modern economy. To address this, we place a strong emphasis on local community empowerment programs, aiming to equip individuals with the necessary tools and knowledge to participate meaningfully in economic activities and benefit from growth opportunities. [\[203-2\]](#)

Our businesses have always been designed to stimulate economic growth in rural and impoverished areas across our operating region, particularly in Southwest Papua, which has one of the lowest Human Development Indexes in the country according to Statistics Indonesia. We achieve this by creating economic opportunities for contractors, local enterprises, cooperatives and individuals, including the provision of goods and services to our organization and employees. Additionally, our operations create direct employment opportunities throughout our supply and distribution chains, further contributing to local economic development.

We are deeply committed to enhancing the well-being of the communities we serve. Recognizing the limited



Our resident doctor and medical staff regularly conduct medical examination for employees.

access to essential services in remote areas, we are dedicated to establishing a network of seven main clinics and five minor support clinics. These facilities, managed by qualified medical professionals, including doctors, nurses and midwives, are integrated into the National Health Insurance (Jaminan Kesehatan Nasional/JKN) network and are equipped with blood lab facilities. This advancement has improved our capacity to deliver comprehensive healthcare services to our People. [\[203-2\]](#)

Access to education is also a matter of concern, thus becoming a key focus for ANJ, as it is a fundamental right of the people and a cornerstone for community development. We have established various initiatives in this aspect, including the construction and maintenance of schools, the provision of educational materials and resources, and support for teacher training programs. By investing in education, we aim to empower individuals and communities, enabling them to break the cycle of poverty and contribute to overall socio-economic development. Through these efforts, we strive to make a meaningful contribution and lasting impact on the lives of those living in remote and underserved areas in proximity to our operations.

ANJ recognizes the vital role of infrastructure in supporting our community-based initiatives. Throughout 2023, we have contributed to the construction of roads

and bridges, to increase accessibility for local residents. We also improved community access to clean water by installing water pumps, which also benefit local hygiene and sanitation. Additionally, we also help to build public facilities such as village offices to facilitate improved communication within the community.

ANJ's social innovation programs play a crucial role in the context of the PROPER award in Indonesia, demonstrating the Company's efforts to go beyond mere compliance with environmental regulations. These programs showcase a commitment to sustainable practices and community engagement, reflecting ANJ's proactive approach to environmental and social responsibility, as well as maintaining positive stakeholder relationships. In this context, KAL and ANJAS have both achieved the Green PROPER awards consecutively in 2022 and 2023. Equally gratifying, SMM sustained the Gold PROPER awards for the last four consecutive years, while ANJA for three consecutive years - setting a high standard for the industry as being the only palm oil company in Indonesia to have received such achievement.

Certainly, our dedication to community development shows our support for creating lasting positive impacts that extends beyond mere economic prosperity.

Table 08. Significant Infrastructure and Services Investments (203-1)

| Item | Location | Description | Impact |
|---|-------------|--|--|
| Infrastructure | | | |
| Road Construction (Pro bono) Road Repair (Commercial) | ANJA | <p>Construction of lean concrete roads in Simangambat and Huristak District, encompassing the area around Binanga, North Sumatra, consisting of a 62 km-long road project with an investment of IDR 8.54 billion. The road construction commenced in 2013 and is ongoing.</p> <p>In 2023, there were an additional 566 meters of road construction for the Simangambat-Bragas roads (turning dirt road into an asphalt road), with a total investment of IDR 1.5 billion. Additionally, road repair for an existing road in Simangambat and Huristak were also completed, amounting to IDR 139 million, covering 25 km of roads.</p> | Enhancing accessibility, facilitating economic activities, and benefiting local communities in the villages of Simangambat and Huristak (49,100 people). |
| Construction of H-Beam Bridge (Commercial) | ANJA, ANJAS | <p>Construction of a 4x6 meters H-Beam Bridge on Simangambat to Bragas Cross Road was carried out in 2023 with an investment value of IDR 250 million. (ANJA)</p> <p>In addition, ANJ conducted the construction of 10 and 9 meters of H-beam bridges in Somel and Gua Asom areas with a total investment of IDR 474 million</p> | The bridge serves as the main access to facilitate the economic activities of the community, such as transporting goods and services or agricultural products to Padang Sidempuan and ANJAS for palm fruit delivery. |
| Gabion or Bronjong Installation (Commercial) | ANJAS | <p>Installation of a 17-meter gabion in Janji Matogu, with a total investment of IDR 469 million, began in 2022 and continued to 2023.</p> <p>A 6-meter sediment transport facility near Janji Matogu, with a total investment of IDR 58.5 million, also began in 2022 and completed by 2023.</p> | Improving transportation access, facilitating economic activities, and easing the transportation of palm fruit bunches (FFB) and other necessities from Janji Matogu to Padang Sidempuan. |
| Concrete Casting (Commercial) | ANJAS | <p>The casting of concrete roads in Janji Matogu, 215 meters long with a total investment of IDR 860 million started in 2022 and continued throughout 2023.</p> <p>In 2023, a concrete road casting was carried out over 325 meters from the Industrial Plantation Forest (HTI) to the Gua Asom with an investment value of IDR 1.1 billion.</p> | Improve access for local communities and transport of palm fruit to factories. |
| Establishment of Laman Satong Village Office (In-Kind) | KAL | Construction of the Laman Satong Village Office was carried out in 2023 with an investment value of IDR 100 million. | Improving public facilities and providing venues for community activities. |
| Field Drainage and Maintenance of Durian River (Pro bono) | ANJAS | Repairs of the 605-meter embankment at Lorong 4, Janji Matogu Village, with an investment value of IDR 85.5 million. | Water management and avoiding flood-prone areas in the surrounding communities. |
| The building and maintenance of bridges, waterway access and laterite roads with culverts (Pro bono) | KAL | <p>Construction and maintenance of bridges and roads, waterway access, and laterite roads with culverts of the Durian River, Kuala Satong Village, were carried out with a total investment of IDR 285.1 million, and the Cuti Parit Road in Satong-Manjau amounted to IDR 19.1 million.</p> <p>Also in 2023, repairs to Marsela Road in Kepayang Hamlet, Laman Satong Village, were undertaken with an investment value of IDR 215 million.</p> | Improving access for local communities and avoiding flooding. |

| Item | Location | Description | Impact |
|--|-------------------|--|--|
| Road Construction (In-Kind) | PPM, PMP | Laterization and road elevation in 2023 in PPM amounted to IDR 30 million and PMP IDR 25 million. | Improving access for people and economic activity in the surrounding vicinity, which was previously inaccessible. |
| Construction of Boreholes and Wells (In-Kind) | PPM | Procurement of clean water sources through the construction of boreholes and wells for Kais Village and Suse Village, Kais District, each with 2 units, with a total investment of IDR 40 million. | Providing clean water access to communities to enhance sanitation and hygiene. |
| Bridge Construction (In-Kind) | ANJAP | Construction of a bridge to connect the community road in Kawarisi, with a total investment of IDR 120 million, spanning 18.6 meters. | Providing better mobility for the Saga community, enhancing human activity and the local economy. |
| Services | | | |
| Early Childhood Education (PAUD) | PMP | In 2023, the PAUD Program in Sumano, Benawa and Puragi Villages provided teacher training, curriculum development and learning support activities with a total investment of IDR 325 million. | Providing access to education to local communities. Preparing and developing non-local and local teachers with the skills to teach. |
| Cooperative & Convenience Store | PPM, PMP | Provide the easiest and safest way for our employees and local communities to save and transfer money. This service started in 2019. In 2023, PPM opened another branch store inside a Housing Compound. | Improving the local economy. This access to financial services empowers people to improve the management of family finances. The convenience store provides people with necessities and is very helpful due to the limited accessibility of the plantation to outside shops. |
| Firefighting group | KAL, ANJAS | Advocate Kelompok Tani Peduli Api, smallholder farmer fire-fighting groups that run a fire prevention and management initiative. In 2023, a similar program has been expanded to ANJAS – involving 3 groups in KAL with 45 members and 1 group in ANJAS with 15 people. | Local communities are actively involved in fire prevention and management. |
| Health Clinics | PMP, PPM | Provision of health services in Sumano, Benawa I started in 2016. In 2023, PPM inaugurated a Primary Clinic providing various health services including general practitioner consultations, routine health check-ups, health services and preventive health programs. | Provide health services to both employees and local communities serving 4 villages. |

Note:

1. Commercial infrastructure engagements are investments made primarily for the Company's business operations.
2. In-kind contributions are non-cash contributions of goods or services.
3. Pro bono services are professional services provided without payment.

The floating rice fields are a collaborative innovation between the SMM team and local farmers in East Belitung



Committing to Transformative Community Development [203-2]

Socio-economic empowerment

Our Belitung subsidiary, SMM, has been at the forefront of innovation in agriculture, particularly with the introduction of floating rice fields using the *jajar legowo* planting technique. This technique, which involves separating each row of planted rice with empty rows to boost yields, has been groundbreaking for local farmers, allowing them to utilize previously marginal land due to flooding. Additionally, this program also introduced light solar traps to combat insect pests and Eco-enzymes as an alternative organic and eco-friendly fertilizer.

The program continued in 2023, drawing special attention and support from the East Belitung Regency. Starting as a trial project in Balok Village in 2020, it has now expanded to include Jangkang and Dendang Villages. This success has motivated farmer groups to adopt a “*Mina Padi*” system, an agricultural practice that combines rice farming with fish farming. The farmers opted to cultivate tilapia fish, and in its second year, they have successfully raised as many as 1,200 tilapias. To maximize land productivity, cassava is planted along the rice raft border, producing an additional food source for the farmers. The 27 farmers involved in this program have produced a total of 565.1 kg of vegetables, 340.3 kg of chili, and 900 kg of rice, which is a significant achievement in improving the community’s economy.

SMM also advocates community-based freshwater aquaculture, benefiting 36 members of the Mina Jaya Pokdakan, Aik Kik Apau Pokdakan and Ala Mamy MSME Group. Supported by the East Belitung Fisheries Service, the program assists with aquaculture activities, and water quality monitoring and provides training in fish product processing and packaging. Participants have been trained in freshwater fish farming and the use of eco-enzymes for pond water filtration. A total of 6,307.2 kg of catfish and 816.6 kg of tilapia were sold in 2023, increasing the farmers’ income substantially. The farmers also enhanced their skills by cultivating fish fingerlings themselves, eliminating the need to purchase them. To maximize land use, members of the community group also cultivate green vegetables and coconuts around the ponds, further promoting food security in the area.

Overall, this program, which is called “*Koalisi Pemenang*”, has played a significant role in helping communities in East Belitung access basic commodities more affordably, especially considering the high prices of essentials in the region. More importantly, the local people of Belitung traditionally work as tin miners and pepper farmers rather than in agriculture. Thus, this program has provided them with the opportunity to cultivate their food and produce, including vegetables and staple crops, and diversify employment opportunities. This initiative brings tangible benefits to the local community by enhancing food self-sufficiency and reducing dependency on external sources for sustenance. In

addition to increasing community income, this program also assists in preventing stunting in Jangkang Village, Dendang District.

Based on the most recent assessment by an independent assessor, the *'Koalisi Pemenang'* program has achieved a Social Return on Investment (SROI) value of 2.74. This means that for every IDR 1 invested, there is a benefit or impact value of IDR 2.74. The study also indicates that the SROI value per year from 2020 to 2023 is steadily increasing. This growth is attributed to the expansion of the program's reach through replication of best practices in other areas, as well as the enhanced productivity of freshwater fish cultivation and price-stable crop cultivation by the community groups. Despite a decrease in program investment value, the increase in SROI value can be sustained as the Company gradually reduces interventions to promote the self-reliance of the community.

SMM also initiated the *"Gerbang Emas"* program, focusing on cultivating edamame in East Belitung, which has also seen rapid development since its inception. Research on the land conducted since 2019 has increased plant capacity in 2023. There has been an expansion of planting areas in the Subur Jaya Farmer Group by 0.15 hectares, the Pelita Bumi Raya Farmer Group by 0.10 hectares in Balok Village, and the Tuah Berkarya Farmer Group by 0.06 hectares. A total of 3,210 kg of edamame has been produced within the *"Gerbang Emas"* program. The program also provides innovation in alternative cattle feed by utilizing the remaining stems and leaves of edamame.

ANJA, located in Binanga, North Sumatra, continues to expand its *"Tani Mandiri"* program. In 2021, the focus was on successfully reducing rat pest attacks. In 2022, the program introduced an innovative, emission-free irrigation system called the siphon pump and waterwheel to meet water needs. This program continued throughout 2023 and brought benefits to 26 participating farmers. Previously, farmers could only plant once a year, but with the novel irrigation system, they can now plant up to three times a year. The system also replaces the need for fuel water pumps, which were previously used to drain water. Farmers participating in the program receive training in composting using straw waste and bacteria from POME (Palm Oil Mill Effluent) as a starter. This compost can help reduce the use of chemical fertilizers, promoting ecologically responsible rice production. ANJA currently supports two farming groups, one of which is led by women.

Further to this program, we deployed a pilot project called *"Petani Berintegritas"* (*Pengembangan Ternak Ikan Berintegrasi dengan Unggas* or Fish Farming Integrated with Poultry Farming) aimed at predicting future food

availability and reducing food disparities, especially among vulnerable groups like elderly women and widows. The project focuses on the cultivation of broiler chickens and catfish as well as the production of alternative feed to support farming. A total of 21 individuals from two farming groups have participated in this project since its establishment in 2020.

Overall, the project has successfully utilized unproductive land covering 0.8 hectares. More than 700 chickens and 1,430 catfish were sold from the harvest in September 2023 alone. This program has improved the food security of the community by providing catfish and chicken for Huta Baru Village and Tobing Jae Village, as well as enhancing the welfare and capacity of the communities in these villages to adapt to climate change for sustainable living. This initiative also stands as a pioneering effort in community empowerment, being the first to install environmentally friendly solar cells for power generation and to produce alternative feed from palm shoot materials. Moreover, this program also implements the concept of zero waste, where chicken manure is processed into compost and used for small-scale corn cultivation. A total of two tons of chicken manure has been turned into compost and applied to plants. The corn produced is then used as raw material for alternative fish and chicken feed. Additionally, this program also successfully managed fishpond wastewater to be reused as fishpond water using the Recirculating Aquaculture System (RAS) method with water filters. By the end of 2023, the total volume of recycled catfish pond wastewater reached 230.4 m³. Exercising a holistic approach in its design, the program achieved an SROI of 2.16. This means that for each IDR 1 investment, there is a benefit or impact value of IDR 2.16, leading us to receive the Gold PROPER award for ANJA.

In ANJAS, a horticultural product development program was conducted for the Labalasiak Female Farmer Group. ANJAS provides technical assistance to group members involved in horticultural product development. To date, various crops such as pumpkins, cucumbers, chili peppers, long beans, and tomatoes have been produced and marketed through the "Poken Market" located within the Company area. This program has empowered 18 individuals in the Labalasiak Kawani group and continues to strive in attempts to improve the welfare of the local community. In efforts to enhance social innovation, the Company has built composting houses to create an organic compost stock from plant residues after harvests.

KAL, our West Kalimantan operation, has implemented an economic development program in the Kuala Tolak Village. The initiative includes beekeeping in Sungai Jahak hamlet and pineapple cultivation in Timor Celang Parit hamlet. While most individuals have started

raising honeybees for personal honey consumption, KAL supports the formation and expansion of farming community groups, including donating additional STUM (bee hives), to enhance *kelulut* honey (stingless bee honey) production outcomes. The Company also assists the farmers in obtaining business licenses as well as expanding market access. We facilitated the registration of the group's Taxpayer Identification Number (NPWP), Business Identification Number (NIB) and home industry license (PIRT). With proper licensing, honey sales can access the domestic market. Additionally, alongside selling fresh pineapple, the group collaborates with the village community welfare group (*PKK Desa*) to produce pineapple products such as jam and snacks, boosting sales values and economic income for the community.

In the Timor Celang Parit hamlet, 700 pineapple seedlings were planted on over 0.5 hectare as part of pineapple farming activities. The pineapple cultivation project was carried out by the Kuala Tolak Village KTPA (farmer firefighting group), utilizing unproductive and fire-prone lands near KAL's operating site.

This economic development program is instrumental in transitioning the community's livelihood away from slash-and-burn farming practices. By advocating safe and sustainable agriculture techniques, the program empowers the community to be self-sustaining in sourcing their food. This shift not only improves food security but also reduces the environmental degradation caused by slash-and-burn methods. Through education and sustainable practices, the program creates a more resilient community, capable of thriving without relying on harmful agricultural practices.

KAL remains committed to investing in the *Desa Fokus* (Focus Village) program, a local government initiative aimed at enhancing village development. Since its launch in 2020, villages like Kuala Satong, Laman Satong, and Kuala Tolak have seen improvements in their overall Village Development Index scores, including the Social and Environmental Resilience Index. This collaborative effort involves Ketapang Regency, KAL, *Mitra Pembangunan Ketapang* (MPK) and Tropenbos Indonesia, who signed a partnership agreement in 2022. The partnership aims to enhance knowledge and develop integrated village development models, empowering communities and improving market access through cooperatives.

In 2023, the program continued with various key initiatives. Tropenbos remained dedicated to improving rice and orange farming through "field schools", offering valuable technical training on farming practices to enhance productivity. Meanwhile, Ketapang Regency continued its vital role in supervising and facilitating the program's implementation. KAL actively contributed

by providing educational support through enhancing the education system (*Sekolah Luar*) and facilitating market access for farming produce, as well as empowering independent smallholders, promoting conservation efforts, and assisting smallholders in obtaining licenses and certifications. Additionally, MPK played a crucial role in advocating for licensing for independent smallholders, ensuring their legal rights and participation in the program were legalised. Each of these efforts complements one another, working towards uplifting nearby communities from "*Desa Mandiri*" to "*Desa Mapan*" status and showcasing socially and economically sustainable villages as role models for others to emulate, fostering a culture of sustainable development and community empowerment.

Another ongoing program is the development of milkfish farming. This program functions as an aquaculture system with technology that combines fisheries with mangrove planting, following a management system that minimizes inputs and reduces environmental impact. In 2023, the procurement of 50,000 milkfish eggs was conducted for milkfish cultivation, managed by two farmer groups with 18 members. Apart from the milkfish cultivation group, five other individuals outside the program have also started milkfish cultivation using the silvofishery system. The Company involves the Ketapang Regency Food Security and Fisheries Service in technical training for fishery cultivation, including pond preparation, water pH regulation, seed preparation, and harvesting. Local communities are also trained in making easy and inexpensive alternative feed to reduce the cost of buying feed while maximizing production.

In 2023, PMP in Southwest Papua launched the "PEKA" (Karekano Economic Empowerment) program, designed to empower women to sell shrimp and fish that they typically catch for daily consumption. Under this initiative, the women collaborate to collect and sell their catch to employees and the Company. This program has engaged 18 women, resulting in a total average monthly yield of 200 kg of shrimp. A total of 33 local community members act as suppliers in distributing the produce to the Company's catering need and employees. PMP actively supports and monitors the program to enhance and achieve its economic growth objectives. The program has shown significant progress, with local suppliers earning around IDR 11 million per month. Currently, there is an increasing demand for fresh shrimp, and shrimp farming activities have been planned to meet market needs in the future. This program provides women with the opportunity to earn income from their existing daily activities.

In 2023, broiler chicken farming commenced at PMP to help improve the economic welfare of the community. Two individuals from Giamarema Preparation Village in



Two mamas chatting while cooking at "Warung Mama" in PPM.

Metamani District and three individuals from Sumano Village in Kais District have felt the impact of the program through increases in income of between IDR 2 to 3.5 million. By the end of 2023, more than 800 broiler chickens were sold and distributed to both the Company's cooperative and the surrounding community. Both the Company and the local community are consistently monitoring and evaluating the program, which includes assessing feed availability, reducing chick mortality rates, and adapting to weather conditions. Another notable achievement is the group's ability to effectively manage the farm, leading to long-term business independence.

In GMIT where our estate focuses on edamame crops, the "*Kampung Edamame*" (Edamame Village) community-based program saw a 47% increase in sales in 2023 from 2022 values, through investment in new machines with a larger capacity to support production. This program empowers the community around the Company to process edamame into innovative products with added value. There has also been an expansion into other products with the launch of crispy okra. The *Kampung Edamame*'s products have obtained licensing and HALAL certification from MUI. Another expansion in the implementation of this program is cooperation with new millennial farmers who will become pioneers and stakeholders in the development of the *Kampung Edamame*.

At ANJAP in Southwest Papua, "*Warung Mama*" continued to provide economic opportunities for women, addressing the limited avenues for them to boost their family income. The program supports local women (mamas) from Saga Village, Metamani District, South Sorong Regency, by offering training to prepare sago-based dishes for sale. ANJAP also trained the mamas in basic financial management for small businesses. Since 2019, 11 members from Saga and Puragi Village, Metamani District, have participated in this program. This initiative not only empowers women but also promotes locally produced sago as a versatile, nutritious food source. Each member earns income from selling various dishes like sago *cendol* ice, sago-based chicken noodles, pandan cakes, donuts and banana rolls, with potential earnings of up to IDR 2 million per month. In 2023, *Warung Mama* earned to a gross revenue of IDR 196 million.

Additionally, the mamas are learning farming skills through hydroponic gardens, and growing vegetables for consumption and sale. This initiative aims to develop these fresh vegetables into locally processed products for the market.

Warung Mama is very popular among the local community and ANJAP employees. Due to its success, a similar scheme has been replicated in PPM.



FEATURE STORY

PINEAPPLE CULTIVATION PROGRAM IN KETAPANG, WEST KALIMANTAN: A BREAKTHROUGH IN REDUCING RISKS OF FOREST FIRE



Three farmers from the pineapple cultivation program initiated by KAL, addressing deforestation and land burning and promoting sustainable agriculture.

The Pineapple Cultivation Program initiated by PT Kayung Agro Lestari (KAL), ANJ's subsidiary, represents a transformative approach to addressing some of the most pressing environmental challenges faced by forested regions: deforestation and wildfires. This program leverages pineapple farming as a strategic intervention to combat the detrimental effects of slash-and-burn practices, which have long been a primary driver of forest fires and deforestation in vulnerable areas. By introducing a sustainable agricultural alternative, ANJ is pioneering a path toward environmental conservation and community prosperity.

Deforestation and forest fires have been a recurring issue, significantly contributing to global warming and loss of biodiversity. This not only threatens the ecological balance but also poses severe risks to the health and economic stability

of local communities. The traditional method of slash-and-burn agriculture, where land is cleared and burned for farming, is among the leading causes of these environmental crises. It results in a vicious cycle of soil degradation, decreased agricultural productivity, and increased vulnerability to fires.

In this context, the Pineapple Cultivation Program emerges as a beacon of innovation. By focusing on pineapple—a crop well-suited to the peatland conditions characteristic of areas at high risk of fires—ANJ offers a compelling alternative to slash-and-burn farming.

The selection of pineapple as the crop of choice is strategic. Pineapples thrive in peatland conditions, where the climate and soil composition are ideally suited for their



FEATURE STORY

cultivation. This compatibility makes pineapple an excellent commodity for development in areas prone to forest fires, offering a viable agricultural alternative that discourages the practice of slash-and-burn farming—a primary cause of such fires.

Culturally, pineapples also hold significant value in local cuisine, making them a vital ingredient in the culinary traditions of the region. This cultural relevance, coupled with the agricultural suitability of pineapples, presents a unique opportunity to align economic incentives with environmental conservation efforts.

Spanning over 5,000 square meters of land, planted with 700 pineapple seedlings, the project includes

comprehensive support for 15 participating farmers. This support encompasses training in product processing, specifically in making pineapple syrup and jam, as well as future plans for producing pineapple chips. Additionally, the initiative offers guidance in packaging and agronomy skills, emphasizing sustainable farming practices that align with environmental protection goals.

The initiative has been met with positive feedback from the community, appreciating not only the economic benefits but also the adoption of safe farming practices. The significance of the program is echoed in the words of a local farmer Nurhadi, who serves as the Chairman of Kelompok Tani Peduli Api (KTPA):



AS A MEMBER OF KTPA, I HAVE WITNESSED A TRANSFORMATIVE CHANGE. THE INITIATIVE TO TURN FIRE-PRONE LAND INTO FLOURISHING PINEAPPLE FARMS HAS NOT ONLY REVITALIZED OUR ENVIRONMENT BUT ALSO OUR ECONOMY. IT HAS EMPOWERED US, ESPECIALLY THE WOMEN IN OUR VILLAGE, PROVIDING BOTH KNOWLEDGE AND A SUSTAINABLE MEANS TO IMPROVE OUR LIVELIHOODS.”



The pineapple cultivation program is not just about growing pineapples; it is also about enriching the soil, reducing fire hazards, and creating an economic pathway that aligns with environmental conservation goals. More importantly, it is about sowing the seeds of hope, empowerment and sustainability.

Education Program

Due to inadequate learning and teaching facilities, the quality of education in rural and remote areas of Indonesia often lags behind that of metropolitan cities. To address this disparity, we have focused on providing access to quality education for local community children, particularly in Southwest Papua, as part of our contribution to SDG 4 (Quality Education), specifically aiming to achieve inclusive, equitable and excellent education for all.

Since 2018, we have partnered with the Alirena Foundation to support Early Childhood Education (PAUD) programs in Sumano and Benawa, located in Southwest Papua. In the latter half of 2022, we assumed full responsibility for organizing these programs. Since taking over, we have not only continued these efforts but also expanded the initiative to encompass elementary schools. Moreover, in 2023, we have extended our reach to include the villages of Puragi and Tawanggire as new areas benefiting from our educational programs.

In 2023, the Company also recruited and provided housing and basic needs for four local primary teachers and eight local assistant teachers. Furthermore, we constructed and renovated spaces for early childhood schools in Sumano, Benawa and Puragi to ensure students have a clean and safe environment for studying and playing. Additionally, PAUD teachers provide supplementary reading, writing and arithmetic support to elementary school students who are still illiterate. Since its inception, the program has brought positive impacts to more than 270 students.

Specifically in KAL, West Kalimantan, we execute the “School Development Program” that has notably enhanced the quality of education by addressing both infrastructure and content aspects. This initiative encompasses improvements in physical school conditions, including the construction of sanitation facilities and the provision of chairs, tables and other essential equipment. Additionally, efforts have been made to boost the capacity of teachers and students through various programs such as “inspirational class” for digital transformation and “shining class” to promote tidiness and cleanliness among students. Overall, 32 teachers have participated in various training sessions, along with the delivery of 14 sessions of inspirational classes.

At ANJAS, North Sumatra, the School Improvement Program at SMPN 4 South Angkola has been a key initiative. With 71.85% of students at SMPN 4 South Angkola being children of ANJAS employees, we have implemented various intervention programs to enhance the school’s quality. One crucial aspect is establishing road access from the plantation to the school to ensure easy travel for students. Additionally, we have provided essential facilities like desks, chairs, whiteboards, and toilets to improve the learning environment. ANJAS has also supported the school committee’s formation, organized workshops for school program planning, and provided teaching assistance for the teachers.

By focusing on both infrastructure and content, including educational materials, curriculum, and teaching methods, we strive to create an optimal learning environment for all.



PAUD (Early Childhood Education) graduation in Benawa 1 village, Southwest Papua, reflecting a commitment to the enhancement of education in the area



FEATURE STORY

ENHANCING QUALITY OF LIFE THROUGH EDUCATION



Our team engages with students from our target schools to support and empower future generations, fostering learning and nurturing growth for tomorrow's leaders.

In today's interconnected world, education stands as the bedrock of human development and societal progress. It is the key that unlocks doors to opportunity and drives positive change. ANJ has undertaken a thorough journey of social responsibility by making education a core pillar of its commitment to empower communities where it operates.

ANJ's unwavering commitment to community empowerment through education reflects its profound belief in the transformative potential of knowledge. The Company recognizes that education is not merely a tool for individual advancement but a catalyst for broader societal development.

In Ketapang Regency, West Kalimantan, a region grappling with educational challenges such as limited resources and infrastructure, PT Kayung Agro Lestari (KAL), a subsidiary of ANJ, has launched a transformative "School Development Program." This program is a testament to ANJ's commitment to bolstering education quality, reflecting a holistic approach that encompasses both tangible infrastructure improvements and substantive educational content enhancements.

The educational landscape in Ketapang has long faced hurdles related to inadequate infrastructure, which hampers the delivery of quality education. Classrooms often lack basic necessities, such as proper seating and learning materials, which are critical for creating an environment conducive to learning. Moreover, sanitation facilities in many schools are either non-existent or in dire conditions, posing health risks and affecting students' school attendance and overall learning experience.

KAL's School Development Program specifically targets these issues by investing in the physical refurbishment of schools. This includes the construction of new sanitation facilities that meet health and safety standards, ensuring that students have access to clean and safe restrooms. Additionally, the program has supplied essential furniture such as chairs and tables, directly impacting the learning environment by making it more comfortable and conducive to student engagement.

Beyond infrastructure, the program also places a significant emphasis on enhancing the educational experience through capacity building for teachers and students. Recognizing the importance of digital literacy in today's



Students of The "shining class" or Kelas Bersinar SMPN 03 Manjau Matan Hilir Utara

world, KAL has introduced the "inspirational class" or Kelas Inspirasi, aimed at equipping both educators and learners with the skills needed for digital transformation. This initiative is crucial for preparing students for the future, enabling them to navigate and succeed in a digitally-driven world.

The "shining class" or Kelas Bersinar initiative is another innovative aspect of the program, designed to instill values of tidiness and cleanliness among students. This effort not only contributes to a more organized learning environment but also fosters personal responsibility and hygiene practices among students, which are essential life skills.

To date, the School Development Program has seen the active participation of 32 teachers in various training sessions, enhancing their pedagogical skills and capacity to deliver quality education. Furthermore, 14 sessions of inspirational classes have been conducted, benefiting numerous students by broadening their horizons and preparing them for the challenges of the digital age.

The effectiveness of this program is highlighted by one of the teachers as well as student's parents, recognizing its positive impact.

"KAL's support for SMPN 03 Manjau, especially through providing internet signal boosters, has enhanced both

education delivery and administrative efficiency. Now we can report educational data to Ketapang Educational Office with ease and timely manner. The school even able to administer our own UNBK (National Exam) independently without using neighboring schools' facilities", said Aisyah, a 3rd Grade Teacher at SMPN 03 Manjau Matan Hilir Utara.

"What we found interesting is the change in the classroom atmosphere which was initially dirty but has now become cleaner, more comfortable, and beautiful. My child also brings the habits to home, he becomes a very tidy kid and always mindful about cleanliness. I am really happy with this habitual change.", said Nurhadi, parent of Tria, Grade 9.

KAL's investment in Ketapang's education sector through the School Development Program is a clear indicator of ANJ's broader community development strategy. By addressing both the physical and content-related needs of schools, KAL is not only improving the current state of education but is also laying the groundwork for sustainable development in the region. This initiative demonstrates ANJ's commitment to contributing positively to the communities in which it operates, with a particular focus on empowering future generations through education. ANJ's pioneering spirit continues to inspire and drive positive change, proving that education is the key to a brighter future for all.



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Two conservation staff members are conducting biodiversity data collection in our conservation area.

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AGRIBUSINESS OPERATIONS CAN SUBSTANTIALLY ALTER NATURAL LANDSCAPES, CONSUME SIGNIFICANT QUANTITIES OF NATURAL RESOURCES AND EMIT HIGH LEVELS OF GREENHOUSE GASES. THESE FACTORS RESULT IN NEGATIVE IMPACTS ON BIODIVERSITY AND THE ENVIRONMENT AND CAN THREATEN THE STABILITY OF THE EARTH'S NATURAL SYSTEMS. TO MITIGATE THESE RISKS AND REDUCE NEGATIVE EFFECTS WHILE AIMING FOR POSITIVE OUTCOMES, IT IS ESSENTIAL TO ADOPT BEST PRACTICES IN ENVIRONMENTAL PROTECTION AND CONSERVATION AND AGRICULTURE. "



Our company is committed to conserving the environment, especially in areas classified as High Carbon Stock and High Conservation Value (HCS/HCV), by implementing sustainable practices. RSPO membership requires strict adherence to the organization's Principles and Criteria (P&C, 2018) and New Planting Procedures (NPP), both of which were originally released in November 2015.

HCS areas in our concession in Southwest Papua.



In our Company-wide Sustainability Policy, we have established the following high-level commitments:

- Responsible development of new areas incorporating an integrated landscape approach.
- Total protection and conservation of independently identified High Conservation Value-High Carbon Stock (HCV-HCS) forests.
- Zero land clearing for oil palm in independently identified HCV and HCS areas, following RSPO protocols. Development of identified HCS areas pertaining to legacy cases will strictly follow RSPO's requirements.
- No new development in peat areas of any depth, and conservation of peatlands/wetlands.
- Commitment to reducing greenhouse gas emissions.
- Zero Land Burning.
- Taking precautions when developing on fragile soils, slopes and waterways (including river basins).

Our suppliers face similar risks and impacts on the environment and biodiversity, so we expect the same commitment from them. We engage extensively with our suppliers and independent farmers, raising their environmental awareness and providing them with the necessary tools to meet our environmental standards and commitments. Their performance reflects ours, so we prioritize engagement to ensure sustainability throughout our supply chain.



The border between the conservation area and the palm oil landscape is maintained to uphold our commitment to responsible development.

ADDRESSING CLIMATE CHANGE: IMPACTS, RISKS AND OUR RESPONSE [201-2]

Acknowledging the profound and escalating impact of climate change, we are committed to a path that not only addresses the immediate effects on our workforce, ecosystems, and communities but also fortifies our business against future vulnerabilities. Embracing business models that prioritize carbon emission reduction is pivotal in our strategy, resonating with our commitment to the global effort to mitigate global warming.

Understanding Physical Risks

The advent of climate change introduces a spectrum of physical risks to our agribusiness, underscored by an increase in temperatures and the frequency of extreme weather events. These variations significantly influence our agricultural outputs and operational efficiencies. For instance:

1. **Soil Moisture and Productivity:** Enhanced evaporation rates lead to notable water scarcity and soil

degradation, potentially diminishing productivity by as much as 20% in certain soil types, like sandy and marginal lands.

2. **Pollination Disruption and Workers Productivity:** Altered behaviors in insect pollinators can significantly impact the natural pollination process, potentially reducing production by up to 10% in terms of average fruit bunch (FFB) weight and a corresponding 10% drop in total production yield. In addition, the heat stress will impact the productivity of our plantation workers as much as 70% due to higher temperature.
3. **Drought and Wildfire Impact:** The 2015 and 2019 droughts, coupled with increased wildfire risks, markedly reduced crop yields—by over 20%—highlighting the severe implications of prolonged dry spells.
4. **Rainfall Intensity and Flooding:** Escalated rainfall and flooding episodes impair transport logistics during crucial harvest periods, potentially curtailing production by up to 10%.
5. **Pollution Aggravated by Drier Conditions:** The impact of pollution intensified by drier conditions, specifically concerning particulate matters can lead to significant health problems for workers and result in losses in productivity.



FEATURE STORY

BOOSTING PALM OIL YIELDS WITH HATCH AND CARRY POLLINATION SYSTEM



A worker is checking a collection sack in the box pollination system, an innovation designed to increase the productivity of oil palm plants in an environmentally friendly way.

ANJ's businesses are inherently susceptible to the impacts of climate change, from changing temperatures to intensified weather events, and more extreme fluctuations between seasonal climatic conditions. Unfortunately, we have reached a point where the reversal of climate change is no longer feasible, and the mitigation of climate-related risk is increasingly difficult. Therefore, ANJ's approach is to adapt to change through developing resilient and sustainable systems which can withstand a future of unpredictable and variable climate, while minimizing negative contributions to the forces driving climate change.

Over the past three years, ANJ's palm oil business has dealt with a series of unfavorable weather events, ranging from intense rainfall during the *La Niña* event of 2021-2022, to the drought-like conditions of the ongoing *El Niño*. Such extremes of weather, and the dramatic contrast between the two, have had

a concerning impact on oil palm production, in large part due to a significant reduction in natural pollinators, resulting in a low FFB yield.

Pollination is the process by which pollen grains from the 'male' elements of a plant are transferred to the 'female' elements. This can happen in many ways, but, in palm oil, it is mostly carried out by a specific species of weevil, *Elaeidobius kamerunicus*, commonly referred to as EK. The weevil is attracted to the smell of the pollen on which it feeds and then distributes as part of a natural pollination process.

ANJ's research and development team have long worked with various means of assisted pollination, meaning that we introduce systems to support or replicate natural pollination. Many of these methods are very time-consuming and require significant labor input. This year, we integrated a new system into our existing pollination schemes – the 'hatch and carry pollination system'. The system is currently in place at ANJA, ANJAS,



FEATURE STORY

SMM and KAL, with SMM and ANJA taking the lead with the most advanced application of the system. As we learn more about hatch and carry, we plan to introduce the system at all of our estates.

First trialed in palm oil estates over a decade ago, hatch and carry works by allowing the larvae of the EK weevil to hatch in an enclosed box, that is protected from environmental threats to ensure an optimal survival rate, and releasing them on targeted crop areas. The initial stages of the hatch and carry system resemble those of the box pollination system, which ANJ has used before. Male flowers from the palm tree, where the EK weevils have laid their eggs, are collected and then inserted into the hatching box. The eggs are left for three days to allow the weevils to hatch. The weevils are then sprayed with high-potency pollen. In the box pollination system, this is the point at which the box would be opened to allow the weevils to fly away and naturally find the palm flowers to pollinate. However, the hatch and carry system is a more targeted approach, that brings the weevils directly to the flower to increase the rate of successful pollination.

Once hatched, the EK weevils fly into an enclosed chamber within the hatching box. This chamber either takes the form of a bottle or collection sack. Once the weevils have entered the chamber, they are removed from the hatching box and brought directly to targeted crop areas. Here, the weevils are released to carry the high-potency pollen to the flowers, for pollination. Studies have proven this method to be very effective, showing increases in weevil populations of over 20% per hectare and FFB production by more than 5% within the first two months.

While still in its infancy, our research and development team are very optimistic about the potential of hatch and carry for increasing yields in a sustainable and climate-safe way. Our assisted pollination schemes have already been very successful at our estates in SMM and ANJA and we hope to continue this upward trend.

ANJ's commitment to our core values, particularly those embedded in sustainable practice and responsible development is central to our ability to retain support from our people through difficult times. Developing adaptive measures to climate change, such as the hatch and carry system that promote natural processes and reduce ANJ's contribution to carbon emissions, is part and parcel of our mission. We hope that advocating our responsible approach can set a precedent for other actors in our industry and support a shift toward supporting a better future for generations to come.

Navigating Regulatory and Transitional Risks

The evolving regulatory landscape and consumer expectations around carbon footprint and sustainability practices spotlight the urgency of transitioning towards more resilient and adaptable business models. This encompasses:

- Rigorous disclosure of climate-related data, including GHG emissions, which showed a 83.8% reduction in 2023 compared to our 2015 baseline, highlighting our progress towards a lower carbon footprint.
- Water conservation measures that resulted in a 20% decrease in water use intensity across our operations since 2018.
- Active participation in environmental platforms like the CDP and SPOTT, reflecting our enhanced ESG reporting and transparency.
- Adoption of renewable energy solutions, reducing our dependence on fossil fuels by 17.8% in the past five years, with ongoing projects poised to further decrease this reliance by an additional 20% by 2025.

Moving Toward ESG Objectives through Strategic Assessment and Integration (POJK51-E.3)

Annually, we assess each risk and opportunity, integrating these insights into our business strategy to meet our ESG goals. The Board of Directors, led by our Chief Operating Officer, oversees the mitigation of transitional risks, acknowledging the financial stakes climate change poses. We proactively address these challenges through agribusiness innovations and research, aiming for operational and economic efficiencies.

Our strategic endeavors in agribusiness innovation and research are pivotal in addressing climate change impacts and enhancing operational efficiency. Here is a detailed look at these initiatives:

Composting: Leveraging microbes to transform empty fruit bunches into organic fertilizers, our composting initiative necessitates an investment of USD 3.5 million for each operational site. This significant investment pays dividends by reducing the reliance on chemical fertilizers, enhancing soil moisture, and revitalizing soil structure. Notably, in regions like Belitong, this initiative has led to a notable increase in yield for young mature palms and a reduction in chemical fertilizer usage by over 50%, effectively lowering greenhouse gas (GHG) emissions from fertilizer application. (POJK51-F.5)

Drip Fertigation: Implementing a small-scale pipeline network allows precise distribution of water and fertilizers directly to each palm tree. With an investment



of USD 1,850 per hectare, this method substantially diminishes operational expenses by over 55% and ensures sustained crop growth, proving especially beneficial during extended drought periods.

Assisted Pollination: By bolstering the population of pollinators and providing mechanical assistance in pollination processes, especially in areas with diminished natural pollinator populations, we have successfully increased the weight of fruit bunches and enhanced fruit set development. This initiative underscores our commitment to maintaining ecosystem balance and improving production efficiency.

Wildfire Prevention: To safeguard our concessions from external wildfires, we have implemented fire prevention measures, including the construction of closed canal systems and water reservoirs that act as protective barriers. Additionally, enhancing our rapid response capabilities ensures we are well-prepared to address potential wildfires swiftly, minimizing their impact on our operations and the surrounding environment.

These initiatives are central to our strategic priorities and operational ethos. As such, every investment undergoes a thorough evaluation of its financial implications and a detailed life cycle cost-benefit analysis. This rigorous assessment process is embedded in our annual strategic planning and budgeting activities, ensuring that our

commitments not only align with our sustainability goals but also contribute to our long-term financial health and operational efficiency. Through this approach, we aim to optimize our resource allocation and enhance the overall impact of our sustainability initiatives, reaffirming our dedication to environmental stewardship and responsible business practices.

In addition, to mitigate the environmental and health impacts of particulate matter (PM) emissions, which are exacerbated by increasingly drier conditions linked to changing climate landscapes, the introduction of an

Electrostatic Precipitator (ESP) in our boiler systems is a proactive strategy. By installing ESPs, we aim to significantly reduce the amount of particulate matter emitted during the combustion processes in our boilers. This not only helps in complying with stricter environmental regulations but also plays a crucial role in safeguarding the health of our workforce and the surrounding communities by ensuring cleaner air quality. Thus, the ESP serves as a critical component in our efforts to adapt to and mitigate the effects of climate change on our operations.

Table 09: Physical Risks and Financial Implications due to Climate Change

| Physical Risks | Timeframe | Financial Implications | Management Methods | Cost of Actions | Likelihood of Occurrence and Magnitude of Impact |
|--|-----------|---|--|---|--|
| Higher soil moisture evaporation | 2 years | USD 12.5 million to USD 50 million per year | Composting | USD 3.5 million per site location | L: High M: High |
| Behaviour of the insect pollinators | 1 year | USD 8 million to USD 20 million per year | Assisted Pollination | USD 100 thousand per site | L: High M: Medium |
| Intense drought and wildfire | 2 years | USD 10 million to USD 20 million per year | Composting Drip Fertigation Integrated Fire Mitigation | USD 3.5 million per site USD 1,850 per hectare USD 4.5 million per site | L: High M: High |
| Intense rain and frequent floods | 1 year | USD 8 million to USD 20 million per year | Water Management & Road maintenance | USD 2.5 million per annum | L: Medium M: Medium |
| Pollution leading to health issues that impact workers | 1 year | Between USD 1-2 million per year | Electrostatic Precipitator | USD 1.5 million per site | L: High M: Medium |

Strengthening Our Foundations for Climate Resilience(POJK51-E.5)

Our strategy to effectively address climate change is built on five core approaches. Firstly, our goal is to significantly lower emissions from our operations by the year 2030. This involves a targeted 30% reduction in intensity for Scope 1 and Scope 2 emissions, using the 2015 baseline as a point of reference and is a direct reflection of ANJ's commitment to its ESG ambitions. This involves increasing our use of renewable energy sources, reducing reliance on fossil fuels, and transitioning from inorganic to organic fertilizers. We also plan to implement methane capture activities to reduce emissions from our palm oil mill effluents (POME). (POJK51-F.5, 201-2)

Secondly, we utilize Nature-Based Solutions (NBS), which leverage natural processes and features to address socio-environmental issues by reducing greenhouse gas emissions, mitigating climate change impacts, and promoting sustainable development. Our agronomic

practices and responsible development approach include protecting, restoring, and managing ecosystems through conservation and biodiversity protection efforts.

Thirdly, ANJ emphasizes responsible practice throughout our value chain, ensuring that our suppliers, primarily smallholders, meet our strict sustainability standards. We offer programs to enhance their skills and capacity, and support them in achieving RSPO and ISPO certification.

Our fourth strategy involves adapting to and mitigating climate impacts through investments in agronomic innovation, like composting and drip fertigation, which enhance our resilience to environmental challenges and support the sustainable growth of our business.

Finally, we are committed to and participate in governance and transparency practices to report our sustainability and climate change performance through platforms such as CDP, GRI and SPOTT. Through engaging with



A Worker spraying POME onto empty fruit bunches to produce compost

the reporting process involved in these disclosure and transparency requirements, we are better equipped to evaluate the efficacy of our sustainability governance and programs and proactively implement any necessary improvements.

We believe that we have a strong grasp of our climate risk and have shown that we implement various mitigation and adaptation measures. Nonetheless, in 2024, we plan to conduct a formal Climate Change Risk Assessment. This assessment, supported by external experts, will review the global and regional state of knowledge on climate change and evaluate our readiness in terms of the measures we implement on the ground, identifying any potential improvements or gaps, if any.

GREEN METRICS ON OUR EMISSION AND ENERGY CONSUMPTION

In our business sector, greenhouse gas emissions primarily arise from management practices on our plantations, extraction and processing operations in our mills or factories, and land use preparation. Additionally, we rely on electricity from the national grid, which is predominantly generated using fossil fuels. Moreover,

we indirectly contribute to greenhouse gas emissions through the operations of our supplier plantations, the travel of our staff and the transportation of raw materials, fertilizers and agricultural products. However, we have not yet conducted any calculations regarding the use of energy sourced from outside of the company. [302-2]

Conversely, our operations offer the potential for reductions in global emissions. Through our conservation and reforestation initiatives, we enhance carbon sequestration in our regions. Our oil palms also play a vital role in absorbing and storing a considerable volume of greenhouse gases. Moreover, the methane released from our palm oil mill effluents (POME), a byproduct of our palm oil extraction processes, can be harnessed to produce renewable energy through biogas generation.

Embedded within our Sustainability and Environmental Policies is a commitment to minimize emissions and energy consumption. This commitment involves enhancing the efficiency of fertilizer use and shifting towards organic alternatives, expanding our reliance on renewable energy sources, decreasing our dependency on fossil fuels, and capturing methane emissions from palm oil mill effluents (POME) to be repurposed as biofuel.

Our objective is to reach Net Zero emissions by 2030, by reducing the greenhouse gas (GHG) emissions intensity of our palm oil production by 30% by 2030, from the baseline values collected in 2015. We have also set ambitious targets to boost our renewable energy usage to exceed 60% and to cut our fossil fuel dependence by 20% by 2025, underlining our dedication to environmental stewardship and sustainable operations.

GHG Emissions Performance (POJK51-B.2.b, POJK51-F.11)

Our greenhouse gas (GHG) emissions are calculated from entities under our operational control, which encompass our mature producing oil palm subsidiaries ANJA, ANJAS, SMM, KAL, PMP, and PPM our sago and edamame companies ANJAP and GMIT, and our offices located in Jakarta, Medan and Sorong. To prevent double counting, we exclude emissions from our renewables business (AANE), as their emissions are already accounted for in our assessment of emissions from SMM. The emissions of carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O) are all converted into CO₂ equivalents for a comprehensive evaluation. (305-1, 305-2, 305-3, 305-4, 305-5)

In this report, we categorize our emission accounting into three scopes. Scope 1 encompasses two primary activities: in the plantation sector, it largely attributed to peatland oxidation, land conversion, and fertilization; and in the mills, it predominantly covers methane emissions from our Palm Oil Mill Effluent (POME). In addition to Scope 1, usage of diesel fuel in stationaries and combustions are also accounted for in both the plantation and mills. Scope 2 accounts for the electricity we purchase. Scope 3 primarily refers to the Fresh Fruit Bunch (FFB) we buy from third-party suppliers, and to a lesser extent, includes downstream transportation and distribution. (305-3)

Ozone-depleting substances (ODS) such as chlorofluorocarbons (CFCs) and hydrochlorofluorocarbons (HCFCs), which harm the ozone layer and contribute to global warming, are not included in our assessment. Our vegetable unit's frozen line facility, which commenced operations in 2021, adheres to Indonesian regulations aimed at phasing out products that emit ODS, by not using HCFCs and ensuring it does not produce ODS. (305-6)

Our greenhouse gas (GHG) emissions measurement approach utilizes the RSPO PalmGHG calculator version 4, which is the most appropriate tool for assessing our emissions, given that palm oil is our primary business and largest source of emissions. We monitor the use of fuel, energy, and fertilizers, and calculate emissions

across all our operations and offices. However, emissions from pesticides are not accounted for in the PalmGHG calculator. To estimate our Land Use Change (LUC) emissions, we also rely on the PalmGHG calculator, using data from our land conversion activities. We have established 2015, the first year we implemented the PalmGHG calculator, as our baseline year for tracking progress. Additionally, we adjust the data obtained from the PalmGHG calculator to align with the GHG Protocol Corporate Standard for reporting our Group's overall emissions. These measurements are regularly audited by independent parties as part of our compliance with RSPO and ISPO regulations, and the International Sustainability & Carbon Certification (ISCC) for SMM. For the usage of electricity via the National Grid, our assumption refers to the International Energy Agency (IEA), where the emission factor for electricity usage through Indonesia's National Grid is considered equivalent. By adopting this assumption, we can understand the environmental impact of electricity consumption and take appropriate steps to reduce carbon emissions and enhance energy sustainability. According to GHG Protocol Corporate Standard, direct CO₂ emissions from the combustion of biomass shall not be included in Scope 1 and reported separately. At ANJ, our biogenic emissions originate only from palm kernel shells and palm fiber, thus based on our internal assessment the figure is not significant. (305-1, 305-2, 305-3)

Supported by an independent third-party assessor, we launched a comprehensive project in 2023 to inventory our Scope 3 emissions across the entire supply chain. This initiative underscores our commitment to accurate accounting of our environmental impact and has provided us with a clearer understanding of the main sources of these emissions, thus facilitating the development of strategies to mitigate them. While this project is ongoing and we have not yet fully accounted for all our Scope 3 emissions, some of the improvements resulting from this initiative will be reflected in the emissions reporting in this report.

In 2023, our total company-wide greenhouse gas (GHG) emissions decreased by 48,751 Ton CO₂ eq (17.8%) across all sectors, with a specific reduction of 23,239 Ton CO₂ eq (11%) in our Palm Oil sector, compared to the figures from 2022. This reduction is primarily due to the review of the planting area inventory profile in ANJAS peatland in relation to the second peat inventory submission to RSPO and ANJAP's canal development. Consequently, we continue to reduce our GHG emissions, seeing our Scope 1 and 2 emissions intensity reach 1.0 Ton CO₂eq/Ton CPO produced compared to 1.31 in 2022 and 8.16 at baseline. (305-5)

Our GHG emission management data collection methodology encompasses a comprehensive approach to ensure accuracy and efficiency. We begin with daily/monthly recording of relevant data points, which serves as the foundation of our monitoring process. This is complemented by monthly reporting to track trends and identify any deviations from established benchmarks. Enterprise Resource Planning (ERP) software is used to facilitate streamlined data management; however, in instances where ERP is unavailable, we resort to manual forms to ensure continuity. Periodic data analysis allows

us to gain deeper insights into our GHG emission management practices, enabling us to make informed decisions and optimize our strategies for sustainable resource utilization. As a foundational assumption for all our emission data management, it should be noted that ANJ manufactures a variety of products which certain investment activities have not reached optimum production; therefore, instead using revenue value, we use asset values as the denominator for determining emission intensity. (305-4, 305-5)

Table 10. GHG Emissions and Intensity Ratio, ANJ Group (305-1, 305-2, 305-4)

| Items | Unit | 2023 | 2022 | 2021 | Base Year |
|----------------------------|------------------------|----------|----------|----------|-----------|
| GHG Emission | | | | | |
| Scope 1 | | | | | |
| ANJ Group | Ton CO ₂ eq | 237,636 | 301,833 | 344,881 | 1,394,534 |
| Palm Oil Unit | Ton CO ₂ eq | 200,556 | 239,806 | 340,281 | 1,394,534 |
| Scope 2 | | | | | |
| ANJ Group | Ton CO ₂ eq | 6,119 | 4,340 | 2,293 | 1,876 |
| Palm Oil Unit | Ton CO ₂ eq | 4,753 | 2,384 | 1,970 | 1,876 |
| Scope 3 | | | | | |
| ANJ Group | Ton CO ₂ eq | 25,502 | 25,501 | 12,098 | N/D |
| Palm Oil Unit | Ton CO ₂ eq | 25,468 | 25,493 | 12,098 | N/D |
| Total GHG Emissions | | | | | |
| ANJ Group | Ton CO ₂ eq | 269,257 | 331,675 | 359,272 | 1,396,411 |
| Palm Oil Unit | Ton CO ₂ eq | 230,777 | 267,684 | 354,349 | 1,396,411 |
| Sinks and Credits | | | | | |
| Selling shell | Ton CO ₂ eq | (29,165) | (35,974) | (18,001) | N/D |
| Excess electricity | Ton CO ₂ eq | (13,873) | (20,730) | (7,608) | N/D |
| Net GHG Emissions | | | | | |
| ANJ Group | Ton CO ₂ eq | 226,219 | 274,970 | 333,663 | 1,396,411 |
| Palm Oil Unit | Ton CO ₂ eq | 187,740 | 210,979 | 328,740 | 1,396,411 |

Table 11. GHG Emissions Intensity (Scope 1&2)

| GHG Emissions Intensity (Scope 1&2) | | | | | |
|---|--|--------|--------|--------|-----------|
| | Unit | 2023 | 2022 | 2021 | Base Year |
| ANJ Group (including sequestration) | Ton CO ₂ eq/ million USD | 396.95 | 508.10 | 538.08 | 2,968.31 |
| Palm Oil Unit (including sequestration) | Ton CO ₂ eq/ Ton CPO Produced | 1.00 | 1.31 | 1.80 | 8.16 |
| Palm Oil Unit (without sequestration) | Ton CO ₂ eq/ Ton CPO Produced | 6.98 | 7.97 | 7.76 | 8.49 |

Table 12. Net GHG Emission Intensity (305-4, 305-5)

| Net GHG Emissions Intensity | | | | | |
|-----------------------------|--|--------|--------|--------|-----------|
| | Unit | 2023 | 2022 | 2021 | Base Year |
| ANJ Group | Ton CO ₂ eq/ million USD | 368.39 | 456.31 | 517.14 | 2,968.28 |
| Palm Oil Unit | Ton CO ₂ eq/ Ton CPO Produced | 0.66 | 0.77 | 1.25 | 7.24 |

Emissions Reduction Initiatives (POJK51-B.2.b, POJK51-F.12)

As part of our ongoing commitment to environmental stewardship and sustainability, we, at ANJ, are proud to share the significant strides we have made in reducing emissions across our operations. Most notably, this year we recorded an 83.8 decrease in GHG emissions from baseline, which puts the Company on track to achieve the coveted goal of Net Zero by 2030. Our primary focus for reducing greenhouse gas emissions are emissions from land use, industrial processes, and energy consumption. Additionally, our commitments to avoiding deforestation and our efforts in forest conservation contribute to reducing emissions from land use change and enhancing the carbon sequestration capacity of the forest areas we conserve. This year, emission reductions occurred in Scope 1, where there was a reduction in diesel fuel usage. (305-5)

Our path to sustainability is marked by a thoughtful series of initiatives aimed at reducing our carbon footprint and supporting the ecological balance of the areas we operate in. Some of the practical steps we have taken towards this goal include:

- **Methane Capture from Palm Oil Mill Effluents (POME):** Recognizing the critical role we play in combating climate change, we have prioritized the reduction of emissions from Palm Oil Mill Effluents. Our methane capture initiatives are a testament to this commitment. By capturing methane, a greenhouse gas far more potent than CO₂, we're not only preventing its release into the atmosphere but also contributing significantly to global efforts to mitigate climate change. We also

exercise a flaring method where the gases produced from POME are directed to a Gas Scrubber, which filters out unwanted gases that are not needed as fuel for generators. There are two outcomes from this filtration process: (a) some gases are captured by water and recirculated back to the waste pond, and (b) other gases are trapped in a filter, forming a powder-like material that is periodically washed and disposed of in the waste pond. Since there is no storage facility for the gas, excessive production leads to the surplus being burned off using a flaring method. This ensures that all types of gases are combusted, preventing the emission of greenhouse gases (GHGs) into the atmosphere. Flaring is only activated when production exceeds the immediate usage needs.

- **Harnessing Renewable Energy with Solar Cell Integration and Biogas Power Plants:** In our pursuit of sustainability, we are utilizing renewable energy sources to power our operations. Our strategy includes the construction of biogas power plants at selected mills, which use biomass for energy production. This initiative not only helps us to reduce our reliance on fossil fuels but also enhances our overall greenhouse gas emission reduction performance. The application of solar panels at GMIT resulted in a 19% reduction in GHG emissions from the factory in its first year. This year, we increased our renewable energy portfolio to 43%, nearing our target of 60% by 2025.
- **Natural Pest Management:** We are dedicated to minimizing the use of chemicals in managing pests and diseases. Our Research & Development Department, as part of our Integrated Pest Management Program, has investigated the use of biological predators, such as Barn owls (*Tyto alba*), to control rat populations, and biological pesticides, such as the bacteria *Bacillus*



A Worker spraying POME onto empty fruit bunches to produce compost.



Our composting plant in SMM, East Belitung.

thuringiensis and the fungi *Metarrhizium anisopliae*, to address the infestation of bagworms or *Metisa Plana Walker*. Employing biological controls enables us to reduce our reliance on chemical pesticides, which can negatively affect the environment and contribute to climate change. This method helps us maintain a balanced ecosystem and reduces our dependence on chemical pesticides, in alignment with our goal of promoting biodiversity and ecological health. (13-6-1)

- **Composting to Enhance Soil Health:** Composting transforms palm fruit waste from our milling operations, known as empty fruit bunches (EFB), into organic fertilizers that can be used as alternatives to inorganic fertilizers and have lower GHG emissions. Fertigation, which involves injecting a precise amount of fertilizer into our plants through drip irrigation systems, is much more efficient and can reduce our overall fertilizer usage. By 2030, our goal is for each estate to have its own composting facility. Two of our estates, ANJAS in North Sumatra and SMM in

Belitung, have been equipped with composting plants since 2015 and 2016 respectively, with a combined capacity to produce 89,025 tons of compost by 2023. In 2022, we began constructing our third composting plant at KAL in West Kalimantan, which was completed in 2023.

- **Installation of the Electrostatic Precipitator at KAL and PMP :** We have implemented a significant environmental protection measure by installing an electronic precipitator. This device is mounted in the smokestack of the factory, serving a crucial role in filtering particulates or ash from the factory's exhaust gases. The electronic precipitator ensures that emissions released into the atmosphere are significantly cleaner by capturing a high percentage of the particulate matter before it can be emitted.

Our multifaceted approach to emissions reduction reflects the depth of our commitment to responsible business practices.

Energy Consumption (POJK51-B.2.a)

Table 13. Total Energy Consumption (POJK51-F.6, POJK51-F.7, 302-1, 302-3)

| Year | Renewables (in GJ) | | | | Non-renewables (in GJ) | | | Purchased electricity (in GJ) | Electricity Sold to National Grid (in GJ) | Total energy consumption (in GJ) |
|-------------------------------|--------------------|---------|-------------|---------|-------------------------------|---------|---------|-------------------------------|---|----------------------------------|
| | Biogas | Biomass | Solar Power | Total | Gasoline, Pertalite, Kerosene | Diesel | Total | | | |
| ANJ Group, including Palm Oil | | | | | | | | | | |
| 2023 | 3,606 | 117,665 | 503 | 121,774 | 9,368 | 162,315 | 171,683 | 29,830 | 36,790 | 286,497 |
| 2022 | 3,521 | 118,842 | 8 | 122,370 | 6,186 | 206,899 | 213,085 | 22,831 | 35,638 | 322,648 |
| 2021 | 3,488 | 103,459 | 8 | 106,954 | 21,322 | 147,954 | 169,276 | 17,605 | 33,848 | 259,988 |
| Palm Oil Unit | | | | | | | | | | |
| 2023 | 3,606 | 117,665 | 0 | 121,271 | 7,200 | 126,721 | 133,920 | 20,476 | 36,790 | 238,877 |
| 2022 | 3,521 | 118,842 | 8 | 122,370 | 5,680 | 129,049 | 134,729 | 9,163 | 35,638 | 230,625 |
| 2021 | 3,488 | 103,451 | 8 | 106,947 | 21,145 | 93,013 | 114,158 | 10,610 | 33,848 | 197,867 |

Notes:

1. Biogas, biomass, and electricity consumption are measured in kWh, the conversion factor is 1 Kwh = 3.6 MJ (WRI, 1987)
2. Solar power use is estimated based on a 10 hour/day usage of 9W light bulbs, for 30 days/month, measured in kWh. The conversion factor is 1 kWh = 3.6 MJ (WRI, 1987)
3. Diesel consumption is measured in liters, the conversion factor is 1 liter = 0.036 GJ (IPCC, 2006)
4. Kerosene consumption is measured in liters, the conversion factor is 1 liter = 0.03768 GJ (Statistic Canada, 2005)
5. Gasoline consumption is measured in liters, the conversion factor is 1 liter = 0.03466 GJ (Statistic Canada, 2005)
6. Peralite consumption is measured in liters, the conversion factor is 1 liter = 0.03276 GJ (deepresourse.wordpress.com, 2012; WRI, 1987)

Energy Intensity by Total Asset (POJK51-F.6, 302-3)

ANJ produces a variety of products, leading to varying intensities in resource utilization, which uses the value of assets as its denominator. In comparing our energy consumption trends to last year, we observed a 5% decline in the utilization of renewable energy, primarily attributed to the decreased usage of palm kernel shells for turbine operations. The strategic decision to reduce the use of palm kernel shells aligns with our efforts to transition to more stable and reliable energy sources, specifically, electricity supplied by PLN, the state electricity company. [302-3]

Simultaneously, we made significant strides in reducing our reliance on non-renewable energy sources. For instance, our diesel usage, primarily for operational activities, decreased by 22% in 2023, thanks to production efficiency initiatives at ANJAP.

ANJ is actively pursuing an energy mix strategy aimed at boosting productivity while ensuring a more dependable energy supply and minimizing emissions. However, this transition away from non-renewable energy sources is

not uniformly observed across all ANJ estates, largely due to the unique energy supply challenges present in some operating regions. For instance, our sago factory in Southwest Papua relies on diesel fuel for energy generation as it is not connected to the national electricity grid.

Our energy management data collection methodology encompasses a comprehensive approach to ensure accuracy and efficiency. We begin with daily/monthly recording of relevant data points, which serves as the foundation of our monitoring process. This is complemented by monthly reporting to track trends and identify any deviations from established benchmarks. Enterprise Resource Planning (ERP) software is used to facilitate streamlined data management; however, in instances where ERP is unavailable, we resort to manual forms to ensure continuity. Periodic data analysis allows us to gain deeper insights into our energy management practices, enabling us to make informed decisions and optimize our strategies for sustainable resource utilization. [302-4]

| Total Energy Consumption (In GJ) | | Energy Intensity (In GJ/ Million) | |
|-------------------------------------|---------|--------------------------------------|-----|
| 2023 | 286,497 | 2023 | 467 |
| 2022 | 322,648 | 2022 | 535 |
| 2021 | 259,988 | 2021 | 403 |

Renewable Energy (POJK51-F.5, POJK51-F.7)

Our renewable energy initiatives are focused on capturing methane, reducing our reliance on fossil fuels, and lowering our overall greenhouse gas (GHG) emissions. At present, renewable energy constitutes 43% of our total energy consumption, with the majority coming from biomass in the form of palm shells and fibers, which are by-products of our production cycle. This biomass powers the turbines at our ANJA, ANJAS, SMM, KAL and PMP mills. Over the years, this project has led to a steady increase in our use of renewable energy while decreasing our dependence on diesel. (302-3)

We recognize the potential of methane capture to both expand our operations and reduce methane emissions, while also generating renewable energy. Since 2013, we have operated a methane capture project at our SMM plantation, where palm oil mill effluent (POME) is

used to produce electricity from biogas. This electricity is then sold to the National Electricity Company (PLN) as a renewable energy source. We have set targets to increase our renewable energy usage, with plans to implement biogas projects across all our palm oil mills for energy optimization. We expect to bring at least one more methane capture facility in the near future and are considering the development of a BioCNG plant at our ANJA plantation. (302-3)

In 2023, we established a rooftop solar panel system at GMT, marking a significant step in ANJ’s commitment to promoting renewable energy use in our operations. The rooftop solar panels have an annual capacity of 356,948 kWh and, alongside demonstrating the value that ANJ places in investing in sustainability also sets an example to others within our industry. We are already seeing our pioneering step changing mindsets in Jember, East Java’s industrial area; showcasing our leadership in adopting clean energy solutions.



Our Biogas Plant in AANE, East Belitung



FEATURE STORY

PIONEERING RENEWABLE ENERGY: GMIT'S INITIATIVE TO REDUCE CARBON EMISSIONS

As a company at the forefront of agribusiness, PT Gading Mas Indonesia Teguh (GMIT) remains humbly aware of its responsibility towards the environment. In October 2023, GMIT, in partnership with SUN Energy, initiated a sustainable leap forward by installing a solar power generation system on the roof of its factory in Jember, East Java. Located in Jember, East Java, GMIT represents ANJ's commitment to sustainable practices and innovation in the agricultural industry. This collaboration marks a significant step towards environmental sustainability, aligning with ANJ's commitment to reducing its operational impact on the environment.

ANJ aspires to become a world-class agribusiness food company that enhances the quality of life for people and nature. By 2030, ANJ has set ambitious targets to achieve Zero Carbon Emissions, reduce fossil fuel energy consumption by 20% and increase its renewable energy portfolio to over 65% by 2025.

In realizing its ambition, ANJ has introduced various energy efficiency programs company-wide, with the integration of solar panels at the GMIT facility being a strategic addition to its energy mix. Considering Indonesia's abundant sunshine, GMIT's shift towards solar energy to reduce its dependence on grid-supplied electricity is a reflection on conscious

choice to embrace renewable resources into the company's operation, where it is expected to supply 15% of the factory's operational electricity needs.

Imam Wahyudi, CEO of GMIT, emphasized that the solar power system is a concrete implementation of integrating Environmental, Social and Governance (ESG) aspects into the Company's business processes. In the face of urgent climate change challenges, ANJ demonstrates that the agribusiness sector can play a role in minimizing environmental impacts by optimizing renewable energy sources.

The solar power system installed represents an estimated annual energy generation of 356,948 kWh. This initiative is projected to reduce carbon emissions by 226 tons each year, an environmental impact equivalent to planting approximately 4,001 trees for ten years.

This achievement underscores the Company's commitment to renewable energy and its effective contribution to combating climate change, reflecting a tangible effort towards a greener, more sustainable future. ANJ hopes that this program can inspire other companies in Jember District to take similar steps, as we believe that collective actions will only lead to bigger impacts.



Solar panels installed on the roof of GMIT factory in Jember, East Java.

Energy Efficiency Initiatives (POJK51-F.7)

Our energy efficiency efforts are focused on reducing costs and energy consumption. The most significant savings are achieved by repurposing surplus energy from our biomass-powered turbines, which supply electricity to our mills, residences, commercial buildings, places of worship and other estate facilities. Additionally, we employ energy-saving bulbs in our

mills and buildings, have installed solar cells at our estates, and utilize various energy-efficient technologies and designs. We conduct regular maintenance of our engines and vehicles to improve fuel efficiency and decrease fuel consumption. Considering that ANJ's finished products do not require energy for operation, unlike electronic devices or vehicles, it is worth noting that our finished products do not involve energy consumption. In 2023, the energy reduction directly associated with production amounted to 56,208.24 GJ. (302-4, 302-5).

Table 14. Energy Reduction (302-4)

| No | Program | Type of Energy Reduced | 2023 | 2022 | 2021 |
|--|--|------------------------|------------------|------------------|------------------|
| | | | (GJ) | (GJ) | (GJ) |
| 1 | Using biomass turbines for non-processing energy | Diesel fuel | 41,328.02 | 38,524.16 | 12,484.10 |
| 2 | R2G (Rotary Removal Grit) | Electrical | 4,013.47 | 3,334.32 | 580.50 |
| 3 | Deactivation of the pump in Pond 5 in the waste area | Electrical | 1,042.70 | 1,277.04 | 449.30 |
| 4 | Reducing power of LTDS 2 Fan | Electrical | 3,464.86 | 5,804.76 | 404.00 |
| 5 | Optimization of High-Speed Separator Pumps for mud processing | Electrical | 506.16 | 494.73 | 373.40 |
| 6 | FFB grading conveyor | Electrical | 1,743.24 | - | 191.20 |
| 7 | Modification of unconventional tin pump system from diesel to electric | Diesel fuel | 440.23 | 19.01 | 155.70 |
| 8 | Optimization of the electromotor oil pump | Electrical | 363.67 | 240.82 | 114.60 |
| 9 | Modification of machines from diesel to electric | Diesel fuel | 357.04 | 258.44 | 46.10 |
| 10 | Teleconferencing | Diesel fuel | 66.29 | 98.02 | 42.70 |
| 11 | Operational transport restrictions for guest and staff pickup Service | Diesel fuel | 23.21 | 65.88 | 38.20 |
| 12 | SCADA for Automatization | Electrical | 33.01 | 37.03 | 36.90 |
| 13 | Switch to energy-saving light bulbs and AC | Electrical | 125.82 | 256.62 | 35.40 |
| 14 | AutoMix Treatment | Electrical | 12.37 | 15.49 | 15.60 |
| 15 | Installation of automatic switches (Legrand Timer, Photocell) | Electrical | 2,400.47 | 79.39 | 6.30 |
| 16 | Solar cells | Electrical | 12.41 | 10.26 | 0.90 |
| TOTAL REDUCTION OF ENERGY CONSUMPTION | | | 56,423.57 | 50,515.98 | 14,974.90 |

Note:

1. Methodologies and conversion factors are described in Appendix 06.
2. The reduction baseline is based on a business-as-usual scenario.



Our Palm Oil Mill
at KAL, Ketapang, West Kalimantan

Air Pollution and Particulate Matter

The dust and smoke from our mills and boilers contain Nitrogen Oxides (NO_x), Sulfur Oxides (SO_x) and particulate matter. We have installed an electrostatic precipitator (ESP) at our mills in KAL and PMP to reduce air pollution. Using the power of an induced electrostatic charge, the ESP is designed to effectively remove tiny particles from our mill emissions without the need for a filter. In doing so, it reduces particulate matter pollution. The installation of the ESP is not only beneficial for the

environment, but also for our workers who work in the mills and are exposed to particulate matter, which can be harmful to respiratory health.

Our EHS department reports NO_x, SO_x, and particulate matter emissions to the local Environmental Agency, in accordance with regulatory standards. We measure NO_x and SO_x levels every six months in factories, offices, and residential areas. At the source, direct particulate counts are measured in the electrical generator and boiler chimneys.

Table 15. Nitrogen Oxides, Sulfur Oxides, and Other Significant Air Emissions (305-7)

| Emissions | Unit | 2023 | 2022* | 2021 |
|--------------------|------|---------|---------|---------|
| NO _x | Kg | 430,664 | 455,107 | 246,553 |
| SO _x | Kg | 47,010 | 217,299 | 80,117 |
| Particulate Matter | Kg | 172,384 | 232,945 | 117,151 |

*Information was restated due to improvement of data collection

Notes:

1. These emissions cover mills at SMM, ANJAS, ANJA, KAL, and PMP only

2. Calculations are made based on site-specific data

3. Amounts are in Kg per year, calculated by multiplying the amount of NO_x, SO_x, and PM measured in mg per m³ of air emitted in our mill chimneys, with the flow rate of air in m³/second, and the total operating hours of the mill in the year.

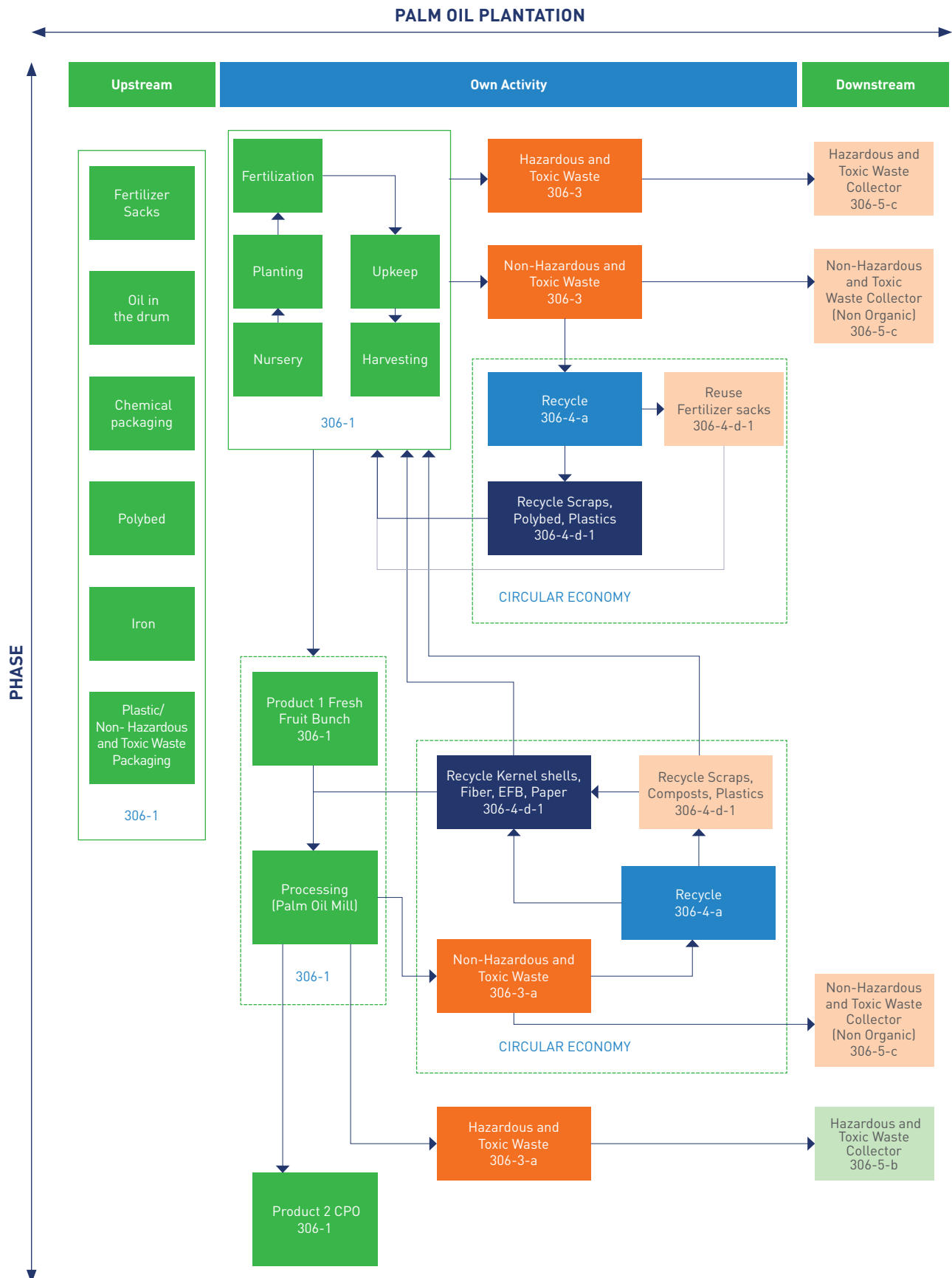
COMMITTING TO SUSTAINABLE PRACTICES IN WASTE MANAGEMENT



Our Palm Oil Mill at KAL,
Ketapang, West Kalimantan

Our palm oil factory at PTKAL has installed an Electrostatic Precipitator (ESP), and there has been a reduction in boiler concentration based on test results from 2022 to 2023. The boiler concentration at KAL decreased from 111.7 mg/m³ to 42.15 mg/m³. However, the reduction in emission load was not very significant due to operational hours and flow rate. Over 99% of the waste we generate annually is derived from our agricultural operations. The remaining fraction is classified as “non-processing waste,” which encompasses a variety of items such as machine and car parts, paper, and domestic waste. Additionally, our operations produce hazardous waste, including used oil, neon bulbs, medical waste and pesticide packaging. If not managed appropriately, this waste can lead to environmental pollution and adverse health effects for employees and surrounding communities. However, we are committed to responsible waste management and adhere to the principles of reduce, reuse, and recycle (3R) to mitigate these impacts and promote sustainability.

Flowchart 01. Waste Generation and Significant Waste-related Impacts (306-1)



Our Waste Management Approach (POJK51-B.2.c, POJK51-F.14)

As part of our Sustainability and Environmental Policies, we have implemented a range of Reduce, Reuse, Recycle (3R) programs. Additionally, our operational subsidiaries have established specific waste management policies. Our waste management objective is to decrease the overall solid waste output from non-production activities, enhance waste reuse and recycling, and eliminate unregulated landfilling and waste incineration. Our targets are set with a medium-term perspective, spanning a five-year period. Our end goal is to have all of the waste from our estates covered by a 3R program, thereby preventing disposal to landfills.

Our overall approach and circularity measures encompass the following initiatives:

- Shells and fibers from our palm oil and sago crops are repurposed as biofuel for our boilers, replacing diesel fuel as part of our waste-to-energy initiative.
- Palm oil empty fruit bunches are composted to create organic fertilizers, which we use on our land as a sustainable alternative to inorganic fertilizers that emit greenhouse gases.

- Domestic waste is fermented to produce eco-enzymes, which we utilize as detergent. In this reporting period, we have successfully piloted the use of eco-enzymes as organic pesticides.
- We implement 3R initiatives to reduce our non-processing waste, including eliminating plastic bottled water and supporting environmentally friendly packaging, as well as applying the Extended Producer Responsibility (EPR) principles.
- We also conduct activities to raise awareness about 3R among employees, suppliers, and contractors, and reward their efforts and initiatives in this area. (306-2)

Our waste management program also includes the implementation of a “waste bank” system, known as “*bank sampah*” in Bahasa Indonesia. A waste bank operates on a concept like a traditional bank, but instead of money, customers collect, segregate, and deposit waste. This waste is then weighed, valued, and recorded in their waste bank account, and its value can later be withdrawn like in a regular bank. In our case, waste is collected by our employees and deposited at the waste bank. The collected waste is sold to third parties as raw material for recycled products, while some of the waste is also recycled internally by the Company.

Table 16. Our 3R Initiatives (306-2)

| No. | Impact | Initiatives |
|-----|---|---|
| 1 | Reduce the use of diesel, inorganic fertilizers, paper, plastic, and organic waste | <ul style="list-style-type: none"> • Palm fiber and kernel shells generated from CPO processing are used as boiler fuel to reduce diesel fuel consumption and waste. • Empty Fruit Bunches (EFB) are composted at our composting plant and then applied to oil palm plants as organic fertilizer to reduce the use of chemical (inorganic) fertilizers. • Reducing paper use by implementing digital technologies such as EPMS (Electronic Plantation Mobile System), eTIS (Electronic Traceability Information System), SIGAP application system (Sistem Aplikasi GMIT untuk Agricultura dan Pabrik), Digital Capital expenditure and fingerprint-based digital attendance machines. • Reducing plastic consumption by enacting a policy of not providing plastic bags for the customers of employee cooperatives and not supplying packaged drinks at the office. |
| 2 | Reuse of the following materials: Empty fertilizer sacks Empty fruit bunches Miscellaneous waste Food waste | <ul style="list-style-type: none"> • Empty fertilizer sacks are reused for stabilizing slopes and embankments on Company plantation lands to prevent erosion and reinforce the soil. • Empty fruit bunches are directly applied as organic fertilizers in oil palm plantations. • Reuse of waste such as tires, steel, pipes, plastic bottles, drums, and sacks as garden accessories, decorations, fences, road signs, breeding media for pollinating insects, planting media used by local communities, etc. • Organic solid food waste is composted and used as organic fertilizer for decorative plants in the housing complex. |

| No. | Impact | Initiatives |
|-----|---|---|
| 3 | Recycle scrap metals and plastic | <ul style="list-style-type: none"> Utilization of scrap metal for making tools to process plastic, known as “plastic choppers”. Plastic choppers are used to cut or chop plastic waste. Utilization of plastic waste with a mixture of boiler ash as raw material for making paving blocks. Recycling used CPO seals as raw materials for making plastic products. Use of scrap paper as log sheets. Utilization used Ebor gold pole fiber, a harvesting pole, to make waterpasses. The waterpasses are used for measuring double terraces in the replanting area. Reuse of chain conveyors as roller conveyors for boilers. Utilization of scrap metal in mill areas, specifically angle iron and rattan iron, to be used as a fire hose binder. Reuse of plastic waste for edamame seed processing. Boiler ash is used for paving roads. |
| 4 | Eco-enzyme | Fermentation of organic domestic waste to produce eco-enzymes, a multi-purpose liquid that can be used as organic detergents and cleaners. |
| 5 | Liquid smoke | Utilization of scrap wood as liquid smoke (pesticide/natural disinfectant). |
| 6 | Palm cake reuse | Palm cake is used as organic soil fertilizer and cattle feed. |
| 7 | Reuse of filtered solid waste from Geotubes | Solid particles from POME are filtered using Geotubes and reused as fertilizers in the planted areas |

Disposal of Waste

When not reused or recycled, our non-hazardous solid waste is disposed of on-site, in monitored landfills, with only a small proportion being outsourced to external waste management companies. The collection, recycling, and disposal of our hazardous materials are managed offsites by licensed third parties, in accordance with legal requirements. In line with their contracts, we monitor these external parties to ensure they adhere to all applicable laws and industry standards. For monitoring and supervising hazardous waste management, we use the Ministry of Environment and Forestry’s (MoEF) online electronic reporting system “Festronik.” (306-2, 306-5)

In adherence to stringent environmental regulations and safety protocols, we have procedures for the management of Hazardous and Toxic Waste (B3 Waste).

Before disposal (shipment to third parties), Hazardous and Toxic Waste (B3 Waste) is stored in a Temporary Hazardous Waste Storage Facility (TPS Limbah B3). The design of the TPS Limbah B3 building ensures that there is no contamination of the stored B3 waste into the environment. This facility has received the necessary permits from relevant authorities and is subject to regular monitoring. The recording of B3 waste entering and exiting the facility (for shipment) is strictly maintained and regularly inspected by both internal and external parties, including relevant authorities and independent agencies. Throughout the year 2023, there were no incidents of B3 waste leakage into the environment. (POJK51-F.15)

Table 17. Waste Generated, Diverted from and Directed to Disposal in Metric Tons (POJK51-F.13)

| Year | Category | Waste generated (306-3-a) | Diverted from disposal (306-4-a/d) | Reused (306-4-c-i) | Recycled (306-4-c-ii) | Other recovery (306-4-c-iii) | Temporary Collected | Directed to disposal (306-5-a) |
|------|----------------|------------------------------|---------------------------------------|-----------------------|--------------------------|---------------------------------|---------------------|-----------------------------------|
| | | Ton | Ton | Ton | Ton | Ton | Ton | Ton |
| 2023 | Production | 589,571.40 | 582,749.50 | 198,863.75 | 100,919.01 | 224,146.22 | 58,850.52 | 6,821.91 |
| | Non-production | 296.19 | 253.59 | 113.92 | 0.40 | 0.38 | 138.88 | 42.60 |
| | Hazardous | 71.39 | - | - | - | - | - | 71.39 |
| | Total | 589,938.98 | 583,003.09 | 198,977.67 | 100,919.41 | 224,146.60 | 58,959.40 | 6,935.90 |
| 2022 | Production | 598,447.46 | 540,148.22 | 198,567.04 | 108,389.97 | 233,191.21 | 44,857.13 | 13,422.12 |
| | Non-production | 279.85 | 131.59 | 125.41 | 6.18 | - | 117.07 | 31.19 |
| | Hazardous | 127.23 | - | - | - | - | - | 127.23 |
| | Total | 598,854.55 | 540,279.81 | 198,692.45 | 108,396.15 | 233,191.21 | 44,974.20 | 13,600.54 |
| 2021 | Production | 552,645.66 | 468,844.79 | 177,614.61 | 79,405.49 | 211,824.69 | 71,563.13 | 12,237.74 |
| | Non-production | 183.32 | 86.69 | 79.00 | 7.59 | - | 40.15 | 56.48 |
| | Hazardous | 77.11 | - | - | - | - | - | 77.11 |
| | Total | 552,906.09 | 468,931.48 | 177,693.61 | 79,413.08 | 211,824.69 | 71,603.28 | 12,371.33 |

Data sourced and processed from ANJ's oil palm and sago management units. Measurement methods and conversion factors are described in Appendix 06.

This year, we experienced an increase in production waste due to higher production levels. However, we successfully diverted this waste from disposal, as evidenced by a significant 99% reduction in the amount of waste entering our onsite landfills. As a result, the total amount of waste directed to disposal decreased from 13,600.54 tons in 2022 to 6,935.90 tons in 2023. This achievement is attributed to the success of our waste management initiatives, such as composting and converting biomass into energy. Meanwhile, there has been an increase in domestic waste, partly due to improvements in our monitoring and reporting of waste generated in housing areas and offices. Despite this, we have managed to reuse a significant amount of waste and avoid direct disposal, as detailed in Table 17 above.

Our waste management data collection methodology adopts a holistic approach to improve precision and effectiveness. It commences with the daily/monthly logging of relevant data points, forming the cornerstone of our monitoring system. This is then followed up by monthly reporting to observe trends and detect any deviations from established benchmarks. Despite the constraints of manual data mining, we persistently evaluate and monitor every data point because periodic data analysis affords us deeper insights into our waste management practices, empowering us to make informed decisions and refine our strategies for sustainable resource (306-2, 306-3, 306-4)



Household compost collecting in SMM is an initiative that supports our goals for waste reduction.

Table 18. Waste Directed to Disposal in Metric Tons (306-5)

| Year | Category | Directed to Disposal | | |
|------|---------------|----------------------|---------------|------------------|
| | | Onsite | Offsite | Total |
| | | Ton | Ton | Ton |
| 2023 | Non-Hazardous | 6,821.91 | 42.60 | 6,864.51 |
| | Hazardous | - | 71.39 | 71.39 |
| | Total | 6,821.91 | 113.99 | 6,935.90 |
| 2022 | Non-Hazardous | 13,442.12 | 31.19 | 13,473.30 |
| | Hazardous | - | 127.23 | 127.23 |
| | Total | 13,442.12 | 158.42 | 13,600.54 |
| 2021 | Non-Hazardous | 12,237.74 | 56.48 | 12,294.22 |
| | Hazardous | - | 77.11 | 77.11 |
| | Total | 12,237.74 | 133.59 | 12,371.33 |

Note: Waste disposed onsite is placed in monitored landfills.

COMMITTING TO THE SAFEGUARDING OF FOREST AND BIODIVERSITY (POJK51-B.2.D)



OUR INDUSTRY CAN HAVE POTENTIALLY SEVERE IMPACTS ON THE ENVIRONMENT, INCLUDING DEFORESTATION, LOSS OF BIODIVERSITY, HABITAT ALTERATION AND REDUCED HOME RANGE SIZES FOR VARIOUS SPECIES. THE WIDESPREAD USE OF CHEMICAL PRODUCTS IN OUR OPERATIONS, SUCH AS FERTILIZERS, HERBICIDES, INSECTICIDES AND RODENTICIDES, MAY CONTRIBUTE TO SOIL AND WATER POLLUTION AND CONTAMINATION. ADDITIONALLY, THE WASTEWATER FROM PALM OIL MILLS CAN POLLUTE RIVERS, WHILE THE NOISE, SMOKE AND DUST GENERATED BY THEIR BOILERS MAY DISTURB LOCAL WILDLIFE."

To demonstrate our commitment to environmental stewardship, ANJ has a dedicated conservation team responsible for planning, innovating, and monitoring efforts to protect forests and biodiversity in our operating areas. This team works to ensure that our operations have a minimal impact on the natural environment and that we actively contribute to the conservation of ecosystems and the diverse species that inhabit them. In 2023, ANJ concentrated on developing a focused biodiversity strategy, aiming to create a more holistic, comprehensive, and systematic approach to the implementation of biodiversity conservation throughout our business operations. This strategic focus underscores our commitment to integrating biodiversity considerations into all aspects of our operations, ensuring that our activities support and enhance the natural environment in which we operate. The implementation of this strategy will commence in 2024, although many of the activities are already ongoing.

Our conservation team conducts regular observations and monitoring in conservation area.





Table 19. Significant Impacts of Operations on Biodiversity (POJK51-F.9, 304-2)

OIL PALM PLANTATIONS

| Intervention | Potential Impacts | Extent of Impact | Duration of Impact | Reversibility of Impact | Impact Mitigation | Evidence/ Results |
|---|--|--|--|--|---|--|
| DIRECT IMPACTS | | | | | | |
| Manual application of inorganic and organic fertilizers | <ul style="list-style-type: none"> Pollution of soil and water Reduction in soil, fauna and flora Reduction in aquatic biodiversity (e.g., zooplankton and phytoplankton) | <p>Direct pollution impacts can occur in planted areas.</p> <p>The run-off of chemicals and fertilizers into waterways and wetlands can have downstream impacts.</p> | Duration and magnitude of impact correlate with the amount and type of chemicals used, application methods, and climatic conditions. | Impacts on soil and aquatic biotopes can be reversed depending on mitigation measures. | <ul style="list-style-type: none"> Refrain from using chemical treatments (fertilizer or spraying) in areas adjacent to river boundaries Construct isolation ditches and embankments in proximity to river boundaries to prevent contamination from surface runoff Carry out regular river water analysis twice a year to monitor water quality and ecological balance | <ul style="list-style-type: none"> No chemical treatment is used in areas close to rivers 100% completion in the construction of isolation ditches and embankments Completed the biannual river water analysis, ensuring accurate assessment of water quality |
| Use of manual and chemical methods during cultivation | <ul style="list-style-type: none"> Poisoning of fauna, either directly (e.g., rodents feeding on rodenticides) or indirectly (e.g., rodent predators feeding on poisoned animals) | This is poorly understood, but likely effects are in the immediate area around palm trees. | Impacts will remain if chemicals are used. | The long-term effects of chemicals on wildlife are poorly understood. | <ul style="list-style-type: none"> Dissemination of related information to workers Not applying toxic substances close to conservation areas Assessing the chemicals used in cultivation in accordance with WHO standard | <ul style="list-style-type: none"> Conducted employee training and socialization through the dissemination of flyers and posters about the harmful impacts of chemical substances in areas adjacent to conservation areas ANJ has strictly prohibited the application of toxic substances in areas close to conservation areas Assessment of chemical use done annually |
| Use of trucks for transportation of FFB | <ul style="list-style-type: none"> Injuries to fauna or death due to collisions or encounters | The impact primarily occurs on the road network within the plantations. | Impact potential remains for as long as the plantation is active. | Mitigation efforts can reduce the likelihood of wildlife collisions. | <ul style="list-style-type: none"> Placing warning signs in areas traversed by fauna Building wildlife crossings above and in culverts underneath roads | <ul style="list-style-type: none"> Signboards have been placed along every road near the HCV area. 3 units of arboreal bridges for wildlife have been installed in KAL and ANJAS |
| Mechanical processing of FFB | <ul style="list-style-type: none"> Liquid waste (POME) can pollute waterways. Dust and air pollution from the boilers Noise pollution from machine operation | <p>The impact extends from the palm oil mill with POME concentrating in collection ponds.</p> <p>Potential downstream impact after POME is released in the plantation (as fertilizer) or into waterways.</p> <p>Dust, air and noise pollution reduce with distance from the mill, but the impact on biodiversity is unclear.</p> | Impact potential remains for as long as the mill is active. | <p>Reducing the biological and chemical oxygen demand of POME reduces the impact on aquatic flora and fauna.</p> <p>Collection ponds have some biodiversity benefits (wetland birds).</p> <p>Dust, air and noise pollution can be reduced.</p> | <ul style="list-style-type: none"> Building collection ponds to process the liquid waste Using anaerobic and aerobic bacteria to control the waste Building flatbeds in the plantation area for the utilization of liquid waste as fertilizer additives Sending liquid waste samples to accredited laboratories to analyze the liquid waste content Conducting standardized ambient air quality measurements [2x/year] | <ul style="list-style-type: none"> Collection ponds have been installed in all site operations The use of bacteria to control waste has been exercised in all business units In all of ANJ's subsidiaries that already have palm oil mills, composted waste materials are applied to oil palm plants using the flatbed system. Sending of liquid waste samples to labs completed in all units of operation Air quality measurements conducted twice in 2023 |

| Intervention | Potential Impacts | Extent of Impact | Duration of Impact | Reversibility of Impact | Impact Mitigation | Evidence/ Results |
|---|--|--|--|---|--|--|
| INDIRECT IMPACTS | | | | | | |
| Improved road access increases illegal logging, hunting and poaching threats. | <ul style="list-style-type: none"> Increased hunting and unsustainable wildlife collection Illegal logging | Plantations and HCV areas | The threat of these impacts remains as long as roads remain open. | Awareness and enforcement can effectively minimize this threat. | <ul style="list-style-type: none"> Conduct patrolling to deter illegal logging activities Engagement with illegal loggers and providing opportunities for legitimate employment Engagement with local communities to raise awareness about the importance of biodiversity conservation Use of the PENDAKI program to increase biodiversity awareness among staff | <ul style="list-style-type: none"> The number of illegal logging camps has decreased to zero. W Wildlife snares were encountered on patrols and the team conducted follow-up actions to address this In 2023, the PENDAKI program went through digital transformation enhancing data visibility and accuracy, selection of PENDAKI champions to further incentivize the engagement Availability of a wildlife encyclopedia as a knowledge reference for employees and the community The efforts are successful, as indicated by the presence of species that are overhunted elsewhere (e.g. Hornbills, Magpie Robin, Hill Mynahs) |
| The use of invasive species (e.g., Mucuna) affects species in HCV areas. | <ul style="list-style-type: none"> Fast-growing groundcover crops and other pioneer species used in plantations can invade HCV areas and reduce ecological health. | Primarily affecting forest edge of HCV areas | The threat remains if invasive species are used in plantations. | Impacts can be effectively mitigated through silvicultural treatment. | <ul style="list-style-type: none"> Manage the silvicultural (climber cutting, removal of Mucuna and other invasive species) | <ul style="list-style-type: none"> Management control has been able to minimize the presence of invasive species in HCV areas. |
| Water table management in HCV areas surrounding plantations | <ul style="list-style-type: none"> Peat and peat forests in HCV areas could dry out if the water table is kept too low, affecting plant and animal life. A low water table could result in peat decomposition and subsidence. Dry peat is more fire-prone and fires could result in the loss of HCVs. | This could affect peatlands in planted areas and HCVs. | The impact depends on water table management. | Most impacts can be avoided in HCV areas if water levels in surrounding canals are kept adequately high. In planted areas, this is more problematic as the water table needs to be below the peat surface to allow the growth of palms and fruit. | <ul style="list-style-type: none"> Conduct soil subsidence management/ monitoring Conduct peat water table monitoring in planted blocks Conduct water and drainage management | <ul style="list-style-type: none"> Availability of subsidence data in HCVs Availability of subsidence data in planted areas Availability of water table data Efforts contributed to the maintenance of Green PROPER for KAL Gambut (water table) level is in accordance with Government requirements. |
| Isolation of wildlife in HCV areas | <ul style="list-style-type: none"> A decline in genetic health and long-term viability of the genetic pool | The impact is species-dependent. Some species can more easily disperse between HCV areas than others | The impact can be reduced over time, either when palms grow and wildlife move through planted areas, or when forest corridors and steppingstones are established in a landscape. | Impacts can be partially reversed by investing in improved ecological connectivity between forested areas and other areas of high biodiversity. | <ul style="list-style-type: none"> Development of forest corridors to connect separated areas and avoid animal isolation Replanting of riparian areas Maintaining natural forest trees within oil palm areas | <ul style="list-style-type: none"> Forest corridor in KAL and replanting of riparian areas In ANJA and SMM Availability of aerial photographs of corridors and riparian areas in all of ANJ concession areas The success of natural forest tree maintenance is indicated by the presence of migratory birds that use trees within oil palm areas as their transit place |

SAGO FOREST (ANJAP)

| Intervention | Potential Impacts | Extent of Impact | Duration of Impact | Reversibility of Impact | Impact Mitigation | Evidence/ Results |
|--|--|--|--|---|--|--|
| DIRECT IMPACTS | | | | | | |
| Selective harvesting | <ul style="list-style-type: none"> Sedimentation Reduced water quality Air and noise pollution Potential impacts are still being analyzed. | Throughout the sago area, except for conservation set-asides | Impact severity varies with the intensity of management (medium in harvested areas and low in areas under natural regeneration). | Impacts can be reduced through careful management. | <ul style="list-style-type: none"> Conducting standardized testing of ambient air and water quality as well as noise levels (2x/year) Monitoring wildlife species | <ul style="list-style-type: none"> The Company works together with accreditation bodies to monitor and test ambient air and water quality. In 2023, 2 tests were completed. Constant monitoring of wildlife species |
| INDIRECT IMPACTS | | | | | | |
| Waterway access increases the threat of illegal logging, hunting and poaching. | <ul style="list-style-type: none"> Increased hunting and unsustainable wildlife collection Illegal logging | Sago area | The threat of these impacts remains as long as the area remains open for use. | Awareness and enforcement can effectively mitigate this threat. | <ul style="list-style-type: none"> Conduct regular patrols to deter illegal logging activities Engagement with illegal loggers to provide opportunities for legitimate employment Engagement with local communities to raise awareness about the importance of biodiversity | <ul style="list-style-type: none"> Wildlife snares encountered on patrols have reduced. Efforts are on track, as indicated by the presence of species that are overhunted elsewhere (e.g., Hornbills, Magpie Robin, Hill Mynahs, Cassowary and Dusky Pademelon). |

Many of our plantations and estates are situated near conservation areas defined by the Ministry of Environment and Forestry's (MoEF) Protected Area System. Additionally, some locations are classified as protected areas by the International Union for the Conservation of Nature (IUCN). Our activities may impact biodiversity in both our development areas and our protected management areas, including High Conservation Value (HCV) areas, buffer zones, river systems, and any areas that are inhabited or traversed by wildlife.

Furthermore, our projects often lead to increased population and economic activity in the region, as new roads and other infrastructure improve access in rural areas. Associated lands and forests are cleared for residential areas and to make way for new agricultural activities, as well as logging, hunting, and poaching. While these developments can be positive for the local economy, they can have negative effects on biodiversity and carbon emissions.

Table 20. Proximity of Operational Sites to Protected Areas (304-1)

| Operational site | Province | Regency | Geo Location | | HGU Area (Ha) | Sector | Nearest Protected Area | IUCN Protected Area Category | Distance (km) |
|------------------|-----------------|--------------------------|--------------|-------------|---------------------------|----------|----------------------------------|------------------------------|---------------|
| | | | Lat | Long | | | National Legislation (MoEF) | | |
| ANJA | North Sumatra | North Padang Lawas | 1°28'07"N | 99°55'37"E | 9,465 | Palm Oil | Batang Gadis National Park | II | 57 |
| ANJAS | North Sumatra | South Tapanuli | 1°9'36"N | 99°9'16"E | 9,182 | Palm Oil | Siondop Protected Forest | - | adjacent |
| SMM | Bangka Belitung | East Belitung | 2°56'17"S | 107°52'57"E | 16,277 | Palm Oil | Senusur Sembulu Protected Forest | - | 4 |
| KAL | West Kalimantan | Ketapang | 1°26'49"S | 110°13'41"E | 10,920 | Palm Oil | Gunung Palung National Park | II | 2 |
| GSB | South Sumatra | Empat Lawang | 3°44'10"S | 102°45'28"E | 12,800 | Palm Oil | Nature Park Bukit Kaba | V | 15.4 |
| PPM | Southwest Papua | South Sorong | 1°54'15"S | 132°21'19"E | 32,025 | Palm Oil | Suabor Protected Forest | - | 3.5 |
| PMP | Southwest Papua | South Sorong and Maybrat | 1°50'17"S | 132°28'18"E | 22,678 | Palm Oil | Suabor Protected Forest | - | Adjacent |
| ANJ | Southwest Papua | Maybrat | 1°43'07"S | 132°32'33"E | 36,506 | Palm Oil | Suabor Protected Forest | - | Adjacent |
| ANJAP | Southwest Papua | South Sorong | 1°57'28"S | 132°13'50"E | 40,000 (IUPHHBK-HA Sagu)* | Sago | Suabor Protected Forest | - | adjacent |

Notes:

- IUPHHBK-HA: Izin Usaha Pemanfaatan Hasil Hutan Bukan Kayu - Hutan Alam (Business License for the Utilization of Non-Timber Forest Products – Natural Forest)
- IUCN Protected Area Categories are used to classify protected areas.
 - Category Ia : Strict Nature Reserve
 - Category Ib : Wilderness Area
 - Category II : National Parks
 - Category III : Natural Monument or Feature
 - Category IV : Habitat/Species Management Area
 - Category V : Protected Landscapes or Seascapes
 - Category VI : Protected Area with Sustainable Use of Natural Resources

Our Conservation Commitments (POJK51-F.10)

In line with our Sustainability Policy, ANJ is committed to the full protection and conservation of independently identified High Conservation Value (HCV) and High Carbon Stock (HCS) sites, as well as biodiversity within our planted areas, other areas within our land title borders, and areas surrounding our land title boundaries that are within our control or influence. This includes a commitment to avoid conservation areas and primary forests with high biodiversity. In our operations, peat ecosystems, riparian zones, and hilly areas with a slope grade of more than 40% are protected, and we are dedicated to their complete preservation.(304-1)

We adhere to all relevant rules and regulations relating to environmental protection and conservation. We have a Conservation Policy, along with procedures concerning HCV and HCS and protocols for the conservation of protected flora and fauna. In 2023, we launched a

comprehensive Biodiversity Strategy that underscores our deep commitment to biodiversity protection and management. This strategy presents a holistic approach designed to mitigate environmental impacts and foster positive outcomes for biodiversity across our operational areas and the broader landscape. It sets forth clear foundational principles, defines key success factors, and is supported by core programs aimed at achieving specific biodiversity targets. Our strategy is anchored by six fundamental principles, encapsulated by the acronym PLANET: promoting best practices, adaptive management, engagement and partnership, landscape-level approaches, natural values accounting, and time-based targets. These principles are instrumental in guiding our efforts to minimize the ecological footprint of our operations. We emphasize a mitigation hierarchy—aiming to avoid impacts where possible, minimize those that are inevitable, and seek opportunities to enhance biodiversity beyond our immediate operational boundaries. Key to the success of our biodiversity initiatives are specific, measurable targets. These include

maintaining stable populations of High Conservation Value (HCV) species, achieving zero human-wildlife conflict related to IUCN Threatened and Protected Species in line with Indonesian regulations, establishing a robust biodiversity monitoring program by 2025, and integrating biodiversity accounting into the reporting protocols of at least two business units by 2030. Each of these targets plays a vital role in tracking our progress and ensuring the sustainability of our biodiversity efforts. Additionally, our strategy incorporates the approaches of avoidance, minimization, restoration, and offset as outlined in our High Conservation Value (HCV)

Management's standard operating procedures (SOP). This structured approach ensures that our operations not only comply with environmental regulations but also implement sequential steps of the mitigation hierarchy in biodiversity conservation. We strictly prohibit the harvesting, poaching, and hunting of protected flora and fauna, as well as all rare, threatened, and endangered species. Hunting of unprotected and non-threatened species is only allowed when sustainable use or hunting principles are applied. This protocol must also be rigorously followed by our suppliers.

Table 21. Size and Location of Protected HCV Areas in Operational Sites [304-3]

| Operational site | Conservation area (ha) | Concession Area | | | % of total Concession Area |
|-----------------------|------------------------|-----------------|-----------|-----------|----------------------------|
| | | Nucleus | Plasma | Total | |
| ANJA | 391.67* | 9,465.00 | - | 9,465.00 | 4.13% |
| ANJAS | 1,464.03 | 9,182.00 | 157.50 | 9,339.50 | 15.68% |
| SMM | 1,381.31* | 16,277.00 | 948.00 | 17,225.00 | 8.02% |
| KAL | 3,973.73 | 10,920.12 | 2,958.12 | 13,878.24 | 28.63% |
| GSB | 1,373.00 | 12,800.00 | - | 12,800.00 | 10.73% |
| ANJ (Southwest Papua) | 36,505.93 | 30,515.75 | 5,990.18 | 36,505.93 | 100.00% |
| PMP | 17,131.74 | 18,860.30 | 3,818.11 | 22,678.41 | 75.54% |
| PPM | 27,374.32 | 26,570.70 | 5,454.48 | 32,025.18 | 85.48% |
| ANJAP | 8,150.00 | | 40,000.00 | 40,000.00 | 20.38% |

* Conservation areas were added at ANJA and SMM

As of 2023, ANJ has set aside a total area of 97,745.73 hectares for conservation within our concessions. These High Conservation Value (HCV) areas are managed in collaboration with local government, communities, conservation experts, and non-governmental organizations (NGOs) such as Yayasan Konservasi Indonesia and Tropenbos Indonesia. Our conservation initiatives are driven by objective expert assessments and aim to preserve, if not enhance, biodiversity and species richness in our conservation areas. In 2023, we continued efforts to develop specific biodiversity targets focusing on key species in our conservation areas, demonstrating our commitment to maintaining and improving the ecological integrity of these areas.[304-3]

A total of 2,446.73 hectares are areas outside the HGU (Right to Cultivate). As of the reporting date, an area of 2,330 hectares has been proposed to RSPO as a

compensation area to complete the RSPO Remediation and Compensation Procedure.

Our conservation area in North Sumatra, adjacent to a designated protection forest, encompasses riparian buffer zones and forested areas that provide habitat for the Sambar Deer, Great Argus Pheasants, and rare Nepenthes (pitcher plants). In Belitung, our conservation area primarily consists of riparian zones planted with forest and fruit trees, as well as the Balok forest, which is a habitat for the Tarsier, the world's smallest primate. We engage the local community in Belitung in managing the forest through initiatives such as forest patrols, ecotourism, and education.

Our conservation area in West Kalimantan is part of the Essential Ecosystem Area, where we collaborate closely with International Animal Rescue Indonesia, the Natural

Resources Conservation Agency of the Indonesian Government (BKSDA), and independent environmental researchers to protect the habitat of orangutans. According to the International Union for Conservation of Nature (IUCN) and the Indonesian Government, this area is home to at least eight protected mammal species, including Malayan sun bear, pig-tailed macaque, maroon leaf monkey, and orang utans.

In Southwest Papua, our surveys have identified more than 58 fauna and 25 flora species listed on the IUCN Red List, including rare orchid species and birds

such as the twelve-wired bird of paradise (*Seleucidis melanoleucus*). We actively seek collaboration with local governments and communities to ensure optimal conservation and biodiversity protection in the region. In 2022, we successfully obtained letters of support from the governments of South Sorong and Maybrat Regencies for our conservation initiatives. Additionally, we have established a joint commitment with local communities to manage and protect conservation areas, demonstrating our collective dedication to preserving the unique and diverse ecosystems of Southwest Papua.

Table 22. IUCN Red List and National Conservation List Species, by December 2023 (304-4)

| FAUNA | | | | | | | | | | | | | | |
|----------------|--|----|----|----|-----|----|-----|----|-------|------------------|----|-----|--------------------------|---------------------------------|
| Class | Total identified fauna species on the IUCN Red List (CR, EN, VU, NT, LC, DD, NE) | | | | | | | | Total | CITES (Appendix) | | | Protected under PP7/1999 | Protected under Ministry Decree |
| | CR | EN | VU | NT | LC | DD | NE | NA | | I | II | III | | |
| Actinopterygii | 0 | 0 | 1 | 1 | 28 | 1 | 2 | 11 | 44 | 0 | 0 | 0 | 0 | 0 |
| Amphibia | 0 | 0 | 0 | 0 | 23 | 1 | 0 | 7 | 31 | 0 | 1 | 0 | 0 | 0 |
| Arachnida | 0 | 0 | 0 | 0 | 1 | 0 | 3 | 2 | 6 | 0 | 0 | 0 | 0 | 0 |
| Aves | 1 | 6 | 20 | 54 | 443 | 0 | 2 | 13 | 539 | 8 | 87 | 0 | 155 | 132 |
| Chilopoda | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 2 | 0 | 0 | 0 | 0 | 0 |
| Clitellata | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 0 |
| Diplopoda | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| Gastropoda | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 0 |
| Insecta | 0 | 0 | 1 | 0 | 55 | 1 | 117 | 18 | 192 | 0 | 2 | 0 | 1 | 1 |
| Malacostraca | 0 | 0 | 0 | 0 | 2 | 1 | 0 | 0 | 3 | 0 | 0 | 0 | 0 | 0 |
| Mammalia | 4 | 16 | 17 | 10 | 46 | 4 | 1 | 9 | 107 | 15 | 34 | 3 | 31 | 39 |
| Reptilia | 1 | 3 | 7 | 1 | 90 | 2 | 0 | 7 | 111 | 0 | 36 | 0 | 8 | 8 |

| FLORA | | | | | | | | | | | | | | |
|----------------|--|----|----|----|-----|----|-----|-----|-------|------------------|----|-----|--------------------------|---------------------------------|
| CLASS | Total identified Flora species on the IUCN Red List (CR, EN, VU, NT, LC, DD, NE) | | | | | | | | Total | CITES (Appendix) | | | Protected under PP7/1999 | Protected under Ministry Decree |
| | CR | EN | VU | NT | LC | DD | NE | N/A | | I | II | III | | |
| Agaricomycetes | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 2 | 0 | 0 | 0 | 0 | 0 |
| Cycadopsida | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 1 | 2 | 0 | 2 | 0 | 0 | 0 |
| Gnetopsida | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 1 | 3 | 0 | 0 | 0 | 0 | 0 |
| Liliopsida | 0 | 2 | 0 | 1 | 40 | 5 | 120 | 45 | 213 | 0 | 78 | 0 | 7 | 1 |
| Lycopodiopsida | 0 | 0 | 0 | 0 | 1 | 0 | 2 | 3 | 6 | 0 | 0 | 0 | 0 | 0 |
| Magnoliopsida | 10 | 23 | 37 | 28 | 311 | 15 | 303 | 145 | 872 | 0 | 29 | 0 | 14 | 5 |
| Pinopsida | 0 | 1 | 1 | 1 | 2 | 0 | 1 | 1 | 7 | 0 | 0 | 0 | 0 | 0 |
| Polypodiopsida | 0 | 0 | 0 | 0 | 4 | 0 | 19 | 7 | 30 | 0 | 2 | 0 | 0 | 0 |

Table 23. Number of Threatened Species (IUCN Categories CR, EN, VU) Identified through Biodiversity Monitoring Activities

| | 2023 | 2022 | 2021 |
|--|------|------|------|
| Number of IUCN Red List Threatened Fauna Species | 77 | 80 | 71 |
| Number of IUCN Red List Threatened Flora Species | 74 | 53 | 39 |

We are actively engaged in reforestation projects in both High Conservation Value (HCV) and degraded areas to restore ecosystems and enhance biodiversity. In 2023, we reforested 80 hectares in riparian buffer zones as part of our replanting projects in North Sumatra. These areas were previously used for palm plantations, but during our replanting program, we opted to introduce forest plants to serve as a food source and habitat for wildlife. Additionally, we have reforested a total of 50 hectares at our KAL estate in West Kalimantan. [304-3]

In total, ANJ has successfully planted 10,502 native seedlings, covering an area of 48.05 hectares. These replanting activities span several of our operations, including ANJA and SMM, where a combined area of 33.08 hectares has been restored with 4,440 native seedlings. Specifically, 2,207 seedlings were planted across 10.75 hectares at SMM, while 2,233 seedlings were planted over 22.33 hectares at ANJA. [304-3]

Moreover, our commitment extends to ANJAS, where 1,930 native seedlings were planted across 3.4 hectares, and KAL, which saw the planting of 3,697 seedlings across 8.84 hectares. This initiative at KAL not only continues our 2022 program but also includes the enhancement of riparian zones, forests, and peatlands, highlighting our multifaceted approach to environmental conservation. Additional planting efforts were carried out at PPM and PMP, with 85 native seedlings planted over 0.49 hectares and 350 seedlings over 2.24 hectares, respectively. [304-3]

These replanting initiatives are a testament to ANJ's deep-seated commitment to environmental restoration and contributing to ecosystem health and diversity. By actively engaging in these efforts, we are not only promoting the sustainability of our operational lands but also ensuring the conservation of vital habitats, acting upon our responsibility towards the environment and future generations.

Further to our conservation initiatives, our biodiversity team lead biodiversity monitoring efforts, supported by our employees and local communities through field surveys and camera trapping. Species identification and recording are guided by the IUCN Red List, the Convention on International Trade in Endangered Species (CITES), and government regulations. Our conservation

initiatives are subject to third-party audits to ensure compliance. Audits conducted in 2023 confirmed that our conservation efforts align with RSPO and ISPO protocols.

In 2019, we launched the PENDAKI (Peduli Keanekaragaman Hayati or Care for Biodiversity) citizen science program to enhance our biodiversity monitoring efforts. The PENDAKI system encourages our employees to record any flora and fauna they encounter while working in our conservation and plantation areas. Since the program's launch, citizen scientists have submitted over 109,000 records. In 2023 alone, more than 800 new citizen scientists joined the program, bringing the total to 3,200 participants. Our PENDAKI program was recognized with the Outstanding Achievement Award at the RSPO Excellence Awards in 2022 for its exceptional contributions to conservation using innovative and creative methods. This award highlights the program's ability to facilitate biodiversity monitoring and management with minimal costs on a continuous, long-term basis.

Starting in 2023, the PENDAKI program is embracing digitalization through the development of the PENDAKI mobile phone application, which enhances the ease and efficiency of recording biodiversity observations. To raise awareness about species presence in our estates, we are utilizing social media to introduce these species to a wider audience. Additionally, we are creating flyers to familiarize people with the diverse species found in our areas. The PENDAKI website (www.pendaki.anj-group.co.id) was established to provide a comprehensive platform for information sharing and engagement. We have just recently introduced the "PENDAKI Champions" initiative, recognizing individuals who are especially active in reporting, consistent in submitting reports, and accurate in identifying species, complete with photos, locations, names, and other details. Out of the 3,200 PENDAKI observers, 60 individuals were selected as champions. These champions will take the lead in raising awareness about the significance of biodiversity within their respective regions. This program is voluntary, encouraging a sense of community and commitment among our employees and local residents in conservation efforts.

An encyclopedia of wildlife detailing the species encountered in our SMM and KAL estates was completed to further enrich our educational resources. We are currently working on developing similar encyclopedias for our sites in ANJAS.



FEATURE STORY

PENDAKI: REVOLUTIONIZING BIODIVERSITY CONSERVATION WITH CITIZEN SCIENCE



A group of Citizen Scientists participated in a training session on how to use the PENDAKI Champion application while walking along the Balok River in the SMM conservation area, East Belitung.

PENDAKI (Peduli Keanekaragaman Hayati – Caring for Biodiversity) stands as a cornerstone of our Responsible Development initiatives, embodying our unwavering commitment to preserving ecosystems and conserving nature. To be successful in this regard, we need to monitor wildlife population trends. Traditionally, biodiversity monitoring is achieved by conducting species counts within specific areas. However, for informed and adaptive plantation management, population-level monitoring proves far superior. Yet, this method demands extensive data collection, typically through resource-intensive methods such as widescale species surveys or camera trapping initiatives, all of which are costly and time-consuming.

At ANJ, we have embraced a more cost-effective and efficient approach rooted in citizen science: PENDAKI. Commencing in early 2019, PENDAKI has become a highly respected program garnering enthusiastic participation from our employees. Over the past two years, external interest has also increased as we amplified communication surrounding the tangible outcomes and advantages of a citizen science-based biodiversity monitoring approach within

the oil palm sector. Over the past four years, the PENDAKI system has yielded over 109,000 wildlife observations of more than 600 reliably identified species. These achievements not only underscore the enhanced efficacy of biodiversity monitoring but also contribute significantly to heightening awareness of biodiversity values among our employees.

In 2022, we commissioned an independent assessment to gauge participant perceptions of PENDAKI. The resounding sentiment was one of pride in contributing to a company committed to sustainable operations, with a profound dedication to biodiversity and environmental stewardship. Building on this feedback, we initiated collaboration with “PENDAKI Champions” – our most active citizen scientists who consistently record more than one observation daily. Sixty individuals at each of the six estates where PENDAKI operates were selected as Champions. Throughout 2023, we provided intensive training sessions, including a 4-day program at our Belitung Island training facility in May for our Conservation Staff, focusing on both theoretical foundations and practical application of the PENDAKI Champion approach. Additional training



FEATURE STORY



A PENDAKI Champion embraces digitalization using the PENDAKI Champion application to enhance the ease and efficiency of recording biodiversity observations

In November delved into statistical modelling techniques based on utilizing the R programming language, which is required for statistical computing to model results from PENDAKI. This training equipped our Head Office Conservation Team with transferable skills to support their ongoing professional development beyond their roles in supporting PENDAKI Champions.

In September 2023, the selected Champions started using our in-house smartphone-based application, developed by our Information dan Communication Technology (ICT) team, to record sightings of specific indicator species, providing invaluable insights into population dynamics crucial for tailoring estate management strategies to the unique needs of each species. The PENDAKI Champion app offers an intuitive platform facilitating the recording of high-quality statistical occupancy data for 25 pre-selected target species tailored to individual estates, including the Critically Endangered orangutans in our West Kalimantan plantation, tarsiers in Belitung, or birds of paradise in Southwest Papua. By automating location tracking and observation input, the app ensures data integrity, enabling accurate statistical analysis by our conservation

team. Real-time data uploads eliminate delays between recording and analysis, thereby allowing ANJ's conservation staff to continuously track species populations against time-bound biodiversity targets that reflect the management quality of our HCV areas and estates while effectively mitigating biodiversity threats. Gaining insight into the specific population dynamics allows us to tailor our estate management to the unique needs of each species to ensure their protection and conservation.

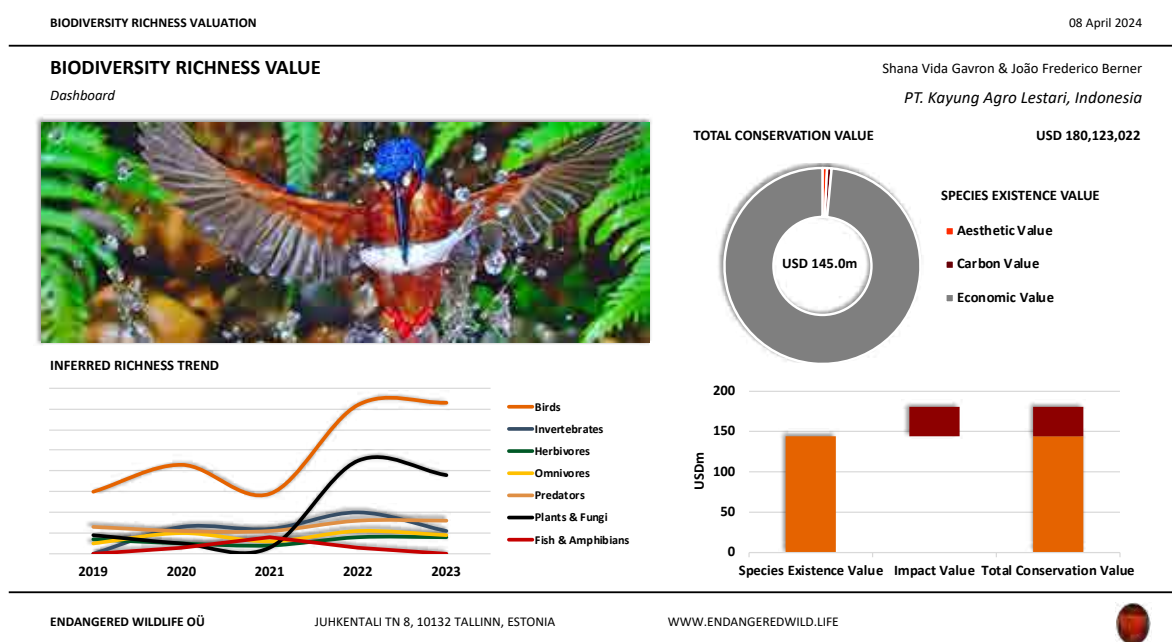
PENDAKI demonstrates that biodiversity monitoring and conservation do not have to be complicated. Despite being in its infancy, the app has already proven to be widely accepted and successful, with 84% of the PENDAKI Champions consistently recording observations. This dedication culminated in more than 4,500 observations logged within the app between September and December 2023. These early successes suggest a promising future for the PENDAKI Champion app. Developing our database through the addition of more species records will only improve its utility, which we believe will serve as further justification for others to adopt such an approach.

Table 24. Spending on the Conservation Department in USD

| Subsidiary | 2023 | 2022 | 2021 |
|-----------------------|----------------|----------------|----------------|
| ANJA | 7,007 | 6,080 | 3,471 |
| ANJAS | 21,804 | 24,186 | 39,628 |
| SMM | 26,604 | 8,008 | 4,566 |
| GSB | 166 | - | - |
| KAL | 61,647 | 25,642 | 26,389 |
| PPM | 13,844 | 9,898 | 3,866 |
| PMP | 21,392 | 36,441 | 25,904 |
| ANJ (Southwest Papua) | 53,162 | 32,278 | 319 |
| ANJAP* | - | - | 686 |
| Total | 205,628 | 142,533 | 104,828 |

Note: * There were no conservation activities at ANJAP in 2022-2023

Using Biodiversity Richness Valuation



A snapshot of KAL Biodiversity Richness Value dashboard

ANJ operates within one of the largest biodiversity hotspots in the world, Indonesia. Therefore, it is essential that our sustainability agenda recognizes the importance of and actively invests in biodiversity conservation initiatives. To justify ongoing and increased investment in conservation projects, it is essential that ANJ garners sufficient support from its shareholders and communities. A Biodiversity Richness Valuation, which assigns monetary value to biodiversity, serves this purpose.

In 2023, ANJ initiated its first extensive Biodiversity Richness Valuation, conducted by external evaluators

from Endangered Wildlife OÜ. This assessment utilized primary source data from PENDAKI, with information current as of December 2023. This was also the first time that an assessment of this kind was conducted for an oil palm plantation. The valuation was carried out for the KAL estate, located in Ketapang Regency, West Kalimantan, and has been presented as a report which calculates the Total Conservation Value of the estate in USD.

The metrics used to determine the Total Conservation Value are categorized into four dimensions. The first metric, Carbon Value, relates to the carbon stores within

the aboveground biomass of trees in the assessment area. Aesthetic Value is the intrinsic value of biodiversity generated by aesthetic appeal and improvements to the quality of life brought about by species richness and the natural environment; the value is calculated as the price a person is willing to pay for a product related to a species on e-commerce platforms. Economic Value comprises the direct contributions of biodiversity to the economy. Species Existence Value is the sum of Carbon, Aesthetic, and Economic Value, while Impact Value is the added value generated by increasing species richness through conservation projects, species management, and sustainability initiatives. The Biodiversity Richness Value Dashboard is presented below and shows various elements of the Total Conservation Value.

The Biodiversity Richness Valuation provided useful insights for ANJ and its sustainability agenda. Among the findings was the indication that the species richness among birds, plants and fungi at KAL significantly increased after 2021, while richness values of invertebrates, omnivores, herbivores, predators, fish and amphibians remained relatively constant in the period 2019-2023. The Total Conservation Value for KAL is estimated to be USD 180.1 million or USD 12,979/ha, of

which approximately 75% came from Species Existence Value, wherein Economic Value to more than ten sectors was the dominant contribution to the value. The remaining ~25% came from Impact Value, representing the added worth derived sustainably through species conservation and ecosystem management, factoring in various management practices and external influences. The Total Conservation Value was estimated at its present value using a discount rate of 6.6%. The value is not intended to represent a fair value for a buy and sell transaction, but rather represents the estimated value to society and the environment over the next 30 years, assuming the KAL plantation continues to be operated as currently practiced or improved, the KAL conservation areas continue to be managed with current practice or better, and the biodiversity therein continues to be protected.

The outcome of this assessment has provided ANJ with evidence of the significant value created by maintaining and enhancing the biodiversity within our estates and, importantly, the contribution it makes to the economy, society, and environment. By quantifying the financial value of flora and fauna, the Biodiversity Richness Valuation serves as a compelling rationale for protection, aligning conservation efforts with sound business principles. The integration of biodiversity management into corporate strategies presents a promising avenue for sustainable development and financial growth. The symbiotic relationship between natural biodiversity and commercial cost savings offers a pathway to enhanced returns for shareholders. By fostering the presence of beneficial species like snakes and birds of prey, companies like ANJ can capitalize on natural pest control mechanisms, reducing operational expenses.

From an investor's standpoint, implementing biodiversity management strategies adds a new dimension to investment value, aligning financial gains with social and environmental impact. Nevertheless, we believe that in the future there will be opportunities to reflect biodiversity's positive contributions in our financial reporting. The utilization of tools like the PENDAKI database allows for the quantification of biodiversity impact, positioning ANJ as a leader in transparent reporting and stakeholder engagement. Moving forward, we hope to utilize these findings to empower us to advance our sustainability agenda and conservation strategies with greater efficacy and measurability, especially in terms of monetary metrics.



The Pied Heron (*Egretta picata*) found in our concession in Southwest Papua.

Forest Management and Protection

Our Sustainability Policy encompasses the principles of 'No Deforestation, No Peat, and No Exploitation' (NDPE). We refrain from developing primary forests, focusing instead on their preservation. In line with RSPO protocols, areas independently recognized as High Carbon Stock (HCS) will not be cleared for oil palm planting. Any development of identified HCS areas related to legacy instances will strictly follow RSPO standards. These commitments are a crucial part of our strategy to minimize emissions from land-use changes and progress towards carbon neutrality.

To ensure that there is no deforestation in our sites, conservation areas, and those of our suppliers, we employ various monitoring methods:

- Socialization with surrounding communities to raise awareness and foster collaboration in conservation efforts.
- Conducting area-wide drone mapping at least once a year to assess land use and detect changes.
- Drone mapping of specific areas of interest when questions arise or incidents occur, providing targeted insights.
- Real-time hotspot satellite monitoring, as performed by RSPO and other stakeholders, to detect potential fire occurrences.
- SMART Patrol Method: Our security guards patrol our planted area and the area inside our borders, while our conservation area is patrolled by our conservation personnel and well-trained security guards.
- Analytical productivity evaluations for each smallholder provider to assess plausibility of no deforestation. If results are questionable, ground checks, including drone mapping, are conducted.
- Continuous satellite monitoring provided by Global Forest Watch, combining GLAD (Global Analysis and Discovery) and RADD (Radar for Detecting Deforestation) systems to identify deforestation within our specified area of interest. The system alerts us to potential deforestation, triggering field investigations. The total area covered by this system is 995,200 hectares, with a coverage radius of 10 kilometers from our area boundaries.
- Satellite images obtained from Landsat and Sentinel 1&2 are processed using algorithms developed by ANJ in cooperation with experts from the University of Amsterdam.
- Involvement of environmental officials and police to combat illegal logging, poaching and land clearing by fire (slash and burn practices) and careless behavior that may result in forest fires.

- Legal action against illegal loggers, poachers, traders of endangered animals or other activities posing environmental risks.

We are committed to restoring any deforestation or forest land conversions that occur in our area after January 1, 2019, the date we committed to halting deforestation in our operations. This commitment was later formalized in our Sustainability Policy, dated October 31, 2020. We also support and expect our Fresh Fruit Bunch (FFB) suppliers, particularly corporate suppliers, to adopt the same commitment and adhere to the same cut-off date. Additionally, we encourage and expect our third-party FFB smallholder suppliers to cease any illegal deforestation and land conversion since December 31, 2020. Should they fail to meet this requirement, we will discontinue purchasing their FFB.

A study and an independent reassessment revealed that 2,958.51 hectares of High Carbon Stock (HCS) area at SMM, PMP and PPM were cleared for oil palm development between January 1, 2016, and December 31, 2018. In response to this loss, we initiated our HCS Recovery Plan in April 2020. As part of this plan, we designated a consolidated block of 3,518 hectares in one of ANJ's concessions in Southwest Papua as a recovery site and a form of remediation. In 2021, we added 8.3 hectares of forest to this block. In 2022, we successfully obtained formal support from the government of Maybrat Regency to carry out our HCS Recovery Plan. Throughout 2023, diligent oversight of these initiatives persists, aiming primarily to rehabilitate and enrich the biodiversity of the assigned recovery area, significantly contribute to the absorption of carbon and develop a replicable sustainable conservation framework. [\[13-4-4\] \[304-3\]](#)

We adhere to the precautionary principle in all our operations. The Roundtable on Sustainable Palm Oil's (RSPO) New Planting Procedure (NPP) mandates the completion of various studies and verification activities before the establishment of new oil palm plantations. These include the Social and Environmental Impact Assessment (SEIA), High Carbon Stock Approach (HCSA) assessment, Land Use Change Analysis (LUCA), soil suitability survey and Greenhouse Gas (GHG) emissions evaluations, all of which are conducted by external and independent specialists. The results of these assessments must be reported to the RSPO before any new development commences. We commit to developing only low-risk areas, while high-risk areas are set aside for conservation purposes. [\[2-23\]](#)

Additionally, before any land clearing and planting can occur, an assessment and approval of High Conservation Value (HCV) areas, through the High Conservation Value Resource Network (HCVRN), is required. Independent HCV assessors, who are accredited by the HCVRN's Assessor Licensing Scheme (ALS), evaluate these areas. The Roundtable on Sustainable Palm Oil (RSPO) mandates that assessors are accredited by the HCVRN's ALS. This requirement extends to all our vendors, ensuring a consistent and rigorous approach to the identification and protection of HCV areas in our operations and supply chain. (304-3)

As of January 1, 2016, we do not initiate new activities on peatlands of any depth, and any newly identified peatlands within our undeveloped concession areas are immediately designated as conservation zones. This policy aligns with the Roundtable on Sustainable Palm Oil (RSPO) regulations and the Principles & Criteria of November 15, 2018, which prohibit the development and mandate the sustainable management of peatlands. Government regulations also require that peatlands be managed as High Conservation Value (HCV) areas due to their environmental functions and significance in the absorption of greenhouse gas (GHG) emissions.

However, peatland areas planted prior to 2016 remain operational at our ANJAS and KAL estates. Together, these estates encompass 9,606.3 hectares of peatland, representing 48% of the total plantation area. We have voluntarily conserved 657 hectares of peatland in KAL and 200 hectares in ANJAS. The remaining areas were planted before the implementation of the peatland regulations and are managed in accordance with RSPO best practices, under strict government regulations and oversight.

We employ stringent water management and control systems in our peatland areas to maintain stable water levels and prevent peat bogs from drying out or flooding. These systems include water gates, stop bunds, closed canals, and monitoring wells. Peat mounding is also utilized to prevent plants from becoming waterlogged. Effective water management in our peatland areas is crucial for reducing the risk of fire, minimizing peat oxidation, and preventing ground subsidence, thereby contributing to the overall health and sustainability of these ecosystems.

Fire Management and Prevention

Wildfires present a significant threat to our palm oil crops, especially during prolonged droughts or *El Niño* events, leading to substantial financial and environmental impacts, as well as high levels of

greenhouse gas emissions. These fires are often ignited by slash-and-burn land clearing practices still employed by some businesses, smallholder farmers, and local communities. Fires originating outside our operational boundaries can quickly spread and encroach upon our areas. Additionally, vegetation fires can occur in the planting areas of our smallholder suppliers, further emphasizing the need for vigilant fire prevention and management strategies across the entire supply chain.

Our Sustainability Policy is committed to Zero Land Burning, in line with current laws and regulations, as well as the standards set by the RSPO, ISPO and ISCC. We also implement a stringent selection process for our suppliers to ensure that they adhere to the RSPO and ISPO criteria in their operations. Our objective for forest fire prevention and management is to have no fires in our concession, plasma and conservation areas.

We conduct fire risk assessments based on historical data and perceived vulnerability to identify areas with high fire risk. Based on this assessment, our Ketapang, West Kalimantan (KAL) operation has been designated as a priority for fire prevention and management. However, ongoing demographic and economic growth, coupled with global warming, increases the risk of fire in other operations, such as ANJAS, followed by PPM, PMP, ANJAP, SMM and ANJA, in order of risk level.

Based on the results of our fire risk assessment, we have developed an Integrated Fire Management (IFM) system, which is a cross-departmental and fully integrated approach encompassing prevention, mitigation, preparedness, early detection action, and response. As forest fires are most commonly caused by human activities, our primary focus is on prevention and mitigation strategies. To this end, we conduct community socialization efforts to raise awareness about fire safety and risks. Additionally, we invest in community development initiatives to transition people away from slash-and-burn farming practices, aiming to minimize the occurrence of uncontrolled forest fires, particularly during drought seasons.

For early identification of fire hotspots, we utilize satellite-based monitoring, complemented by local monitoring through fire towers and Unmanned Aerial Vehicles (UAVs). The Integrated Fire Management (IFM) system not only monitors hotspots but also provides daily, weekly, and monthly fire hotspot prediction reports to our estates. As part of our fire preparedness measures, we maintain a fully trained Rapid Response team on standby to address fire occurrences when fire warnings are detected. Additionally, we have established an incident management team (IMT), which is activated as soon as an issue is reported, ensuring a swift and coordinated response to fire incidents.



Fire drill for employees and local communities around our Southwest Papua (PPM) operation.

To complement this, we also have firefighting systems installed across all our estates. Each location is not only furnished with its own team of trained and professional firefighters, but also with a range of specialized equipment including fire engines, and portable water pumps. Some specific estates also have rubber boats for rapid and efficient response capabilities. Moreover, ANJ adheres to stringent safety standards for all firefighting gear, ensuring the safety of both our personnel and the communities we serve. In line with our commitment to community welfare, our firefighting capabilities and resources often extend beyond our premises, assisting in combating flooding and other emergencies in surrounding communities, showcasing ANJ's dedication as a responsible community partner.

To ensure the sustainability of our fire management measures, we actively involve stakeholders and local communities in the process. This involvement is facilitated through the smallholder farmer firefighting groups (Kelompok Tani Peduli Api/KTPA) and the *Desa Mandiri* programs, which offer financial incentives to villages that implement fire prevention and management efforts. Additionally, we collaborate with local authorities, communities, and law enforcement agencies, including police and military forces, as well as local fire brigades that have received specialized training from the Ministry of Environment and Forestry's *Manggala Agni* trained

forest fire brigade. This comprehensive approach ensures coordinated and effective fire management, with the support and participation of the broader community.

Prolonged drought significantly increases the risk of forest fires, posing a substantial threat to ecosystems and communities. Despite these challenges, ANJ has successfully prevented forest fires within our areas in 2023. Our comprehensive strategy, which integrates technical mitigation measures, community empowerment initiatives, and data-driven monitoring, has been instrumental in effectively addressing and mitigating this threat. Even amidst projections indicating a potential increase in the intensity of the current *El Niño* in the future, we remain hopeful that we can persist in operating our business while safeguarding our natural resources.

PRIORITIZING RESPONSIBLE WATER MANAGEMENT

“

WE ACKNOWLEDGE THE IMPORTANCE OF RESPONSIBLE WATER MANAGEMENT, AS WATER IS A LIMITED, SHARED, AND ESSENTIAL RESOURCE. THE COMMUNITIES SURROUNDING OUR OPERATIONS RELY ON WATER FOR IRRIGATING THEIR CROPS AND MEETING THEIR DAILY SANITATION AND DRINKING NEEDS. THEREFORE, IT IS CRUCIAL TO ENSURE THAT THE WATER WITHDRAWN FOR OUR COMMERCIAL ACTIVITIES DOES NOT COMPROMISE THE ACCESS OF LOCAL COMMUNITIES AND STAKEHOLDERS TO POTABLE WATER.”





Water reservoirs in KAL serve as protective barriers in wildfire risk management as well as for drip fertigation purposes

Furthermore, wastewater and effluents from our operations must not contaminate the water used by the local community. Water scarcity or contamination can lead to social conflicts within or between local communities and our company, highlighting the importance of sustainable water management practices in maintaining harmony and ensuring the well-being of all stakeholders.

Our Sustainability and Environmental Policies include commitments to ensure that adequate, high-quality water is available for our operations and, more importantly, the surrounding communities and stakeholders. We have set a goal to achieve a water intensity of 1 ton of water per ton of Fresh Fruit Bunches (FFB) processed. In 2023, our water intensity per ton of FFB processed was 0.97 tons (or cubic meters) of water. (POJK51-F.8, 303-1)

In pursuit of comprehensive and strategic water management solutions, ANJ has undertaken the construction of water reservoirs in the KAL area, which are interconnected by canals to enhance wider access to water sources. This project serves multiple critical purposes: it acts as a preventive measure against fires, plays a vital role in conservation efforts and serves as a reliable source of water for the Company and surrounding communities. This initiative is a key component of our holistic strategy designed to mitigate the adverse effects of the *El Niño* phenomenon. By ensuring the availability of water, we aim to effectively counteract the extended periods of drought brought about by *El Niño*, thereby safeguarding our ecosystems and supporting the communities dependent on these water resources. This approach underscores our commitment to sustainable environmental stewardship and our proactive measures to address the challenges posed by climate change. (POJK51-F.8)

Table 25. Water Intensity (Palm Oil) (POJK51-F.8)

| Year | Water Usage (M³) | M³/Ton FFB | M3/Ton CPO | Improvement compared to base year of 2020 | |
|------|------------------|------------|------------|---|-----------------------------|
| | | | | Water intensity per ton FFB | Water intensity per ton CPO |
| 2023 | 1,334,672 | 0.971 | 4.71 | (16.27)% | (17.02)% |
| 2022 | 1,492,747 | 1.088 | 5.41 | (6.23)% | (4.53)% |
| 2021 | 1,384,622 | 1.090 | 5.27 | (6.03)% | (7.05)% |

Currently, our monitoring and reporting of water impacts are focused exclusively on our Palm Oil business unit, where this issue is considered material. Water usage in our sago and edamame units, as well as in our residences and offices, is not included in this report. [303-1]

Our sole source of water is fresh surface water with total dissolved solids below 1,000 mg/L, which comprises surface water, rainfall reservoirs, and rainwater harvesting. All our freshwater is extracted from surface water sources, primarily rivers, that can

sustainably supply our mills and factories. To monitor and measure our water withdrawal, we have installed flowmeters across our locations. This requires oversight and control beyond our jurisdictional limits and highlights the necessity for a landscape-level approach to environmental and ecosystem management. After use, the wastewater is discharged into surface water in compliance with regulatory requirements or in the case of Palm Oil Mill Effluent, (POME), it is treated and reused. [POJK51-F.8,303-1, 303-2]

Table 26. Total Water Withdrawal, Discharge and Consumption (in megaliters per year) [303-3, 303-4, 303-5, POJK51-F.13]

| Year | Total withdrawals | Accumulated at WTP & Distribution for Domestic | Water Usage | | |
|------|-------------------|--|----------------------------|--|-----------------|
| | | | Consumption for processing | Consumption for Compost and land application | Total Discharge |
| 2023 | 3,012.07 | 1,677.40 | 279.52 | 851.37 | 203.79 |
| 2022 | 2,452.43 | 959.68 | 694.37 | 735.21 | 63.17 |
| 2021 | 2,156.85 | 772.23 | 478.84 | 898.29 | 7.50 |

We ensure the availability of water and assess the capacity of watersheds to maintain normal water flow and manage any changes in water levels. Annually, we examine water availability in the river basins of all our operating sites as part of our business risk review. This risk assessment helps in formulating short- and long-term strategies for water management and addressing challenges posed by extreme weather conditions. We also consider the overall trends and risks related to water at the national level. Based on these insights, we develop and implement a comprehensive mitigation strategy, which includes water catchment in arid areas and the construction of water gates to minimize flooding. [303-1]

According to the World Resource Institute's Water Risk Atlas, all of our locations are situated in regions that are classified as having a low risk of water stress. This

indicates that our operations are currently not in areas that are prone to significant water scarcity or supply challenges. [303-1]

The ratio of total water withdrawals to renewable water supplies at most of our locations is below 10%, indicating a low risk of water stress. However, at our vegetable unit, GMIT, the ratio falls within the range of 20-40%, which signifies a medium risk of water stress. Based on this assessment, we have concluded that none of our regions are currently experiencing water stress or are at a high to extremely high risk of water stress. This information is crucial for our water management strategies and helps us ensure the sustainable use of water resources in our operations. [303-2]



A Staff monitors water flow in the water tank at our palm oil mill.

To mitigate the risk of water pollution, we implement several measures [POJK51-F.14]:

1. Wastewater Treatment: We treat our wastewater discharge in treatment plants to ensure that it meets regulatory quality standards before being released into the environment.
2. Controlled Landfills: We construct controlled landfills, with no open dumping, located far away from water sources to prevent contamination.
3. Fertilizer Application: We enforce the sensible application of fertilizers to avoid runoff, which can lead to water pollution.
4. River Buffer Zones: We avoid planting in river buffer zones to prevent erosion and runoff that could contaminate water bodies.

To preserve water quantity, we undertake various water conservation efforts:

1. Reservoirs and Rainfall Collection: We build reservoirs and implement rainfall collecting systems to store water for use during dry periods.
2. Water Reuse: We reuse water in our production process wherever possible to reduce the need for freshwater withdrawals.
3. Protection and Maintenance of Water Sources: We protect and maintain water sources to ensure their sustainability and availability for future use.
4. Infiltration Wells: We create infiltration wells to maintain groundwater storage and recharge aquifers.

Our water management data collection method takes a comprehensive approach for better precision and efficiency. We start with daily/monthly logging of relevant data points as the basis of our monitoring. Monthly reporting helps us track trends and deviations from benchmarks. Despite manual data mining constraints, we continuously assess all data points for continuous improvement as we are aware that periodic data analysis provides deeper insights and helps us to have informed decisions and sustainable resource optimization. [303-1, 303-2]

These water management projects are executed independently by ANJ, demonstrating our commitment to responsible water use and the preservation of water resources. [303-2]

Our Fresh Fruit Bunch (FFB) suppliers are smallholder farmers who do not operate any water-consuming processing mills, and we believe that their water consumption from plant cultivation operations is not currently measurable or manageable. However, we actively promote best agricultural practices and sustainable palm oil principles to our independent smallholder farmers. This includes good water

management practices, such as avoiding planting on steep slopes or in flood-prone areas, in line with the Roundtable on Sustainable Palm Oil (RSPO) criteria. Furthermore, we engage local communities in efforts to maintain water quality by encouraging them not to pollute water bodies with domestic waste. By promoting these practices, we aim to ensure the sustainable use of water resources in our supply chain and surrounding communities. [303-1]

The discharge of water from mill processing is routinely measured in our operations, while the discharge of water from home consumption is currently neither measured nor estimated. Our standard approach to water discharge follows regulations set by regulatory agencies. In the absence of specific requirements from a regional government, we adhere to the standards established by the Ministry of Environment and Forestry and the Ministry of Health, taking into account the baseline from the Environmental and Social Impact Assessment (AMDAL) document for the specific area.

Reclaimed water is also required to meet strict regulatory norms and standards. By comparing water samples collected every 3 to 6 months to the baseline from the AMDAL evaluation, we ensure compliance with regulatory criteria and specifications, thereby maintaining our commitment to responsible water management and environmental stewardship. [303-2]

Within the ANJ Group, we operate six oil palm plantations, five of which have palm oil mills. During the milling process, in addition to producing Crude Palm Oil (CPO) as the primary product, we also generate Palm Oil Mill Effluent (POME), a liquid waste. POME contains nutrients essential for plant growth and has the potential to produce biogas, which can be converted into electrical energy.

After receiving technical approval from the government through a review process, POME is utilized as a source of plant nutrition in our plantation activities. The applied POME meets the required quality standards, including a Biological Oxygen Demand (BOD) of below 5,000 and a pH range of 6-9, ensuring its safe and beneficial use in our operations. We track the quality of water we release by assessing its Biological Demand (BOD), a metric that reflects the pollutant load, including substances like ammonia and nitrates, in the water. All water discharged by ANJAS adheres to quality criteria established by the environmental regulators, maintaining a BOD level of 100 mg/L. Our primary goal is to reduce the pollutant concentration even further, aiming for a level below the environmental compliance threshold of 95 mg/L. As of 2023, our BOD stands at 91 mg/L, demonstrating our progress towards surpassing regulatory standards. [303-2]

Among the palm oil mills in the ANJ Group, only the ANJAS mill discharges Palm Oil Mill Effluent (POME) into surface water bodies. In 2023, we used real-time monitoring through the installment of the SPARING system at the waste outlet before disposal. The SPARING system is an automated system for monitoring, recording, and reporting effluents, as required by the regulations of the Ministry of Environment and Forestry. (303-2)

In addition to monitoring wastewater characteristics, ANJ conducts monthly analyses of wastewater in an accredited laboratory. This practice ensures that our wastewater management complies with environmental standards and regulations, reaffirming our commitment to responsible environmental stewardship. (303-2)

Palm Oil Mill Effluent (POME) from our palm oil mills is processed in anaerobic effluent ponds. After treatment, the POME is discharged into final aerobic effluent ponds. In two of our concessions, this effluent is utilized for compost processing, while in the remaining concessions, it is applied to land to provide additional nutrients. In

2022, we initiated a trial to use geotubes to capture sludge from POME. The captured sludge has been tested and found to contain high nitrogen content, making it suitable for use as an organic fertilizer.

Before being discharged into surface water streams or ponds, domestic wastewater is treated at a wastewater treatment plant to meet regulatory quality standards. In some areas, non-polluting and non-contaminating domestic wastewater is released directly, without treatment.

Throughout 2023, all operating units maintained 100% compliance regarding water-related regulations, with no instances of non-compliance reported.

POME from our palm oil mill in SMM



A photograph of four women standing in a lush, green forest. They are all wearing identical full-body protective gear, including yellow hard hats, respirators covering their mouths and noses, yellow protective suits with blue sleeves, blue gloves, and black rubber boots. The suits have the text "PUSAT KEMAMPUAN KESELAMATAN KERJA" printed on the chest. They are holding long, thin poles or tools. The background is a dense forest with various types of trees and foliage.

PEOPLE



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OUR DIVERSE AND INCLUSIVE WORKFORCE



THE ANJ SUSTAINABILITY POLICY PLACES A SIGNIFICANT EMPHASIS ON THE WELL-BEING OF OUR WORKFORCE. WE PRIORITIZE THE HEALTH AND WELFARE OF OUR EMPLOYEES, STRIVING TO ENSURE THEY ARE PROVIDED WITH AN OPTIMAL WORKING ENVIRONMENT. THIS ENCOMPASSES A COMMITMENT TO MAINTAINING A SAFE AND HEALTHY WORKPLACE, WHERE EACH INDIVIDUAL IS APPRECIATED AND THEIR RIGHTS AS WORKERS ARE UPHELD."

Furthermore, we foster a culture that values continuous learning and personal development throughout an individual's career. Our dedication to these principles reflects our belief that the success of our organization is intrinsically linked to the well-being and growth of our employees.

At year-end, on December 31, 2023, ANJ's workforce totaled 9,943 individuals. Among this number, 8,337 workers, or 83.8%, of the workforce are male, while 1,606, or 16.2%, are female. The composition of our employment contracts reveals that 9,272 employees,

or 93.3%, hold permanent positions, indicating a strong core of long-term workers, whereas 671 employees, or 6.7%, are engaged through fixed-term contracts, offering flexibility and adaptability in our workforce management.

A closer look at our business segments shows a concentrated workforce distribution, with the palm oil sector employing the majority of our workers, 89.9%. This is followed by our frozen vegetable division, which accounts for 6.6% of our workforce. Our sago unit employs 2%, and the remaining 1.5% of our staff is spread across various other business segments and corporate offices, highlighting the diverse nature of our operations.







In addition to our direct employment figures, our operations are supported by 2,466 outsourced employees, an increase of 39% compared to that of last year. These workers support the Company's operations in security services, road, garden and housing maintenance, and seasonal plantation maintenance. It is noteworthy that, the bulk of our harvesting activities are carried out by our permanent workers, underscoring our commitment to providing stable employment in the communities where we operate. [2-8]

The Company is firmly committed to upholding fair labor practices, ensuring that all employees, regardless of gender, receive compensation that meets or exceeds the minimum wage as mandated by government regulations. This commitment encompasses every tier of our workforce, ensuring that even the entry-level salaries in each of our operational sites adhere to or surpass the government's established minimum wage. The ratio of the lowest employee salary across all operational areas to the regional minimum wage is 1:1 (100% compliance). By adhering to this principle, the Company not only complies with legal standards but also reinforces its dedication to the welfare and equitable treatment of its workforce. [13.20.1, POJK51-F.20]

Table 27. Total Number of Employees by Gender, Contract Type and Business Location in 2023 (POJK51-C.3.b)

| | Location | Female | | | Male | | | Grand Total |
|---------------------------------------|-----------------|------------|--------------|--------------|------------|--------------|--------------|--------------|
| | | Contract | Permanent | Total | Contract | Permanent | Total | |
| PT Austindo Nusantara Jaya Tbk. | Jakarta | 0 | 9 | 9 | 0 | 20 | 20 | 29 |
| PT Austindo Nusantara Jaya Boga | Jakarta | 1 | 0 | 1 | 4 | 0 | 4 | 5 |
| Regional Office Medan | North Sumatra | 3 | 31 | 34 | 5 | 62 | 67 | 101 |
| PALM OIL | | | | | | | | |
| PT Austindo Nusantara Jaya Agri | North Sumatra | 0 | 212 | 212 | 0 | 1,189 | 1,189 | 1,401 |
| PT Austindo Nusantara Jaya Agri Siais | North Sumatra | 0 | 202 | 202 | 0 | 1,068 | 1,068 | 1,270 |
| PT Sahabat Mewah dan Makmur | Bangka Belitung | 0 | 328 | 328 | 3 | 1,846 | 1,849 | 2,177 |
| PT Kayung Agro Lestari | West Kalimantan | 0 | 366 | 366 | 3 | 1,753 | 1,756 | 2,122 |
| PT Galempa Sejahtera Bersama | South Sumatra | 0 | 2 | 2 | 1 | 15 | 16 | 18 |
| PT Putera Manunggal Perkasa | Southwest Papua | 4 | 78 | 82 | 29 | 966 | 995 | 1,077 |
| PT Permata Putera Mandiri | Southwest Papua | 2 | 39 | 41 | 3 | 827 | 830 | 871 |
| SAGO | | | | | | | | |
| PT ANJ Agri Papua | Southwest Papua | 5 | 12 | 17 | 40 | 145 | 185 | 202 |
| EDAMAME | | | | | | | | |
| PT Gading Mas Indonesia Teguh | East Java | 294 | 18 | 312 | 274 | 72 | 346 | 658 |
| RENEWABLE ENERGY | | | | | | | | |
| PT Austindo Aufwind New Energy | Bangka Belitung | 0 | 0 | 0 | 0 | 12 | 12 | 12 |
| Grand Total | | 309 | 1,297 | 1,606 | 362 | 7,975 | 8,337 | 9,943 |

Table 28. Employee Composition (POJK51-C.3.b, 2-7)

| | | 2023 | | | 2022 | | | 2021 | | |
|----------------------|-------------------------------|---|---|--------------|---|---|--------------|---|---|--------------|
| | |  |  | Total |  |  | Total |  |  | Total |
| By Segment | Head Office Jakarta | 20 | 9 | 29 | 21 | 9 | 30 | 20 | 10 | 30 |
| | Palm Oil | 7,770 | 1,267 | 9,037 | 7,436 | 1,273 | 8,709 | 7,045 | 1,321 | 8,366 |
| | Sago | 185 | 17 | 202 | 244 | 14 | 258 | 218 | 12 | 230 |
| | Others | 362 | 313 | 675 | 290 | 271 | 561 | 227 | 165 | 392 |
| | Total | 8,337 | 1,606 | 9,943 | 7,991 | 1,567 | 9,558 | 7,510 | 1,508 | 9,018 |
| By Position | Director | 9 | 3 | 12 | 10 | 4 | 14 | 8 | 4 | 12 |
| | General Manager (GM) | 25 | 4 | 29 | 26 | 4 | 30 | 26 | 4 | 30 |
| | Manager | 203 | 25 | 228 | 202 | 27 | 229 | 191 | 29 | 220 |
| | Staff | 313 | 77 | 390 | 293 | 69 | 362 | 292 | 63 | 355 |
| | Workers | 7,787 | 1,497 | 9,284 | 7,460 | 1,463 | 8,923 | 6,993 | 1,408 | 8,401 |
| | Total | 8,337 | 1,606 | 9,943 | 7,991 | 1,567 | 9,558 | 7,510 | 1,508 | 9,018 |
| By Education | Doctoral Degree | 0 | 0 | 0 | 1 | 1 | 2 | - | 1 | 1 |
| | Master's Degree | 12 | 7 | 19 | 12 | 7 | 19 | 14 | 9 | 23 |
| | Bachelor's Degree | 652 | 168 | 820 | 596 | 136 | 732 | 524 | 123 | 647 |
| | Diploma | 122 | 48 | 170 | 122 | 52 | 174 | 116 | 46 | 162 |
| | Senior/Vocational High School | 3,038 | 565 | 3,603 | 3,064 | 483 | 3,547 | 2,877 | 410 | 3,287 |
| | Other | 4,513 | 818 | 5,331 | 4,196 | 888 | 5,084 | 3,979 | 919 | 4,898 |
| | Total | 8,337 | 1,606 | 9,943 | 7,991 | 1,567 | 9,558 | 7,510 | 1,508 | 9,018 |
| By Employment Status | Contract Workers | 362 | 309 | 671 | 370 | 276 | 646 | 1,037 | 226 | 1,263 |
| | Permanent Staff | 7,975 | 1,297 | 9,272 | 7,621 | 1,291 | 8,912 | 6,473 | 1,282 | 7,755 |
| | Total | 8,337 | 1,606 | 9,943 | 7,991 | 1,567 | 9,558 | 7,510 | 1,508 | 9,018 |
| By Age | Over 55 | 86 | 14 | 100 | 61 | 17 | 78 | 42 | 9 | 51 |
| | 41-55 | 2,137 | 628 | 2,765 | 1,886 | 539 | 2,425 | 1,695 | 489 | 2,184 |
| | 25-40 | 4,767 | 795 | 5,562 | 4,597 | 832 | 5,429 | 4,388 | 868 | 5,256 |
| | 18-24 | 1,347 | 169 | 1,516 | 1,447 | 179 | 1,626 | 1,385 | 142 | 1,527 |
| | Total | 8,337 | 1,606 | 9,943 | 7,991 | 1,567 | 9,558 | 7,510 | 1,508 | 9,018 |

Note: All personnel data are collected from each business unit based on headcounts at the end of the reporting period for storage and analysis at the Jakarta headquarters.

In 2023, ANJ experienced a notable expansion in its workforce, with the addition of 385 employees by the end of the year. This growth is primarily attributed to the recruitment of new workers for our palm oil operations in Southwest Papua, an area poised for heightened activity as the plantation is fully-matured. Additionally, our vegetable business unit has seen a considerable surge in employment figures. This uptick is linked to

the commencement of full commercial operations in 2021, signaling a strategic expansion of our activities in this sector. These developments are reflective of ANJ's ongoing commitment to scaling its operations and enhancing its production capabilities across different business units, aligning with our strategic goals, and responding to the evolving demands of our markets.

FAIR AND RESPONSIBLE RECRUITMENT PRACTICES

(13.20.1)



Our staff and harvesting workers in PMP, Southwest Papua.

ANJ has established a comprehensive and ethical recruitment policy that reflects the organization's commitment to integrity, fairness and respect for all individuals. This policy is designed to guide both internal recruitment practices and the selection of employment agencies used to recruit workers.

Key aspects of ANJ's recruitment practices include:

- **Ethical Recruitment Policy:** ANJ adheres to an ethical recruitment policy that emphasizes the fair treatment of all candidates and employees. This policy covers a broad range of practices to ensure compliance with ethical standards and legal requirements.
- **Recruitment Fees:** The policy clearly states that ANJ does not charge recruitment fees to job applicants. This practice ensures that employment opportunities are accessible to all individuals without financial barriers, promoting equal opportunity.
- **Identity Documents:** ANJ does not withhold any personal identity documents, such as passports or ID cards, by the Company or any employment agencies acting on its behalf.
- **Written Contracts in Understandable Language:** Under ANJ's policy, all workers are provided with written employment contracts in a Bahasa or dual language in Bahasa and English, where in general our employees understand the use of Bahasa in communicating. This practice ensures transparency

and clarity regarding the terms of employment, including roles, responsibilities and rights.

- **Application to Employment Agencies:** ANJ's ethical recruitment standards extend to any employment agencies engaged in recruiting workers on behalf of the Company. These agencies are required to comply with ANJ's policies and commitments, ensuring a uniform standard of ethical recruitment.
- **Addressing Non-Compliance:** ANJ has established mechanisms to identify and address instances of non-compliance with its recruitment policies and commitments. This includes regular audits, feedback channels for employees and applicants, and corrective action plans to remedy any issues identified. Non-compliance is taken seriously, with appropriate measures taken to prevent recurrence.

Through these practices, ANJ demonstrates its dedication to ethical recruitment, ensuring that all individuals are treated with dignity and respect throughout the recruitment process. The organization's approach not only aligns with legal and ethical standards but also contributes to a positive and inclusive workplace culture.

EMPOWERING EMPLOYEES' GROWTH AND SKILLS

[POJK51-F.22]



RECOGNIZING OUR EMPLOYEES AS OUR MOST PRECIOUS ASSETS, WE PLACE A SUBSTANTIAL EMPHASIS ON THEIR TRAINING AND CAREER ADVANCEMENT. OUR OBJECTIVE IS TO FACILITATE THE ENHANCEMENT OF THEIR SKILLS, SUPPORT THEM IN ACHIEVING THEIR PROFESSIONAL ASPIRATIONS AND ENSURE THEY EXCEL IN THEIR ROLES. TO THIS END, WE OFFER COMPREHENSIVE TRAINING AND PROFESSIONAL DEVELOPMENT PROGRAMS TAILORED TO MEET THESE GOALS. "

These initiatives commence from the moment a new employee joins the Company and continue throughout their tenure with us. This sustained investment in professional growth not only contributes to the personal development of our employees but also fosters a skilled and competent workforce, capable of driving the success and innovation of our operations.

As an organization that prides itself on having a diverse workforce, we understand the critical importance of ensuring equitable access to training programs. Inequities in training opportunities can significantly affect employee job satisfaction and contribute to a



higher rate of turnover. Moreover, such disparities in access can undermine the effectiveness of our talent management and succession planning efforts, leading to an unbalanced distribution of knowledge and skills across the Company. Consequently, it is our priority to guarantee that all employees, regardless of their role or level within the organization, have equal opportunities to participate in training and professional development programs. This is fundamental in fostering a culture of inclusivity and continuous learning, ensuring that every member of our team is empowered to reach their full potential and contribute effectively to our collective success.



Our vision is to cultivate a fair and inclusive working environment that not only encourages but actively supports the individual growth of every team member. This is implemented by providing employees with access to comprehensive training that equips them with both the hard skills required for their specific job functions and the soft skills necessary for effective communication, leadership and teamwork. Regular training sessions are designed to enhance employee motivation, foster loyalty and improve performance over time, thereby creating a positive feedback loop with mutual benefits for the individual and the Company.

We place a strong emphasis on self-development through self-learning initiatives, advocating for a culture of lifelong learning that empowers our employees to continually enhance their skills and knowledge. This approach not only aids in personal development but also aligns with our strategic goals by building the Company's capacity and leadership potential from within.

Promoting from within is a key component of our talent management strategy and, as such, we prioritize the development of our current employees over hiring new recruits. Targeted training and development programs are instrumental in this process, as they help to improve the competencies of our employees, facilitating their career progression while also bolstering the strategic and operational capabilities of the Company. Through these efforts, we aim to ensure that our workforce remains agile, skilled and prepared to meet the challenges of the future, reinforcing our commitment to both individual growth and organizational success. (POJK51-F.18)

Recognizing the pivotal role of training and education in both personal and professional development, we established the ANJ Learning Center (ALC) within a 17-hectare section of our Belitung operations in 2014. The ALC is a state-of-the-art facility, equipped with dedicated spaces designed for teaching and studying, a comprehensive library and accommodation facilities capable of hosting up to 80 individuals. While the primary focus of the ALC is to facilitate our internal training programs, we also extend its services to external parties. This includes offering the venue for training sessions, educational events and other developmental activities to our suppliers, business partners and the wider community. By doing so, we not only invest in the growth and development of our own employees but also contribute to the broader ecosystem in which we operate, fostering a culture of continuous learning and development that benefits all stakeholders involved.

Learning and Development Program

To ensure our employees' growth and development align with their personal goals and the Company's objectives, we offer targeted training programs. These programs are created based on a combination of assessments, which include the Company's needs, individual development

plans and job-level competency dimensions. Our training initiatives are designed to enhance job-specific technical competencies, develop soft skills such as leadership and communication and ensure compliance with both national and international industry standards.

The training provided by ANJ falls into five distinct categories:

- **Core training:** This foundational training is compulsory for all employees, encompassing essential knowledge about the Company's values, code of conduct and safety protocols. It aims to ensure that every team member understands and adheres to the principles and standards that define our corporate culture and operational safety requirements.
- **Technical training:** Focused on enhancing the technical skills and capabilities of our employees, this training is tailored to improve performance and proficiency in their respective roles. It covers a wide range of topics, from operational techniques to advanced technological applications, ensuring our workforce is competent and up to date with industry developments.
- **Soft skills training:** Recognizing the importance of collaboration within a corporate environment, this training aims to bolster teamwork, communication and organizational skills. It is designed to enhance employees' ability to collaborate efficiently both within the company and in interactions with external stakeholders, fostering a cohesive and productive work environment.
- **Leadership and supervisory program:** Targeted at nurturing the next generation of leaders within




the Company, this program prepares employees to assume leadership roles across various levels of the organization. It focuses on developing leadership qualities, decision-making capabilities and the ability to manage and inspire teams effectively, ensuring a robust leadership pipeline for the future.

- **Certification program:** Aimed at validating and standardizing the technical proficiency of employees in specific job functions, this program offers certifications that recognize the mastery of particular skills. It ensures that our workforce meets both the Company's and industry's standards of excellence, contributing to our overall competitiveness and quality of output.

Through these diverse training categories, ANJ is committed to nurturing a culture of continuous improvement and the aspiration of excellence. By investing in our employees' professional and personal development, we not only enhance their career prospects but also ensure that our organization remains agile, competitive, and capable of achieving its long-term goals.

Within our training program framework, the involvement of Company leaders and subject matter experts (SMEs) is integral to the success and effectiveness of our initiatives. These SMEs are individuals who have deep knowledge, skill and experience in a particular field or subject due to their educational background or related work experience in the field they master. Leaders and SMEs are entrusted with the critical responsibility of actively participating in the development of our team members and employees across the board. [\[404-2\]](#)

Table 29. Training Hours by Training Type in 2023 (POJK51-F.18)

| |  Technical Skills |  Soft Skills |  Certification | Total Training Hours |
|---|--|---|--|----------------------|
| By Employee Category | | | | |
| Non-staff | 15,454 | 3,937 | 1,336 | 20,727 |
| Staff | 16,237 | 5,489 | 2,069 | 23,794 |
| Manager | 1,184 | 1,480 | 472 | 3,136 |
| General Manager/Regional Manager/Group Head | 372 | 447 | 104 | 819 |
| Boards of Directors | 142 | 134 | - | 380 |
| By Gender | | | | |
| Male | 27,666 | 9,904 | 3,390 | 40,960 |
| Female | 5,721 | 1,583 | 591 | 7,895 |
| TOTAL | 33,388 | 11,487 | 3,981 | 48,855 |



An Estate Assistant Manager conducts a field training for all foremen, explaining how to plan harvesting to achieve the target.

A cornerstone initiative aimed at bolstering and enhancing the capabilities of our team members across all levels, from staff to general manager, is the Individual Development Plan (IDP). This program stands out for its structured and systematic approach to both technical and soft skill enhancement, tailored to the individual employee. What sets the IDP apart is its emphasis on facilitating direct interaction between employees and their supervisors, who provide mentorship and guidance to help participants elevate their job performance and attain their professional objectives. Additionally, the program is founded on the participants' Key Performance Indicators (KPIs), ensuring alignment with their personal goals. Each department is allocated a specific training budget, allowing for the flexibility to address its unique developmental requirements effectively. (404-2)

Moreover, since 2003, ANJ has conducted the Management Trainee (MT) Program, specifically crafted to nurture and develop future leaders within our organization. This program targets recent graduates who are entering the workforce, offering them the opportunity to gain valuable experience by placing them in various business units across Indonesia. The MT Program curriculum is balanced, emphasizing both soft and technical skills development. It employs a dual approach to learning, combining conceptual, in-class instruction with practical, on-the-job training experiences. This comprehensive method ensures that participants acquire a well-rounded skill set that prepares them for leadership roles within the Company. In 2023, the Management Trainee Program welcomed 20












new trainees, among whom three are women. This intake reflects our ongoing commitment to enhancing a diverse and inclusive environment that values and develops talent from varied backgrounds and perspectives. (404-2)

In 2023, we continued our Managerial Development Program (MDP), an array of training sessions designed for managers and assistant managers within the Company. The MDP is a systematic and thorough initiative aimed at bolstering a wide range of skills, including intrapersonal and interpersonal abilities, leadership qualities and business/management expertise. This program is developed to cultivate enhanced leadership capabilities, foster a collaborative work ethic and improve problem-solving skills. By focusing on these critical areas, the MDP ensures that managers and assistant managers are well-equipped to excel in their roles and meaningfully contribute to the Company's success. In 2023, 538 participants took part in the Managerial Development Program (MDP), amounting to a total of 3,142 man-hours of training. (404-2)

In addition to our MDP, we also run a Staff Development Program and Supervisory Development Program. In 2023, these programs saw the participation of 1,021 individuals, cumulating 5,437 man-hours of training.

Overall, in 2023, we achieved 48,855 hours of training, surpassing our target of 37,000 hours. Despite this success, there remain opportunities for further evaluation and improvement to ensure equitable access to our training programs and associated benefits.

Table 30. Average Training Hours by Gender and Employee Category (POJK51-F.18, 404-1)

| | 2023 | 2022 | 2021 |
|---|--------------|--------------|--------------|
| Non-staff | 2.23 | 4.06 | 2.50 |
|  Male | 2.11 | 4.39 | 2.62 |
|  Female | 2.88 | 2.38 | 1.90 |
| Staff | 61.01 | 52.56 | 68.90 |
|  Male | 66.19 | 53.86 | 71.33 |
|  Female | 39.97 | 47.03 | 57.67 |
| Manager | 13.75 | 33.21 | 27.37 |
|  Male | 14.41 | 35.28 | 28.19 |
|  Female | 8.42 | 17.72 | 21.95 |
| General Manager/Regional Manager/Group Head/Head | 28.22 | 41.88 | 25.47 |
|  Male | 28.14 | 45.83 | 21.12 |
|  Female | 28.75 | 16.25 | 53.75 |
| Boards of Directors | 31.67 | 16.79 | 7.58 |
|  Male | 22.22 | 14.00 | 5.75 |
|  Female | 60.00 | 23.75 | 11.25 |
| TOTAL | | | |
|  Male | 4.91 | 7.13 | 6.01 |
|  Female | 4.92 | 4.70 | 4.78 |
| GRAND TOTAL | 4.91 | 6.74 | 5.80 |

In August 2023, GMIT introduced a new initiative known as the Field Assistant Development (FAD) Program, intended to address the Company's need for field assistants. The program commenced with two batches, admitting 10 and 12 individuals, respectively, from the local population of GMIT's Jember area. This strategic focus on hiring from within the community not only aims to enhance staff retention but also leverages individuals' familiarity with the local environment, contributing to the program's effectiveness. The recruitment process for the program was thorough, involving steps such as administrative screening, psychological evaluations, Focus Group Discussions (FGD) and interviews. The first batch had 227 applicants, while the second had 748. The FAD's program structure includes two weeks of in-class training followed by 3.5 months of On-the-Job Training (OJT), culminating in a final assessment that covers both a Quality Improvement Project (QIP) and technical skills. Given its initial success, plans are already underway to replicate the program next year, reinforcing GMIT's commitment to developing skilled professionals within the community.

In 2023, the Executive Coaching Program was launched, targeting our senior leadership team. This exclusive program saw the participation of four General Managers (GMs) and one Director, spanning six months. A key

feature of this program was the utilization of neuromatic mapping, a cutting-edge technique designed to unlock the potential of individuals. This approach facilitated a deep dive into optimizing key leadership skills, including strategic thinking, leadership communication, strategic execution and management skills. The program's comprehensive curriculum and personalized coaching methodologies were aimed at honing the capabilities of our senior executives, ensuring they are well-equipped to navigate the complexities of their roles and drive the Company toward its strategic objectives. This program's successful completion in 2023 demonstrated our commitment to continuous leadership development and organizational excellence.

Our Company conducts a monthly Management Meeting, a platform where all Business Units come together to share and discuss updates related to staff training, development and career progression. This forum allows for the presentation of reports, the offering of suggestions, and the provision of inputs, especially those concerning performance issues that may require attention. Some examples of issues discussed in 2023 relate to the quality of training programs, knowledge gains, behavioral changes and the impact on Company performance and business success.

In addition to these evaluative measures, we actively collect data through employee questionnaires regarding their training experiences. This feedback is invaluable for assessing the program's reach and effectiveness and is instrumental in making necessary adjustments to ensure our training initiatives are aligned with both employee needs and organizational goals.

Employee Performance Evaluation (POJK51-F.18)

Our performance management system is meticulously crafted to support employees in assessing their performance against clear, quantifiable targets that correspond to ANJ's overarching corporate aims. This system unfolds in four distinct phases, ensuring a comprehensive and ongoing process of performance evaluation and development:

1. **Annual Performance Plans Initiation:** Each November, we produce annual performance plans. These plans are foundational to setting specific, measurable objectives for employees, aligning individual efforts with the broader goals of the Company.
2. **Monthly Performance Feedback:** To foster a culture of continuous improvement and communication, supervisors provide monthly performance feedback to their project group. This regular interaction ensures that employees receive timely insights into their performance, including areas of strength and opportunities for growth.
3. **Bi-semester Performance Evaluation Periods:** The system is structured around two main evaluation periods. The first semester spans from November to April and the second semester from May to October. These periods allow for a structured assessment of an employee's progress against their set goals, facilitating timely adjustments and recognizing achievements.
4. **Reward Management:** Following the evaluation periods, the system addresses reward management. This involves acknowledging and rewarding staff achievements through merit increases, incentives and the provision of development programs and career advancement opportunities. This phase is crucial for motivating employees, retaining talent and aligning individual successes with our corporate objectives.

Through these four phases, our performance management system plays a pivotal role in driving organizational success by ensuring individual performance is consistently aligned with and contributes to our corporate goals.

Our performance management framework incorporates a forced ranking system, where a dedicated committee conducts comprehensive evaluations of employees both within their respective teams and across different divisions of the Company. This rigorous assessment process occurs annually. ANJ's structured approach ensures continuous alignment with individual growth plans and provides targeted coaching to help employees achieve their professional objectives.

In the most recent reporting period, we achieved 100% of our employees, spanning all levels of the organization, underwent performance evaluations. This accomplishment underscores our commitment to maintaining a universal and equitable review process. An inclusive feature of our approach is that employees who joined our company towards the end of 2023 are also subject to a probation evaluation, ensuring a fair and comprehensive assessment for every team member regardless of their start date. These recent additions are scheduled to receive their first formal performance appraisal in the upcoming review cycle, aligning with our principle that every employee deserves a fair and objective assessment of their performance. This philosophy is central to our business approach, supporting both the career advancement and personal development of our workforce, and ensuring that all team members are recognized and developed in accordance with their contributions and potential. [404-3]

In 2023, our performance review system underwent a significant evolution with the upgrade of a Human Resource Information System (HRIS), marking a pivotal step in our digital transformation journey. This innovative, automated system revolutionizes how performance review processes are conducted, moving away from traditional, manual methods to a more streamlined, efficient digital approach. Through the newly upgraded HRIS, not only is the process simplified and made more accessible, but accountability is also more evenly distributed among employees. This shift encourages a greater sense of ownership over their performance evaluations, cultivating a culture of self-management and proactive engagement with personal and professional development. The implementation of the HRIS affirms our commitment to leveraging technology to enhance our operational efficiency and empower our workforce, ensuring that performance management is both effective and aligned with our future-oriented organizational goals. We are committed to ongoing improvement in this area, aiming to promote transparency, visibility, and fairness across all relevant HR practices within our operations.

CHAMPIONING DIVERSITY AND WOMEN'S EMPOWERMENT (POJK51-F.18)



ANJ FIRMLY UPHOLDS THE BELIEF THAT GENDER EQUALITY AND DIVERSITY ARE NOT ONLY FUNDAMENTAL ETHICAL PRINCIPLES BUT ALSO CRUCIAL COMPONENTS FOR ACHIEVING SUSTAINABLE DEVELOPMENT AND FULFILLING THE SUSTAINABLE DEVELOPMENT GOALS (SDGS), PARTICULARLY GOAL 5 ON ACHIEVING GENDER EQUALITY AND EMPOWERING ALL WOMEN AND GIRLS. WE RECOGNIZE THE INTRINSIC VALUE OF DIVERSITY AND EQUAL OPPORTUNITY, ESPECIALLY IN TERMS OF WOMEN'S EMPOWERMENT AND UNDERSTAND THEIR PROFOUND IMPACT ON THE OPERATIONS OF THE ANJ GROUP."

Diversity within our workforce serves as a catalyst for optimizing company performance, as it brings a multitude of perspectives from different genders and groups to the forefront. This inclusivity fosters an environment where employees are encouraged to share their ideas and support one another, driving innovation and problem-solving. By providing the necessary support and encouragement, we are committed to enhancing the competencies of our female employees, thereby not only facilitating their career success but also contributing to the overall performance and growth of the Company.

The effectiveness of our commitment to gender equality can be observed in the leadership structure of our organization, where 25% of directorial positions



Implementing women empowerment initiatives to increase economic welfare, including through farming, supporting both individual growth and community development

within the Group are held by women. This significant representation of women in managerial and senior management roles shows our dedication to creating a balanced and inclusive workplace.

We strongly believe that empowering women extends beyond the corporate environment, having a ripple effect on the broader economy and societal welfare. As women gain autonomy and the ability to contribute to family income, through taking ownership of their craft, there is a notable enhancement in the overall well-being of families. This approach aligns with our vision of supporting a sustainable, inclusive, and equitable future for all members of the communities we serve.

Table 31. Percentage of Employees in Each Employee Category by Age (405-1)

| Employee Category | 2023 | | | | 2022 | | | | 2021 | | | |
|----------------------|-------|-------|-------|---------|-------|-------|-------|---------|-------|-------|-------|---------|
| | 18-24 | 25-40 | 41-55 | Over 55 | 18-24 | 25-40 | 41-55 | Over 55 | 18-24 | 25-40 | 41-55 | Over 55 |
| Director | - | - | 58% | 42% | - | - | 57% | 43% | - | - | 75% | 25% |
| General Manager (GM) | - | 17% | 76% | 7% | - | 20% | 73% | 7% | - | 27% | 63% | 10% |
| Manager | - | 51% | 43% | 6% | - | 50% | 43% | 7% | - | 58% | 39% | 3% |
| Staff | 18% | 62% | 20% | 1% | 16% | 63% | 20% | 1% | 16% | 66% | 18% | 0% |
| Non-Staff / Workers | 16% | 56% | 28% | 1% | 17% | 57% | 25% | 1% | 18% | 58% | 23% | 1% |

Our Sustainability Policy embodies a vision to nurture a workplace that is not only conducive to growth but is also characterized by harmony and inclusivity, free from divisiveness. At the heart of our commitment lies a strong emphasis on diversity and gender equality, principles we steadfastly uphold across our operations. We firmly believe that every employee, irrespective of their gender, race or religious beliefs, should have unfettered access to opportunities that allow them to realize their full leadership potential.

To this end, we ensure equality in employment practices, compensation, bonuses and access to training opportunities. Our promotion processes are meticulously designed to be free from bias or discrimination, nurturing a culture where merit and

capability are the sole determinants of advancement. We particularly encourage women to participate fully in the workplace and to pursue leadership roles with confidence, recognizing their invaluable contributions to our success.

Operating in Indonesia, a nation celebrated for its rich tapestry of cultural, ethnic and religious diversity, we are keenly aware of the importance of creating an environment where every individual feels valued and respected. Our efforts are aimed at ensuring no one within our company feels marginalized or subjected to discrimination. To date, we have not identified any groups or minorities within our organization that are particularly vulnerable to discrimination. (405-1)

Table 32. Percentage of Employees in Each Employee Category by Gender (405-1)

| Employee Category | 2023 | | 2022 | | 2021 | |
|----------------------|------|--------|------|--------|------|--------|
| | Male | Female | Male | Female | Male | Female |
| Director | 75% | 25% | 71% | 29% | 67% | 33% |
| General Manager (GM) | 86% | 14% | 87% | 13% | 87% | 13% |
| Manager | 89% | 11% | 88% | 12% | 87% | 13% |
| Staff | 80% | 20% | 81% | 19% | 82% | 18% |
| Non-Staff / Workers | 84% | 16% | 84% | 16% | 83% | 17% |

Our aspiration to fostering gender equality and empowering women within our organization is underscored by our commitment to the Women's Empowerment Principles (WEPs). In January 2021, we solidified this commitment through a CEO Declaration of Support for the WEPs, a pivotal step towards enhancing our policies and practices related to women's empowerment. The Women's Empowerment Principles offer a comprehensive framework for businesses to promote gender equality and strengthen women's empowerment across three critical areas: the workplace, the marketplace and the broader community.

By aligning with the WEPs, we not only reaffirm our dedication to creating an equitable environment but also gain access to a valuable platform for collaboration and learning. This platform allows us to network with organizations and individuals who share our commitment, exchange experiences and insights and discover successful strategies that elevate women in leadership roles. Engaging with the WEPs enables us to continuously evaluate and improve our efforts to empower women, ensuring that our practices not only support but also actively promote gender equality within our company and beyond.

Gender Committee

Our Company is dedicated to promoting gender equality, with a Gender Committee established in each subsidiary to focus on enhancing women's working conditions and fostering awareness around women's empowerment, protection, and childcare. In 2022, we standardized committee structures across our plantation units and introduced dedicated programs and budgets to support their activities. Additionally, a central Gender Committee at our head office, consisting of Directors, GMs, Managers and employees from various departments, reinforces these efforts, ensuring a unified and effective approach to gender equality across the ANJ Group.

The Gender Committee serves as a vital communication platform within the Company, addressing gender-related issues and ensuring the inclusion of female perspectives in a predominantly male environment. It advocates for necessary facilities, like nursing rooms and spearheads initiatives on women's empowerment and childcare. With 241 members across eight committees in the Group, it plays a critical role in safeguarding against discrimination, harassment and sexual violence, particularly in our labor-intensive operations in remote areas.

To combat harassment, the committee is proactive in monitoring, reporting, and investigating incidents, collaborating closely with Values Champions and receiving robust support from ANJ's senior management and Values Guardians. Further, during visit to each operational site. Commissioners, the CEO, and the

Sustainability Director dedicate their time to meet with Value Champions, LKS Bipartite (attended by representatives from workers and the company), and the Gender Committee. These meeting facilitate direct dialogue with these groups to discuss progress, as well as any obstacles or challenges, allowing top management to offer support where needed.

Complaints of discrimination, harassment or sexual violence can be reported through multiple channels, including the LKS Bipartite, Human Resources and the anonymous Whistle Blower System, ensuring prompt action and resolution. Our Human Resources Officers are dedicated to ensuring that all contractors adhere to legal standards and protect the rights of their employees; maintaining a safe and respectful workplace for all.

Within this context, in 2023, GMIT took a significant step towards reinforcing its commitment to gender equality by establishing a Gender Committee.

This pivotal move was complemented by the introduction of new policies aimed at advancing gender equality across the ANJ Group. These policies include comprehensive protocols for child protection, ensuring a safe and nurturing environment for all children within the purview of the Company's operations and activities. Additionally, protocols for grievances were established, providing a structured and empathetic approach to addressing concerns related to gender equality and other related issues.

Table 33. Ratio of Basic Salary and Remuneration of Women to Men, ANJ Group (405-2)

| Employee Category | Median | Mean |
|--|-------------|-------------|
| | Ratio (F/M) | Ratio (F/M) |
| Directors | 0.86 | 0.71 |
| General Manager and Head of Department | 1.17 | 1.29 |
| Assistant Manager - Manager | 1.00 | 0.95 |
| Staff | 0.93 | 0.90 |
| Non-Staff | 0.68 | 0.92 |

Notes: The significant location of the operation is defined as the whole ANJ Group as stated on page 3.

Our remuneration policy is centered on providing equitable compensation to all employees, reflecting their competencies, roles and responsibilities, without regard to gender, race or religion. We recognize the challenges in demonstrating equal pay for roles that are uniquely held by a single individual (e.g., the sole position of President Director). Despite these challenges, we are dedicated to continually enhancing areas within our control. Part

of our actions regularly monitoring the compensation ratio between male and female employees to ensure fairness. Data indicates that, on average, both men and women receive similar salaries and remuneration within our company. However, we recognize that this situation is dynamic and subject to change with the fluctuating proportions of male versus female employees, and we remain vigilant in our efforts to maintain equality.

PROTECTING THE RIGHTS OF WORKERS AND CHILDREN



We always ensure workers' rights are safeguarded, enabling them to carry out their tasks with comfort and certainty.

We are acutely aware of the potential for forced and child labor within our operations and those of our suppliers. Recognizing the challenges in enforcing standards consistently on the ground, we acknowledge the associated risk of worker exploitation. In response, we prioritize the protection and upholding of labor rights throughout our entire operations. This commitment extends to suppliers under our direct control or operating within our concession areas, where we pledge to exercise stringent oversight and implement robust safeguards to actively safeguard the welfare of all workers involved. [408-1, 409-1]

Aligned with the principles and standards of the Roundtable on Sustainable Palm Oil (RSPO) and the Indonesian Sustainable Palm Oil (ISPO) system, our Sustainability Policy firmly emphasizes the protection of human rights, labor rights and children's rights.

In conducting our operations, we strictly adhere to relevant labor laws and international treaties to ensure our practices meet the highest ethical standards. Our commitment is clear: we do not tolerate child labor, any form of child exploitation or forced labor under any circumstances, ensuring our operations are both responsible and sustainable. [408-1, 409-1]

Our commitment to upholding human rights, labor rights and children protection standards extends beyond our immediate operations to include our suppliers and contractors. These external partners are required to comply with our Sustainability Policy and its Implementation Guidance, ensuring that their practices align with our Company's guiding principles and ethical standards. This expectation is explicitly outlined in all contractors' Work Agreements and is a critical component of their contractual obligations and responsibilities. We conduct thorough examinations to ensure compliance, reinforcing our dedication to responsible and sustainable business practices across our entire supply chain. [408-1, 409-1]

Labor Rights and Freedom Association

ANJ is committed to full compliance with the prevailing Indonesian labor laws, as updated by the Omnibus Law on Job Creation (UU Cipta Kerja). In line with these regulations, and as elaborated within our Company Regulations, we ensure the protection of workers' rights across all demographics, upholding principles of equality and non-discrimination. We support the freedom of association, allowing every employee within our operations the right to form unions and engage in collective bargaining processes.

Our commitment is evidenced by the Collective Labor Agreements (CLA) at SMM and ANJAS. Additionally, other subsidiaries follow Company regulations that are revised every two years, incorporating feedback from employee representatives to ensure relevance and fairness. Together with LKS Bipartite, these practices shows that in all operating units, we have provided channels for employees and the Company to negotiate collectively. [2-30]

To guarantee adherence to these standards, our operations undergo internal and external audits aligned with RSPO, ISPO and ISO certifications. Furthermore,



The Gender Committee conducts a socialization session with the community, discussing labor rights and emphasizing fair treatment and equal opportunities.

routine inspections by local government authorities at each estate are conducted to verify compliance with workers' rights, as stipulated by the relevant regulations. Both the Company regulations and the CLA are registered with and authorized by the Manpower Agencies or the Ministry of Manpower and Transmigration, ensuring our practices are not only ethical but also legally sound. (2-30, 407-1)

To ensure our employees have a thorough understanding of their rights, we conduct regular information sessions on Company regulations, including detailed discussions on workers' rights and obligations. Prior to joining ANJ employees receive comprehensive briefings on their job roles and the working conditions at our estates, enabling them to make informed decisions about their employment with us.

Given the labor-intensive nature of our business, much of our workforce (93%) comprises laborers. In compliance with labor regulations, each of our subsidiaries maintains a bipartite joint committee, known as LKS Bipartite, designed to foster labor relations between the Company and representatives of both unionized and non-union workers. The LKS Bipartite serves as a vital platform for workers to express their opinions, concerns, and aspirations directly to management, with issues being addressed in monthly meetings.

The LKS Bipartite committees go beyond mere regulatory compliance, evolving into key instruments for effective two-way communication between the Company and its employees. These committees are actively involved in implementing various programs, ranging from safety awareness and health promotion to employee engagement initiatives, contributing to a positive workplace environment.

As of 2023, there were nine LKS Bipartite committees, collectively comprising 202 administrators, members, and union representatives. To promote gender inclusivity and female representation, each estate is required to have at least one female worker as a member of its LKS Bipartite. This approach emphasizes our commitment to promoting an inclusive, responsive and equitable work culture for all employees.

In our continuous effort to enhance working conditions across our business operations, we initiated a comprehensive review process. This review was successfully completed at the Group level in December 2023 and is set to expand to other units. This initiative is not only one of the key components of our Environmental, Social and Governance (ESG) targets but is also necessitated by commercial considerations. Our commitment to improving workplace environments reflects our dedication to upholding the highest standards of employee welfare and operational excellence, aligning with both our sustainability objectives and business requirements.

Prevention of Forced Labor and Child Labor (POJK51-F.19)

We have in place stringent rules and regulations aimed at preventing child labor and safeguarding workers from exploitation and abuse. Adhering to prevailing labor laws, we enforce a workweek of no more than 40 hours, structured as either eight hours across five days or seven hours across six days. Remuneration for our staff is consistently disbursed on the 26th day of each month, while non-staff employees receive their wages in the first week of each month. Should the designated payday coincide with a holiday or weekend, payment is expedited to the preceding working day.

In alignment with our Company Regulations and/or the Collective Bargaining Agreement, certain employee categories eligible for overtime are compensated with additional work benefits for any hours worked beyond their regular schedule, as stipulated by labor laws governing overtime. This approach ensures that all our employees are fairly compensated for their contributions while promoting a healthy work-life balance and adhering to legal standards. (409-1)

The LKS Bipartite and the Gender Committee play a crucial role in upholding our commitment to human rights and the strict prohibition of child labor across all operational areas. An internal memorandum regularly circulated by these committees underscores the importance of protecting human rights and explicitly forbids child labor. On-site managers and leaders are tasked with enforcing these directives, facing severe penalties for any oversight leading to violations.

We maintain a strict minimum employment age of 18 years across all business operations. Rigorous age verification processes are in place during recruitment to ensure compliance, with our employee database meticulously documenting each employee's age and date of birth. Identity documents and educational certificates are mandatory for all new hires and recruitment officers found flouting these rules face strict disciplinary actions. To address potential violations in this matter, we have established a rehabilitation program designed for individuals who may be affected by such violations. This program acts as a precautionary measure, emphasizing the importance of mitigation and preparedness for any potential violations, ensuring that our response system is primed for immediate activation if necessary.

The internal memorandum extends to prohibiting the presence of employees' children within our estates, whether during school holidays or at any other time, to prevent any form of indirect child labor. Estate administrators, along with local gender and child safety representatives, are vigilant in monitoring and preventing unauthorized access, ensuring any child protection issues are promptly reported to the head office.

Understanding the needs of our working parents, we provide daycare facilities in all units, equipped with caregivers and playgrounds, offering a secure environment for their children during work hours. Furthermore, we are committed to enabling access to early and primary education for our employees' children, aiming to eliminate the need to accompany their parents at the plantations. By 2027, our goal is to ensure that these educational facilities are available to children in all our operating sites, reinforcing our dedication to employee welfare and child protection. Through the strict implementation of these safeguards, we detected no cases of child or forced labor in 2023. (408-1, 409-1)

ANJ is also committed to ethical supply chain practices, ensuring that legal and social protections for workers within our supply chain. ANJ has proactively established a comprehensive compliance framework within its supply chain, ensuring that all employment practices are aligned with both national labor laws and international labor standards. ANJ is committed to providing full social and labor protection for all individuals working within its supply chain, rectifying any instances where such protections might be lacking. The Company has implemented rigorous monitoring processes to ensure that working conditions meet or exceed the required legal and ethical benchmarks. ANJ has also taken significant steps to address and eliminate any form of disguised employment relationships, guaranteeing that all workers are appropriately recognized and not falsely categorized as self-employed, thereby ensuring that there are no gaps in legal employment recognition. Additionally, ANJ mandates that all work within its supply chain is governed by legally recognized contracts, offering clarity and security for every worker engaged. Through these measures, ANJ demonstrates its unwavering commitment to upholding the highest standards of labor practices, reinforcing its position as a responsible and ethical leader in the industry. (13.20.1)

PROTECTING THE HEALTH AND SAFETY OF OUR WORKERS (POJK51-F.21)



THE HEALTH AND SAFETY OF OUR EMPLOYEES AND CONTRACTORS IS A COMPANY'S PRIORITY."

Understanding the profound impact that occupational health accidents and incidents can have not only on our workforce but also on the broader reputation and operational stability of our Company, we are committed to rigorous risk mitigation strategies. Accidents and injuries not only affect individuals personally but can also tarnish the Company's reputation and can potentially lead to significant uninsured losses. Moreover, incidents involving the surrounding community have the potential to escalate into unrest or demonstrations, posing security risks to our operations.

Given these considerations, our overarching goal is to minimize the risk of workplace accidents and incidents, striving toward the ultimate objective of achieving zero work-related accidents and ill health across all our subsidiaries and properties. This commitment to maintaining a safe and healthy work environment is integral to our operational ethos: ensuring the well-being of our employees while safeguarding the Company's reputation and operational continuity.

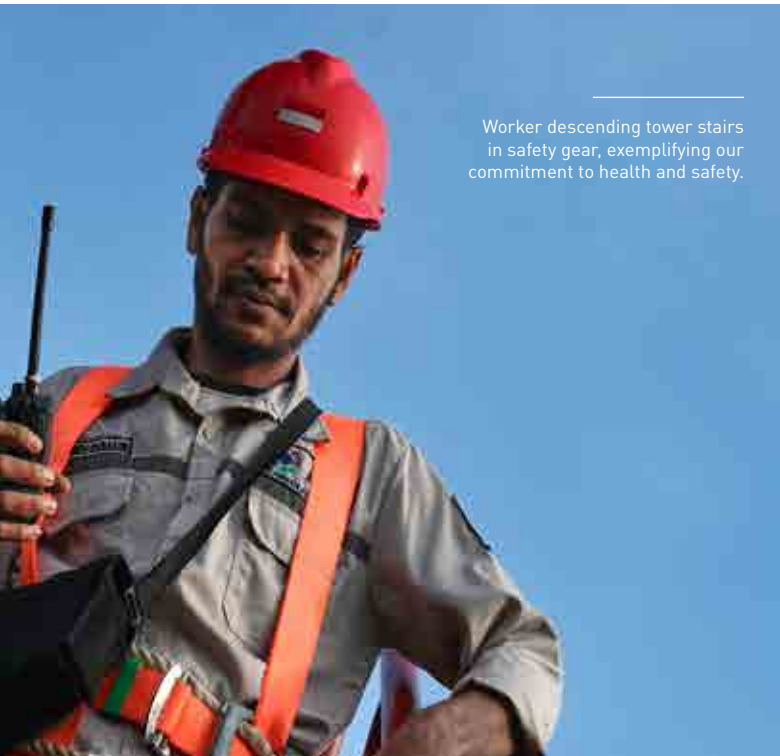
Aligned with government regulations applicable to enterprises of our scale, we have established a comprehensive Occupational Health and Safety (OHS)



management system. This system is designed around the identification and assessment of workplace risks and integrates a structured hierarchy of policies, plans, Standard Operating Procedures (SOPs), and programs. Our OHS management system is inclusive, covering the full spectrum of activities of our 9,943-person strong workforce.

Moreover, the scope of this system extends beyond our direct employees to encompass all contractors and contract workers whose duties and work environment fall under our jurisdiction. It also includes provisions for guests visiting our facilities, ensuring their health and safety during their stay. Additionally, the OHS management system encompasses activities conducted outside our immediate locations, such as travel and transportation related to work, further illustrating our commitment to the health and safety of all individuals associated with our operations, regardless of their location. [403-1, 403-8]

Our Occupational Health and Safety (OHS) management system is rigorously structured; guided by a comprehensive framework of internal regulations, Standard Operating Procedures (SOPs) and Work



Worker descending tower stairs in safety gear, exemplifying our commitment to health and safety.

Instructions. These guidelines specifically address activities associated with high health and safety hazards, ensuring a consistent and systematic approach to risk mitigation across all operations. We align our OHS management practices with internationally recognized standards and guidelines, including those set by the International Labour Organization (ILO), the ISO 45001 standard for OHS management systems, and the ISO 31000 standards for risk management. Additionally, our system adheres to specific health and safety requirements mandated by the Indonesian government. To ensure compliance and efficacy, our OHS management system undergoes regular audits. These audits measure our practices against the aforementioned international standards as well as the Indonesian government's SMK3 standard (*Sistem Manajemen Kesehatan dan Keselamatan Kerja* or Occupational Health and Safety Management System). This rigorous auditing process helps to ensure that our health and safety practices not only meet but exceed the required legal and international benchmarks, demonstrating our unwavering commitment to maintaining a safe and healthy work environment for all employees, contractors and visitors. (403-1)

Our organization prioritizes Occupational Health and Safety (OHS) across all units, with our palm oil and sago production units completing internal OHS audits and units such as ANJA, ANJAS, SMM, KAL, PMP and GMIT undergoing external OHS audits. This comprehensive audit ensures that 98% of our employees are protected under an internally audited OHS management system and 88% benefit from additional evaluation by external audits. Furthermore, our edamame unit, GMIT, adheres to the ISO 22000 standard for food safety, which also encompasses workplace health and safety requirements. GMIT undergoes annual external assessments to maintain this standard, demonstrating our commitment to the highest levels of safety and quality across all operations. (403-8)

Activities that fall outside our direct oversight, such as those undertaken by our indirect smallholder Fresh Fruit Bunch (FFB) suppliers, are not covered by our system. However, we actively encourage the adoption of health and safety practices among them. Our large contractors are required, through contractual agreements, to comply with our health and safety standards. This includes implementing an Environmental, Health and Safety (EHS) strategy, appointing an EHS officer, signing a Letter of Commitment (LOC), and engaging in our routine safety meetings. We keep track of our vendors' and suppliers' health and safety statistics to assess their adherence to our standards. Additionally, vendors and suppliers dealing with hazardous goods and materials or items impacting health and safety, must meet all relevant regulations, certifications, and standards as part of their contractual obligations with the Company. (403-7)

Our employees play a crucial role in the development, implementation and evaluation of our Occupational Health and Safety (OHS) management system. Their active involvement serves as a vital platform for enhancing awareness, facilitating discussions and reflecting on various aspects of health and safety, including performance, audit outcomes and lessons learned. This participatory approach is detailed within our Standard Operating Procedures (SOPs), especially in the SOP dedicated to external and internal consultation, involvement and communication, ensuring a comprehensive and collaborative approach to OHS management. (403-4)

Workers and contractors are contractually obligated to follow our Occupational Health and Safety (OHS) policies and procedures. In alignment with current legislation and the ISO 45001 standard, employees can refuse work on the grounds of safety concerns without fear of retaliation. Our commitment ensures that any employee who declines to work due to unsafe conditions or who reports such conditions, is protected from retribution. We promptly respond to these reports by conducting a thorough analysis and taking necessary steps to address and mitigate the associated risks. Employees are encouraged to communicate any health and safety concerns directly to the Environmental, Health and Safety (EHS) Department. There are systems in place for those who wish to submit anonymous reports. The specific procedures for reporting OHS concerns and incidents are comprehensively detailed in our incident management Standard Operating Procedure (SOP), ensuring clarity and accessibility for all employees in maintaining a safe work environment. [403-2, 403-4]

Building a Safety Culture

We are dedicated to cultivating a culture of accountability and personal responsibility among our employees, emphasizing the importance of individual and collective safety. Recognizing that the awareness and safety culture of our workforce is pivotal to our overall safety performance, we are committed to enhancing health and safety knowledge across our diverse employee base, spanning various cultural and educational backgrounds across all locations. This involves a comprehensive engagement, consultation, and education strategy on hazard and risk management in the workplace, underscoring our commitment to building a strong health and safety culture.

To elevate employee understanding of health and safety, we utilize a variety of tools and methods, including pamphlets, safety signs, presentations, workshops, and targeted training sessions. Regular safety campaigns and information roadshows featuring promotion posters, booklets and safety conversations aim to keep health and safety themes front and center.

General health and safety training is mandatory for all employees, starting with their induction and continuing throughout their first year of employment and beyond. We also provide specialized training tailored to the specific risks associated with various job functions, including mechanics, electrical work, chemical handling, construction, first aid, transportation and emergency management.



Our efforts extend to certification training developed by the Environmental, Health and Safety (EHS) department, with sessions conducted by both internally and externally accredited trainers. In line with regulatory requirements, each subsidiary features a Health and Safety Committee Supervision Body (P2K3), registered with the local government's Manpower Agency. This committee, comprised of management and employee representatives, plays a crucial role in providing health and safety advice, analyzing performance data, and serving as a platform for employee feedback. Overseen by the EHS Department and led by senior management, the committee meets monthly, ensuring continuous oversight and improvement of our health and safety initiatives. [403-2, 403-3, 403-4]

Managing Health and Safety Risks

Our approach to health and safety hazard assessment is systematic and thorough, employing the Hazard Identification Risk Assessment and Risk Control (HIRARC) technique for routine tasks and the Job Safety Analysis (JSA) method for non-routine tasks. These assessments are conducted annually, following incidents or accidents, and upon the identification of a new high-risk activity. Our Environmental, Health and Safety (EHS) Department, staffed with qualified professionals, oversees this process, with field supervisors trained in HIRARC executing the assessments. The findings of the HIRARC assessment are reviewed by management and communicated to all staff to ensure widespread awareness and understanding. (403-2, 403-3)

The results of our HIRARC assessments identify the principal high-risk work activities within our estates, which are then documented and addressed in our OHS management plans and safety performance objectives. To effectively manage these risks, we implement a hierarchy of controls tailored to mitigate the identified hazards. In the event of an incident or accident, the unit leader must report it within 24 hours. The severity of the incident dictates the formation of an Investigative Team, comprising management, subject-matter experts, EHS specialists and when necessary, external parties. Following the investigation, a conference is held to review the findings, evaluate the causes and collect recommendations for preventive measures and improvements. (403-3, 403-9)

Table 34. High-Risk Work Hazards and Controls (403-9, 403-10)

| Hazardous Activities at ANJ Estates | Type of Hazard | Location | Elimination, Substitution and Engineering Controls | Administrative Controls | Personal Protective Equipment (PPE) |
|---|---|-----------------------------------|--|---|---|
| Harvesting of FFB | Injury, crushed by FFB | Estate | 1. Modification of "Egrek" or "Dodos" 2. Safer harvesting position | Awareness-raising and training | Boots, safety goggles and safety helmets |
| Mixing of chemicals (pesticides/herbicides) | Inhalation, splashing, ingestion of chemicals | Estate | 1. Use of manual pump/agitator 2. Use of low-risk chemical 3. Mixing carried out outdoors | Awareness-raising and training | Boots, safety goggles, respirators, rubber gloves and aprons |
| Harvesting near power lines | Electric shock | Estate | 1. Remove oil palm trees growing near the power line (radius of minimum 10 meter or based on-site assessment) 2. Use of double insulator material on the Egrek grip 3. Egrek knife sheath made of insulator material | 1. Awareness-raising, training and supervision during work 2. Working permit 3. Putting danger signs on trees | Boots, safety helmets and cotton gloves |
| Welding and cutting | Electric shock, burning | Central Workshop & Transportation | 1. Installation of "local exhaust" 2. Adding insulator cover material on the welding transformer 3. Modify the connection of power from/to the welding panel/transformer | 1. Welding and cutting permit 2. Awareness-raising, training and supervision during work | Safety shoes, welding goggles, leather gloves and aprons, fire blankets |
| Working at heights | Falling or crush injury | Mill | Installation of platform/ladder/scaffolding | 1. Working at heights permit 2. Awareness-raising, training and supervision during work | Safety shoes, safety helmets, and full-body harness |
| Working in restricted spaces | Lack of oxygen, poisoning, cold, overheating | Mill | 1. Installation of ventilator/blower 2. Installation of manhole/emergency exit 3. Installation of alarm | 1. Entry permit and gas check 2. Warning signs | Safety shoes, safety goggles, special clothes, and respirators |

| Hazardous Activities at ANJ Estates | Type of Hazard | Location | Elimination, Substitution and Engineering Controls | Administrative Controls | Personal Protective Equipment (PPE) |
|---|-------------------------------|----------------|---|--|--|
| Working in a power plant (generator, boiler) | High noise, electrocution | Mill | Installation of piping insulation and glass wool | 1. Awareness-raising, work authority 2. Warning signs | Safety shoes, ear plugs, helmet |
| Travelling (by car, helicopter, airplane, boat) | Collision, falling, drowning | All operations | Inspection and maintenance | Safety briefings, quality controls, safety training, a special driving license (KIMPER) for drivers | Safe vehicles, seat belts, hearing protection, safety vest |
| Working in areas with heavy equipment/vehicles | Collision, crushing, squeezed | All operations | 1. Heavy equipment and vehicles use alarm buzzers when operating 2. Presence of helpers operators/traffic managers | 1. Tool Box meeting before work 2. Warning signs/safety lines i 3. Special permits for operators (SIO/KIMPER) 4. Employee induction | Helmets |
| Working in areas with extreme temperature | Hypothermia, frostbite | GMIT | 1. Cold storage equipped with emergency Alarm 2. Transitional spots to slowly neutralize the temperature | 1. Employee induction 2. Working time – limited to 15 mins at a time | Personal Protective Equipment |

Our Research and Development department is at the forefront of promoting environmentally friendly agricultural practices, specifically focusing on the utilization of beneficial microbes and biological control methods. This initiative aims to minimize the use of chemical pesticides and herbicides, particularly addressing the risks associated with chemical mixing. By implementing these biological strategies, we not only safeguard the health and safety of our employees and the environment but also significantly reduce chemical usage across our estates.

The Environmental Health and Safety (EHS) Department bears the responsibility for overseeing health and safety across the Company. Staffed with EHS experts at the Head Office and dedicated EHS officers at each business unit, the department ensures rigorous safety monitoring and compliance at the estate level. EHS officers are instrumental in providing safety briefings to estate workers and conducting safety drills. Additionally, EHS Representatives at each location support the EHS Officers by carrying out regular inspections, assessing health and safety risks, devising mitigation strategies, and formalizing these actions in our standard operating procedures. (403-5)

Our adherence to health and safety regulations is reflected in our meticulous recording of performance statistics, in line with the Ministry of Manpower and Transmigration guidelines. We classify workplace accidents into categories such as Lost Time Injury (LTI), Occupational Disease (OD), Fatality (FAT), First Aid, and Medical Treatment Case (MTC), with injury rates calculated per one million hours worked. This year, we recorded 35,841,322 hours worked.













While our records comprehensively cover all employees and contractors on our estates and in our offices, accurately capturing our contractors' safety data poses challenges, leading us to exclude their data from our reports to ensure accuracy. Nonetheless, serious incidents involving contractors are documented. In 2023, we encountered two serious accidents involving a contractors that resulted in two fatalities. Meanwhile, in the aspect of work-related illness or occupational disease, it is reported that there have been no instances of such occurrence within this reporting period. (403-9, 403-10)

Number of Fatalities, Injuries, and Medical Treatment in 2023 (403-9)

| | | |
|--|--|--|
|  <p>FATALITY</p> <p>0*</p> <p>Hazard/Cause</p> <p>-</p> |  <p>LOST TIME INJURY (LTI)</p> <p>19</p> <p>Hazard/Cause</p> <p>Handling Tools and Transportation</p> |  <p>MEDICAL TREATMENT CASE (MTC)</p> <p>40</p> <p>Hazard/Cause</p> <p>Including transportation, handling tools, bitten by animal, cut by sharp objects and falling.</p> |
|--|--|--|

Notes: Two cases of contractor fatalities occurred in 2023

Table 35. Work-related Injuries, per million hours worked (403-9)

| | 2023 | 2022 | 2021 |
|--|-------------|-------------|--------------|
| TOTAL RECORDABLE INJURY RATE | 1.33 | 1.30 | 1.81 |
| WEST REGION | 0.69 | 1.01 | 1.69 |
|  Male | 0.69 | 0.85 | 1.49 |
|  Female | 0 | 0.16 | 0.20 |
| EAST REGION | 2.34 | 2.26 | 2.25 |
|  Male | 2.34 | 2.26 | 2.10 |
|  Female | 0 | 0 | 0.15 |
| LTI FREQUENCY RATE | 0.43 | 0.53 | 0.57 |
| WEST REGION | 0.44 | 0.53 | 0.60 |
|  Male | 0.44 | 0.48 | 0.56 |
|  Female | 0 | 0.05 | 0.04 |
| EAST REGION | 0.41 | 0.52 | 0.45 |
|  Male | 0.41 | 0.52 | 0.45 |
|  Female | 0 | 0 | 0 |
| LTI SEVERITY RATE | 2.79 | 4.73 | 61.53 |
| WEST REGION | 1.97 | 5.59 | 4.27 |
|  Male | 1.97 | 5.43 | 4.03 |
|  Female | 0 | 0.16 | 0.24 |
| EAST REGION | 4.09 | 1.92 | 274.69 |
|  Male | 4.09 | 1.92 | 274.69 |
|  Female | 0 | 0 | 0.00 |

Notes:





1. Total Recordable Injury refers to recordable injuries and diseases, excluding fatalities.
2. Lost Time Injury Frequency refers to the total number of lost time accident cases.
3. Lost Time Injury Severity refers to the total number of lost days.
4. Rates are calculated per one million hours worked.

A female worker assists a colleague in donning safety gear, emphasizing the importance of teamwork in maintaining a safe workplace.

Recorded Injuries and Incidents (403-9, 403-10)





TOTAL INJURIES

| 2023 | 59 | 2022 | 32 | 2021 | 57 |
|------|----|------|----|------|----|
|------|----|------|----|------|----|

|  MEDICAL TREATMENT CASE |  LOST TIME INJURY (LTI) |  FATALITY |  OCCUPATIONAL DISEASE |
|--|--|--|--|
| 2023 40 | 2023 19 | 2023 0 | 2023 0 |
| 2022 19 | 2022 13 | 2022 0 | 2022 0 |
| 2021 39 | 2021 18 | 2021 0 | 2021 0 |

TOTAL INJURIES

| 2023 | 5 | 2022 | 7 | 2021 | 7 |
|------|---|------|---|------|---|
|------|---|------|---|------|---|

|  ENVIRONMENTAL POLLUTION |  PROPERTY DAMAGE |  TRAFFIC INCIDENT |  FIRE INCIDENT |
|---|---|--|---|
| 2023 0 | 2023 5 | 2023 0 | 2023 0 |
| 2022 2 | 2022 5 | 2022 0 | 2022 0 |
| 2021 2 | 2021 2 | 2021 0 | 2021 3 |

Notes: The recorded environmental pollution and fire incident cases are not major cases, there is no loss of life, no disabling injury, the impacts are well below USD 1 million, and no grievance reported.



FEATURE STORY

REDUCING HEAT STRESS IN OIL PALM PLANTATION WORKERS: A STRATEGY TO PROTECT OUR WORKFORCE

2023 was the hottest year on record and with the upward trend of global temperatures due to climate change, we can only expect hotter and drier conditions in the future. This is an unavoidable fact that must be addressed and, in recognizing the health burden extreme weather could place on our people, ANJ has opted to act now to adapt to local climatic changes and mitigate climate-related risk, where possible. ANJ's climate initiatives are wide-ranging and varied, with each tailored to the specific needs of people, the environment, and the local context. Among our most prudent climate adaptation strategies is that which addresses heat exposure among our workers by adopting measures to tackle the consequences that high temperatures and humidity levels can have on the human body.

Exposure to high temperatures, especially in combination with high humidity, poses a serious risk to those working outdoors. Those working in manual labor, such as ANJ's plantation workers, are at an even higher risk due to the physical nature of their work. As a result, heat stress is directly linked to lower productivity, which leads to lower outputs and millions of dollars of losses for the industry. While anyone can experience heat fatigue, heat stroke, discomfort, heat cramps, rashes, and dehydration because of excessive heat exposure, individuals with co-morbidities, such as heart disease, hypertension, and diabetes, are far more susceptible to heat-related illness than others.

In line with ANJ's model of prioritizing prevention rather than managing consequences, we aim to address heat stress by providing adequate shade, light and breathable working attire, cool beverages, and isotonic drinks to address mineral depletion, and allowing workers to take ample rest in air-conditioned facilities while at work. It is essential that we not only prevent illness but ensure that our workers are comfortable. This both supports good working relationships and high morale and promotes productivity because uncomfortable workers are less likely to perform well.

To expand the scope of our heat stress prevention initiative, ANJ has also developed a program to educate workers and community members about how lifestyle factors can be modified to manage and minimize the risk of developing non-communicable diseases, such as heart disease, diabetes mellitus and hypertension. We aim to educate 7,451 workers through the program. In 2023, we were able to reach 1,765 individuals or 23.7% of the plantation workforce. This is a great achievement for ANJ in the inaugural year of the program. We believe that the program has the potential to have a significant impact on a much wider community than those directly involved in plantation work and could induce a positive shift towards healthier lifestyles for generations to come.

Since introducing our heat stress awareness campaign in 2022 and implementing our protective measures at the start of 2023, we have seen a great improvement in operational efficiency, especially during periods of extreme heat and drought. While ANJ's typical approach to improving efficiency is to mechanize processes, which also reduces the Operational Health and Safety risk, there are some jobs which cannot be mechanized, including that of plantation workers. Focusing on adaptation and sustainable preventative solutions can be effective if strict regulations for quality assurance and adherence are put in place.

Climate change is a difficult issue for all of us and it can be easy to become despondent. However, this program has demonstrated to us that even small changes can have a great impact, which is a sentiment we hope that more of our people can learn to appreciate and integrate into their lives to support ANJ's transition towards a more climate-friendly and resilient operating approach.



Our Health Services and Facilities

Health services are pivotal to our Occupational Health and Safety (OHS) management system, highlighting ANJ's commitment to the comprehensive well-being of our workforce. With seven major clinics and five support clinics, our healthcare infrastructure is robust, staffed by a dedicated team of six doctors, nineteen nurses and twenty-six midwives. These facilities are equipped to provide a wide range of services, from occupational medical services and emergency care to high-quality general healthcare, including maternal and childcare, as well as testing laboratories. Given that many of our operations are in rural areas, where access to basic medical services can be significantly limited, the availability of these clinics plays a crucial role in ensuring the health and well-being of our employees, their families and the surrounding community. This initiative underscores our commitment to going beyond occupational health, offering comprehensive healthcare solutions that address the broader needs of our workforce and their communities. [403-6]

Our health workers play an indispensable role beyond delivering medical services; they are key in identifying and mitigating occupational hazards that could compromise the health of our employees. Initiatives such as providing first-aid training, procuring necessary medicines and first-aid kits, and conducting canteen inspections are integral to our comprehensive health strategy. Moreover, during the COVID-19 pandemic, health workers took a dominant role in promoting a healthy lifestyle among our workforces. This included raising awareness about the importance of good nutrition, maintaining cleanliness, and adhering to infection prevention guidelines, all of which are crucial to safeguarding the health and well-being of our employees and their families during such challenging times. [403-6]

To ensure the well-being and health security of our workforce, we provide comprehensive health insurance benefits to all our permanent employees. This coverage includes enrollment in the government-mandated health insurance program, *Badan Penyelenggara Jaminan Sosial Kesehatan* (BPJS Kesehatan), supplemented by additional private health insurance. This dual-layered health insurance scheme significantly reduces the financial barriers to accessing medical treatments, thereby enhancing healthcare accessibility for our employees and their families.

Patient examination by a resident doctor at inpatient facility in our clinic.



Our medical staff are always ready to treat patient who require further treatment.

Further supporting our commitment to employee health, we facilitate regular medical check-ups for all workers. Employees over the age of 40 are entitled to annual check-ups, while those under 40 receive biennial check-ups. Moreover, employees engaged in high-risk jobs undergo specialized medical evaluations to identify any health risks associated with their specific roles. The outcomes of these medical examinations, along with doctor recommendations, inform any necessary adjustments to job assignments and activities, ensuring the long-term health and safety of our workforce. Additionally, the above mentioned employees also receive allowances of special food/beverage for nutrition purposes. All these practices are carried out with the utmost care, recognizing the imperative need to maintain the confidentiality of employees' medical records. [403-3, 403-6]



FEATURE STORY

ANJ'S HEALTH CLINICS ARE NOW EQUIPPED WITH NEW TESTING LABORATORIES



ANJ HAS MADE CONSIDERABLE STRIDES IN IMPROVING HEALTHCARE QUALITY WITHIN ITS CLINICS BY SETTING UP ADVANCE TESTING LABORATORIES. THIS STRATEGIC DEVELOPMENT MARKS A MILESTONE IN ITS COMMITMENT TO IMPROVING HEALTHCARE FOR EMPLOYEES AND THE COMMUNITY AND SETS A NEW STANDARD FOR CLINICAL SERVICES WITHIN ITS OPERATIONAL SITES."



By integrating new diagnostic technologies, ANJ clinics are now better equipped to offer accurate and timely health assessments. This upgrade enables the early detection of diseases, personalized treatment plans, and more effective management of ongoing health conditions, ensuring that patients receive the best care possible. The presence of onsite laboratories also significantly reduces the wait times for test results, which is crucial for the timely initiation of treatment. This enhancement in diagnostic capabilities is expected to lead to higher patient satisfaction and better overall health outcomes.

The new laboratories are staffed by skilled professionals trained in modern diagnostic techniques, ensuring that the services provided meet the highest standards of accuracy and reliability. The training and development of laboratory staff conducted to enhance professional growth and excellence in healthcare provision to the employees.

Further to this accomplishment was the upgrading of some of our BPJS' certified clinics as "Klinik Pratama" or "Primary Clinic". Klinik Pratama plays a crucial role in Indonesia's healthcare landscape, serving as the first point of contact for individuals seeking medical attention. These clinics are foundational to providing accessible, affordable, and quality healthcare, especially in areas where hospital facilities may be scarce or distant. Klinik Pratama often collaborates with higher-level healthcare facilities for cases that require specialized treatment, ensuring a continuum of care for patients. Through referrals and partnerships, they ensure that patients receive timely and appropriate treatment, bridging the gap between primary and specialized healthcare services.

In the heart of South Sorong Regency, Southwest Papua, the inauguration of Klinik Pratama at PPM, marked by a ceremonial signing by ANJ Commissioner, Dr. Sjakon G. Tahija, heralds a new era of improved healthcare quality within ANJ's operational areas.



This move is not just about expanding facilities; it is a strategic effort to enhance the caliber of health services provided. With a focus on comprehensive care, the clinic offers general practitioner consultations, routine health checks, family health services, preventive health programs, emergency services along with availability of ambulance, in-patient and out-patients services, family health services, among other services. This broad spectrum of care is designed to meet the diverse needs of the community, ensuring that high-quality health services are accessible to all.

By integrating advanced clinical laboratory facilities, the clinic is positioned to offer rapid diagnostic services, enabling timely medical interventions for patients. This development not only benefits the immediate community but also sets a precedent for the enhancement of healthcare services for the employees and their families.

An employee of PPM shared a personal testament to the impact of these improvements, expressing gratitude for the enhanced quality of healthcare services.

"As an employee of PT Permata Putera Mandiri (PPM), I greatly appreciate the enhancements made to our healthcare facilities. The opening of the Klinik Pratama is not just an upgrade in infrastructure but also an improvement in the quality of healthcare services that my family and I enjoy. This facility provides a range of health services, and now with the latest addition of clinical laboratory facility, my family and I can quickly get blood test results, allowing for early diagnosis. The existence of this clinic means a lot to us, providing direct access to quality health services without having to travel far from where we work and live. We are deeply thankful for ANJ's efforts in raising health standards in our work environment and supporting the health of us and our families.", said Erick Hutagaol, Kerani Estate Divisi 2 Estate Gaina

ANJ's health initiatives represent a model for how corporations can play a pivotal role in enhancing community health services. These efforts not only improve health outcomes but also foster a sense of security and belonging among the workforce, enhancing overall productivity and morale. It also showcases the potential for corporate initiatives to fill gaps in public health services, particularly in remote or underserved areas.

The establishment and upgrading of our health are more than just corporate milestones. They represent a deep-seated commitment to health, safety and community welfare. As this clinic continues to serve the needs of its patients, it stands as a testament to the power of corporate responsibility and the vital role of healthcare in sustainable development.

ENGAGING AND EMPOWERING LOCAL COMMUNITIES

[POJK51-B.3, POJK51-F.23]



Our Gender Committee is committed to involving and empowering communities surrounding our operation areas

Engaging with local communities is a cornerstone of our sustainability efforts, recognizing that our operations in rural, peripheral and remote areas significantly impact the socio-economic landscape of these regions. These areas, often characterized by limited economic opportunities, inadequate public services, and insufficient infrastructure, face heightened vulnerabilities due to our presence. We must mitigate negative impacts while amplifying positive contributions through community empowerment and development initiatives.

We are deeply committed to involving and empowering the communities around us, addressing their concerns, and safeguarding their rights. Building strong relationships with local stakeholders and practicing social responsibility are priorities in all our endeavors. We pledge to address all grievances, complaints, and concerns related to our operational impact, as per RSPO standards.

Our dedication extends to protecting the rights of local communities, recognizing the risks that our agribusiness operations might pose, including issues related to land acquisition, conflict, labor inequalities, exploitation, forced and child labor and violence. Our Sustainability Policy is rooted in the Universal Declaration of Human Rights, ensuring the protection of all stakeholders affected by our activities. By maintaining open and accessible grievance mechanisms across our estates, we ensure that communities can voice their grievances and concerns directly, facilitating a transparent and responsive dialogue. [413-1]

Assessing Our Impacts on Local Communities (POJK51-F.25)

To ensure a deep understanding of the impacts our operations have on local communities, we conduct a Social Impact Assessment (SIA) at each of our sites. These assessments are crucial for identifying both actual and potential impacts on the communities surrounding our operations. By analyzing socio-demographic and cultural factors, SIAs offer valuable insights that guide us in mitigating possible conflicts and adverse outcomes. (413-1)

Adhering to RSPO standards, we initiate these assessments at the beginning of our operations in each estate, with a commitment to reevaluating the findings at least once every two years. This approach allows us to stay informed and responsive to the evolving dynamics and needs of the communities we engage with, ensuring that our presence contributes positively to their sustainable well-being. (413-1)

To comprehensively understand the social dynamics and conditions of the local communities where we operate, we implement Social Mapping exercises. Recognizing the distinct characteristics of each community, including their specific concerns and needs, Social Mapping serves as an invaluable tool. It provides tailored program recommendations aimed at mitigating the potential negative impacts associated with each community's unique social fabric. (413-1)

Our strategy includes conducting Social Mapping every four years, with an annual review of the findings to ensure our actions remain relevant and effective. Both Social Impact Assessments (SIA) and Social Mapping studies are carried out by independent external parties, ensuring objectivity and integrity in data collection and analysis. This approach underscores our commitment to understanding and responsibly addressing the social implications of our operations, thereby fostering positive community relations and sustainable development. (413-1)

Before initiating operations at any of our sites, we undertake an Environmental Impact Study, known in Indonesia as *Analisis Mengenai Dampak Lingkungan* (AMDAL). This comprehensive study is conducted in line with Indonesian regulations and includes a social impact assessment to ensure a holistic understanding of our operations' potential effects on both the environment and local communities. The AMDAL study is detailed, encompassing environmental impact monitoring and management plans (*Rencana Pengelolaan Lingkungan dan Rencana Pemantauan Lingkungan*, RKL/RPL), and incorporates a public engagement process. This process is crucial for validating the study's findings, allowing us



Our team conversing, discussing about community feedback through social mapping activities to guide future actions.

to refine our strategies based on community feedback and scientific insights, thereby ensuring our operations are sustainable and socially responsible from the outset. (413-1)

We actively engage with local communities to gather their perspectives through Focus Group Discussions (FGD) and informal conversations. These interactions are invaluable for obtaining nuanced insights that both supplement and verify the findings from our impact evaluations and Social Mapping studies. Through these discussions, communities can critique the effectiveness of our initiatives and suggest improvements or expansions to our existing programs.

FGDs, which typically involve twenty-five participants representing diverse stakeholder groups, are designed to elicit feedback on our impacts and to understand the expectations and concerns of the local community. We conduct FGDs annually in our West Region, whereas in the East Region, we have found that a more informal and personal approach to engagement aligns better with the local cultural and social norms.

Additionally, to ensure the accuracy of the insights gained from these discussions, we administer short surveys to at least thirty respondents in each estate. This method helps us gather more information and validate the outcomes of our discussions, enabling us to make informed decisions and tailor our community engagement strategies effectively.

Based on the above, we have identified actual and potential negative impacts of our operations, as described in Table 36 below.

Table 36. Significant Actual and Potential Negative Impacts on Local Communities (413-2)

| Actual/Potential Negative Impacts | Location | Description |
|--|---|--|
| Conflict and unrest related to plasma and partnership smallholders' programs | ANJAS, KAL, SMM, PPM, PMP | Potential social conflict, unrest and/or jealousy within the community as well as between the community and the Company due to the plasma program |
| Conflict over land ownership and ownership boundaries | PPM, PMP, ANJAP | Social conflicts in the community due to unclear land ownership boundaries during land acquisition and compensation |
| Conflicts and complaints about operational impacts | SMM, KAL, ANJA | Complaints that Company activities have caused environmental or social issues |
| Expectations and dependence on Company programs and donations | ANJA, ANJAS, KAL, SMM, PPM, PMP, GSB, ANJAP | High expectations to receive jobs, community development programs, and/or donations from the Company, potentially causing conflicts when they are not provided |
| Infrastructure damage | KAL, ANJAS | Damaged roads used by employees to and from estates, as well as by the local community |
| Uncontrolled land and vegetation fires | ANJA, ANJAS, SMM, KAL, PPM, PMP, ANJAP | Wildfires causing economic and public health impacts on local communities, as well as ecosystem damage |

Respecting the Rights of Local Communities

Understanding the critical importance of land rights to local communities' livelihoods, we approach land acquisition for plantation development with utmost care to avoid conflicts over land boundaries and usage rights. To ensure fairness and transparency in acquiring new land, we have adopted Free Prior Informed Consent (FPIC)-based protocols. This process involves engagement with local communities and their leaders, and local government authorities, ensuring all parties are fully informed and in agreement before any development begins.

Our engagement strategy not only helps to establish positive relationships with communities around our operations but also in assessing how our developments can positively impact local well-being. Importantly, any individual or community holding existing land use rights has the option to decline transferring these rights to ANJ, regardless of the compensation offered. FPIC from affected communities is a mandatory prerequisite for our land acquisition and development efforts to move forward.



Our team and community members engaging in dialogue, emphasizing the importance of open communication for mutual growth and shared progress.



A harmonious relationship and mutual trust with the community are essential for us because when the community thrives, we all thrive.

In 2023, we report that our operations did not infringe upon the rights of local, tribal or traditional communities. Throughout the year, we received a total of 31 community complaints, with 10 originating from the East Region, whereas 6 of them were environmental-related matters. By the end of the year, we successfully resolved all of these issues. This demonstrates our commitment to maintaining harmonious relations with local communities and ensuring their rights and well-being are upheld. (POJK51-F.16,POJK51-F.24)

Communication and Engagement with Local Communities (POJK51-F.24)

Our approach to community engagement is structured around formal mechanisms such as stakeholder meetings, information sessions, dialogues and public consultations. These interactions, which are essential for executing Community Involvement and Development (CID) initiatives, Responsible Development (RD) projects, or capacity-building activities, occur frequently with local communities. Annually, each business unit organizes at least one stakeholder meeting, providing a platform to update communities on our projects, discuss CID initiatives, address concerns and respond to inquiries. These meetings typically include smallholder farmers, community leaders, local government representatives, and our representatives, facilitating a comprehensive stakeholder analysis through continuous engagement. (2-29, 413-1)

To ensure communities can voice their complaints, all our estates are equipped with a Grievance Mechanism, supported by an independently verified SOP. This mechanism allows complaints to be lodged in person, and via email or phone, with each grievance recorded and processed to ensure thorough investigation and resolution within fourteen days of receipt. To further refine our grievance management, we have implemented a stakeholder and grievance database to streamline the internal tracking, review, and handling of complaints.

Our commitment to evaluating the effectiveness of our community engagement efforts involves multiple mechanisms, including monthly coordination performance reviews and meetings at various management levels to discuss and address issues beyond the estate level. The Sustainability Committee conducts quarterly reviews of RD programs and community activities, assessing a range of indicators to gauge program success. Additionally, the effectiveness of our community programs is scrutinized through internal and external RSPO audits, focusing on management plans, improvement efforts, and grievance handling.

In 2023, our community initiatives have had positive and tangible outcomes, with increased self-sufficiency, contribution, and collaboration from the community. This growing sense of ownership among local communities marks a promising step towards our goal of achieving collective targets, highlighting a successful shift in community engagement practices across our operations.

A close-up photograph of mangrove roots, showing their intricate, textured, and fibrous structure. The roots are a warm, golden-brown color, illuminated by soft, natural light. The word "APPENDIX" is overlaid in large, white, sans-serif capital letters across the lower-middle portion of the image.

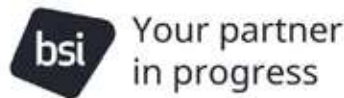
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INDEPENDENT ASSURANCE STATEMENT



Statement No.: SRA-ID 803363

INDEPENDENT ASSURANCE OPINION STATEMENT**PT. Austindo Nusantara Jaya Tbk. Sustainability Report 2023**

The British Standards Institution is independent to PT. Austindo Nusantara Jaya Tbk. (hereafter referred to as ANJ in this statement) and has no financial interest in the operation of PT. Austindo Nusantara Jaya Tbk. other than for the assessment and verification of the sustainability statements contained in this report.

This Independent assurance opinion statement has been prepared for the stakeholders of PT. Austindo Nusantara Jaya Tbk. only for the purposes of verifying its statements relating to its environmental, social and governance (ESG), more particularly described in the Scope, below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this Independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the Independent assurance opinion statement may be read.

This Independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by PT. Austindo Nusantara Jaya Tbk. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this Independent assurance opinion statement or matters relating to it should be addressed to PT. Austindo Nusantara Jaya Tbk. only.

Scope

The scope of engagement agreed upon with ANJ includes the following:

- 1) The assurance covers the whole Sustainability Report 2023 of PT. Austindo Nusantara Jaya Tbk. prepared "in accordance" with GRI Sustainability Reporting Standards ("GRI 2021 Standard") including GRI 13 and focuses on systems and activities of PT. Austindo Nusantara Jaya Tbk.] and its subsidiaries in Indonesia during period from 1st January 2023 to 31st December 2023 focus for 10 business and Head Office.
- 2) The AA1000 Assurance Standard, AA1000AS v3. Type2 Moderate Level Assurance evaluates the nature and extent of PT. Austindo Nusantara Jaya Tbk.'s adherence to all four AA1000 AccountAbility Principles: Inclusivity, Materiality, Responsiveness and Impact. The specified sustainability performance information/data disclosed in the report has been evaluated.

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Opinion Statement

Our work was carried out by a team of sustainability report assurers in accordance with the AA1000 Assurance Standard v3, and GRI 2021 Standard including GRI 13. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that PT. Austindo Nusantara Jaya Tbk.'s description of their approach to AA1000 Assurance Standard and their self-declaration of compliance with the GRI 2021 standard were fairly stated.

We conclude that the of PT. Austindo Nusantara Jaya Tbk.'s Sustainability Report 2023 review provides a fair view of PT. Austindo Nusantara Jaya Tbk. programmes and performances during 2023. We believe that the 2023 economic, environment and social performance indicators are fairly represented. The sustainability performance indicators disclosed in the report demonstrate PT. Austindo Nusantara Jaya Tbk. 's efforts recognized by stakeholder.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a top level review of issues raised by external parties that could be relevant to PT. Austindo Nusantara Jaya Tbk.'s policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers and staffs on PT. Austindo Nusantara Jaya Tbk.'s approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- Interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- Review of key organizational developments.
- Review of the findings of internal audits.
- Review of supporting evidence for claims made in the reports.
- An assessment of the company's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness, and Impact as described in the AA1000 AccountAbility Principles Standard (2018).

Conclusions

A detailed review against the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact and the GRI 2021 Standard is set out below:

Inclusivity

This report has reflected a fact that PT. Austindo Nusantara Jaya Tbk. has involved its key stakeholders through regular engagement in developing and achieving an accountable and strategic response to sustainability. The reporting systems are being developed to deliver the required information. There are fair reporting and disclosures for economic, social, including health and safety and environmental information in this report. In our professional opinion the report covers PT. Austindo Nusantara Jaya Tbk.'s inclusivity issues.

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**Materiality**

PT. Austindo Nusantara Jaya Tbk. publishes sustainability information that enables its stakeholders to make informed judgments about the company's management and performance. In our professional opinion the report covers the PT. Austindo Nusantara Jaya Tbk.'s material issues by using PT. Austindo Nusantara Jaya Tbk.'s internal method in analysing, collating, and identifying issues which relevant to its business process.

Responsiveness

PT. Austindo Nusantara Jaya Tbk. has implemented the practice to respond to the expectations and perceptions of its stakeholders. It includes the communication, engagement activities, feedback communication with internal and external stakeholders. In our professional opinion the report covers the PT. Austindo Nusantara Jaya Tbk.'s responsiveness issues.

Impact

PT. Austindo Nusantara Jaya Tbk. has demonstrated a process on identifying impacts that encompass a range of environmental, social and governance topics, and fairly represented the impacts in the report. In our professional opinion the report covers the PT. Austindo Nusantara Jaya Tbk.'s impacts issues.

GRI-reporting

PT. Austindo Nusantara Jaya Tbk. has defined report content, ensured the quality of reported information and set the report boundary in accordance with GRI 2021 Standards and GRI 13 reporting principles and guidance.

Based on our verification review, we confirm that Economic, Environmental, and Social Performance are reported "in accordance" with the GRI 2021 Standard and GRI 13 including with GRI Index that are reported, partially reported, or omitted.

Sustainability Achievement

ANJ has provided information and data of the following achievement in PT. Austindo Nusantara Jaya Tbk.'s Sustainability Report 2023, which has been reviewed based on GRI 2021 standard and GRI 13.

- The Greenhouse Gases emission in PT. Austindo Nusantara Jaya Tbk.'s Sustainability Report 2023, is as follows.
 Scope 1 Emission : 237,636 tCO₂e
 Scope 2 Emission : 6,119 tCO₂e
 Scope 3 Emission : 25,502 tCO₂e
 Total Emission : 269,257 tCO₂e
- ANJ has set target to reduce the Gross emissions intensity of it's Palm Oil unit's without considering sequestration by 30% in 2030 compared to the 2015 baseline, and it has achieved gross GHG emission intensity from own operation of 6.98 ton CO₂eq/ ton CPO produced or a reduction 17.8% by 2023.
- ANJ GHG emissions intensity of palm oil units in 2023 is 0.66 ton CO₂eq/ ton CPO produced.
- ANJ total renewable energy consumption is 121,774 GJ, decreasing by 0.5% compared to 2022.
- 86% of ANJ's plasma and partnership suppliers are RSPO certified, 12 out of 14 cooperatives.
- 57% or (8 out of 14) of ANJ's plasma and partnership suppliers received premium price in 2023.

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- ANJ has organized 33 socialization programs attended by 479 smallholders farmers and related stakeholders in 2023.
- ANJ has supported the smallholders. From the beginning of the program until 31 December 2023, 33 percent of ANJ independent smallholders are involved in ANJ program, including Good Agricultural Practices (GAP) and sustainability certification.
- ANJ has achieved 100% traceability rate of FFB supplied by third parties in 2023.
- ANJ has set a goal to preserve water and optimize water use in ANJ's palm oil business by achieving 1 m³/ton FFB processed by 2027. In 2023 ANJ's palm oil business used 0.971 m³/ton FFB and 4.71 m³/ton CPO.
- ANJ has no new development in peat areas of any depth, and conservation of peatlands in 2023.
- ANJ has monitored the quality of the discharged water by measuring its Biological Oxygen Demand (BOD), which indicates the level of pollutants, such as ammonia and nitrates, contained in the water. All the water discharged in ANJAS already meets the quality standards set by environmental authorities, which is a BOD level of 100 mg/l. ANJ target is to further decrease the concentration level below environmental compliance levels of 95 mg/l. It was confirmed that as of 2023, the BOD result analysis was 91 mg/l.

Assurance level

The Type 2 Moderate level assurance provided is in accordance with AA1000 Assurance Standard v3 in our review, as defined by the scope and methodology described in this statement.

Responsibility

This Sustainability report is the responsibility of the PT. Austindo Nusantara Jaya Tbk. s CEO as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of *Lead Auditors and GHG Verifiers experienced in industrial sector, and trained in a range of sustainability, environmental and social standards including AA1000 AS, ISO14001, ISO45001, ISO14064 and ISO 9001*. BSI is a leading global standards and assessment body founded in 1901.

Signed by:

17E6E553-63C2-491D-B...

For and on behalf of BSI:

Nolia Natalia, Country Manager, BSI Indonesia



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Statement No.: **SRA-ID 803363**
20-04-2024

Issue Date: 20 April 2024 Effective Date: 20 April 2024

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APPENDIX 2

GRI CONTENT INDEX

Austindo Nusantara Jaya Tbk has reported in accordance with the GRI Standard for the period 1 January 2023 - 31 December 2023

| Gri Standard /Other Source | | Disclosure | Gri Sector Standard | Location | Notes |
|----------------------------|------|---|---------------------|----------------|-----------|
| GENERAL DISCLOSURE | | | | | |
| GRI 2 : General Disclosure | 2-1 | Organizational Detail | | 3, 4, 5 | Disclosed |
| | 2-2 | Entities included in the organization's sustainability reporting | | 3 | Disclosed |
| | 2-3 | Reporting period, frequency and contact point | | 3 | Disclosed |
| | 2-4 | Restatements of information | | 3 | Disclosed |
| | 2-5 | External assurance | | 3 | Disclosed |
| | 2-6 | Activities, value chain and other business relationships | | 3, 4 | Disclosed |
| | 2-7 | Employees | | 124 | Disclosed |
| | 2-8 | Workers who are not employees | | 122 | Disclosed |
| | 2-9 | Governance structure and composition | | 28, 29, 32, 33 | Disclosed |
| | 2-10 | Nomination and selection of the highest governance body | | 30 | Disclosed |
| | 2-11 | Chair of the highest governance body | | 29 | Disclosed |
| | 2-12 | Role of the highest governance body in overseeing the management of impacts | | 29, 32 | Disclosed |
| | 2-13 | Delegation of responsibility for managing impacts | | 32, 33 | Disclosed |
| | 2-14 | Role of the highest governance body in sustainability reporting | | 22 | Disclosed |
| | 2-15 | Conflicts of interest | | 29 | Disclosed |
| | 2-16 | Communication of critical concerns | | 37 | Disclosed |
| | 2-17 | Collective knowledge of the highest governance body | | 31 | Disclosed |
| | 2-18 | Evaluation of the performance of the highest governance body | | 30 | Disclosed |
| | 2-19 | Remuneration policies | | 30, 31 | Disclosed |
| | 2-20 | Process to determine remuneration | | 31 | Disclosed |
| | 2-21 | Annual total compensation ratio | | 31 | Disclosed |
| | 2-22 | Statement on sustainable development strategy | | 21 | Disclosed |
| | 2-23 | Policy commitments | | 20, 21, 111 | Disclosed |
| | 2-24 | Embedding policy commitments | | 21 | Disclosed |
| | 2-25 | Processes to remediate negative impacts | | 37 | Disclosed |
| | 2-26 | Mechanisms for seeking advice and raising concerns | | 37, 40 | Disclosed |
| | 2-27 | Compliance with laws and regulations | | 40 | Disclosed |
| | 2-28 | Membership associations | | 41 | Disclosed |
| | 2-29 | Approach to stakeholder engagement | | 35, 153 | Disclosed |
| | 2-30 | Collective bargaining agreements | | 135, 136 | Disclosed |

| Gri Standard /Other Source | | Disclosure | Gri Sector Standard | Location | Notes |
|-----------------------------------|-------|---|---------------------|---------------|-----------|
| MATERIAL TOPICS | | | | | |
| GRI 3 :MATERIAL TOPICS | 3-1 | Process to determine material topics | | 22 | Disclosed |
| | 3-2 | List of material topics | | 22 | Disclosed |
| MATERIAL TOPICS | | | | | |
| GRI 3 :MATERIAL TOPICS | 3-3 | Management of Material Topics | 13.1.1 | 82 - 86 | Disclosed |
| | | | 13.2.1 | 80 - 81 | |
| | | | 13.3.1 | 98 - 112 | |
| | | | 13.7.1 | 114 - 118 | |
| | | | 13.8.1 | 92 - 97 | |
| | | | 13.12.1 | 150 - 153 | |
| | | | 13.15.1 | 126 - 134 | |
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| | | | 13.17.1 | 135 - 137 | |
| | | | 13.18.1 | 135 - 136 | |
| | | | 13.19.1 | 138 - 147 | |
| | | | 13.20.1 | 125 | |
| | | | 13.22.1 | 45 - 50 | |
| | | | 13.23.1 | 51 - 57 | |
| | | | | | |
| GRI 201 : ECONOMIC PERFORMANCE | 201-1 | Direct economic value generated and distributed | 13.22.2 | 50 | Disclosed |
| | 201-2 | Financial Implications and other risks and opportunities due to climate change | 13.2.2 | 76, 80 | Disclosed |
| | 201-3 | Defined benefite plan obligations and other retirement plans | | 50 | Disclosed |
| | 201-4 | Financial assistance received from government | | 50 | Disclosed |
| | | | | | |
| GRI 203 : INDIRECT ECONOMY IMPACT | 203-1 | Infrastructure investment and sevicees supported | 13.22.3 | 61 | Disclosed |
| | 203-2 | Significant indirect economy impact | 13.22.4 | 59, 60, 63 | Disclosed |
| | | | | | |
| GRI 302 : ENERGY | 302-1 | Energy consumption within the organization | | 87 | Disclosed |
| | 302-2 | Energy consumption outside of the organization | | 81 | Disclosed |
| | 302-3 | Energy intensity | | 87, 88 | Disclosed |
| | 302-4 | Reduction of energy consumption | | 87, 90 | Disclosed |
| | 302-5 | Reduction in energy requirements of products and services | | 90 | Disclosed |
| | | | | | |
| GRI 303 : WATER AND EFFLUENTS | 303-1 | Interactions with water as a shared source | 13.7.2 | 115, 116, 118 | Disclosed |
| | 303-2 | Management of water discharged-related impacts | 13.7.3 | 116, 118, 119 | Disclosed |
| | 303-3 | Water withdrawal | 13.7.4 | 116 | Disclosed |
| | 303-4 | Water discharged | 13.7.5 | 116 | Disclosed |
| | 303-5 | Water consumption | 13.7.6 | 116 | Disclosed |
| | | | | | |
| GRI 304 : BIODIVERSITY | 304-1 | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | 13.3.2 | 103 | Disclosed |
| | 304-2 | Significant impacts of activities, products and services on biodiversity | 13.3.3 | 100 | Disclosed |

| Gri Standard /Other Source | | Disclosure | Gri Sector Standard | Location | Notes |
|---|--------|--|---------------------|--------------------|-----------|
| | 304-3 | Habitats protected or restored | 13.3.4 | 104, 106, 112 | Disclosed |
| | 304-4 | IUCN Red List species and national conservation list species with habitats in areas affected by operations | 13.3.5 | 105 | Disclosed |
| | | | | | |
| GRI 305 : EMISSIONS | 305-1 | Direct (Scope 1) GHG emissions | 13.1.2 | 82, 83 | Disclosed |
| | 305-2 | Energy indirect (Scope 2) GHG emissions | 13.1.3 | 82, 83 | Disclosed |
| | 305-3 | Other indirect (Scope 3) GHG emissions | 13.1.4 | 82 | Disclosed |
| | 305-4 | GHG emissions intensity | 13.1.5 | 82, 83, 84 | Disclosed |
| | 305-5 | Reduction of GHG emissions | 13.1.6 | 82, 83, 84 | Disclosed |
| | 305-6 | Emissions of Ozone-Depleting Substances (ODS) | 13.1.7 | 82 | Disclosed |
| | 305-7 | Nitrogen oxides (NOx), sulfur oxide (SOx), and other significant air emissions | 13.1.8 | 91 | Disclosed |
| | | | | | |
| GRI 306 : WASTE | 306-1 | Waste generation and significant waste-related impact | 13.8.2 | 93 | Disclosed |
| | 306-2 | Management of significant waste-related impact | 13.8.3 | 94, 95, 96 | Disclosed |
| | 306-3 | Waste generated | 13.8.4 | 93, 96 | Disclosed |
| | 306-4 | Waste diverted from disposal | 13.8.5 | 93, 96 | Disclosed |
| | 306-5 | Waste directed to disposal | 13.8.6 | 93, 95, 96, 97 | Disclosed |
| | | | | | |
| GRI 308 : SUPPLIER ENVIRONMENTAL ASSESSMENT | 308-1 | New supplier that were screened using environmental criteria | | 54 | Disclosed |
| | 308-2 | Negative environmental impact in the supply chain and action taken | | 54 | Disclosed |
| | | | | | |
| GRI 403 : OCCUPATIONAL HEALTH AND SAFETY | 403-1 | Occupational health and safety management system | 13.19.2 | 138, 139 | Disclosed |
| | 403-2 | Hazard identification, risk assessment, and incident investigation | 13.19.3 | 140, 141 | Disclosed |
| | 403-3 | Occupational health services | 13.19.4 | 140, 141, 147 | Disclosed |
| | 403-4 | Worker participation, consultation, and communication on occupational health and safety | 13.19.5 | 139, 140 | Disclosed |
| | 403-5 | Worker training on occupational health and safety | 13.19.6 | 142 | Disclosed |
| | 403-6 | Promotion of worker health | 13.19.7 | 147 | Disclosed |
| | 403-7 | Prevention and mitigation of occupational health and safety impact directly linked by business relationships | 13.19.8 | 139 | Disclosed |
| | 403-8 | Workers covered by an occupational health and safety management system | 13.19.9 | 138, 139 | Disclosed |
| | 403-9 | Work-related injuries | 13.19.10 | 141, 142, 143, 144 | Disclosed |
| | 403-10 | Work-related ill health | 13.19.11 | 141, 142, 144 | Disclosed |
| | | | | | |
| GRI 404 : TRAINING AND EDUCATION | 404-1 | Average hours of training per year per employee | | 130 | Disclosed |
| | 404-2 | Programs of upgrading employee skills and transition assistance programs | | 128, 129 | Disclosed |

| Gri Standard /Other Source | | Disclosure | Gri Sector Standard | Location | Notes |
|--|-------|--|---------------------|-------------------|------------|
| | 404-3 | Percentage of employees receiving regular performance and career development reviews | | 131 | Disclosed |
| GRI 405 : DIVERSITY AND EQUAL OPPORTUNITY | 405-1 | Diversity of governance bodies employee | 13.15.2 | 133 | Disclosed |
| | 405-2 | Ratio basic salary and remuneration of women to men | 13.15.3 | 134 | Disclosed |
| GRI 407 : FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING | 407-1 | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | 13.18.2 | 136 | Disclosed |
| GRI 408 : CHILD LABOR | 408-1 | Operations and suppliers at significant risk for incidents of child labor | 13.17.2 | 135, 137 | Disclosed |
| GRI 409 : Forced or Compulsory Labor | 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labor | 13.16.2 | 135, 137 | Disclosed |
| GRI 413 : LOCAL COMMUNITIES | 413-1 | Operations with local community engagement, impact assessments, and development programs | 13.12.2 | 59, 150, 151, 153 | Disclosed |
| | 413-2 | Operations with significant actual and potential negative impacts on local communities | 13.12.3 | 152 | Disclosed |
| GRI 414 : SUPPLIER SOCIAL ASSESSMENT | 414-1 | New suppliers that were screened using social criteria | | 54 | Disclosed |
| | 414-2 | Negative social impacts in the supply chain and actions taken | | 54 | Disclosed |
| GRI 13-20 : EMPLOYMENT PRACTICES | | Management Material Topic - Employment Practice | 13.20.1 | 122, 125, 137 | Disclosed |
| GRI 13-23 : SUPPLY CHAIN TRACEABILITY | | Management Material Topic - Supply Chain Traceability | 13.23.1 | 57 | Prosperity |
| | | Describe the level of traceability in place for each product sourced, for example, whether the product can be traced to the national, regional, or local level, or a specific point of origin | 13.23.2 | 57 | Disclosed |
| | | Report the percentage of sourced volume certified to internationally recognized standards that trace the path of products through the supply chain, by product and list these standards | 13.23.3 | 48, 54 | Disclosed |
| | | Describe improvement projects to get suppliers certified to internationally recognized standards that trace the path of products through the supply chain to ensure that all sourced volume is certified | 13.23.4 | 54 | Disclosed |

APPENDIX 3

TOPICS IN THE APPLICABLE GRO SECTOR STANDARDS DETERMINED AS NOT MATERIAL

| No | GRI Sector Standard | GRI Standard | Topic | Explanation |
|----|---------------------|--------------|---|---|
| 1 | 13.3.6 | | The following additional sector disclosures are for organizations in the aquaculture | <i>Not Applicable</i> Our business unit operates in the Plantation industry |
| 2 | 13.3.7 | | The following additional sector disclosure is for organizations in the fishing sector | <i>Not Applicable</i> Our business unit operates in the Plantation industry |
| 3 | 13.4.1 | | Management Material Topic - Natural Ecosystem Conversion | <i>Not Applicable</i> A methodology related to Deforestation or Conversion Free assessment is not yet available. |
| 4 | 13.4.2 | | Report the percentage of production volume from land owned, leased or managed by the organization determined to be deforestation- or conversion-free, by product, and describe the assessment methods used | <i>Not Applicable</i> A methodology related to Deforestation or Conversion Free assessment is not yet available. |
| 5 | 13.4.3 | | For products sourced by the organization, report the following by product: - the percentage of sourced volume determined to be deforestation- or conversion-free, and describe the assessment methods used; - the percentage of sourced volume for which origins are not known to the point where it can be determined whether it is deforestation- or conversion-free, and describe actions taken to improve traceability. | <i>Not Applicable</i> A methodology related to Deforestation or Conversion Free assessment is not yet available. |
| 6 | 13.4.4 | | Report the size in hectares, the location, and the type of natural ecosystems converted since the cutoff date on land owned, leased, or managed by the organization. | <i>Not Applicable</i> During the reporting period, no land clearing was conducted |
| 7 | 13.4.5 | | Report the size in hectares, the location, and the type of natural ecosystems converted since the cut-off date by suppliers or in sourcing locations. | <i>Not Applicable</i> During the reporting period, there were no new suppliers to supply materials to us. |
| 8 | 13.5.1 | | Describe the soil management plan, including: - a link to this plan if publicly available; - the main threats to soil health identified and a description of the soil management practices used; - the approach to input optimization, including the use of fertilizers. | <i>Not Applicable</i> During the reporting period, there were no significant erosion incidents |
| 9 | 13.6.1 | | Management Material Topic - Pesticides Use | <i>Not Applicable</i> The volume of pesticides used relatively mild compared to other chemical (such as fertilizer). |
| 10 | 13.6.2 | | Report the volume and intensity of pesticides used by the following toxicity hazard levels | <i>Not Applicable</i> The volume of pesticides used relatively mild compared to other chemical (such as fertilizer). |

| No | GRI Sector Standard | GRI Standard | Topic | Explanation |
|----|---------------------|--------------|---|---|
| 11 | 13.9.1 | | Management Material Topic - Food Security | <i>Not Applicable</i> 98% of ANJ's products are CPO and PK, which are semi-finished materials, thus not directly related to consumers, making this disclosure not applicable |
| 12 | 13.9.2 | | Report the total weight of food loss in metric tons and the food loss percentage, by the organization's main products or product category, and describe the methodology used for this calculation. | <i>Not Applicable</i> 98% of ANJ's products are CPO and PK, which are semi-finished materials, thus not directly related to consumers, making this disclosure not applicable |
| 13 | 13.10.1 | | Management Material Topic - Food Safety | <i>Not Applicable</i> 98% of ANJ's products are CPO and PK, which are semi-finished materials, thus not directly related to consumers, making this disclosure not applicable |
| 14 | 13.10.2 | 416-1 | Assessment of the health and safety impacts of product and service categories | <i>Not Applicable</i> 98% of ANJ's products are CPO and PK, which are semi-finished materials, thus not directly related to consumers, making this disclosure not applicable |
| 15 | 13.10.3 | 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | <i>Not Applicable</i> 98% of ANJ's products are CPO and PK, which are semi-finished materials, thus not directly related to consumers, making this disclosure not applicable |
| 16 | 13.10.4 | | Report the percentage of production volume from sites certified to internationally recognized food safety standards, and list these standards. | <i>Not Applicable</i> 98% of ANJ's products are CPO and PK, which are semi-finished materials, thus not directly related to consumers, making this disclosure not applicable |
| 17 | 13.10.5 | | Report the number of recalls issued for food safety reasons and the total volume of products recalled | <i>Not Applicable</i> 98% of ANJ's products are CPO and PK, which are semi-finished materials, thus not directly related to consumers, making this disclosure not applicable |
| 18 | 13.11.1 | | Management Material Topic - Animal Health and Welfare | <i>Not Applicable</i> ANJ does not have any animal products, therefore this disclosure is not applicable |
| 19 | 13.11.2 | | Report the percentage of production volume from sites of the organization certified to third-party animal health and welfare standards, and list these standards | <i>Not Applicable</i> ANJ does not have any animal products, therefore this disclosure is not applicable |
| 20 | 13.11.3 | | The following additional sector disclosure is for organizations in the aquaculture sector | <i>Not Applicable</i> Our business unit operates in the Plantation industry |
| 21 | 13.13.1 | | Management of Material Topic : Land and Resources Rights | <i>Not Applicable</i> There were no significant land clearances during the reporting period |
| 22 | 13.13.2 | | List the locations of operations, where land and natural resource rights (including customary, collective, and informal tenure rights) may be affected by the organization's operations. | <i>Not Applicable</i> There were no significant land clearances during the reporting period |
| 23 | 13.13.3 | | Report the number, size in hectares, and location of operations where violations of land and natural resource rights (including customary, collective, and informal tenure rights) occurred and the groups of rightsholders affected. | <i>Not Applicable</i> There were no significant land clearances during the reporting period |




| No | GRI Sector Standard | GRI Standard | Topic | Explanation |
|----|---------------------|--------------|--|---|
| 24 | 13.14.1 | | Management of Material Topic : Rights of Indigenous Peoples | <i>Not Applicable</i> Based on information from the Indigenous Peoples' Alliance of the Archipelago (AMAN) through the website of the Indigenous Peoples' Area Registration Agency (BRWA), there are no registered, verified, or certified Indigenous Peoples located around the concession of PT ANJ, thus this disclosure does not apply |
| 25 | 13.14.2 | 411-1 | Incidents of violations involving rights of indigenous peoples | <i>Not Applicable</i> Based on information from the Indigenous Peoples' Alliance of the Archipelago (AMAN) through the website of the Indigenous Peoples' Area Registration Agency (BRWA), there are no registered, verified, or certified Indigenous Peoples located around the concession of PT ANJ, thus this disclosure does not apply |
| 26 | 13.14.2 | | Describe the identified incidents of violations involving the rights of indigenous peoples. | <i>Not Applicable</i> Based on information from the Indigenous Peoples' Alliance of the Archipelago (AMAN) through the website of the Indigenous Peoples' Area Registration Agency (BRWA), there are no registered, verified, or certified Indigenous Peoples located around the concession of PT ANJ, thus this disclosure does not apply |
| 27 | 13.14.3 | | List the locations of operations where indigenous peoples are present or affected by activities of the organization | <i>Not Applicable</i> Based on information from the Indigenous Peoples' Alliance of the Archipelago (AMAN) through the website of the Indigenous Peoples' Area Registration Agency (BRWA), there are no registered, verified, or certified Indigenous Peoples located around the concession of PT ANJ, thus this disclosure does not apply |
| 28 | 13.14.4 | | Report if the organization has been involved in a process of seeking free, prior, and informed consent (FPIC) from indigenous peoples for any of the organization's activities | <i>Not Applicable</i> Based on information from the Indigenous Peoples' Alliance of the Archipelago (AMAN) through the website of the Indigenous Peoples' Area Registration Agency (BRWA), there are no registered, verified, or certified Indigenous Peoples located around the concession of PT ANJ, thus this disclosure does not apply |
| 29 | 13.15.4 | 406-1 | Incidents of discrimination and corrective actions taken | <i>Not Applicable</i> There are policies and procedures related to this matter, and historically, there have been no significant incidents during the reporting period |
| 30 | 13.15.5 | | Describe any differences in employment terms and approach to compensation based on workers' nationality or migrant status, by location of operations | <i>Not Applicable</i> We do not differentiate allocation of jobs for specific positions. Promotion and recruitment are based on competency. Up to this point, members of the local community have not yet developed the necessary capacity for job roles needed |
| 31 | 13.21.1 | | Management of Material Topic : Living Income dan Living Wage | <i>Not Applicable</i> The Indonesian government has issued a wage standard based on the cost of living for specific areas, thus ANJ, as one of company operating in Indonesia, must comply with the relevant regulations |

| No | GRI Sector Standard | GRI Standard | Topic | Explanation |
|----|---------------------|--------------|---|--|
| 32 | 13.21.2 | | Report the percentage of employees and workers who are not employees and whose work is controlled covered by collective bargaining agreements that have terms related to wage levels and frequency of wage payments at significant locations of operation | <i>Confidentiality Constraint</i> According to our contractors, data related to Contractor Workers' Salaries is information that cannot be shared by our contractor |
| 33 | 13.21.3 | | Report the percentage of employees and workers who are not employees and whose work is controlled paid above living wage, with a breakdown by gender | <i>Confidentiality Constraint</i> According to our contractors, data related to Contractor Workers' Salaries is information that cannot be shared by our contractor |
| 34 | 13.24.1 | | Management of Material Topic : Political contributions | <i>Not Applicable</i> Our policy explicitly states that we do not participate in or engage with any activities related to politics |
| 35 | 13.24.2 | 415-1 | Political contributions | <i>Not Applicable</i> Our policy explicitly states that we do not participate in or engage with any activities related to politics |
| 36 | 13.25.1 | | Management of Material Topic : Anti-competitive behavior | <i>Not Applicable</i> We do not have the ability to influence or control the market price of our commodity |
| 37 | 13.25.2 | 206-1 | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | <i>Not Applicable</i> We do not have the ability to influence or control the market price of our commodity |
| 38 | 13.26.1 | | Management of Material Topic : Anti-corruption | <i>Not Applicable</i> Based on the company's historical track record and core values, this is not a primary material concern for us |
| 39 | 13.26.2 | 205-1 | Operations assessed for risks related to corruption | <i>Not Applicable</i> Based on the company's historical track record and core values, this is not a primary material concern for us |
| 40 | 13.26.3 | 205-2 | Communication and training about anti-corruption policies and procedures | <i>Not Applicable</i> Based on the company's historical track record and core values, this is not a primary material concern for us |
| 41 | 13.26.4 | 205-3 | Confirmed incidents of corruption and actions taken | <i>Not Applicable</i> Based on the company's historical track record and core values, this is not a primary material concern for us |

APPENDIX 4

CROSS-REFERENCE TO SDGS

| SDG Goal | SDG Target | Action Taken by The Company | Page |
|--|------------|--|------------------|
|  1 NO POVERTY | 1,2 | Economic impacts of company activity | 44-50 |
| | 1,3 | Provision of access to health services to the poor | 147 |
| | 1,4 | Respect of community rights to land | 152-153 |
| | 1,5 | Desa Fokus village resilience building program | 63-66 |
|  2 ZERO HUNGER | 2,3 | Gerbang Emas Edamame Cultivation, Tani Mandiri, Fresh Water Aquaculture | 63-66 |
| | 2,4 | Floating Rice Fields and Food security programs | 63-66 |
|  3 GOOD HEALTH AND WELL-BEING | 3,1 | Provision of maternal health and child care services | 147 |
| | 3,8 | Provision of health services in remote areas, and health insurance for employees | 147 |
| | 3,c | Provision of doctors, nurses, and midwives in clinics | 147 |
|  4 QUALITY EDUCATION | 4,1 | Quality education for local employees' children | 59-60, 63-66, 69 |
| | 4,2 | Early childhood education program in West Papua | 69 |
| | 4,3 | Learning and development programs for employees | 126-131 |
|  5 GENDER EQUALITY | 5,1 | Equal opportunity and non-discrimination policy | 126-134 |
| | 5,2 | Prevention and protection of women from harassment through the Gender committee | 134 |
| | 5,5 | Support for women in leadership roles | 132-134 |
|  6 CLEAN WATER AND SANITATION | 6,3 | Water management, effluents and discharges | 114-119 |
| | 6,4 | Water management, withdrawal and efficiency | 114-119 |
|  7 AFFORDABLE AND CLEAN ENERGY | 7,1 | Provision of renewable energy to national electricity grid | 87-88 |
| | 7,2 | Renewable energy use | 88 |
| | 7,3 | Energy intensity | 87-88 |
| | 7,b | Investments in renewable energy | 87-88 |

| SDG Goal | SDG Target | Action Taken by The Company | Page |
|--|------------|--|---------|
|  8 DECENT WORK AND ECONOMIC GROWTH | 8,1 | Economic performance and growth | 44-50 |
| | 8,3 | Support to smallholders and cooperatives | 51-57 |
| | 8,3 | Employment and job creation | 122-125 |
| | 8,5 | Equal opportunity of employment and remuneration | 125-134 |
| | 8,7 | Prevention and eradication of forced labor and child labor | 135-137 |
| | 8,8 | Protection of labor rights and freedom of association | 135-136 |
|  9 INDUSTRY INNOVATION AND INFRASTRUCTURE | 9,1 | Infrastructure investments | 61-62 |
| | 9,4 | Emissions reduction and monitoring | 82-86 |
|  12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 12,4 | Hazardous waste management | 92-97 |
| | 12,5 | Waste management and 3R programs | 92-97 |
| | 12,7 | Responsible sourcing | 51-57 |
|  13 CLIMATE ACTION | 13,1 | Managing climate risks | 76-82 |
| | 13,2 | Reducing GHG emissions | 84-86 |
| | 13,3 | Village- and community-based fire prevention programs | 63-68 |
|  15 LIFE ON LAND | 15,1 | Forest protection and conservation | 98-112 |
| | 15,2 | No deforestation policy | 103-106 |
| | 15,3 | Restoration of habitats | 103-106 |
| | 15,5 | Biodiversity monitoring and protection | 103-111 |
|  16 PEACE, JUSTICE AND STRONG INSTITUTIONS | 16,2 | Eradication of child labor | 135-137 |
| | 16,6 | Grievance mechanism and whistleblower system | 37-40 |
| | 16,7 | Membership in associations | 41 |

APPENDIX 5

POJK 51 INDEX

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APPENDIX 6

NOTES ON METHODS AND CONVERSION FACTORS

GRI-303: Notes on Definitions

Water Consumption

- a. Consumption for processing: water incorporated into the final product or used during the production process
- b. Consumption for land application: water applied to plants, or effluents that have evaporated, stored in a controlled manner due to contamination and cannot be used by other parties, and do not leave organizational boundaries (Wastewater Treatment Plant)

GRI-305: Conversion Factors

| No | Parameter | Source | Unit | Factor |
|----------------|----------------------------|--|----------------------------|----------|
| Landuse Change | | | | |
| 1 | Undisturbed Forest | Modelling carbon sequestration and greenhouse gas emissions associated with oil palm cultivation and land-use change (Henson I.E- 2009) | Ton C/Ha | 268,00 |
| 2 | Disturbed Forest | Review of emission factors for assessment of CO ₂ emission from land use change to oil palm in Southeast Asia (Agus, F., Henson, I.E., Sahardjo, B.H., Harris, N., van Noordwijk, M. & Killeen, T.J. 2013) | Ton C/Ha | 128,00 |
| 3 | Shrubland | European Union Commission (2009). Directive 2009/28/EC Draft Annex V | Ton C/Ha | 46,00 |
| 4 | Grassland | Modelling carbon sequestration and greenhouse gas emissions associated with oil palm cultivation and land-use change (Henson I.E- 2009) | Ton C/Ha | 5,00 |
| 5 | Tree Corp | European Union Commission (2009). Directive 2009/28/EC Draft Annex V | Ton C/Ha | 75,00 |
| 6 | Food Crops/ Annual Crops | Winrock (2010). N Harris, pers com. MODIS data 2000 to 2007. Average of annual (5.0) and perennial (12.0) crops | Ton C/Ha | 8,50 |
| 7 | Oil Palm | OPRODSIM Henson I.E.(2005b) OPRODSIM, a versatile, mechanistic simulation model of oil palm dry matter production and yield | Ton C/Ha | 63,83 |
| Fertilizer | | | | |
| 8 | Ammonium Nitrate | Gurmit S. (1995). Management and utilisation of oil palm by-products. The Planter, Jenson T.K. and Kongshaug G. (2003). Energy consumption and greenhouse gas emissions in fertiliser production. International Fertiliser Society, York, UK 28pp. | Kg CO ₂ eq/ Ton | 2.380,00 |
| 9 | Sulphate of Ammonia | | Kg CO ₂ eq/ Ton | 340,00 |
| 10 | Double Ammonium Phosphate | | Kg CO ₂ eq/ Ton | 460,00 |
| 11 | Urea | | Kg CO ₂ eq/ Ton | 1.340,00 |
| 12 | Ammonium Chloride | | Kg CO ₂ eq/ Ton | 1.040,00 |
| 13 | Kieserite | | Kg CO ₂ eq/ Ton | 200,00 |
| 14 | Muriate of Potash | | Kg CO ₂ eq/ Ton | 200,00 |
| 15 | Ground Rock Phosphate | Caliman J.P., Carcasses R., Girardin P., Pujianto, Dubos B., and Liwang T. (2005) Development of agro-environmental indicators for sustainable management of oil palm growing: general concept and example of nitrogen. | Kg CO ₂ eq/ Ton | 44,00 |
| 16 | Triple Super Phosphate | Ecoinvent v2 (GHG based on IPCC 2007-100 years). | Kg CO ₂ eq/ Ton | 170,00 |
| 17 | Ground Magnesium Limestone | | Kg CO ₂ eq/ Ton | 547,00 |

| No | Parameter | Source | Unit | Factor |
|--------------|-------------------------------|---|---|--------|
| Other | | | | |
| 18 | Global Warming Potential | IPCC Fourth Assessment Report (AR4) | Kg CO ₂ eq/Kg N ₂ O | 298 |
| 19 | Peat Oxidation | Hooijer A., S. Page, J. G. Canadell, M. Silvius, J. Kwadijk, H. Wosten, J. Jauhiainen (2010) Current and future CO ₂ emissions from drained peatlands in Southeast Asia. | Ton CO ₂ eq/ha/Yr | 54,60 |
| 20 | Diesel Fuel | Well to wheel analysis of future automotive fuels and powertrains in the European context. Well-to-tank Appendix 1 | Kg CO ₂ eq/Liter | 3,12 |
| 21 | POME | Chase L.D.C and Henson I.E. (2010) A detailed greenhouse gas budget for palm oil production. International Journal for Agricultural Sustainability | Kg CH ₄ /Ton POME | 13,10 |
| 22 | National Grid Emission | IEA Emissions Factor for 2012 | Kg CO ₂ eq/kWh | 0,81 |
| 23 | Sequestration in Conservation | Tree regional default conservation sequestration (Cseq) values recommended by RSPO | Ton CO ₂ eq/Ha/Yr | 9,17 |

GRI-302: Conversion Factors

302-4 Calculation Methods

| No | Program | Type Of Energy Reduced | Calculation Method |
|----|---|------------------------|---|
| 1 | Using biomass turbines for non-processing energy | Diesel fuel | (Total Kwh / Total operational hours) x Total non-process hours x Conversion factor kWh to GJ |
| 2 | Switch to energy saving light bulbs | Electrical | ((Old bulbs wattage x Number of bulbs) - (New bulbs wattage x Number of bulbs)) x Usage time x Conversion factor kWh to GJ |
| 3 | Teleconferencing | Diesel fuel | Teleconferencing frequency x Amount of fuel x Number of trips x Fuel conversion factor |
| 4 | Modification of machines from diesel to electric | Diesel fuel | Energy consumption with fuel – Energy consumption with electricity |
| 6 | Switch to energy saving AC | Electricity | ((Old AC wattage - New AC Wattage)) x Number of AC x AC Usage time x Conversion factor kWh to GJ |
| 7 | R2G (Rotary Removal Grit) | Electricity | Working hours x Motor engine energy x Conversion factor kWh to GJ |
| 10 | Modification of unconventional tin pump system from diesel to electricity | Diesel fuel | ((Total electricity consumption x kWh to fuel conversion factor x fuel energy conversion factor) - (Total electricity consumption x kWh to GJ conversion factor)) |
| 11 | SCADA for Automatization | Electricity | Time savings x Operational days x Pump energy |
| 12 | AutoMix Treatment | Electricity | (Average electricity consumption – Actual electricity usage after the program) x Conversion factor of kWh to GJ |
| 13 | Operational Transport Restrictions for Guest and Staff Pickup Service | Diesel fuel | (Average mileage in Km before the program – Actual mileage in Km) / Km to liter conversion x 0,036 GJ/Liter |
| 14 | FFB grading conveyor | Electricity | (Energy consumption before implementation – energy consumption after implementation) x conversion factor of kWh to GJ |
| 15 | Deactivation of pump in Pond 5 in the waste area | Electricity | (Energy use of the Pond 5 pump) x conversion factor of electricity to GJ |
| 16 | Reducing power of LTDS 2 Fan | Electricity | (Energy consumption before implementation – energy consumption after implementation) x Conversion factor of electricity to GJ |
| 17 | Photocell installation | Electricity | ((Old bulbs wattage x Number of bulbs) - (New bulbs wattage x Number of bulbs)) x Usage time x Conversion factor of kWh to GJ |

| No | Program | Type Of Energy Reduced | Calculation Method |
|----|--|------------------------|---|
| 18 | Application of Legrand Timer on streetlights in housing and mill areas | Electricity | [Average electricity consumption – Actual electricity usage after the program] x Conversion factor of kWh to GJ |
| 20 | Optimization of High-Speed Separator Pumps for mud processing | Electricity | [Average electricity consumption – Actual electricity usage after the program] x Conversion factor of kWh to GJ |
| 21 | Optimization of electromotor oil pump | Electricity | [Average electricity consumption – Actual electricity usage after the program] x Conversion factor of kWh to GJ |

302-4 Conversion Factors and Assumptions

| | | | |
|---------------------------------|--------|------------|--|
| 1 kWh | 0.0036 | GJ | |
| Light Bulb Usage (Mill) | 40 | Hours/Week | |
| Estate-Airport Distance (2-way) | 68 | km | |
| Fuel Consumption | 17 | km/liter | |
| 1 PK AC Standard Wattage | 840 | Watt | |
| 2 PK AC Standard Wattage | 1920 | Watt | |
| 1 PK Low Watt AC Wattage | 660 | Watt | |
| 2 PK Low Watt AC Wattage | 1590 | Watt | |
| AC Usage Time | 40 | Hours/Week | |
| R2G Usage Capacity | 700 | kg/Jam | |
| R2G Motor Engine Energy | 5 | kWh | |
| Light Bulb Usage (Biogas) | 98 | Hours/Week | |
| Light Bulb Usage (CWT) | 10 | Hours/Day | |
| kWh to Diesel Fuel conversion | 0.3 | L/kWh | Mill research results mikrodata.bps.go.id |
| Diesel Fuel to GJ conversion | 0.036 | GJ/liter | |

GRI-306: Notes on Methods and Assumptions

- Conversion factors used:
 - 1m³= 1000 liter
 - 1 ton= 1000 kg
- Average oil density is 870 kg/m³ (measured from testing), and we converted reused oil from liter to kg, except for hazardous waste in ANJAP, PMP, and PPM.
- Palm shell waste is generated from 8% of processed FFB.
- Palm fiber waste is generated from 13% of processed FFB.
- Sago fiber waste is generated from 14% of processed sago logs (Flach, 1997; Rumalatu, 1981).
- Non-production waste is calculated from the difference of garbage truck weight when loaded with waste compared to when it is unloaded.
- Assumptions for production waste calculation per recovery type:
 - Reuse: EFB that are applied directly to the soil.
 - Recycle: EFB is used for composting.
 - Recovery: Palm fibers, and shells used as biofuel or sold
- Waste Type and Categories:
 - Non-Hazardous Production Waste: Shells, fibers, EFBs.
 - Non-Hazardous Non-Production Waste: steel and spare parts, tires, plastics and polybags, fertilizer sacks, paper, organic, and inorganic domestic waste.
 - Hazardous Waste: batteries, filters, contaminated gloves and cloth, contaminated packaging, medical waste, neon lamps/light bulbs, cartridges, electronic devices.

APPENDIX 7

RESPONSE TO THE PREVIOUS YEAR'S REPORT'S FEEDBACK

(POJK51-G.3)

Following the release of the 2022 Sustainability Report, throughout 2023 the Company did not receive any responses nor feedbacks from stakeholders. Consequently, this report did not present specific details regarding actions the Company may have taken in response to feedback from the previous year. Nevertheless, the quality of the 2023 report has been enhanced to align with the GRI and GRI Sector Standard (GRI 13: Agriculture, Aquaculture, and Fishing Sectors) guidelines, as well as POJK No. 51/POJK.03/2017 concerning the Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies.

FEEDBACK FORM

(POJK51-G.2)

The 2023 Sustainability Report of PT. Austindo Nusantara Jaya Tbk. provides an overview of our sustainability performance. We look forward to your inputs, constructive feedbacks and suggestions after reading this Sustainability Report, either by email or by sending this form by fax/post.

YOUR PROFILE

Name (optional) : _____
 Institution/company : _____
 Email : _____
 Phone/Cell phone : _____

STAKEHOLDER CATEGORY

() Shareholder or Investor () Customer () Employee () Labor Union () Media
 () Supplier () Business Organization () Government () Community Organization/NGO
 () Other, please specify _____

Please pick from the statements below that best describe your opinion:

| | Yes | No |
|--|-----|-----|
| 1. This report is easy to understand. | () | () |
| 2. This report is useful for me. | () | () |
| 3. This report sufficiently describes ANJ's performance with regard to sustainability. | () | () |

Please rate the material aspects that you consider important for sustainability (from 1-most important to 8-least important)

GHG Emissions and Carbon Footprint

GHG emission and energy efficiency

Waste recycling

Climate risk and adaptation

Water management

Protecting Forests and Biodiversity

Biodiversity and conservation

Deforestation

Fire prevention and management

Working Conditions

Occupational Health and Safety

Training and education

Diversity and women's empowerment

Supply Chain Practices

Supplier environmental and social practices

Traceability

Labor rights

Forced labor

Child labor

Freedom of association

Prosperity and inclusive growth

Economic performance

Innovation and sustainable production

Socio-economic welfare and livelihoods

Local Communities

Rights of local communities

Community Involvement and Development

Thank you for your participation.

Please send this feedback form to:

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ABBREVIATIONS

| | |
|-----------------------------|---|
| 3R | Reduce, Reuse, Recycle |
| 3M | <i>Menggunakan masker, Mencuci tangan, dan Menghindari kerumunan</i> or Wearing Masks, Washing Hands, and Avoiding Crowds |
| AANE | PT. Austindo Aufwind New Energy |
| AELT | ANJ Executive Leadership Team |
| AEI | <i>Asosiasi Emiten Indonesia</i> or Indonesian Public Listed Companies Association |
| AGMS | Annual General Meeting of Shareholders |
| AKAD | <i>Antar Kerja Antar Daerah</i> or Inter-regional Job Placement |
| ALC | ANJ Learning Center |
| ALS | Assessor Licensed Scheme |
| AMDAL | <i>Analisis Mengenai Dampak Lingkungan</i> or Environmental Impact Assessments |
| ANJ | PT. Austindo Nusantara Jaya Tbk. |
| ANJA | PT. Austindo Nusantara Jaya Agri |
| ANJAP | PT. ANJ Agri Papua |
| ANJAS | PT. Austindo Nusantara Jaya Agri Siais |
| APBS | <i>Asosiasi Perkebunan Besar Swasta</i> or Association of Large Private Plantations |
| APINDO | <i>Asosiasi Pengusaha Indonesia</i> or Indonesian Employer's Association |
| ASSRAT | Asia Sustainability Reporting Rating |
| BKSDA | <i>Balai Konservasi Sumber Daya Alam</i> or Natural Resources Conservation Center |
| BOC | Board of Commissioners |
| BOD | Board of Directors |
| BPJS Kesehatan | <i>Badan Pengelola Jaminan Sosial Kesehatan</i> or Healthcare Social Security Agency |
| BPJS Ketenagakerjaan | <i>Badan Pengelola Jaminan Sosial Ketenagakerjaan</i> or Employment Social Security Agency |
| BRC | British Retail Council |
| BSI | British Standards Institution |
| CDP | Climate Disclosure Project |
| CEO | Chief Executive Officer |
| CER | Certified Emissions Reduction |
| CFC | Chlorofluorocarbons |
| CH₄ | Methane |
| CI | Conservation International |
| CID | Community Involvement and Development |
| CIRAD | <i>Centre de Coopération Internationale en Recherche Agronomique pour le Développement</i> |
| CITES | Convention on International Trade of Endangered Species |
| CLA | Collective Labor Agreement |
| CO₂ | Carbon Dioxide |
| COVID-19 | Coronavirus Disease 2019 |
| CPO | Crude Palm Oil |
| CSR | Corporate Social Responsibility |
| EDC | Electronic Data Capture |
| EFB | Empty Fruit Bunches |
| EGMS | Extraordinary General Meeting of Shareholders |

| | |
|--------------------|--|
| EHS | Environmental Health and Safety |
| ELSAM | <i>Lembaga Studi dan Advokasi Masyarakat</i> or Institute for Policy Research and Advocacy |
| EPMS | Electronic Plantation Mobile System |
| EPR | Extended Producer Responsibility |
| ERP | Enterprise Resource Planning |
| ESG | Environmental, Social, and Governance |
| ESP | Electrostatic Precipitator |
| eTis | Electronic Traceability Information System |
| FAO | Food and Agriculture Organization |
| FAT | Fatality |
| FDA | Food and Drug Administration |
| FDR | Fire Danger Rating |
| FFB | Fresh Fruit Bunches |
| FGD | Focus Group Discussion |
| FLAG | Forests, Land, and Agriculture |
| FoKSBI | Indonesian Sustainable Palm Oil Forum |
| FPIC | Free, Prior, and Informed Consent |
| GAPKI | <i>Gabungan Pengusaha Kelapa Sawit Indonesia</i> or Indonesian Palm Oil Producers' Association |
| GCG | Good corporate governance |
| GHG | Greenhouse Gas |
| GJ | Gigajoule |
| GLAD | Global Analysis and Discovery |
| GM | General Manager |
| GMIT | PT. Gading Mas Indonesia Teguh |
| GMS | General Meeting of Shareholders |
| GPS | Global Positioning System |
| GRI | Global Reporting Initiative |
| GRK | Gas Rumah Kaca |
| GSB | PT. Galempa Sejahtera Bersama |
| HACCP | Hazard Analysis and Critical Control Points |
| HCFC | Hydrochlorofluorocarbon |
| HCS | High Carbon Stock |
| HCSA | High Carbon Stock Approach |
| HCV | High Conservation Value |
| HCVRN | High Conservation Value Resource Network |
| HCVRN's ALS | HCVRN's Assessor Licensed Scheme |
| HGU | <i>Hak Guna Usaha</i> or Land Cultivation Right Titles |
| HIRARC | Hazard Identification, Risk Assessment & Risk Control |
| HR&CM | Human Resource & Change Management |
| HRO | Human Resources Officer |
| ICS | Incident Command System |
| ICSA | Indonesia Corporate Secretary Association |
| IDM | <i>Indeks Desa Membangun</i> or Village Development Index |
| IDP | Individual Development Plan |

| | |
|---------------------|--|
| IDX | Indonesia Stock Exchange |
| IFM | Integrated Fire Management |
| IGCN | Indonesia Global Compact Network |
| IKE | <i>Indeks Ketahanan Ekonomi</i> or Economic Resilience Index |
| IKL | <i>Indeks Ketahanan Lingkungan</i> or Environmental Resilience Index |
| IKS | <i>Indeks Ketahanan Sosial</i> or Social Resilience Index |
| IMT | Incident Management Team |
| IPCC | Intergovernmental Panel on Climate Change |
| ISCC | International Sustainability and Carbon Certification |
| ISO | International Organization for Standardization |
| ISPO | Indonesian Sustainable Palm Oil |
| IUCN | International Union for Conservation of Nature |
| IUPHHBK-HA | <i>Izin Usaha Pemanfaatan Hasil Hutan Bukan Kayu - Hutan Alam</i> or Business License for the Utilization of Non-Timber Forest Products – Natural Forest |
| IWMWG | Indonesia Water Mandate Working Group |
| JKN | <i>Jaminan Kesehatan Nasional</i> or National Health Insurance |
| JSA | Job Safety Analysis |
| KADIN | <i>Kamar Dagang dan Industri Indonesia</i> or Indonesian Chamber of Commerce and Industry |
| KAL | PT. Kayung Agro Lestari |
| KB | <i>Keluarga Berencana</i> or Family Planning Program |
| KEE | <i>Kawasan Ekosistem Esensial</i> or Essential Ecosystem Area |
| KIMPER | <i>Kartu Ijin Mengemudi Perusahaan</i> or Corporate Driving License |
| KK | <i>Kartu Keluarga</i> or Family Card |
| KPI | Key Performance Indicator |
| KTP | <i>Kartu Tanda Penduduk</i> or Indonesian Identity Card |
| KTPA | <i>Kelompok Tani Peduli Api</i> or smallholder farmer fire-fighting groups |
| LED | Light-emitting diodes |
| LKS Bipartit | Bipartite forum |
| LCA | Life-cycle Assessment |
| LOC | Letter of Commitment |
| LOTO | lockout-tagout |
| LTI | Lost Time Injury |
| LUC | Land-use Change |
| LUCA | Land Use Change Analysis |
| LURI | Land Use Risk Identification |
| MAPAN | Steadfast and advanced village Mantap dan Terdepan |
| MASSI | <i>Masyarakat Sagu Indonesia</i> or Indonesian Sago Community |
| MDP | Management Development Program |
| MoEF | Ministry of Environment and Forestry |
| MoU | Memorandum of Understanding |
| MSDS | Material Safety Data Sheet |
| MT | Management Trainee |
| MTC | Medical Treatment Case |
| N2O | Nitrous oxide |
| NBS | Nature-based Solutions |

| | |
|---------------------|---|
| NDPE | No Deforestation, No Peat, and No Exploitation |
| NGO | Non-governmental organization |
| NOX | Nitrogen oxide |
| NPP | New Planting Procedures |
| NRC | Nomination and Remuneration Committee |
| OD | Occupational Disease |
| ODS | Ozone-depleting substances |
| OHS | Occupational Health and Safety |
| OHSAS | Occupational Health and Safety Management System |
| OJK | <i>Otoritas Jasa Keuangan</i> or Financial Services Authority |
| OJT | On the Job Training |
| P&C | Principles and Criteria |
| P2K3 | <i>Panitia Pembina Kesehatan dan Keselamatan Kerja</i> or Health and Safety Committee Governing Body |
| PAUD | <i>Pendidikan Anak Usia Dini</i> or Early Childhood Education |
| Pendaki | <i>Peduli Keanekaragaman Hayati</i> or Care for Biodiversity |
| PIPPIB | Indicative Map of the Moratorium on Issuing New Licenses |
| PK | Palm Kernel |
| PKO | Palm Kernel Oil |
| PLN | <i>Perusahaan Listrik Negara</i> or State Electricity Company |
| PM | Particulate matter |
| PMP | PT. Putera Manunggal Perkasa |
| POJK | <i>Peraturan Otoritas Jasa Keuangan</i> or Financial Services Authority Regulation |
| POME | Palm oil mill effluent |
| PONGO | Palm Oil & NGO alliance |
| Posko DAMKAR | <i>Pos Komando Pemadam Kebakaran</i> or Firefighting Command Post |
| PPE | Personal Protective Equipment |
| PPM | PT. Permata Putera Mandiri |
| PROPER | Program for Ranking Corporate Performance |
| PSDH | <i>Provisi Sumber Daya Hutan</i> or forest resource levy |
| Puskesmas | <i>Pusat Kesehatan Masyarakat</i> or primary health centers |
| QIP | Quality Improvement Program |
| R&D | Research and Development |
| R2G | Rotary Removal Grit |
| RADD | Radar for Detecting Deforestation |
| RD | Responsible Development |
| RKL | <i>Rencana Pengelolaan Lingkungan</i> or Environmental Management Plan |
| RPL | <i>Rencana Pemantauan Lingkungan</i> or Environmental Monitoring Plan |
| RSPO | Roundtable on Sustainable Palm Oil |
| SBTi | Science-based Targets Initiative |
| SDG | Sustainable Development Goals |
| SEIA | Social and Environmental Impact Assessment |
| SIA | Social Impact Assessment |
| SME | Subject Matter Experts |
| SMK3 | <i>Sistem Manajemen Kesehatan & Keselamatan Kerja</i> or Occupational Health and Safety Management System |

| | |
|---------------|---|
| SMM | PT. Sahabat Mewah Makmur |
| SOP | Standard Operating Procedures |
| SOX | Sulfur oxides |
| SPOTT | Sustainability Policy Transparency Toolkit |
| TK | <i>Taman Kanak-kanak</i> or Kindergarten |
| TNA | Training Needs Analysis |
| TNC | The Nature Conservancy |
| UAV | Unmanned Aerial Vehicle |
| UN | United Nations |
| UNDP | United Nations Development Program |
| UNFCCC | United Nations Framework Convention on Climate Change |
| UNGC | UN Global Compact |
| USD | US Dollars |
| VAT | Value Added Tax |
| VCU | Voluntary Carbon Unit |
| WBS | Whistleblowing System |
| WDPA | World Database on Protected Areas |
| WEP | Women's Empowerment Principles |
| WFH | Work from Home |
| WRI | World Resources Institute |
| YIARI | Yayasan Inisiasi Alam Rehabilitasi Indonesia |
| ZSL | Zoological Society of London |

2023

SUSTAINABILITY REPORT



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