



# SUSTAINABILITY REPORT 2023

GOLDEN AGRI-RESOURCES LTD



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# ABOUT THIS REPORT

The Sustainability Report 2023 provides an account of our progress and challenges in managing our most critical sustainability topics in FY2023.

The reporting scope is global. We have prepared this report in accordance with Global Reporting Initiative (GRI) Standards and the relevant sector standards for Agriculture, Aquaculture and Fishing. GAR has used the GRI reporting framework since we began reporting on our ESG performance in 2011 and continue to use it as it is the most widely-used reporting framework globally. The full GRI content index can be found on the GAR [website](#).

The report also contains disclosures recommended in the Agricultural Products Sustainability Accounting Standard (Industry Standard, Version 2018-10) that was developed by the Sustainability Accounting Standards Board (SASB). The SASB disclosure index can be found on our [website](#).

We are reporting on climate-related disclosures based on Task Force for Climate-related Financial Disclosures (TCFD) recommendations.

We are proud to present photos taken by our employees throughout this report. These range from shots of estates, operations, local communities and the diverse flora and fauna found in our areas.

## ASSURANCE

We have engaged PricewaterhouseCoopers LLP to undertake a Limited Assurance on selected sustainability information. Other information related to our material topics including High Carbon Stock (HCS), High Conservation Value (HCV) and Free, Prior and Informed Consent (FPIC) is reviewed by certification bodies such as the Roundtable on Sustainable Palm Oil (RSPO). Our NDPE IRF data is also undergoing verification by Control Union. The data for this report has also been reviewed internally.





# CHAIRMAN'S STATEMENT

Dear stakeholders, employees and partners,

Following a remarkable year in 2022, we demonstrated our resilience and delivered solid results in FY2023. This performance is a testament to our ability to navigate the complexities of our industry, including challenges such as crude palm oil (CPO) price fluctuations, unpredictable weather conditions, a dynamic geopolitical environment, and the backdrop of a slowing global economy. Our strategic focus on margin optimisation across the value chain has been instrumental in our success, fortifying our cash flow resilience and maintaining a robust balance sheet.

Normalised palm oil prices and reduced output impacted the plantation business performance. Despite these challenges, the business secured a healthy EBITDA margin of 24 percent or US\$478 million in FY2023. Our plantations produced 2.94 million tonnes

**"We recognise that action on climate change is not just a necessity but critical to our business and industry's future. GAR is committed to achieving net zero by 2050 and has pledged to pursue a pathway limiting global warming to 1.5 degrees Celsius."**

FRANKY OESMAN WIDJAJA  
Chairman and Chief Executive Officer



of palm product output, a slight decline attributable to the reduced mature area from our replanting activities and the high rainfall experienced in the early part of the year. Nevertheless, palm product yield reached 5.3 tonnes per hectare, which is amongst the industry's highest. To sustain plantation production growth, we will continue rejuvenating our plantations by replanting with newer generation, high-yielding planting materials.

Leveraging scale and technological advancements in Precision Agriculture remain integral to GAR's long-term strategy.

Downstream operations sustained robust performance, contributing significantly to consolidated EBITDA. Benefitting from integrated processing facilities, global distribution capabilities, a broad diversified product portfolio, and a large customer base, the business expanded sales volume, reaching over 100 countries. Achieving a solid EBITDA margin of 5.3 percent or US\$507 million, GAR's downstream segment underscores its resilience and adaptability to evolving market conditions.





## CONTINUOUS IMPROVEMENT IN SUSTAINABILITY

We are focusing our sustainability efforts on three core areas: addressing climate change risk, supporting a sustainable palm oil sector through traceability and capacity building, and supporting community economic development.

In pursuit of continuous improvement, we have joined the World Business Council for Sustainable Development (WBCSD), a global network of 200 businesses committed to transitioning to a more sustainable world. This will allow us to learn from best practices as well as share our perspective as an Asian-based agri-business.

GAR will contribute to the Agriculture & Food Pathway, aiming to enhance collaboration across the sector and support the Equitable Livelihoods workstream. GAR aims to support the creation of thriving and resilient agriculture and food systems that promote equitable livelihoods for all workers, placing farmers' prosperity at the heart of food systems.

We recognise that action on climate change is not just a necessity but critical to our business and industry's future. GAR is committed to achieving net zero by 2050 and has pledged to pursue a pathway limiting global warming to 1.5 degrees Celsius. This goal requires significantly reduced GHG emissions from our operations and Scope 3 emissions in our value chain.

GAR has taken a proactive stance in endorsing the Agriculture Sector Roadmap to 1.5C during COP27. This roadmap is a strategic tool designed to accelerate ongoing efforts within the agricultural commodity sector to combat deforestation. In line with the roadmap, all our palm oil production volumes are on track to meet the criteria of the "Delivering" category of the NDPE Implementation Reporting Framework by 2025.

We are finalising our decarbonisation strategy and roadmap for all entities in which GAR has equity of 50 percent or above. We aim to complete this by mid-2024. As part of our efforts, GAR has also mapped our carbon emissions footprint across Scopes 1, 2 and 3.

I am proud to report that GAR has achieved 99 percent Traceability to the Plantation (TTP) for our palm supply chain in Indonesia and expects to complete 100 percent TTP in 2024. Through rigorous efforts and investment in technology, we have successfully mapped our entire palm supply chain in Indonesia. We have also started the traceability process for our global supply chain for palm and non-palm products. We will use the considerable experience we have gained in supplier support and engagement to ensure that all our suppliers are aligned with our sustainability commitments. This achievement is fundamental to GAR's ability to offer responsibly sourced products to our customers. It also positions GAR to be well-placed to respond to incoming destination market regulations such as the European Union Deforestation Free Regulation or EUDR.

Despite the heightened fire risk during an El Niño year, our proactive measures and stringent fire prevention strategies have limited the impact of fires on GAR's operations. We know that communities around us need support in tackling and preventing fires, and we continue to expand our long-term collaboration with them through the Desa Makmur Peduli Api programme. Currently, 117 villages are enrolled in the programme, which trains local communities to prevent and suppress fires and educate them on the hazards of fire and haze.





The Bright Future Initiative, aimed at supporting local communities' economic development, continues to make a positive impact, focusing on livelihood improvement and community enterprise development. We have set up more than 160 projects in over 100 villages across our operations in Indonesia. These include organic vegetable, livestock and cash crop farming. We are also helping to upskill local communities and enabling them to market value-added products derived from the projects to boost their incomes. This also helps build local community resilience by offering them greater economic diversification and opportunities.

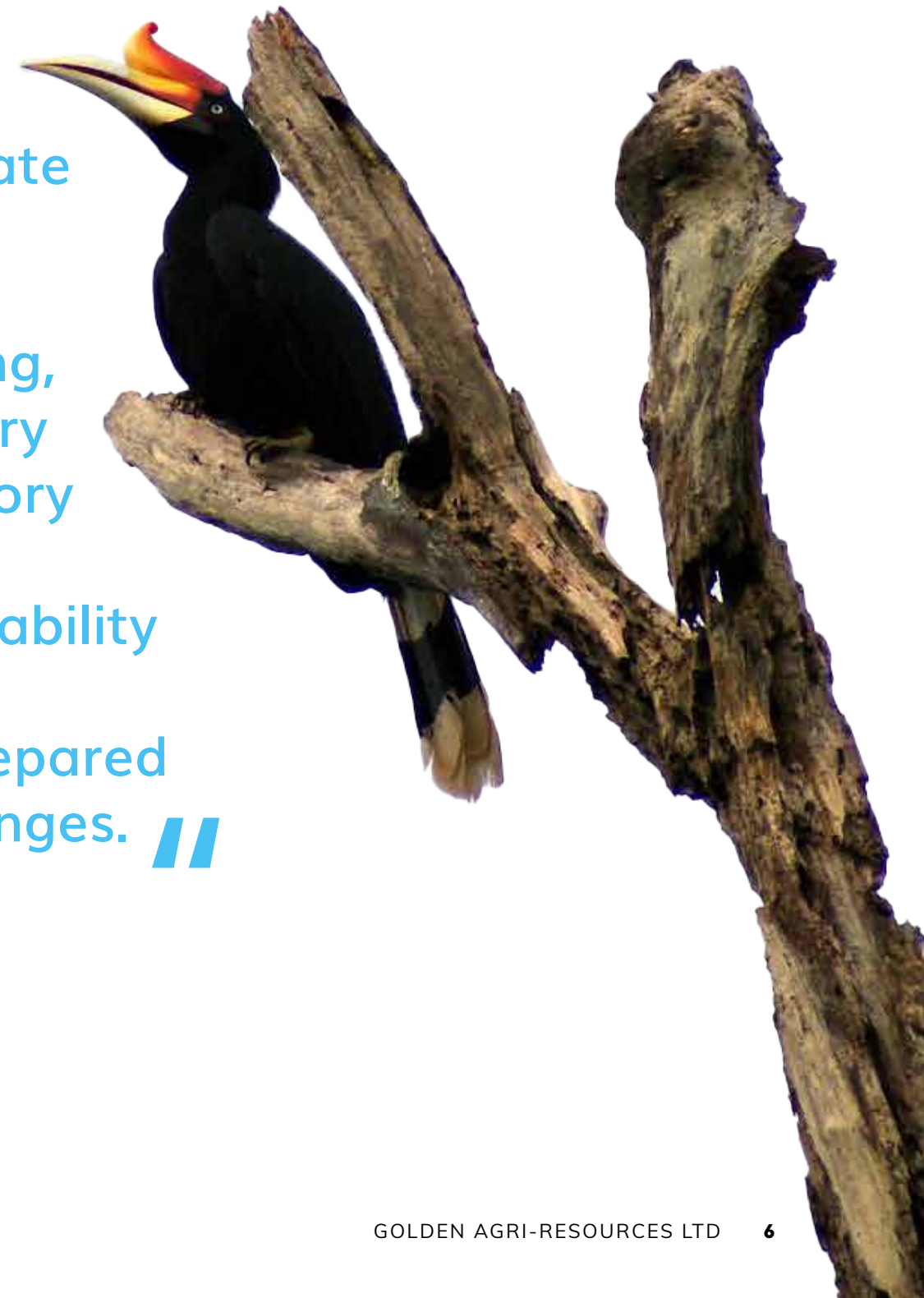
These achievements highlight our commitment to sustainability, responsible business practices, and community engagement. The expectations of agribusiness to operate sustainably and responsibly are ever-changing and evolving, moving from voluntary standards to regulatory requirements. GAR's long-standing sustainability commitments and investments have prepared us well for these changes.

Our continuing efforts also support the UN Sustainable Development Goals, particularly goals related to Zero Hunger (SDG2), Responsible Consumption and Production (SDG12), protection of Life on Land (SDG15) and Partnerships for the Goals (SDG17).

## LOOKING AHEAD WITH CONFIDENCE

As we move forward, technology and sustainability serve as our cornerstones in our quest for excellence. We recognise the imperative to harness the transformative forces of technology to drive efficiency, foster innovation, and propel us into new realms of growth. Moreover, sustainability is not merely a green choice; it represents a strategic investment in our future, enhancing our market position and ensuring long-term profitability. At GAR, we believe we can do well and do good. Our journey towards a sustainable future is continuous, and we are grateful for the support of our shareholders, employees, and partners in this shared endeavour.

“The expectations of agribusiness to operate sustainably and responsibly are ever-changing and evolving, moving from voluntary standards to regulatory requirements. GAR's longstanding sustainability commitments and investments have prepared us well for these changes.”







# PERFORMANCE UPDATE **2023**





Contributing to UN SDGs:

COMPLETED AND  
MONITORING

NEEDS WORK



ON TRACK

NDPE/GSEP commitments

2023 highlights

Future targets

Status

## ENVIRONMENTAL MANAGEMENT

No development of and conservation of High Carbon Stock (HCS) forests and High Conservation Value (HCV) areas

HCS/HCV conservation:

- 79,900 ha in GAR concessions
- >100,000 ha by GAR suppliers

- Continue to maintain conservation areas
- Continue encouraging and supporting suppliers in their conservation efforts



Riparian zone and mangrove swamp:

- ±3100 ha riparian buffer zone maintained
- ±290 ha mangrove swamp conserved

Explore and expand mangrove swamp conservation in partnership with customers or other stakeholders



No development and conservation of peatlands

Maintained no development and conservation of peat

Peatland rehabilitation:

Revegetated >1,600 ha of degraded peatland in West Kalimantan and Jambi

Continue no development and conservation of peat

- Aim to complete current phase of peat rehabilitation in West Kalimantan by 2025
- Aim to complete initial rehabilitation of peat area in Jambi of 750 ha by 2027



No burning

Zero Burning Policy:

- Limited impact from fires
- 117 villages enrolled in fire prevention programme, Desa Makmur Peduli Api

Continue to implement and strengthen fire prevention efforts



Continuous yield improvement

Yield improvement:

1.75 million clones of super high-yielding Eka 1 & Eka 2 produced

Continue cloning programme



Climate change adaptation &amp; mitigation:

Continued research into climate change resilient seed stock

Continue R&D to maintain/improve yields in face of climate change



Report & reduce GHG emissions

Reported Scope 1, Scope 2 and Scope 3 emissions for GAR global operations

- Finalise GHG reduction strategy
- Implement Agriculture Sector Roadmap to 1.5C
- Continue implementing TCFD reporting and prepare for ISSB reporting





COMPLETED AND  
MONITORING

NEEDS WORK



ON TRACK

NDPE/GSEP commitments

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## SOCIAL AND COMMUNITY ENGAGEMENT

Respecting the right to Free, Prior and Informed Consent and recognising the need for food security in new developments

Participatory Mapping in 199 villages to date

Continue to implement FPIC



Positive economic, social and community development

Annual economic and community programmes carried out (see p 69)

Continue to implement annual programmes



Empowering people through community development programmes

- 103 Bright Future Initiative projects to boost income and community resilience
- 58 Micro, Small and Medium Enterprises (MSMEs)

Continue to implement Bright Future Initiative Projects and MSMEs



## WORK ENVIRONMENT &amp; INDUSTRIAL RELATIONS

Recognising, respecting and strengthening the rights of all our workers

## Responsible Employment:

- No incidents of child or forced labour
- No incidents of harassment or abuse
- All employees paid wages equal to or above legal minimum wage

## Freedom of association:

85,625 employees (87%) represented by 191 labour unions and covered by CBAs

## Women, diversity and inclusion:

- No incidents of discrimination or harassment
- Maintained an average female to male salary ratio of 1:1.04

Continue to practise responsible employment practices and respect workers' rights



## Employee health &amp; safety:

3 fatalities

Enhance implementation of OHS and continue to aim for zero fatalities





Contributing to UN SDGs:

COMPLETED AND  
MONITORING

NEEDS WORK



ON TRACK

NDPE/GSEP commitments

2023 highlights

Future targets

Status

## MARKETPLACE &amp; SUPPLY CHAIN

Traceable and transparent  
supply chains

- 99% Traceability to the Plantation (Indonesian palm supply chain)
- 100% Traceability to the Mill (global palm supply chain)

- Achieve 100% TTP
- Maintain 100% TTM
- Map non-palm commodities supply chain



## Support to suppliers

- 19 training sessions for nearly 650 participants
- 11 human rights workshops for over 310 participants from 408 suppliers in 2023
- Sawit Terampil programme: >7,000 smallholders in Aceh and North Sumatera upskilled & 270 smallholders obtained RSPO certification

- Continue engagement and training for suppliers
- Continue Sawit Terampil programme

Due diligence and grievance  
procedures

- Closed 8 grievances
- Assessed all existing suppliers and new suppliers against GAR NDPE commitments (see p 56)

Continue to assess suppliers annually

Compliance with all relevant  
national laws and international  
certifications' principles and criteria

Assessed suppliers through NDPE IRF and annual internal supplier assessment (see p 56)

Achieve 100% NDPE IRF  
"Delivering" by 2025





# ABOUT GAR

Listed on the Singapore Exchange since 1999, Golden Agri-Resources Ltd. is one of the leading integrated palm-based agribusinesses in the world, generating revenue of US\$9.8 billion and underlying profit of US\$328 million in 2023.

GAR's integrated operations focus on the technology-driven production and distribution of an extensive portfolio of palm-based products.

GAR encompasses an efficient end-to-end supply chain, from responsible production to global delivery. Our primary activities start from cultivating 532,000 hectares of oil palm plantations in Indonesia, including plasma smallholders; harvesting and extracting fresh fruit bunches into crude palm oil and palm kernel; processing it into a broad range of value-added products such as cooking oil, margarine, shortening, biodiesel and oleochemicals; and merchandising palm products globally.

GAR has a global market presence with destination refining, ex-tank operations and sales representative offices in many large consuming countries. GAR's products are sold globally to a diversified customer base by leveraging its extensive distribution network, strong merchandising, branding, and destination marketing. Our ownership of vessels, seaports, jetties, warehouses and bulking facilities in strategic locations bolsters our shipping and logistics capabilities.

GAR also has complementary businesses such as soybean-based products in China, sunflower-based products in India, and sugar businesses.

For more details on GAR operations see our [Annual Report](#).





## GLOBAL INTEGRATED OPERATIONS



### OIL PALM PLANTATIONS

Estates

532k ha

Palm Product Output

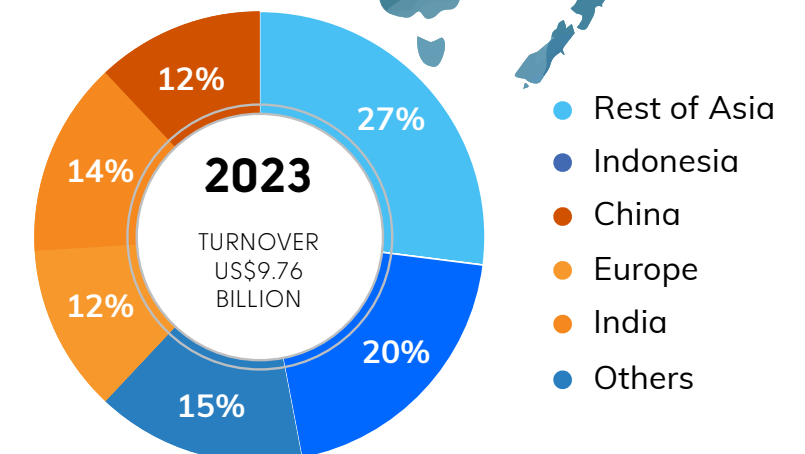
2.94mn MT

### PROCESSING AND PRODUCT CUSTOMISATION

- + Refinery
- + Kernel crushing plant
- + Biodiesel plant
- + Oleochemical plant
- + Soybean crushing plant

### LOGISTIC EXCELLENCE AND DESTINATION MARKET EXPERTISE

- + International sales offices and ex-tank operations
- + Global distribution logistics
- + >30 consumer brands
- + Sold in >100 countries





## SUSTAINABLE PALM OIL

Despite the negative views surrounding palm oil and its impact on communities and the environment, the sector continues to play a crucial role in sustainable economic development. As the most versatile and productive vegetable oil crop per hectare, palm oil contributes to higher incomes for small farmers while leaving less environmental impact since it requires fewer chemicals and fertilisers than other crops.

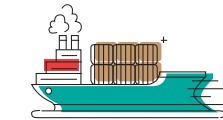
Palm oil development has lifted millions of small farmers in tropical countries like Malaysia and Indonesia from absolute poverty. The development of palm oil estates has created many collateral benefits, including improved critical infrastructure and facilities such as schools and clinics for rural, remote areas, contributing to higher standards of living and wellbeing, and paving the way for greater social mobility.

Many leading companies have responded constructively to the intense scrutiny and criticism levelled at the sector and have taken steps to stop practices such as deforestation, biodiversity loss and exploitation.

Pioneering measures which have emerged from the sector include No Deforestation, No Peat and No Exploitation (NDPE) policies and the High Carbon Stock approach (HCS). These have now been adopted by other sectors such as forestry.

To tackle the issue of climate change, leading palm oil companies have committed to the [Agriculture Sector Roadmap to 1.5°C](#). Under the Roadmap, they must ensure that all palm volumes will be in the "Delivering" category of the NDPE Implementation Reporting Framework (NDPE IRF) by 2025.

### How Palm Oil contributes to the Indonesian Economy



**US\$23.97**  
billion exports in 2023\*

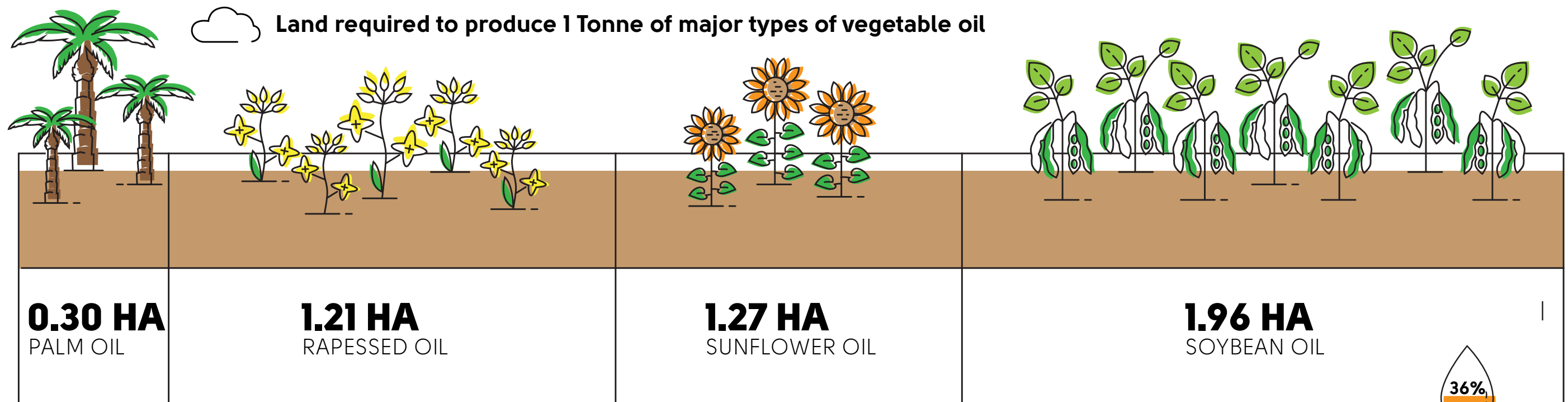


**16** million direct/  
indirect jobs

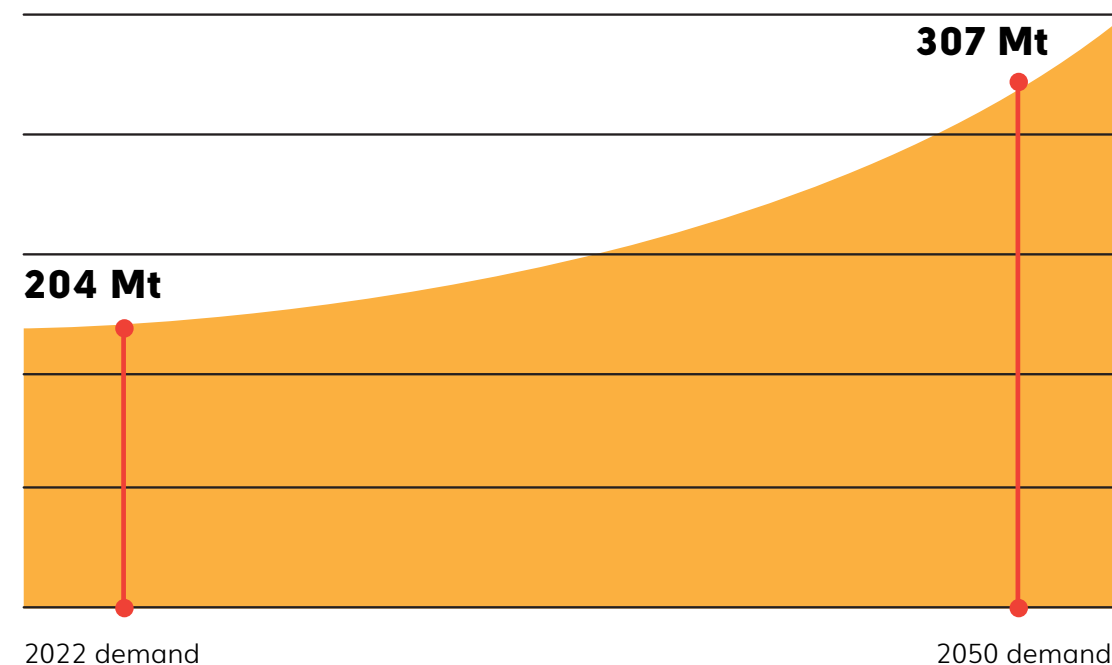
\*Source: Statista



## PALM OIL CAN CONTINUE TO FEED AND FUEL THE WORLD SUSTAINABLY

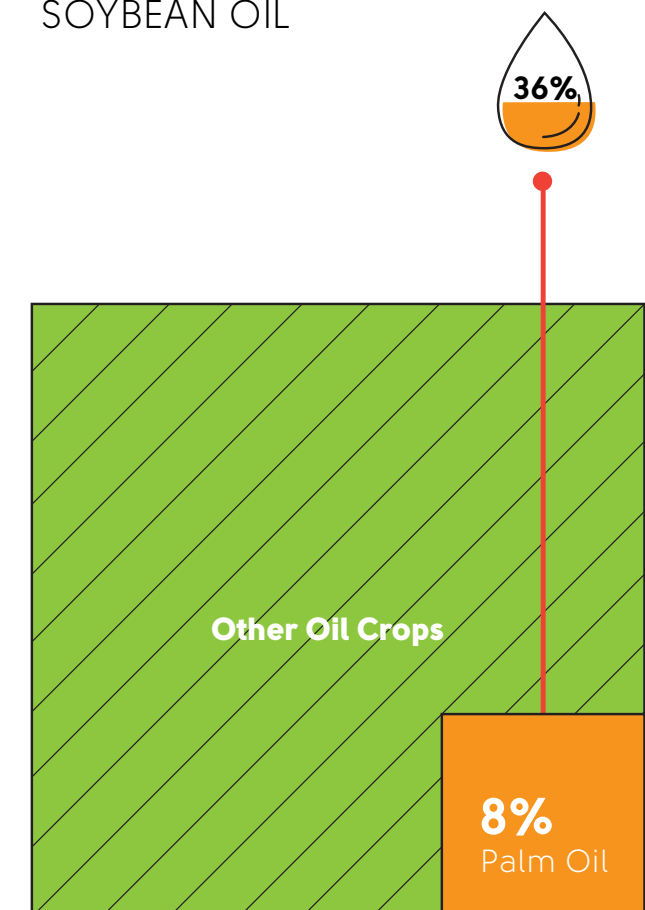


Global demand for vegetable oils



Source: IUCN and Statista

Oil palm produces **36%** of world production of vegetable oil on **8%** of the global land allocated to oilseed crops



Source: Oil World - Data Processed





# OUR APPROACH TO SUSTAINABILITY

## BOARD STATEMENT

The Board considers sustainability to be an integral part of GAR's long-term strategic direction and is committed to responsible and sustainable practices across all our operations. The Board has overall responsibility for determining GAR's material ESG topics and overseeing the management and monitoring of GAR's material topics. All Board members attended the SGX-mandated ESG training session in 2022.

The Sustainability Committee (SC) assists and reports to the Board. The SC is a cross-functional entity comprising the senior leadership team across the upstream, downstream and corporate centre. The SC meets quarterly to oversee the development and implementation of GAR's sustainability strategy and to set and monitor goals and targets. The SC is also involved in the regular internal review of our material ESG topics and periodic materiality assessments.







## COMMITMENT TO NO DEFORESTATION, NO PEAT AND NO EXPLOITATION

GAR has consistently championed sustainable and responsible production practices. Pioneering initiatives such as the Zero Burning Policy in the late 1990s and the Forest Conservation Policy in 2011 marked the company's early commitment. Recognising that the longevity of its agribusiness hinges on sustainable practices, GAR places great importance on protecting the natural environment, fostering biodiversity, and sustaining vital ecosystem services. GAR believes that the agricultural sector, particularly the palm industry, is key in driving economic growth and supporting millions of livelihoods. We actively strive to balance responsible production practices and economic development, seeking to advance both.

GAR's roadmap for achieving our sustainability goals is encapsulated in our NDPE (No Deforestation, No Peat, No Exploitation) policy, known as the [GAR Social and Environmental Policy \(GSEP\)](#). This policy reflects our firm belief that economic growth, social progress, and environmental protection are not mutually exclusive, but rather, they are interconnected and must progress together.

The GSEP outlines firm commitments aligned with these beliefs and applies to all of GAR's operations, its supply chain as well as its investments. Embracing a commitment to continuous improvement, GAR regularly updates its approach to address emerging concerns and align with global and local trends. Progress against sustainability commitments is transparently reported in the annual Sustainability Report, available on the company's [website](#) and various disclosure platforms. As members of the Roundtable on Sustainable Palm Oil (RSPO), we also abide by the RSPO Principles and Criteria.

GAR is developing a new Sustainability Framework for the whole business to ensure our sustainability goals remain relevant.

This will build on our substantial progress in implementing commitments in the GSEP and set new targets for the whole group. Climate action and supply chain transformation will be among the priority action pillars. We will also look at enhancing our partnerships, working with communities and enhancing employee welfare.

GAR provides ongoing sustainability training for employees on its sustainability commitments. We regularly share news on sustainability matters with employees through townhalls, internal publications and social media. We also regularly require all suppliers to formally acknowledge our GSEP commitments.







## OUR SUSTAINABILITY MILESTONES

**1997**

FIRST INDONESIAN PALM PRODUCER TO ESTABLISH ZERO BURNING POLICY

**2005**

**JAN:** GAR JOINS RSPO

**2010**

**FEB:** ZERO DEVELOPMENT ON PEAT REGARDLESS OF DEPTH

**2011**

**FEB:** GAR LAUNCHES PIONEERING FOREST CONSERVATION POLICY (FCP)



**MAY:** GAR PUBLISHES FIRST SUSTAINABILITY REPORT



**NOV:** GAR LAUNCHES SOCIAL AND COMMUNITY ENGAGEMENT POLICY (SCEP)

**2012**

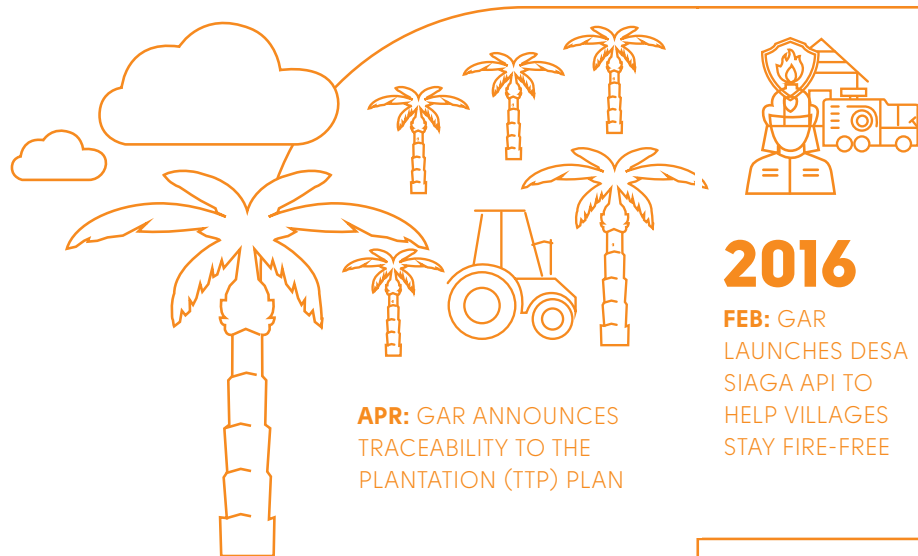
**FEB:** GAR LAUNCHES YIELD IMPROVEMENT POLICY (YIP)

**2013**

**MAR:** GAR IMPLEMENTS HCS FOREST CONSERVATION PILOT

**2014**

**FEB:** GAR'S FCP EXTENDS TO DOWNSTREAM OPERATIONS



**APR:** GAR ANNOUNCES TRACEABILITY TO THE PLANTATION (TTP) PLAN

**2016**

**FEB:** GAR LAUNCHES DESA SIAGA API TO HELP VILLAGES STAY FIRE-FREE



**DEC:** GAR COMPLETES 100% MAPPING OF SUPPLY CHAIN TO MILLS (TRACEABILITY TO THE MILL)



**NOV:** GAR LAUNCHES PEAT REHABILITATION PROJECT IN PT AMNL



**NOV:** GAR LAUNCHES COMMUNITY CONSERVATION PARTNERSHIPS



**SEP:** GAAAR ROLLS OUT UPDATED SOCIAL AND ENVIRONMENTAL POLICY (GSEP)



**APR:** GAR AND HCS APAAPPROACH STEERING GROUP PUBLISH HCS APPROACH TOOLKIT

**2015**

**MAR:** GAR IMPLEMENTS PARTICIPATORY MAPPING AS PART OF FPIC



**SEP:** GAR ENDORSES NEW YORK DECLARATION ON FORESTS

**2017**

**JAN:** GAR EXPANDS FIRE-FREE PROGRAMME INTO DESA MAKMUR PEDULI API



**APR:** LAUNCH OF SUPER HIGH-YIELDING NON-GMO CLONALS EKA 1 & EKA 2



**SEP:** GAR DEBUTS ON DOW JONES SUSTAINABILITY INDICES UNTIL 2018



**DEC:** GAR-OWNED MILLS COMPLETE 100% TTP

**2018**

**JUN:** GAR DEBUTS ON FTSE4GOOD INDEX UNTIL 2022

**2019**

**OCT:** GAR JOINS & FUNDS RADD DEFORESTATION RADAR MONITORING INITIATIVE

**2021**

**NOV:** GAR SIGNS AGRI COMMODITY TRADERS STATEMENT OF PURPOSE AT COP26

**2022**

**NOV:** GAR COMMITS TO AGRI SECTOR ROADMAP TO 1.5°C AT COP27



## ORGANISATION CHART

### GOVERNANCE

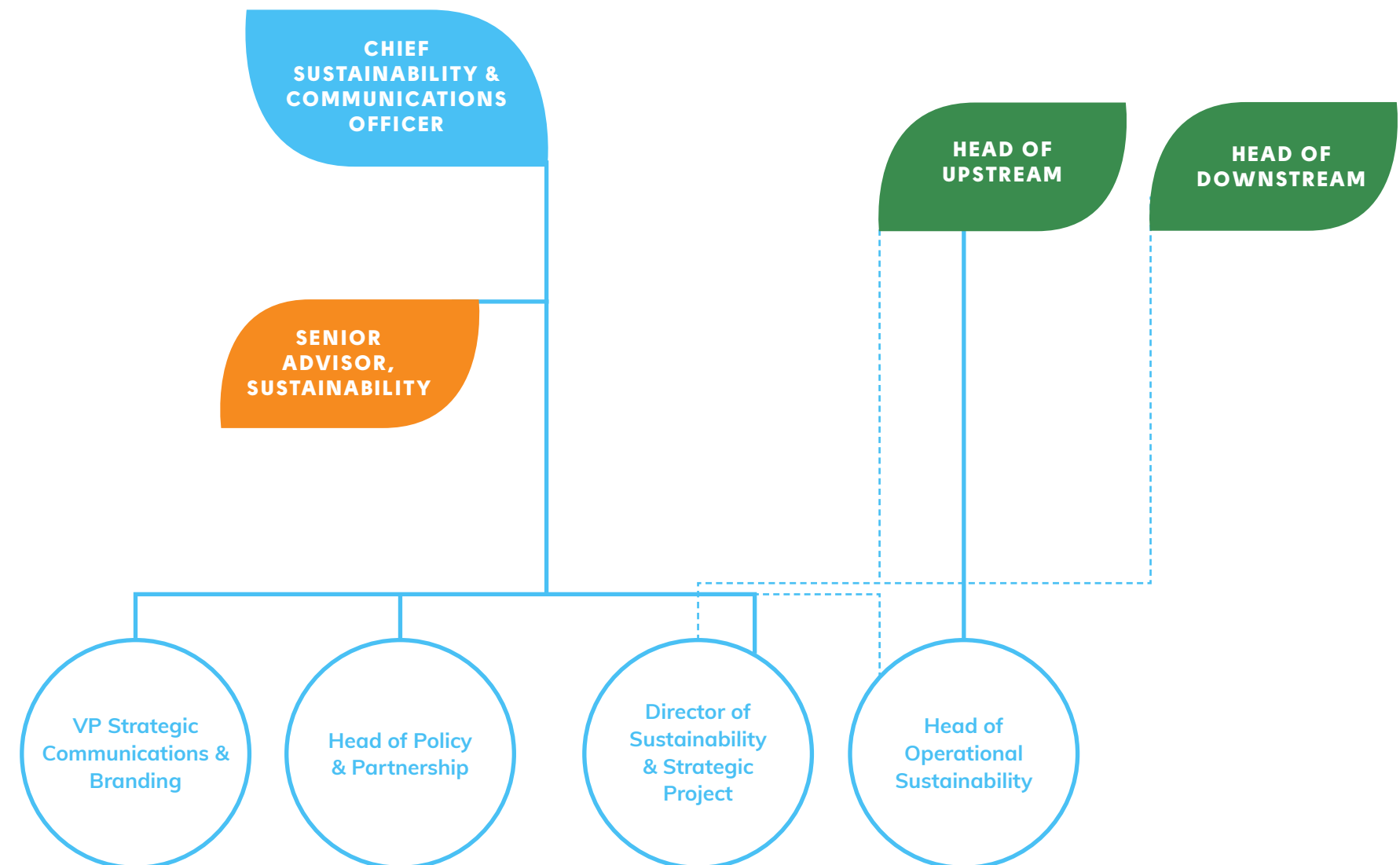
We are committed to the highest standards of corporate governance and to complying with the principles of the Code of Corporate Governance, reviewed last in 2018. For more details, see our [Corporate Governance Report](#).

The make-up of our Board is an important part of our approach to corporate governance. Currently, the Board has eight members, including five independent directors, who exercise objective judgment in our corporate affairs. The Board had one woman director in 2023 (representing 12.5% of the Board)\*. With a view to increasing gender diversity on the Board, another female director was appointed to the Board in 2024.

The Board is headed by GAR's Chairman and CEO, Mr Franky O. Widjaja, and oversees all aspects of our business. A complete list of our Board of Directors and their profiles can be found on our [website](#) and in the [GAR Annual Report](#).

The Board and senior management are involved in and support GAR's sustainability commitments, which include climate action; environmental management; social and community engagement; labour and OHS; and supply chain. All Board members have attended SGX-mandated ESG training sessions.

A Sustainability Committee (SC), chaired by Ms Jesslyne Widjaja, Executive Director, Business Strategy, People and Transformation, oversees all matters related to responsible business. The cross-functional SC comprises the senior leadership team from the upstream, downstream and corporate business units, the Chief Sustainability and Communications Officer (CSCO), and other members of the Sustainability and Communications Division.



The SC reports directly to the Chairman and CEO, and the Board and meets quarterly to oversee the implementation of the GSEP, development of the Sustainability Framework, and our performance across all our business operations. The CSCO also attends Board meetings to keep the members updated on the latest sustainability issues and progress.

To integrate responsible palm practices into daily operations, GAR has increased resource allocation over the years. A dedicated team of over 380 staff in

Jakarta and operational units is engaged in planning, overseeing, and implementing sustainability measures. Specialised professionals handle critical areas such as conflict resolution, forest conservation, fire prevention, community consent (FPIC), grievance management, and health and safety. Collaboration between the Sustainability and Communications Division, Operational Sustainability Division, and Human Resources ensures the implementation of fair labour practices and OHS in alignment with the principles of the GSEP.

\*The sustainability information has been externally assured for FY2023





## ETHICS AND COMPLIANCE

We are committed to pursuing our business objectives with integrity and in compliance with the law. We comply with applicable laws in all the countries in which we do business, including all anti-bribery and corruption regulations. No significant cases of bribery or corruption were reported in 2023.

GAR does not carry out political spending, lobbying, or make corporate political contributions.

We expect all our employees, Board members, contractors, suppliers and business partners to adhere to the [GAR Code of Conduct](#), which is communicated annually to our existing and new employees. The Code is purposefully designed to practically apply to our day-to-day business, with definite guidelines on acceptable and unacceptable behaviour. It also details avenues for raising concerns and whistleblowing procedures, encouraging employees to report any possible improprieties in confidence and without fear of retaliation.

All complaints are investigated thoroughly by a specialised investigation team. If any violations are found, appropriate sanctions are imposed. Any such findings are reported to the Board every quarter. The Code also emphasises the company's commitment to fair employment practices and diversity, its stand against discrimination, and zero tolerance for harassment or abuse. No cases of harassment and abuse were reported in 2023.

All employees take part in annual mandatory refresher courses and online training on the Code of Conduct. Executives have also signed Integrity Pacts committing them to ethical and lawful behaviour.

We also require our suppliers to comply with the [Supplier Code of Conduct](#), which obligates them to adhere to all our policies, including the GSEP. The Supplier Code of Conduct is given to suppliers and acknowledged during onboarding. Suppliers are required to renew this acknowledgement every two years.

## GRIEVANCE HANDLING

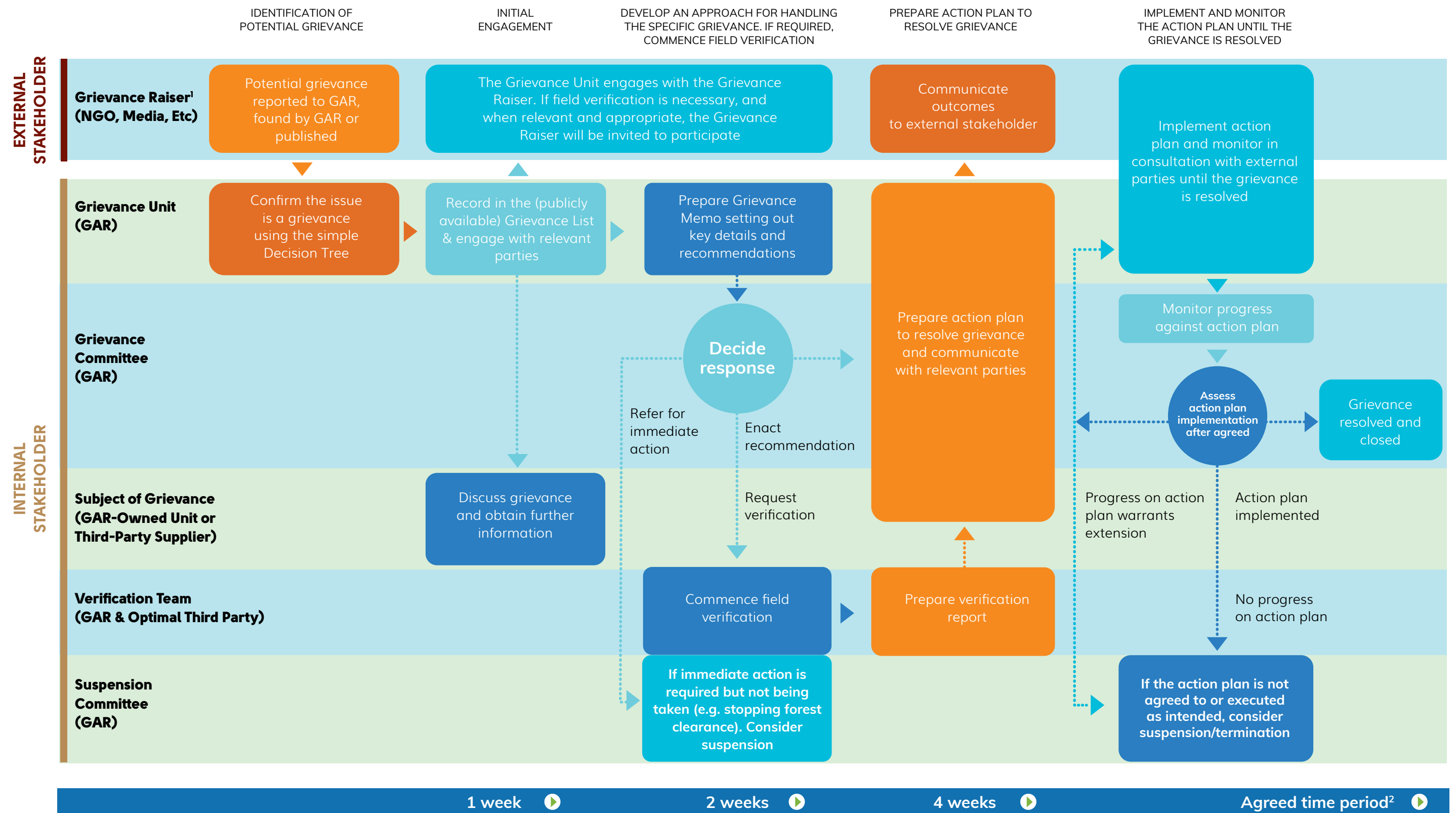
Our Grievance Procedure ensures that we are responsive to any grievances raised against us or our suppliers. The full list and details of grievances, both closed and ongoing, are updated regularly and can be viewed on our [website](#).







## OUR GRIEVANCE PROCEDURE



1. The Grievance Raiser may nominate a third party to act on their behalf.
2. Action plans will work to agreed timelines of no more than three months to reach resolution. However, where circumstances prevent resolution within that time - for example, where legal proceedings are involved - progress at three months will be reviewed to assess whether there is clear evidence of a resolution process being actively implemented.



## CYBERSECURITY AND DATA PRIVACY

Cybersecurity and resilience have become increasingly important as we continue to digitise and update business continuity plans in the event of global crises such as the recent global pandemic.

GAR's IT team is responsible for all IT-related matters, including cybersecurity. The team reports to the Chief Information Officer (CIO), who is responsible for ensuring GAR's cyber resilience. The CIO reports critical issues to the Executive Director for Business Strategy, Transformation and People.

GAR uses leading cybersecurity frameworks such as the National Institute of Standards and Technology (NIST) Cybersecurity Framework and MITRE ATT&CK. We also keep up with industry-leading practices by ensuring high availability and recoverability of our infrastructure and service. GAR conducts mandatory cybersecurity awareness training for our employees. We also provide clear channels to allow our employees to report any cyber issues to the IT security team.

GAR strives to ensure that we comply with all relevant data protection regulations in the countries where we operate, including the General Data Protection Regulation (GDPR) in Europe, the Personal Information Protection Law (PIPL) in China, and the Personal Data Protection Act (PDPA) in Singapore and Malaysia. Our IT policies are regularly reviewed to ensure that they stay relevant and comply with prevailing laws and regulations in the countries where we operate.

GAR's Internal Privacy Policy addresses how employees must handle data in accordance with these regulations. Externally, the GAR Group Privacy Policy outlines how we collect personal data; how and for what purposes we may use it; and to whom such data may be disclosed.

This policy also includes important information regarding individuals' rights with respect to the processing of personal data.

In 2023, GAR did not receive any complaints, sanctions or fines related to data breaches.

## MONITORING, EVALUATION AND REPORTING

Under the GSEP, we are committed to monitoring, evaluating and reporting our performance. We provide regular updates on our progress on several key issues using a variety of channels. Our [website](#) is regularly updated with information on our supply chain mapping, fire incidents, conservation, community engagement and grievance cases.

Other reporting channels include public reports such as the [GAR Annual Report](#) and the [GAR Sustainability Report](#). We also participate annually in several disclosure platforms, such as [CDP](#), [SPOTT](#) and [Ecovadis](#).

We are also using the [No-Deforestation, No-Peat and No-Exploitation Implementation Reporting Framework \(NDPE IRF\)](#) to track progress against our NDPE commitments across our supply chain.

## PARTNERSHIPS TO PROMOTE RESPONSIBLE PALM OIL

The issues facing the palm oil industry are often complex, involving multiple stakeholders. As a company, we recognise that a multi-stakeholder approach

is necessary to advance responsible practices throughout the palm oil sector. We engage and collaborate with a wide range of partners. This allows us to tap external expertise and helps us implement various initiatives more effectively. Currently, we have partnership projects in environmental management; social and community development; smallholder development; and health, labour and welfare.

These projects involve diverse stakeholders ranging from major customers to academic institutions, Civil Society Organisations (CSOs) and others. Together we are working to find solutions to issues such as peat conservation; tackling climate change and addressing GHG emissions; improving smallholder and community welfare and livelihoods; and working to ensure smallholders move towards more sustainable practices.

We have consulted key stakeholders such as CSOs, customers, and academia when developing our sustainability policies and SOPs.

Read more about our partnerships on our [website](#).







# MATERIALITY

In 2021, we worked with a specialist sustainability consultancy to review our material sustainability topics. This process covered our entire value chain and built on our previous in-depth materiality assessment last conducted in 2017. We followed a three-stage approach including topic identification; stakeholder engagement; and analysis and validation. GAR is preparing to undertake a fresh materiality assessment in 2024 based on the requirements of upcoming reporting standards including International Sustainability Standards Board (ISSB). For more details on our materiality assessment, see our [website](#).

The results of our assessment revealed that topics including fire and haze, High Carbon Stock (HCS) forests and High Conservation Value (HCV) areas, and labour relations and human rights continue to be a priority for GAR and our stakeholders. Climate change adaptation and waste have also gone up in relative importance. In addition, we also identified two new topics: energy and cybersecurity and data protection.



## GAR'S MATERIAL SUSTAINABILITY TOPICS

### Priority Sustainability Topics

Topics of highest importance to our stakeholders and greatest importance for GAR operating performance and enterprise value.

- Climate change adaptation
- Community relations and empowerment
- Corporate governance, ethics and integrity
- Fire and haze
- Greenhouse gas (GHG) emissions
- High Carbon Stock (HCS) forests and High Conservation Value (HCV) areas
- Labour relations and human rights
- Occupational health & safety and employee wellbeing
- Rights of communities and Indigenous Peoples
- Supplier inclusiveness and smallholder livelihoods
- Supply chain traceability and transformation
- Women, diversity and inclusion
- Yield improvement

### Relevant Sustainability Topics

Topics important for some of our stakeholders and with moderate importance to our operating performance and enterprise value.

- Cybersecurity and data protection
- Energy
- Product quality and safety
- Talent attraction, retention and development
- Use of fertilisers, pesticides and chemicals
- Waste
- Water





Sustainability Topic	Description	Plantation	Processing	Distribution and Consumption
<b>ENVIRONMENTAL MANAGEMENT</b>				
<b>Climate change adaptation</b>	Adapting our business to the physical and regulatory risks posed by climate change.			
<b>Energy</b>	Reducing our energy use by implementing energy-efficiency measures and exploring the use of renewable sources of energy.			
<b>Fire and haze</b>	No burning for new plantings, replantings or other developments in our operations and supply chain. Working with the community to prevent forest fires and responding to any fires that occur in order to minimise the harmful effects on the environment and people.			
<b>Greenhouse gas (GHG) emissions</b>	Measuring, monitoring and reducing GHG emissions across our operations.			
<b>High Carbon Stock (HCS) forests and High Conservation Value (HCV) areas</b>	Identifying and conserving HCS forests and HCV areas, including protecting and managing peatlands storing high levels of carbon.			
<b>Use of fertilisers, pesticides and chemicals</b>	Minimising the use of fertilisers, pesticides and other chemicals to prevent contamination and pollution, while maintaining soil fertility and high crop yield.			
<b>Waste</b>	Managing waste from our operations by reducing, reusing and recycling where possible. Safely handling and disposal of hazardous waste.			
<b>Water</b>	Reducing the use of water by recycling and reusing water where possible. Responsibly managing and treating effluents to prevent water pollution.			
<b>Yield improvement</b>	Investing in research and development to improve yield and reduce pressure on opening new land.			





Sustainability Topic	Description	Plantation	Processing	Distribution and Consumption
<b>SOCIAL AND COMMUNITY ENGAGEMENT</b>				
<b>Community relations and empowerment</b>	Empowering communities and supporting livelihoods by employing locals and implementing community programmes in education, healthcare and infrastructure development.			
<b>Rights of communities and Indigenous Peoples</b>	Respecting the rights to Free, Prior and Informed Consent (FPIC) for local communities and Indigenous Peoples. Maintaining open and constructive engagement with communities to avoid social conflicts or promote the responsible if they do arise.			
<b>WORK ENVIRONMENT AND INDUSTRIAL RELATIONS</b>				
<b>Labour relations and human rights</b>	Promoting fair, equitable and positive relations with our workforce, respecting human and labour rights, ensuring no child or forced labour.			
<b>Occupational health &amp; safety and employee well-being</b>	Fostering a safe and healthy work environment, preventing any work-related illness, injury and accidents, and promoting the well-being of employees.			
<b>Talent attraction, retention and development</b>	Managing current and future talent needs through attraction, retention, training and development.			
<b>Women, diversity and inclusion</b>	Empowering women across the business and in our communities. Promoting a culture of diversity and inclusion in our operations.			



Sustainability Topic	Description	Plantation	Processing	Distribution and Consumption
MARKETPLACE AND SUPPLY CHAIN				
Corporate governance, ethics and integrity	Conducting all business activities with integrity and in accordance with highest ethical and governance standards, in line with GAR's Code of Conduct.			
Cybersecurity and data protection	Protecting our systems against cyberattacks and safeguarding personal data from intentional or accidental destruction, modification or disclosure.			
Product quality and safety	Adhering to best practice, product quality and safety standards, as well as safeguarding consumers health.			
Supply chain traceability and transformation	Achieving and maintaining traceability of palm oil products to mill and to plantation. Engaging with suppliers to ensure compliance with our policy and responsible practices.			
Supplier inclusiveness and smallholder livelihoods	Supporting the socio-economic development and inclusiveness of smallholder suppliers.			



# STAKEHOLDER ENGAGEMENT

The issues facing palm oil production are complex and multi-faceted. This is why a key element of our approach to responsible palm oil relies on engagement and close collaboration with stakeholders. Our stakeholder engagement focuses on trying to better understand stakeholders' needs and concerns. At the same time, we want to build our

stakeholders' understanding of our business and the realities of the palm oil industry on the ground. We believe that enhanced mutual understanding will support the development of more effective solutions and partnerships, which can better balance environmental protection with the economic and social needs of our stakeholders. Stakeholders have been identified through a mapping exercise which is regularly updated and prioritised for engagement based on their influence and interest in GAR.

Discover [more](#).



## OUR KEY STAKEHOLDERS



CUSTOMERS AND CONSUMERS



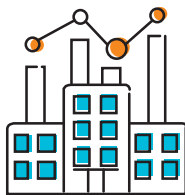
EMPLOYEES



FINANCIAL COMMUNITY  
(INVESTORS, BANKS,  
FINANCIAL ANALYSTS)



GOVERNMENTS AND  
REGULATORY BODIES



INDUSTRY BODIES AND  
TRADE ASSOCIATIONS



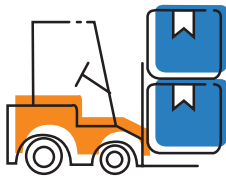
LOCAL  
COMMUNITIES



MEDIA



CIVIL SOCIETY  
ORGANISATIONS  
(CSOS)



SUPPLIERS



CERTIFICATION BODIES:  
RSPO, ISPO, ISCC

### Some key outcomes of our stakeholder engagement:

- Palm Oil Collaboration Group (see p 57)
- Participatory Conservation Planning with the community and Bright Future Initiative programmes (see p 29, 72)
- Peat conservation and management programme (see p 30)
- Long-term fire prevention programme with the community (see p 32)
- R&D programmes with international universities (see p 31)
- Supply chain transformation (see p 51-60)
- Sawit Terampil smallholder support project (see p 59)
- Active participation in the RSPO (see p 63)
- Bank Sampah (see p 35)



# ENVIRONMENTAL **MANAGEMENT**







## NO DEFORESTATION



COMMITTED TO  
NO DEFORESTATION  
AND NO PEAT

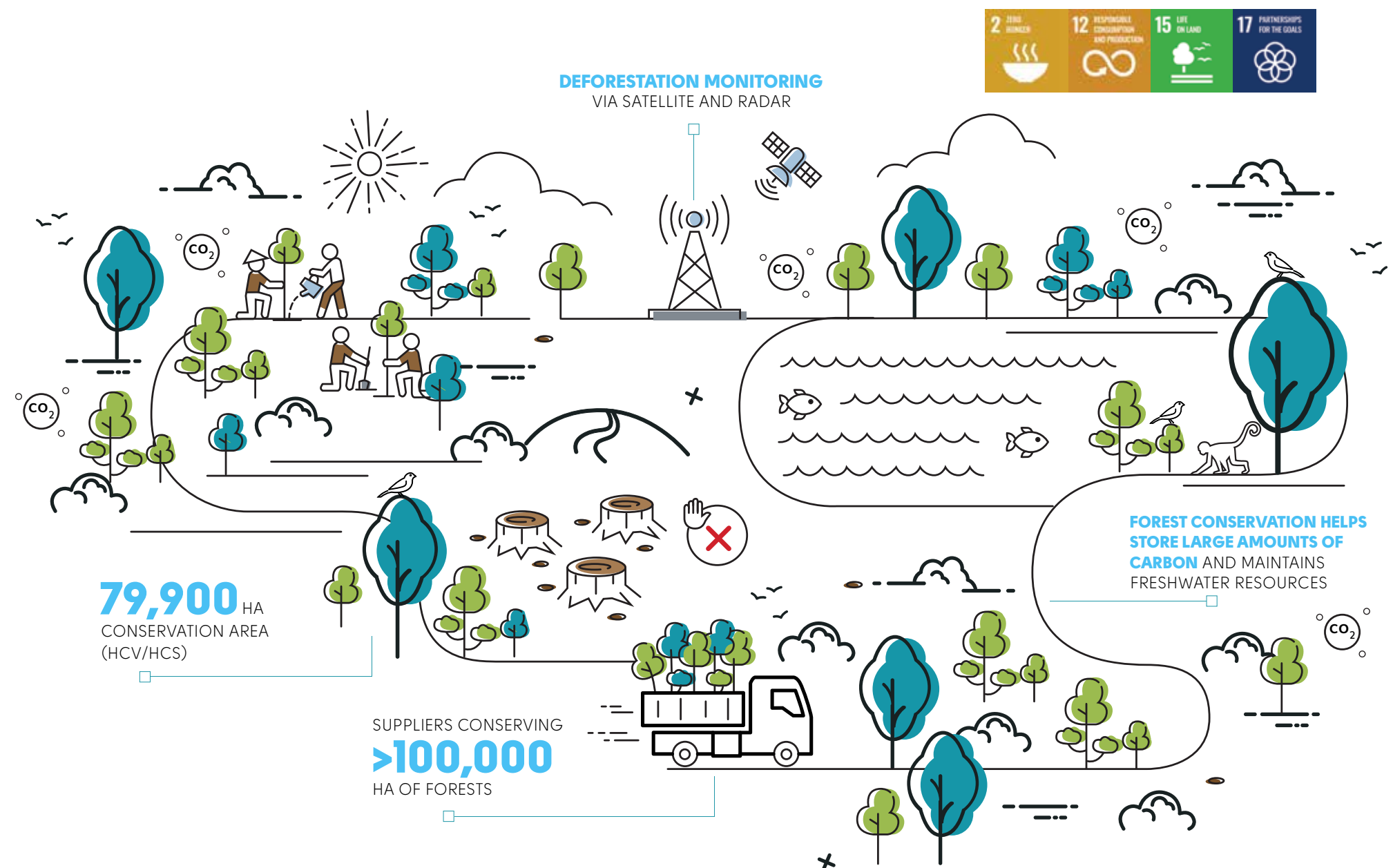
CLIMATE ACTION: COMMITTED TO

**1.5C** PATHWAY

As a long-established agribusiness, we recognise our responsibility to operate in an environmentally responsible manner.

We acknowledge the importance of safeguarding ecosystems and vital services for wildlife and local communities, which are also crucial for our business. The majority of our operations are based in Indonesia, a country with rich biodiversity and rainforests that play a significant role in mitigating climate change. This intensifies our commitment to responsible practices.

Environmental management is a fundamental aspect of our sustainability policy. We have dedicated substantial time and resources to implement the core principles of our NDPE policy, the GSEP. Our focus includes protecting ecosystems by conserving High Carbon Stock (HCS) forests and High Conservation Value (HCV) areas, promoting biodiversity, addressing climate change, and managing waste and water usage. Additionally, we have pledged to align with the [Agriculture Sector Roadmap to 1.5C](#).





We firmly believe that optimal land usage is essential to alleviate the burden on our planet while meeting the needs of a growing global population. In line with our No Deforestation commitment, our strategic focus centres on expansion through intensification. Our upstream operations prioritise sustainable yield growth at manageable costs by embracing technological advancements and agricultural science innovations. This approach becomes especially relevant as we embark on the replanting of our older estates. Additionally, we strive to maximise the value of our plantation by-products, exploring their potential as a biomass alternative.

Currently, GAR oversees a conservation area spanning nearly 80,000 hectares, which includes both HCS forests and HCV areas. To put this into perspective, this area is larger than Singapore. Our commitment to No Deforestation and No Peat policies dates back to 2010, and we have integrated these principles into our GSEP, extending them to our suppliers.

Beyond our concessions, we adopt a landscape approach to conservation. GAR collaborates with local communities through conservation partnerships. In 2015, we initiated Participatory Mapping (PM), a process that helps villages delineate critical areas such as customary boundaries and land essential for food security. These maps are then officially recognised by authorities, clarifying land tenure rights and enabling villages to access government development funds for the first time.

The mapping process served as a foundation for further dialogue on conservation through our Participatory Conservation Planning (PCP) approach in previous years. Our thorough and consultative method took into account the concerns, needs, and aspirations of local communities. These encompassed essential aspects such as food security, livelihoods, and overall quality of life. As part of this process, we also developed Bright Future Initiative projects for the local community. These initiatives enable additional income generation while bolstering community resilience without compromising more forests.

Across our concessions, we have successfully implemented PM in nearly 200 villages. Through our PCP process, we have previously convinced several villages to preserve 43,000 hectares of forests. Additionally, we actively support our suppliers in safeguarding over 100,000 hectares of HCS and HCV areas.

Our suppliers are required to adhere to our No Deforestation and No Peat commitments. We collaborate with them to share best practices and assist in formalising their own NDPE policies. Deforestation within our supply chain is actively monitored using satellite and radar technology. As a result of GAR's deep engagement with suppliers, more than half of them have conducted HCV and HCS assessments. These assessments require additional commitment in time and financial resources. For further insights into our forest conservation efforts and risk mitigation, refer to our latest [CDP disclosure on Forests](#).



## Monitoring deforestation in our operations and in our supply chain.

- **Satellite-based monitoring and radar technology**

Change alerts are provided every 24 days for all conservation areas. Our suppliers' areas are also monitored.

- **Baseline mapping update**

Drones take high-resolution imagery of GAR conservation areas every semester.

- **Ground verification and reporting**

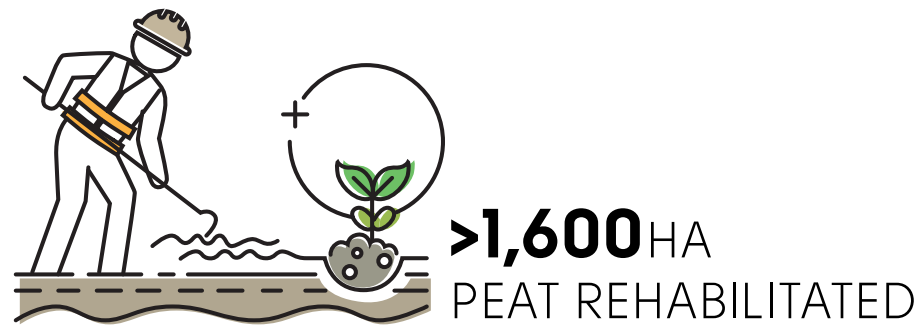
Plantation staff report directly from areas where GAR has received change alerts through radar monitoring. GAR will reach out to suppliers' if potential deforestation has been detected in their area to verify the alert.

In 2019, GAR joined a pioneering industry initiative to improve surveillance of deforestation in Indonesia in real-time. Together with nine other major palm oil producers and buyers, GAR has supported and funded the development of a new radar-based forest monitoring system known as Radar Alerts for Detecting Deforestation (RADD).

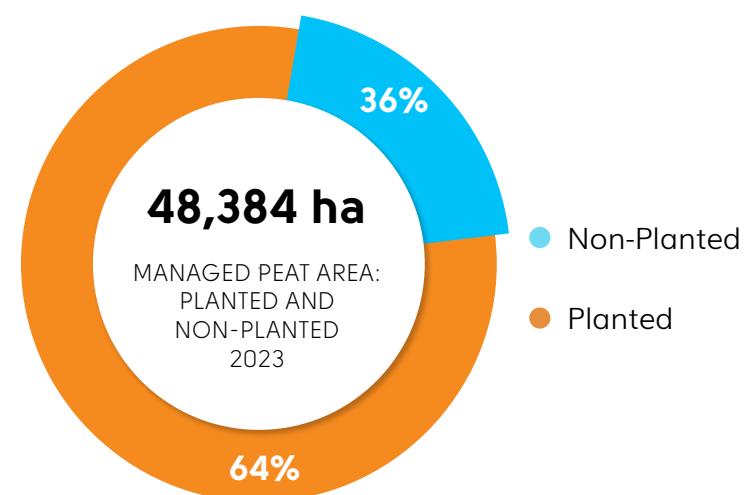
We are also working with [Satelligence](#) to deliver near real-time deforestation risk monitoring of our palm oil concessions and supply chain, covering all of Indonesia. Satelligence pulls insights from supply chain asset data, satellite intelligence, and human resources to monitor on the ground risks.



## NO PEAT



We rigorously uphold our No Peat policy. To achieve this, we meticulously map and delineate peat areas within our concessions, ensuring that no development occurs in these critical zones. Furthermore, since 2014, we have deliberately avoided opening new nucleus plantations in favour of prioritising yield enhancement.



We are actively implementing our community conservation partnership model as we rehabilitate 2,600 hectares of degraded peatland within the PT Agro Lestari Mandiri (AMNL) concession in West Kalimantan.

In collaboration with our major customers like L'Oréal and Nestlé, we have successfully revegetated over 1,600 hectares of the area, creating a vital buffer zone. Additionally, GAR is diligently implementing a comprehensive water management plan to maintain optimal moisture levels in the peat, preventing it from



igniting during dry seasons. We have expanded our peat rehabilitation efforts to Jambi, where we are aiming to restore some 2,100 hectares. Our initial target is to rehabilitate 750 hectares in Jambi by 2027.

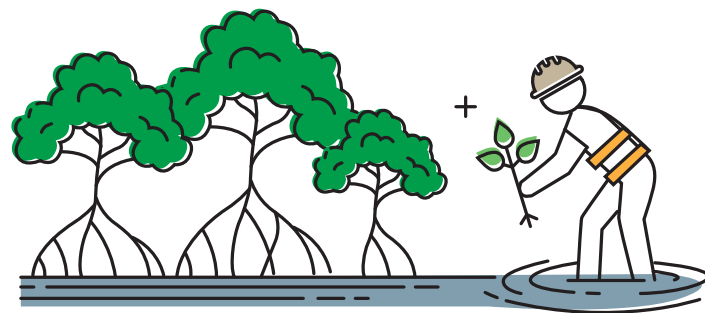
Bright Future Initiative projects have been developed in tandem for the local communities in these areas. These projects serve a dual purpose: enhancing food security and livelihoods while contributing to forest conservation efforts.





## BIODIVERSITY, MANGROVE AND RIPARIAN ZONE CONSERVATION

**>3,100** HA RIPARIAN ZONE  
REHABILITATED



**±290** HA  
MANGROVE SWAMP CONSERVED

Within our concessions and the surrounding areas, we have meticulously identified rare and endangered species through HCV assessments conducted by licensed assessors. For a comprehensive list of these threatened species, see the IUCN Red List on our [website](#).

Our commitment to preserving and protecting HCV areas is unwavering. We enforce a Zero Tolerance Policy against hunting, injuring, possessing, or killing rare and endangered wildlife. This policy extends not only to our operations but also to our suppliers. We raise awareness among our employees, local communities, and stakeholders about the critical importance of safeguarding these vulnerable species.

Riparian buffer zones play a pivotal role in providing wildlife habitats and maintaining water systems. We have currently revegetated more than 3,100 hectares of riparian zones across our Indonesian areas.

Mangrove swamps, known for their rich biodiversity and carbon storage capacity, are another focus of our conservation efforts. We have already worked on nearly 290 hectares of mangrove swamps and we plan to expand our efforts around the Tarjun refinery.

Our research arm, SMARTRI collaborates with Cambridge and Southampton universities on the [BEFTA \(Biodiversity and Ecosystem Function in Tropical Agriculture\)](#) and RERTA (Riparian Ecosystem Restoration in Tropical Agriculture) projects. These initiatives explore ways to maximise biodiversity within palm oil plantations and riparian zones by increasing habitat complexity. By enhancing ecosystem services, GAR also improves plantation productivity. Additionally, the research investigates the impact of El Niño on plantations and how effective understory and biodiversity management can enhance resilience and recovery during droughts.

For further insights into our forest conservation efforts and risk mitigation, refer to our latest [CDP disclosure on Forests](#).







## NO BURNING



### 117 VILLAGES IN DMPA FIRE-FREE PROGRAMME

Preventing fires and haze is not only crucial for our operations but also for protecting the well-being and safety of our employees, local communities, plantations, and conservation areas. It also plays a vital role in avoiding greenhouse gas emissions. Our steadfast commitment to responsible practices is evident through the following initiatives:

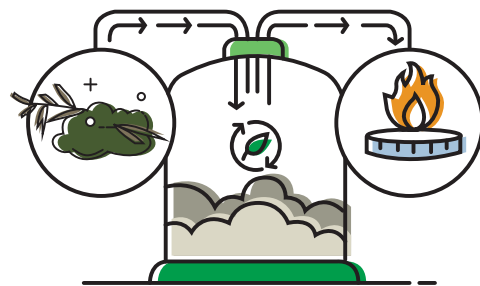
1. **Zero Burning Policy:** Since 1997, we strictly adhere to a policy that prohibits burning practices.
2. **No Peat Policy:** Recognising the sensitivity of peatlands, we have adopted a policy since 2010 that ensures no development occurs in peat areas. This contributes significantly to fire and haze prevention.
3. **Emergency Response Preparedness:** We maintain a network of over 10,000 Emergency Response Personnel across our plantations. They are on standby to swiftly address any fire incidents. Our estates are also equipped with state-of-the-art firefighting equipment.
4. **GeoSMART App:** To enhance our fire detection capabilities, we introduced the [GeoSMART app](#). This innovative tool allows us to identify potential fire hotspots three times faster, enabling a rapid response.
5. **Desa Makmur Peduli Api (DMPA) Programme:** 117 villages participate in our community fire-free programme which empowers local communities to prevent and combat fires. Our long-term strategies include educating schoolchildren about fire hazards and helping the community to transition away from using fire to clear agricultural land. The programme also boosts food security by training local communities to farm ecologically without using fire.

While 2023 saw the return of extreme weather phenomenon, El Niño, fires had a limited impact on our operations, due to strict adherence to our fire prevention policies.





## WASTE MANAGEMENT



**100% ORGANIC**  
CPO PRODUCTION WASTE  
RECOVERED/RECYCLED/REUSED

### DOWNSTREAM WASTE

Our downstream waste is managed through municipal landfills or incinerators. We ensure proper disposal while adhering to environmental regulations.

Hazardous waste undergoes collection and disposal by authorised third parties.

### MINIMISING FOOD LOSS

To minimise food loss, we maintain robust infrastructure and efficient transportation from our estates to the mills. This is critical as FFB must reach the mills within 24 hours to produce oil of optimal quality.

### UPSTREAM WASTE

We diligently recover all CPO organic production waste. This waste includes both solid and liquid components.

Solid waste consists of empty fruit bunches (EFB) of oil palm, fibre and shells. Liquid waste or POME is generated from the processing of FFB to CPO. We reuse and recycle both types of waste as organic fertiliser and fuel.

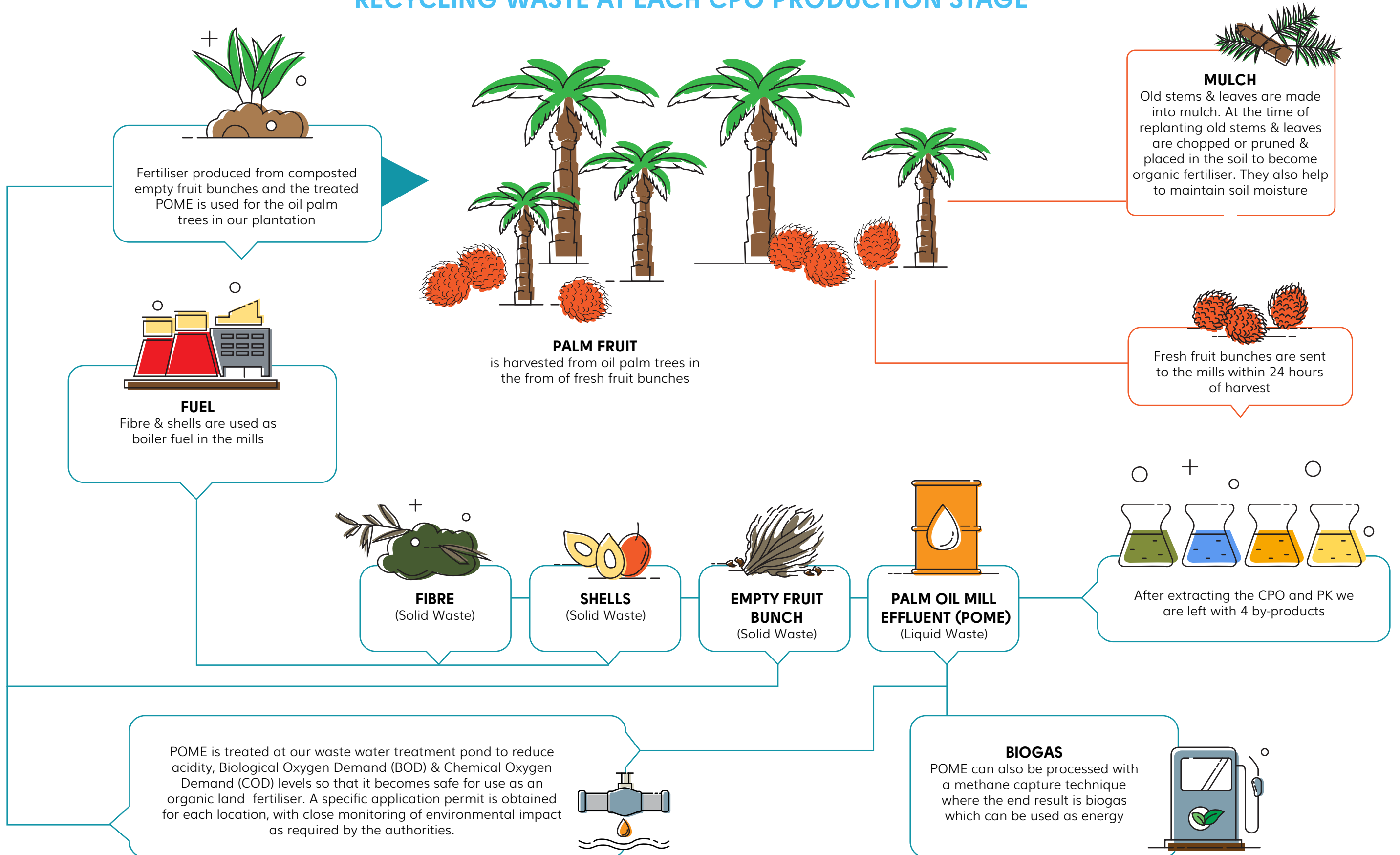


Through our Zero Waste Policy, we prioritise waste recovery, reuse, and recycling across our operations.





## RECYCLING WASTE AT EACH CPO PRODUCTION STAGE





## BANK SAMPAH (WASTE BANK): GENERATING INCOME FROM WASTE



**>9,000** KGS OF WASTE SOLD  
EARNING COMMUNITIES IDR **10** MILLION

GAR is encouraging local communities to tackle waste responsibly. We are conducting the Bank Sampah programme together with the local governments in Siak and Kampar in Riau, Indonesia. The programme aims to incentivise the community to collect, sort, and process waste into materials with economic or commercial value. These include items such as plastic pellets, paper and metals. Items that cannot be recycled will be disposed of in a landfill. Waste with low economic value for recycling will be transformed into handicrafts. Waste with high economic value for recycling will be collected by the Bank Sampah and resold.

Following the pilot in 2022, we expanded the programme and conducted four workshops for the local community in 2023 to show them how to recover waste and recognise the commercial value of recycled waste.

More than 350 families are now active Bank Sampah members. Over 9,000 kgs of waste from two Bank Sampahs have been sold, generating revenue exceeding IDR 10 million. We plan to scale up the project in Riau in the next two years.

One of our waste banks located in Siak has won two awards recognising its merits: the Village Orbit Waste Bank Award by Telkomsel; and an award in the MSME Partner Competition by Bank Rakyat Indonesia. The Siak Waste Bank has also been showcased at a competition at the district level.



## MANAGING OUR WATER FOOTPRINT

While we do not use irrigation in our plantations, which are rain-fed, we recognise that water issues are becoming increasingly critical in light of climate change. Conscious of our responsibility in using water as a shared resource we are looking at ways to minimise our water footprint.

Oil palm trees need adequate amounts of water to grow. As such, we have not developed plantations in any water-stressed areas. We strive to meet all our water needs through surface water processed to meet the quality standards required for production. Ground water is only used in minimal quantities in locations where no surface water is available.

We continue to improve our water efficiency by recycling and reusing where appropriate. GAR has strict land management practices designed to reduce the risk of surface and ground water pollution. These include:

- not applying herbicides or chemicals near and around riparian areas
- restricting the application of treated POME, used as fertiliser, to 50 metres from riparian areas
- planting vetiver grass to minimise soil erosion in riparian areas
- monitoring and submitting water sample analyses to the environmental agencies at least twice yearly.

Our grievance procedure ensures that there is a channel to resolve any water-related issues or complaints from our neighbours and local communities.

We have noted the increasing occurrence of extreme weather phenomena like El Niño and La Niña which can lead to severe drought or heavy rain. Changes in precipitation has been identified as a potential risk for our operations due to climate change. GAR is now exploring ways to optimise water use in our plantations through advanced technology, including AI.

See our latest [CDP disclosure on Water](#) for more information on our water footprint.





## INTEGRATED PEST MANAGEMENT

We use Integrated Pest Management (IPM) which combines mechanical, biological and chemical means to control pests while minimising health and environmental risks for workers and the public.

Natural solutions and biological controls are our preferred methods for pest control across all our plantations, including beneficial plants that attract parasitoids to control pests,

pathogens or bacteria, and natural predators. We supplement this approach using handpicking and mechanical traps.

Other measures include breeding barn owls to control the rat population; encouraging leopard cats, which prey on rodents, to stay within our plantations; controlling leaf-eating caterpillars through the diversity of flora; promoting the growth of beneficial plants; and using pheromones to control rhinoceros beetles.



## MINIMISING THE USE OF CHEMICALS IN OUR PLANTATIONS

We strive to minimise the use of chemicals such as pesticides through the Integrated Pest Management approach.

- Insecticides and rodenticides are used only as a final resort when the population of herbivores and rats are above an acceptable level and is no longer controllable through natural or biological solutions.
- Herbicides are mainly used to maintain appropriate access to the palms for their maintenance and harvesting. A selective weeding strategy is implemented to minimise the use of herbicides.
- SMARTRI constantly looks for alternative solutions to reduce the use of herbicides through the use of more efficient and less environmentally damaging new molecules or through innovative products.

Overall, the quantity of chemical pesticides used in GAR plantations has declined over the years. GAR does not use paraquat. Pesticides categorised as World Health Organisation Class 1A or 1B or listed by the Stockholm or Rotterdam Conventions are not used, except in specific situations identified in national best practice guidelines, such as during an extreme pest infestation.

While reducing the use of chemical pesticides, GAR promotes the use of biopesticides to enhance the health condition of the soils and the palm trees.







## MAINTAINING SOIL FERTILITY



SOPS TO MAINTAIN & IMPROVE SOIL FERTILITY

Preserving and improving soil fertility is a critical issue as populations continue to grow and the pressure to increase agricultural productivity increases correspondingly. Climate change is also expected to affect soil fertility adversely in the long run.

Improving soil quality is an integral step towards achieving the UN SDGs, specifically the goals on Zero Hunger (SDG 2), Climate Action (SDG 13), and Life on Land (SDG 15).

GAR implements best agricultural management practices to maintain and enhance soil fertility through a comprehensive mineral nutrition management plan. We practise Precision Agriculture which aims to maximise yields while minimising inputs such as chemicals and fertiliser. This reduces the pressure to open more land and minimises the risk of soil degradation from oil palm cultivation.

We have SOPs which specify:

- the use of fertilisers should be tailored to the texture of the soil and its capacity for retaining nutrients
- fertilisers should not be applied during periods of heavy rain
- an appropriate interval between applications
- recycling of palm fronds and other organic materials and encouraging the growth of beneficial plants to increase the fixing capacity of soils.

## YIELD IMPROVEMENT



SUPER HIGH-YIELDING EKA 1 & EKA 2 CAPABLE OF PRODUCING

**>10** TONNES/HA/YEAR

We support the SDG on Zero Hunger through our long-term strategy on yield improvement. The ability to obtain higher yields from existing agricultural land through better planting materials means higher revenue while potentially reducing the need for more agricultural land.

This is why yield improvement is an integral part of our sustainability approach. Following years of R&D, GAR launched super high yielding clonal materials Eka 1 and Eka 2, capable of producing over 10 tonnes/hectare/year of CPO in 2017. This is almost three times higher than the current national average in the Indonesian palm oil industry.

SMARTRI and SMART Biotechnology Centre are now working on creating sufficient clonal seed stock to be planted in the estates in the next few years. So far, around 1.75 million clones have been produced.



Our biotech division has also succeeded in finding and developing genes related to resistance to the Ganoderma disease which affects oil palms. These can be used as molecular markers to select seeds and clones resistant to the disease.

With climate change in mind, SMARTRI is also focusing on developing more climate-resilient varieties. This includes planting materials that are more drought-resistant and researching strains that can better adapt to high CO<sub>2</sub> content in the atmosphere. The biotech division is looking into developing genetic molecular markers for selecting drought-resistant seeds and clones.

GAR uses Precision Agriculture which aims to maximise yield through more precise application of inputs such as fertiliser and chemicals – doing more with less. It also involves maximising the efficiency of field practices and harnessing new technology including AI.







## MONITORING ENVIRONMENTAL MANAGEMENT

We manage and regularly monitor every aspect of our operations to minimise adverse impact on the natural environment. In Indonesia where the bulk of our operations are based, the monitoring is in accordance with the Environment Management Plan (Rencana Pengelolaan Lingkungan) and the Environment Monitoring Plan (Rencana Pemantauan Lingkungan), as set out in the Environmental Impact Assessment (Analisa Mengenai Dampak Lingkungan) documents submitted to the relevant authorities in Indonesia.

Assessment of the environmental parameters is conducted by SMARTRI, our ISO 9001:2008 and ISO 17025 accredited internal laboratory, and external laboratories referred by the Indonesian authorities. Our regular internal monitoring and assessments are guided by the ISO 14001:2004 Environment Management Systems and ISO 9001:2008 Quality Management Systems.

In 2023, GAR did not incur any fines or penalties for violations of environmental regulations and there were no industrial accidents or spills.

Two of our upstream units in Jambi and South Sumatra in Indonesia received warning letters from regional authorities regarding environmental permits and administrative matters. We are working actively to resolve them.

GAR takes part in the Indonesian Ministry of Environment's national public environmental reporting initiative known as the Programme for Pollution Control, Evaluation and Rating (PROPER). The programme uses a colour coded rating to assess water and air pollution





control, hazardous waste management and environmental impact. PROPER also encompasses other indicators, including the effects of a company's community development programmes; progress of biodiversity conservation efforts; efficiency of water management; and innovations in emissions reduction, waste management and energy efficiency.

In 2023, 35 GAR mills passed the PROPER assessment with a Blue rating. Five of our downstream facilities have also achieved a Blue rating. To ensure that we are aligned with PROPER requirements, internal audits and training are carried out in the company's mills and operations.

#### PROPER RATING SYSTEM

<b>GOLD</b>	For businesses/activities that have successfully displayed environmental management effort and achieved excellent results.
<b>GREEN</b>	For businesses/activities that have displayed environmental management effort and achieved results better than those required by regulation.
<b>BLUE</b>	For businesses/activities that have displayed environmental management effort, and have achieved the minimum standard required by regulation.
<b>RED</b>	For businesses/activities that have displayed environmental management effort, but have achieved only part of the minimum standard required by regulation.
<b>BLACK</b>	For businesses/activities that do not display significant environmental management effort.







## DATA TABLES

Water consumed and recycled<sup>1</sup> (m<sup>3</sup>)

	2021	2022	2023
<b>Freshwater consumption<sup>2</sup> (flowmeters)</b>	13,095,739	10,671,245	12,928,043
<b>Seawater consumption</b>	3,707,520	4,573,654	5,471,445
<b>Third party (for e.g. Municipal) water consumption</b>	2,187,220	2,312,896	2,691,900
<b>Produced water consumption</b>	196,941	195,613	197,977
<b>Ground water consumption</b>	495,460	362,457	327,887
<b>Water consumption per metric ton of CPO<sup>3</sup></b>	3.91	3.96	3.85
<b>Water recycled/reused<sup>4</sup></b>	649,855	1,265,880	575,128
<b>BOD levels land application (ppm)</b>			
<b>Sumatera</b>	N/A	2,006.00	1,832.03
<b>Kalimantan</b>	N/A	1,394.38	1,924.46
<b>Papua</b>	N/A	123.76	172.58
<b>COD levels land application (ppm)</b>			
<b>Sumatera</b>	N/A	7,271.29	6,782.85
<b>Kalimantan</b>	N/A	3,695.91	5,239.94
<b>Papua</b>	N/A	629.33	475.42

<sup>1</sup>Data for 2021 has been restated as GAR has adopted the equity share approach

<sup>2</sup>Source of freshwater for CPO processing and supporting activities (office building, workers' housing, staff housing, laboratory, canteen), river and groundwater

<sup>3</sup>Based on water used solely for production process

<sup>4</sup>Figure does not include POME which is a mix of solids and wastewater and which is 100% recycled







## Hazardous waste (tonnes)

	2021	2022	2023
Upstream hazardous waste <sup>5</sup>	502	415	799
Downstream hazardous waste <sup>5</sup>	125,438	91,097	121,572

## Upstream non-hazardous waste (100% recovered/reused/recycled)

TYPE OF WASTE	TOTAL QUANTITY PRODUCED & REUSED (TONNES)	REUSED AS
Fibre	1,498,096	Fuel
Shell	682,577	Fuel
EFB	2,516,800	Organic fertiliser
POME <sup>6</sup>	5,993,178	Organic fertiliser

<sup>5</sup>100% disposed by authorised third-party<sup>6</sup>POME: 100 percent is applied in the field after traditional anaerobic and aerobic treatment to render the chemical and physical characteristics compliant with national regulations. A specific application permit has been obtained for each location, with close monitoring of environmental impact as requested by the authorities.

## Pesticides (kg or litres active ingredients per ha)

TYPE	2021	2022	2023
Araricides*	0.000	0.000	0.000
Fungicides*	0.002	0.005	0.003
Herbicides**	0.605	0.679	0.638
Insecticides	0.087	0.066	0.042
Rodenticides	0.010	0.006	0.004
<b>Total:</b>	<b>0.703</b>	<b>0.756</b>	<b>0.687</b>
Note: *Used only in nurseries      **Zero paraquat since Jan 2016			
<b>Glyphosate</b>	0.483	0.552	0.511

## Biopesticides (kg or commercial product)

TYPE	2021	2022	2023
Bacillus thuringiensis	0	0	65
Cordyceps	0	0	0
Sarcocystis	-	-	187
Mycorhyza	117,301	386,154	320,231
Trichoderma	112,817	416,355	453,699
Virus	160	0	0
<b>Total:</b>	<b>230,077</b>	<b>802,509</b>	<b>774,182</b>

Biopesticides are mainly used during replanting to reduce the risk of disease development.





# CLIMATE CHANGE







## At GAR, we recognise that action on climate change is not just a necessity but critical to our business and industry's future.

We are committed to achieving net zero by 2050 and have pledged to pursue a pathway limiting global warming to 1.5 degrees Celsius. This goal requires significantly reduced GHG emissions from our operations and Scope 3 emissions in our value chain.

As a leader in our industry, GAR has taken a proactive stance in endorsing the [Agriculture Sector Roadmap to 1.5C](#) during COP27. This roadmap is a strategic tool designed to accelerate ongoing efforts within the agricultural commodity sector to combat deforestation. It ensures alignment with international climate objectives while promoting food security, economic growth, and the welfare of farmers. In line with the roadmap, all our palm oil production volumes are on track to meet the criteria of the "Delivering" category of the NDPE Implementation Reporting Framework by 2025. For more details, see the Supply Chain chapter.

Our chartering arm, Golden-Agri Maritime, has joined the Sea Cargo Charter, a framework for measuring and reporting the climate impact of ship chartering activities. Sea Cargo Charter Signatories commit to disclosing, on an annual basis, how their bulk chartering activities align with the IMO's ambition to reduce GHG emissions from international shipping by at least 50 percent by 2050.







## GOVERNANCE AND RISK MANAGEMENT

GAR's Enterprise Risk Management (ERM) process undergoes routine evaluations of climate-related risks, as detailed in the [GAR Annual Report](#) (pages 38-47). This assessment is supported by the Sustainability Committee (SC), a multidisciplinary body composed of leaders from all business units and corporate functions. The SC regularly scrutinises all Environmental, Social, and Governance (ESG) concerns, including those related to climate change. For more details on our sustainability governance, see Our Approach to Sustainability.

GAR is aligning its climate change review process with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). This includes bolstering risk management protocols, refining strategic approaches, identifying risks and opportunities, and establishing targeted objectives.

Collaboration with specialists, consultants, academics and customers is underway to evaluate and respond to climate-related risks and opportunities comprehensively.

Additionally, GAR plans to conduct scenario analysis to augment its comprehension and reporting on climate resilience, risks, and opportunities.



## CLIMATE RISKS AND OPPORTUNITIES

Type	Description	Time frame	Potential Impact	Mitigation
<b>TRANSITION RISKS</b>				
<b>Regulatory</b>	As governments/ jurisdictions transition to low-carbon economies, regulations are expected to become more stringent. These include existing and/ or new carbon taxation frameworks and other mandatory mitigation actions.	Short	Increased compliance costs and/or reduced flexibility for our operations. Failure to comply could also result in fines and reputation damage.	Developing and committing to a science-based GHG reduction plan.  Show clear progress in GHG reduction and sustainability implementation.
<b>Market</b>	As consumer awareness and expectations on climate change management grows there could be a shift in consumer consumption patterns away from agri-commodities perceived to have a high impact on climate change.	Short	This would affect our core business. Our supplier pool could also be reduced if suppliers are not able to meet market expectation.	Developing and committing to science-based GHG reduction plan.  Show clear progress in GHG reduction and sustainability implementation.  Ensure the supply chain is compliant with NDPE policies and is moving to reduce emissions.  Continue to carry out R&D on climate change mitigation and adaptation.
<b>Reputation</b>	The perception that agri-commodities are a carbon risk can have reputational repercussions.	Short	The reputational risk could lead to boycotts by customers, banks and investors.	Close engagement with stakeholders while demonstrating progress in GHG reduction and sustainability implementation.
<b>Legal</b>	Customers could impose climate-related terms in their contracts.	Medium	Failure to meet these terms could lead to litigation costs/loss of business.	Developing and committing to science-based GHG reduction plan.
<b>Technology</b>	Lower-carbon alternatives for our commodities may be developed.	Long	Loss of business/ market share.	Continue to invest in R&D on climate mitigation/adaptation and yield improvement.  Be prepared to take advantage of new technological breakthroughs.



Type	Description	Time frame	Potential Impact	Mitigation
PHYSICAL RISKS				
Acute	Changes in temperature and precipitation and extreme weather events occurring more frequently, such as El Niño and La Niña leading to more droughts/floods.	Medium	Decrease in overall yield.  Logistics disruption.  Fire risk increases.  Worker productivity is affected by extreme heat.	Construction of drainage and irrigation systems, building embankments, ensuring roads are maintained. Establishment of certain planting patterns.  R&D to develop more drought resistant planting materials.  Historically, CPO prices increase when supply is adversely affected by weather conditions, reducing the impact on financial performance.  Expand long-term fire prevention efforts.
Chronic Risk	Soil health can be affected by climate change. Changes in rainfall patterns can contribute to declines in soil moisture, increasing the need for irrigation in agriculture. Soil erosion can also occur as a result of extreme weather events.	Long	Decrease in long-term productivity and yield.	Continue implementing good agronomic practices and precision agriculture to enhance and preserve soil fertility.
Type	Description	Time frame	Potential Impact	Action
OPPORTUNITIES				
Markets	Increased use of renewable fuels, including biofuels, to replace fossil fuels.	Short	Increased revenue through increased demand in existing and new markets.	Investing in more capacity in the existing market (Indonesia).  Continuing to ensure access to other markets through compliance with regulatory/sustainability requirements.
Energy	Increased use of lower-emission energy sources. Usage of biogas from methane capture.	Short	Reduced energy costs	Invest in more methane capture plants





Performance Update



Environmental Management



Climate Change



Supply Chain



Customer

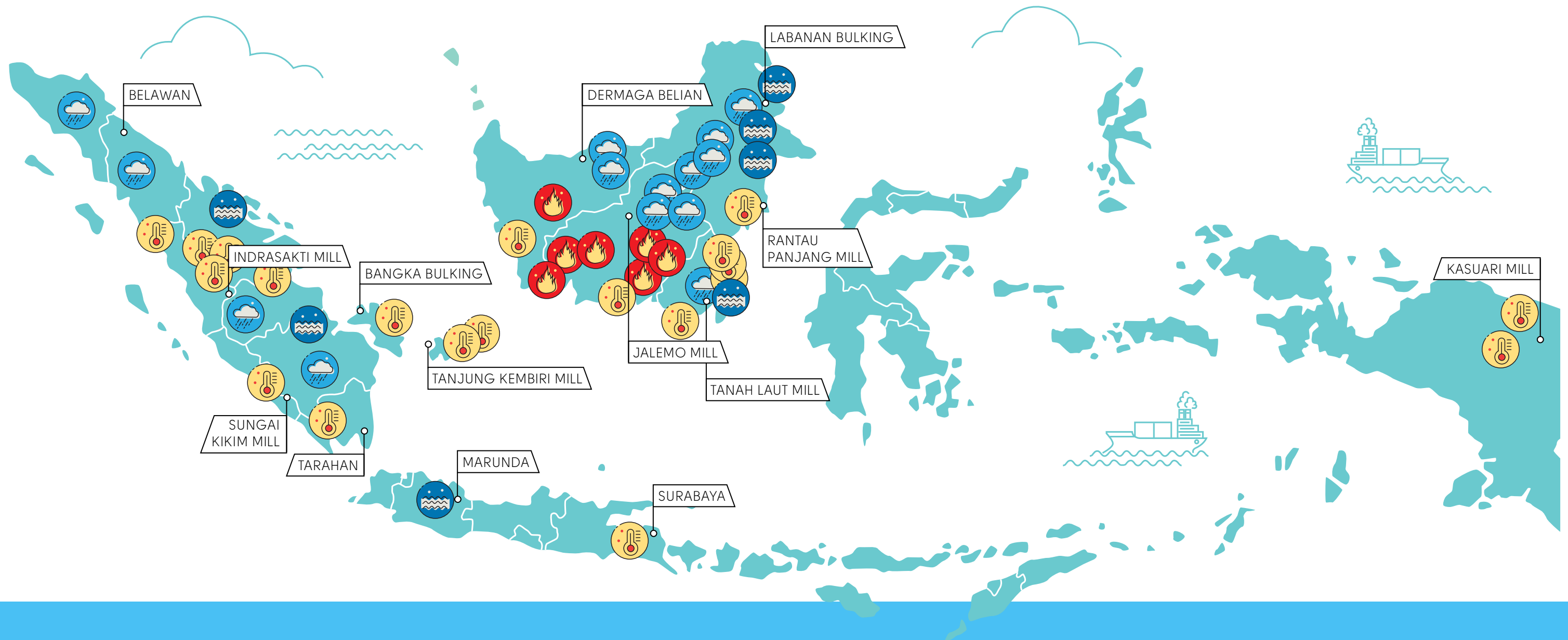


Community



Our People

## ACUTE CLIMATE RISKS IN INDONESIA



### PRIMARY HAZARD



FIRE



HEAT



FLOOD



PRECIPITATION

We engaged consultants, Jupiter Intelligence, to assess our physical risks in Indonesia where the bulk of our operations are based. Several key locations were picked for the analysis. The main physical risks include increase in heat exposure; fire; floods and changes in precipitation. This information will be used by GAR to determine mitigating actions.

## STRATEGY

In 2023, we commissioned Accenture, a consulting firm, to develop a decarbonisation strategy and roadmap for all entities in which GAR has equity of 50 percent or above. We aim to complete the development of our decarbonisation strategy and roadmap by mid-2024.

GAR is focusing on four areas to reduce emissions: implementing our No Deforestation and No Peat commitments; realising carbon sequestration from carbon removal initiatives; methane avoidance and utilisation; and renewable energy for heat and power.

The most significant measures for reducing Scope 1 FLAG emissions include strictly maintaining our No Deforestation and No Peat commitment to ensure

carbon is sequestered. In addition, GAR has mapped potential carbon sequestration from around 80,000 hectares of HCV and HCS that are currently under conservation.

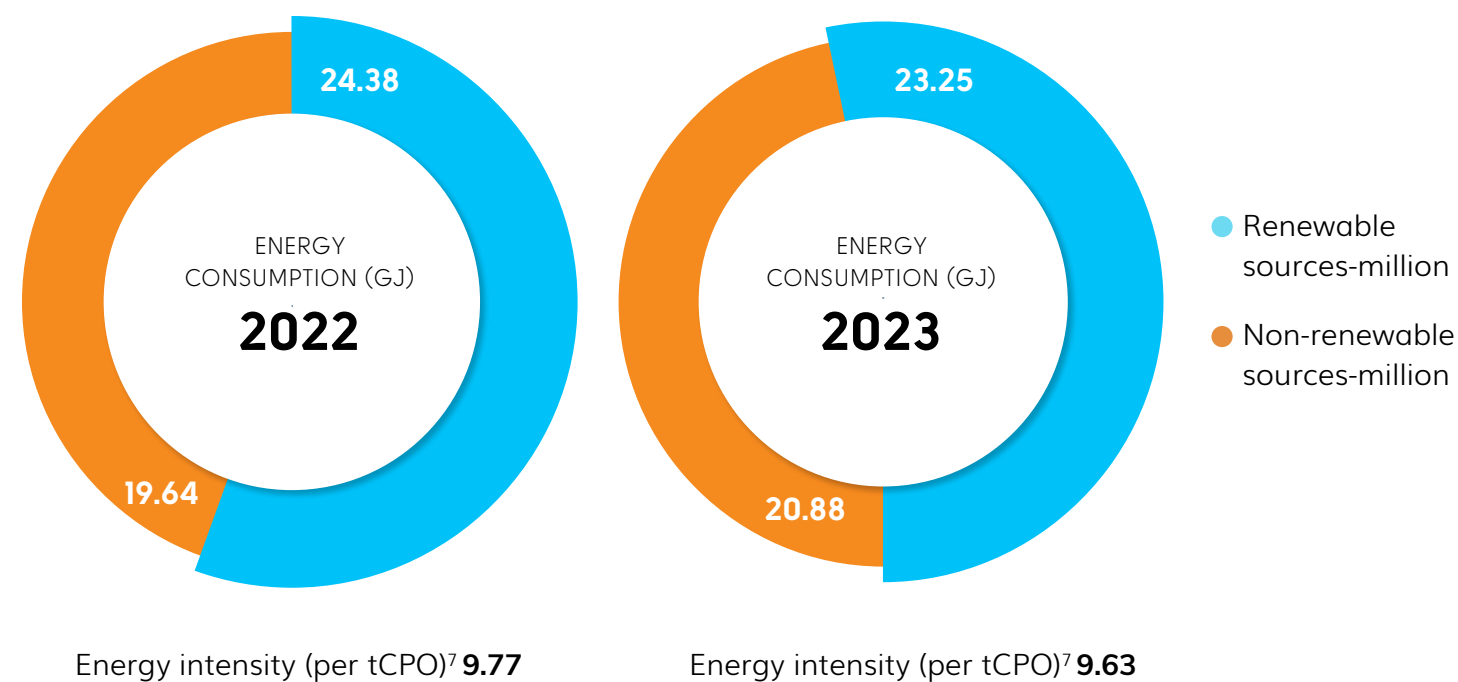
We have also started a project to rehabilitate 2,100 hectares of degraded peatland in Jambi. In addition to our current peat project in West Kalimantan, this increases GAR's total peat rehabilitation area to over 4,000 hectares. The activities include revegetation, rewetting and prevention of peat fires. In 2023, there were no fires in our peat rehabilitation areas.

Palm Oil Mill Effluent (POME) treatment is one of our main reduction activities, as methane from untreated

POME is a significant source of Scope 1 non-Forest, Land, and Agriculture (non-FLAG) emissions. We carry out methane capture at seven mills, and three more mills will have these facilities by 2025.

The increased use of renewables in our downstream operations also significantly contributes to cutting Scope 1 non-FLAG emissions. One coal power plant in GAR's Tarjun refinery is being converted to use palm kernel meal (PKM) biomass, and it is expected to be completed by 2024.

GAR plans to develop methodology and tools for measuring and monitoring emissions reductions from our various carbon removal initiatives.



Note:  
<sup>7</sup> The emission intensities are calculated using Energy Consumption from Upstream operations and CPO produced in respective year







## METRICS AND TARGETS

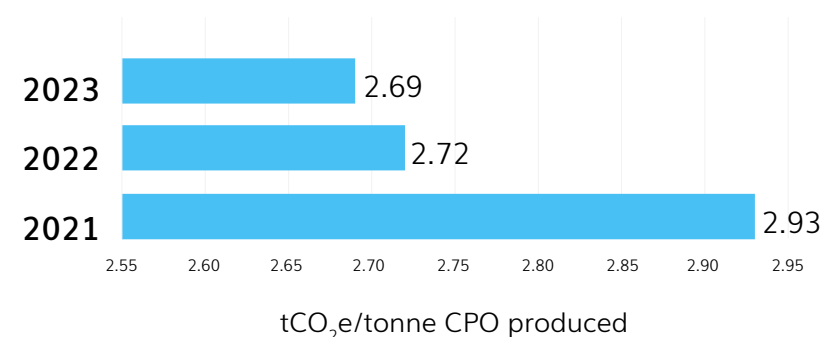
We have adopted the GHG Protocol's equity share approach for determining our organisational boundary emissions baseline and selected 2022 as the base year of calculation. Our emissions data encompasses all companies in which we have equity of 50 percent or more.

FLAG emissions contribute almost a quarter of global emissions. As an agri-business, we understand the importance of tackling FLAG emissions. Using the Science-Based Target Initiative (SBTi) standard as a reference, we have separated the calculation and reporting of FLAG and non-FLAG\* emissions for the first time. This will help ensure appropriate action is taken to address this source of emissions.

\*FLAG covers emissions from land use change, land management, and carbon removals in plantations.

Non-FLAG covers emissions outside the plantation gate or emissions that occur in our mills, transportation, and downstream operations and predominantly consist of stationary and mobile combustion and electricity purchases.

## EMISSIONS INTENSITY



Note:

The emission intensity for 2021-2023 was calculated using Scope 1 and Scope 2 GHG emissions from Upstream operations and CPO produced in respective year.

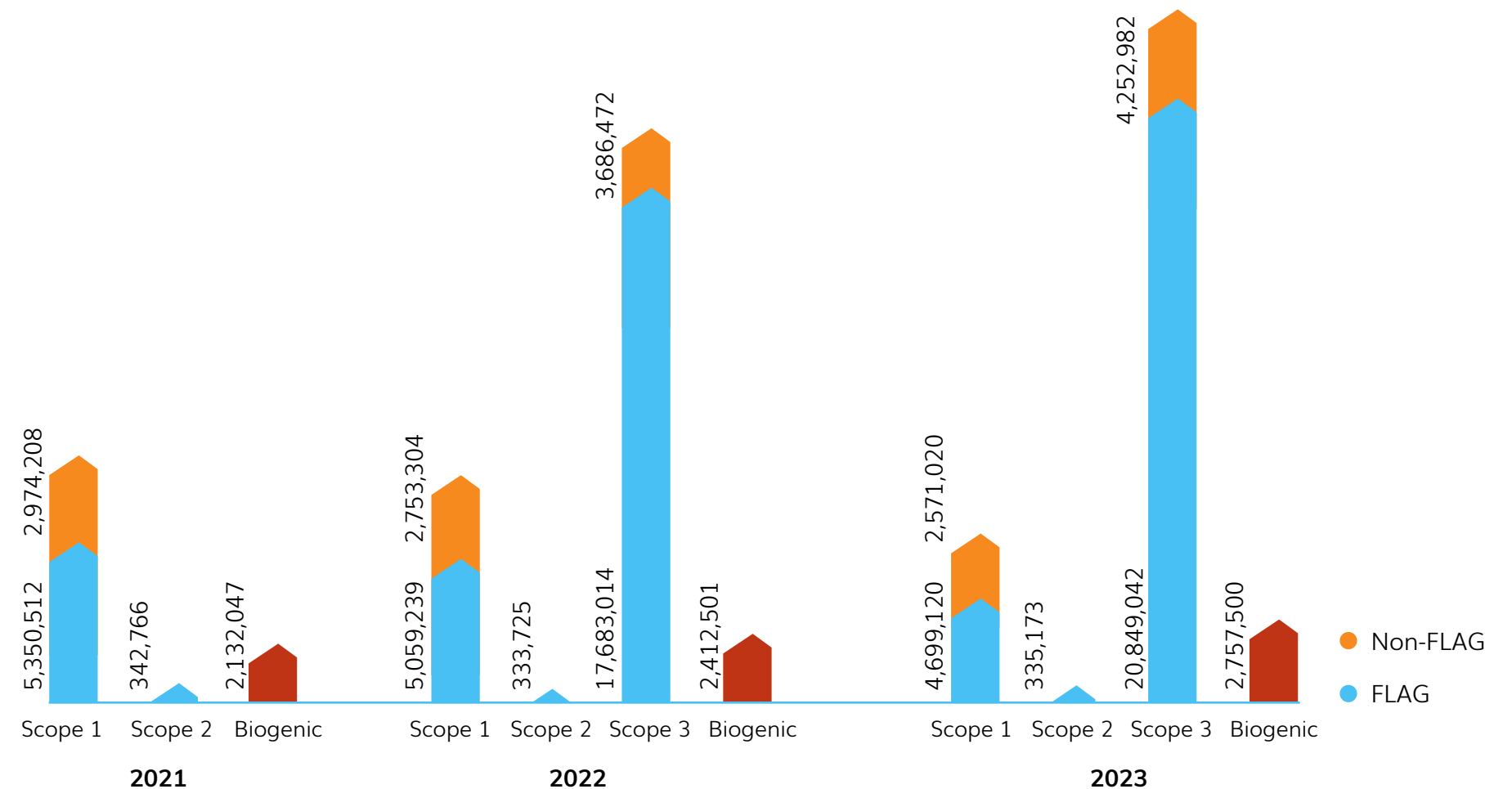
## GHG EMISSIONS

### Scope of emissions (tonsCO<sub>2</sub>e)

Total: 8,667,487

Total: 29,515,754

Total: 32,707,337



Notes:

The reporting scope of our data covers companies/subsidiaries in which GAR has an equity share of 50% or above. Scope 1 emissions include the following gases: CO<sub>2</sub>, CH<sub>4</sub>, HFC, HCFC and N<sub>2</sub>O. The Global Warming Potential (GWP) rates used are from the IPCC Fifth Assessment Report (AR5).

We report Scope 1 greenhouse gas emissions from land use, land-use-change and forestry (LULUCF) with reference to the FLAG Science-Based Target-Setting Guidance in which GAR allocates deforestation emissions using linear discounting over 20 years.

Our other Scope 1, 2 and 3 carbon emissions are reported based on Greenhouse Gas Protocol. Scope 3 emissions activities include purchase of goods and services, capital goods, other fuel and energy consumption, business air travel, employee commuting, and upstream and downstream transportation. Other Scope 3 categories will be progressively included in the future.

Emissions in 2021 and 2022 have been restated due to reporting of FLAG and non-FLAG emissions referencing SBTi guidance for FOLU, improved data collection and refined methodologies. The restatement on LULUCF is due to the adoption of linear discounting for deforestation while the approach taken previously was an equal allocation over 20 years. GAR has adopted the 2nd version of the FREL (Forest Reference Emission Level) for the emission factor calculation.

Following the restatement, emissions in 2022 were affected as follows: Scope 1 increased by 35%; Scope 2 decreased 3%; Scope 3 increased 121%. Total Scope 1, 2, and 3 increased by 87%.

Emissions in 2021 were affected as follows: Scope 1 increased by 148%; Scope 2 increased by 6%. Total Scope 1 and 2 increased by 135%.

We are reporting 20-year (2004 to 2023) Land Use, Land-use Change, and Forestry (LULUCF) emissions within our Scope 1 FLAG emissions. We have included a more comprehensive Scope 3 emissions calculation with FLAG and non-FLAG segregation.

Scope 1 FLAG emissions in 2023 were seven percent lower compared to in 2022. LULUCF, which represents approximately 90 percent of our overall Scope 1 FLAG emissions, declined by nearly seven percent. This was largely due to our strict implementation of No Deforestation and No Peat (NDP) commitments and sustainable palm production. This is in line with the declining trend we have observed in Land Use Change (LUC) emissions over recent years and we expect this to continue in the future.

Scope 1 non-FLAG saw a seven percent reduction compared with 2022, mainly due to a reduction in refrigerants, wastewater, and fuel consumption in downstream facilities. Additionally, we increased the use of biomass instead of coal. As production activities rose, Scope 2 non-FLAG increased by less than one percent due to increased electricity consumption at upstream and downstream facilities. We are looking into strategies to reduce our Scope 2 non-FLAG in the future.

Due to higher purchases of palm raw materials, Scope 3 emissions rose in 2023, leading to an 11 percent increase in total emissions. Our decarbonisation roadmap will include developing strategies to engage our third-party suppliers to tackle Scope 3 emissions.

See our latest [CDP disclosure on Climate Change](#) for more information on our GHG emissions.



## CLIMATE CHANGE ADAPTATION

Our research and development institute, SMARTRI, is actively pursuing the development of climate-resilient crop varieties, focusing on enhanced drought tolerance and adaptation to elevated levels of atmospheric CO<sub>2</sub>. Our biotechnology division aims to create genetic and molecular markers for selecting drought-resistant seeds and clones.

In addition, GAR employs precision agriculture techniques to optimise yield by precisely applying inputs, thereby achieving more with less. This approach involves maximising the efficiency of field practices and leveraging emerging technologies such as artificial intelligence (AI). These initiatives aim to bolster the resilience of GAR's operations in anticipation of shifts in weather patterns, water availability, and the imperative to operate sustainably.

### Assured Emissions Data

Scope of emissions	Total emissions (tonsCO <sub>2</sub> e)
<b>GAR GLOBAL EMISSIONS (EXCLUDING CHINA)</b>	
Scope 1*	7,256,987*
Scope 2*	308,441*
<b>Total</b>	<b>7,565,428</b>
<b>Biogenic*</b>	<b>2,757,500*</b>

\*The sustainability information has been externally assured for FY2023. China emissions will be included in future assurance exercise.





# TRANSFORMING OUR **SUPPLY CHAIN**







Our key initiative is transforming our supply chain. Ensuring strict adherence to the GSEP is just the beginning; we are committed to extending our NDPE principles throughout our supply chain.

Our initial focus has been on responsible sourcing within our palm supply chain, which is our largest and most significant in terms of revenue and impact. Now, we are expanding our efforts by developing a responsible sourcing policy for non-palm commodities and starting to trace our non-palm procurement. We will be progressively providing updates on compliance with the responsible sourcing policy.

## PALM SUPPLY CHAIN

Palm-related procurement represents our main procurement and includes crude palm oil (CPO) and palm kernel (PK) for our downstream operations in Indonesia. In 2023, these were procured from 473 mills, comprising 424 third-party mills and 49 mills owned by GAR in Indonesia.

The mills are supplied with fresh fruit bunches (FFB) from various sources, including GAR nucleus estates, third-party estates, thousands of individual farmers (known as plasma and independent in Indonesia), brokers, and agents.

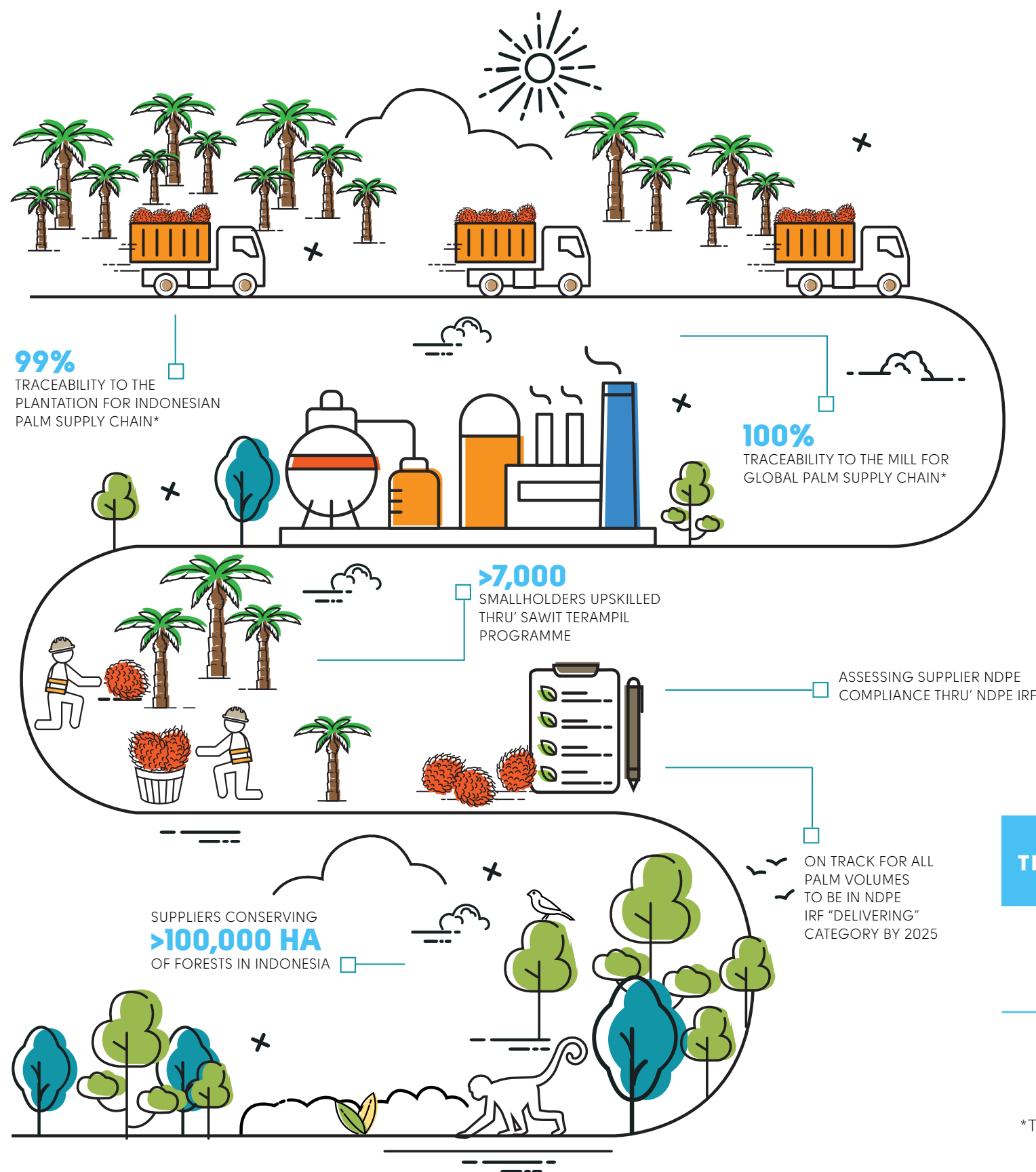


Around 73 percent of our Indonesian subsidiaries' procurement spend is allocated to procuring CPO and PK, while approximately eight percent is for procuring FFB from third parties. Third-party suppliers contribute about 62 percent of the CPO and PK supplied to our facilities in Indonesia. Given the significant volume and associated environmental and social risks, these suppliers are considered critical.

For the first time, GAR has mapped our global palm supply chain. We have achieved full traceability to the mill for our joint venture operations in India, Gemini Edibles and Fats India Ltd. Palm materials such as CPO and crude palm kernel oil (CPKO) were procured from 511 supplier mills in various countries.

We have also started to map our suppliers in Latin America and Africa. GAR sources palm materials such as CPO and CPKO from these suppliers to sell on directly to customers in the EU.





## PALM SUPPLY CHAIN: TRACEABILITY TO THE PLANTATION

Achieving full Traceability to the Plantation (TTP) in GAR's Indonesian palm supply chain is within reach. As of the end of 2023, we have reached 99 percent TTP and anticipate completing it by the end of 2024. This achievement stems from years of hard work, commencing in 2015 with the launch of our traceability project. In that same year, we achieved full Traceability to the Mill (TTM) in Indonesia, followed by full TTP for all GAR Indonesian mills in 2017.

Our collaborative efforts with third-party suppliers have been instrumental in nearing full TTP, making us one of the few agribusinesses in Indonesia to map their suppliers comprehensively. Quarterly updates of our traceability information are available on our [website](#).

GAR has also mapped our global palm supply chain and achieved 100 percent TTM as of the end of 2023. We plan to progress from traceability to engagement and capacity building in NDPE implementation for our ex-Indonesia supply chain so that by 2025, these palm volumes will also be 100 percent "Delivering" under the NDPE IRF.

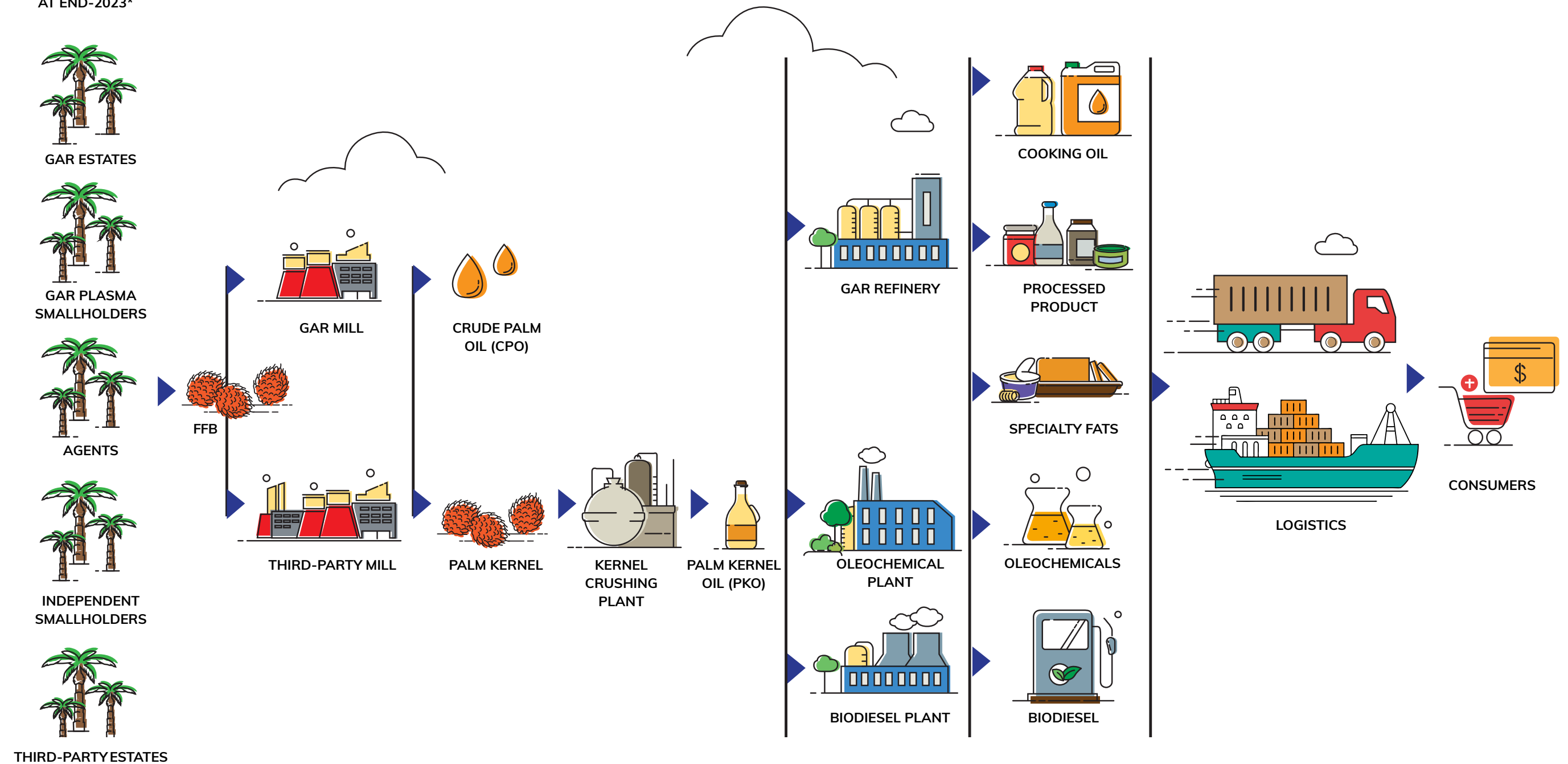
TRACEABILITY INDICATORS	PERCENTAGE	NUMBER OF SUPPLIERS	TOTAL VOLUME (MT)
Traceability to the plantation in our Indonesia palm supply chain	99%*	473*	8,390,049*
Traceability to the mill in our global palm supply chain	100%*	984*	8,535,094*

\*The sustainability information has been externally assured for FY2023

# 99%

INDONESIAN PALM OIL SUPPLY  
CHAIN FULLY TRACEABLE  
AT END-2023\*

## TRACEABILITY TO THE PLANTATION IN INDONESIA



\*The sustainability information has been externally assured for FY2023





## TRACEABILITY SUPPORTS SUSTAINABILITY

Our significant investment in mapping and leveraging supply chain data to monitor sustainability compliance yields dividends. It enables us to mitigate risks and offer customers a transparent view of their supply chain, including granular NDPE implementation information. We provide annual reporting through the [NDPE Implementation Reporting Framework \(NDPE IRF\)](#) and fuller reports upon request.

These efforts will allow us to meet our commitment to the [Agriculture Sector Roadmap to 1.5C](#). By 2025, all palm oil volumes are expected to be in the "Delivering" category of the NDPE IRF, contributing to global climate goals. Our success in guiding suppliers towards NDPE principles represents a tangible outcome of our supply chain transformation. We emphasise compliance, assist in adopting best practices, and support the formalising of NDPE policies.

Our traceability efforts and data will also help position us to comply with upcoming regulations such as the [EU Deforestation-Free Regulation \(EUDR\)](#).

Engagement with suppliers has led to significant progress, with over half the suppliers in Indonesia (56 percent) conducting HCV and/or HCS assessments. This underscores their commitment to decouple deforestation from palm production, collectively conserving over 100,000 hectares of forests to date. We actively aid suppliers, including Tier 2 suppliers, in preparing for sustainable palm oil certification, providing training and capacity building through programmes like [Sawit Terampil](#).

Our supply chain mapping reveals that in 2023, 71 percent of supplying mills in Indonesia were RSPO and/or ISPO certified.

### INDONESIAN SUPPLIER CERTIFICATION

	NO OF MILLS	PERCENTAGE	VOLUME (MT)
RSPO	154	45%	3,798,109
ISPO	269	68%	5,745,770
RSPO/ISPO	286	71%	5,971,243

### FFB SUPPLY PROFILE OF THIRD-PARTY SUPPLIERS

CATEGORY	MILL	VOLUME (MT)
Own plantation only	75	24%
Own and external plantation	250	59%
External plantation only	92	16%
Unknown	7	1%

The traceability data we collect also helps enhance our deforestation monitoring, which integrates alerts from various sources, such as satellite monitoring services. We can assign deforestation-free scores to refineries and their supply base and share this information with customers upon request.







## Hero Sanjaya, Head of Supplier Compliance, who together with his team works to achieve and maintain full traceability for GAR's supply chains, shares his views on this important initiative.

### Why is traceability so important for GAR and for its customers?

It's extremely important because it is the first step towards achieving a sustainable supply chain. With traceability information, we can identify the origins of the FFB all the way back to the plantation and along the way we can know and understand our suppliers better. This then allows us to support them better on their sustainability journey.

### What are the biggest challenges in supplier compliance and traceability?

Many, but if I may shortlist the many into three and the three into one, it would be the "wrong mindset". For some, sustainability is still regarded as a nice-to-have thing if not a burden. It is our job to transform our suppliers into having a new paradigm that sustainability and traceability are now prerequisites to enter a competitive palm oil market. Sustainable practices are also good for business and helps improve business longevity.

### Now that GAR has nearly achieved 100% TTP for its Indonesian palm supply chain, what are the next targets?

The next target would be a 100 percent deforestation-free supply chain.

### What achievement are you most proud of?

At GAR, we apply engagement first suspend later, but sometimes we have to use our last resort i.e. suspension when it comes to serious non-compliance. However, we will help them re-comply with our policy and then re-enter our supply chain. We have a number of case studies for this and that's what I'm proud of the most.



## SUPPLIER ASSESSMENT

We actively engage with our suppliers in Indonesia through various channels, fostering trust and confidence. In addition to commercial considerations, all prospective suppliers undergo screening based on environmental and social criteria aligned with our GSEP commitments.

Every year, all existing supplier mills undergo assessment for GSEP compliance through desk research and spatial analysis. Our assessment protocol includes on-site visits, particularly to high-risk suppliers, to identify and understand gaps and challenges in adopting responsible practices.

We assign each supplier a risk ranking based on our findings and criteria outlined in our SOPs and supplier assessment guidelines. High-risk suppliers are prioritised for on-site visits and deeper engagement. During the pandemic, we introduced an online assessment system, SMART REACH, enabling suppliers to conduct self-assessments and submit evidence electronically. Our online system now complements our supplier on-site visits.

Following site visits, GAR documents findings, recommendations, and improvement actions in a report shared with the supplier. We collaborate with suppliers to develop and implement time-bound action plans. Over the years, we have conducted site visits and assessed Tier 1 and Tier 2 suppliers across all downstream processing locations.





## SUPPLIER ASSESSMENT 2023

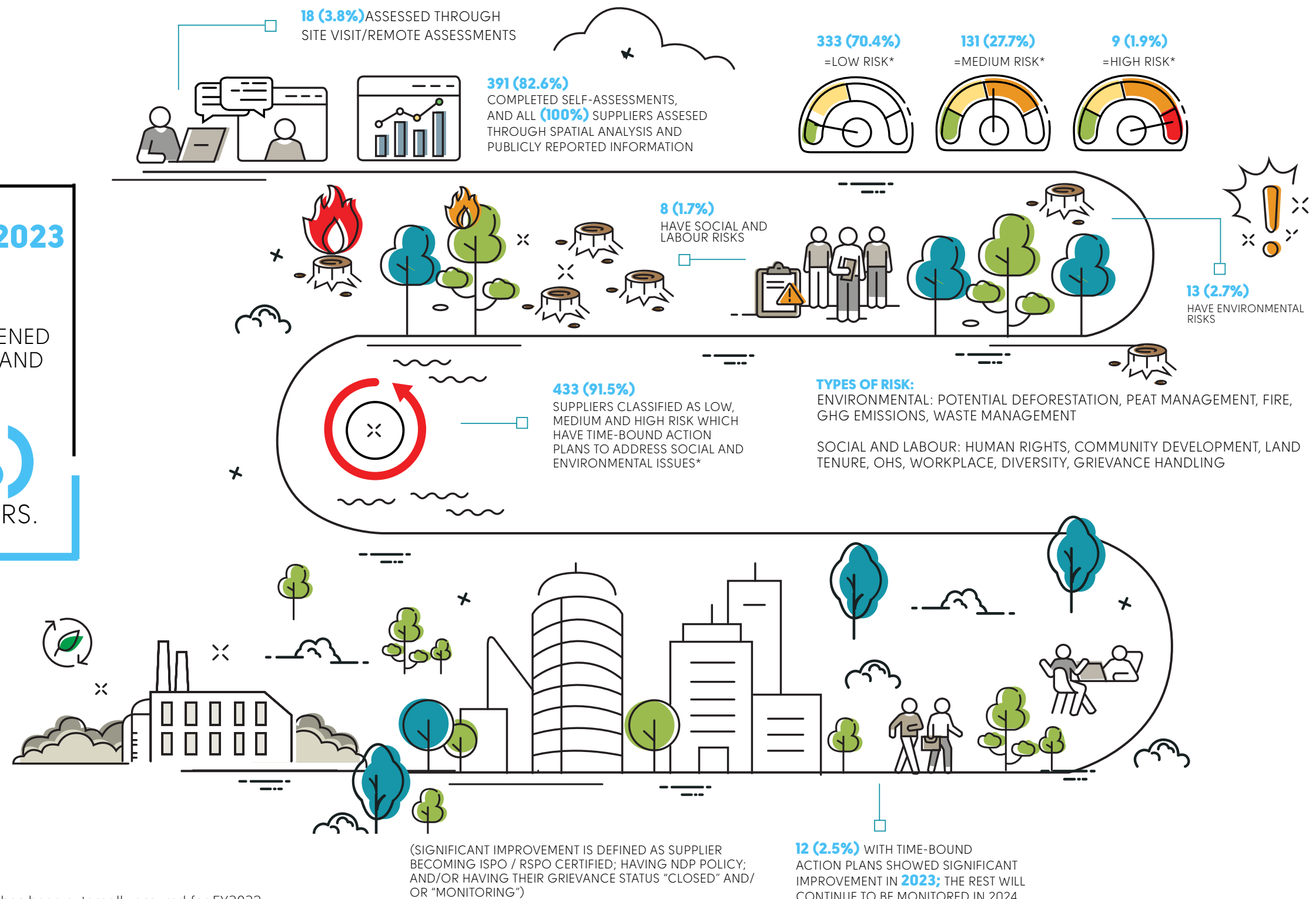
### NEW SUPPLIERS IN 2023

60

POTENTIAL SUPPLIERS SCREENED  
BASED ON ENVIRONMENTAL AND  
SOCIAL CRITERIA\*.

50 (83%)

QUALIFIED AS SUPPLIERS.



\*The sustainability information has been externally assured for FY2023

## NO DEFORESTATION, NO PEAT AND NO EXPLOITATION IMPLEMENTATION REPORTING FRAMEWORK (NDPE IRF)

GAR is part of the [Palm Oil Collaboration Group](#), which developed the No Deforestation, [No Peat and No Exploitation Implementation Reporting Framework \(NDPE IRF\)](#). We use this methodology to track our supply chain's performance on NDPE and communicate this progress to our stakeholders. Our customers are increasingly using NDPE IRF as evidence that their palm supply chain is NDPE compliant.

The tables below show the percentage of CPO and PKO supply volume classified by NDPE criteria\*.

### NO DEFORESTATION PROGRESS AT PRODUCTION LEVEL (CPO)

NO DEFORESTATION	PERCENTAGE (CPO)
Awareness	0.3%
Commitment and starting action	0.8%
Progressing	3.2%
Delivering	95.7%

### NO DEFORESTATION PROGRESS AT PRODUCTION LEVEL (PKO)

NO DEFORESTATION	PERCENTAGE (PKO)
Awareness	0.5%
Commitment and starting action	1.4%
Progressing	3.7%
Delivering	94.5%

### NO PEAT PROGRESS AT PRODUCTION LEVEL (CPO)

NO PEAT	PERCENTAGE (CPO)
Awareness	0.3%
Commitment and starting action	0.5%
Progressing	3.0%
Delivering	96.1%

### NO PEAT PROGRESS AT PRODUCTION LEVEL (PKO)

NO PEAT	PERCENTAGE (PKO)
Awareness	0.5%
Commitment and starting action	0.9%
Progressing	3.3%
Delivering	95.3%

\*The No-Exploitation template is still being developed. GAR NDPE IRF data is undergoing external verification by Control Union





## SUPPLIER SUPPORT AND TRAINING

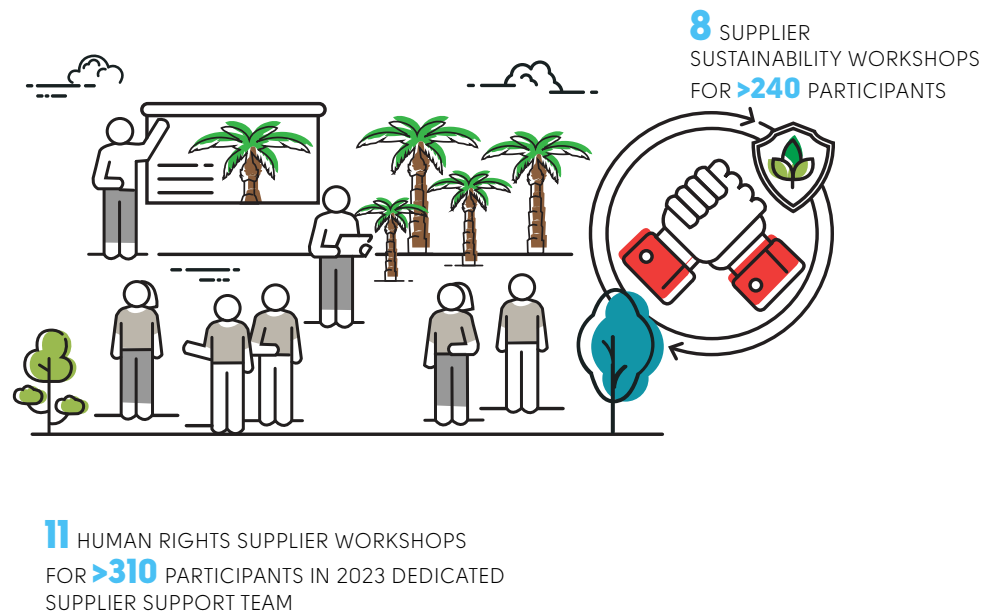
After conducting supplier assessments, we can help them improve through capacity building, tailored training programmes and the sharing of best practices. We proactively help suppliers review their policies, including providing recommendations on strengthening SOPs in various areas such as environmental management and labour relations. We share and emphasise the importance of the GSEP regularly with all suppliers. In addition, suppliers are informed about the importance of complying with our NDPE IRF reporting requirements.

We have continued to extend annual training to our suppliers by leveraging technology and online tools. In 2023, over 240 participants from 239 suppliers attended eight workshops. Supplier workshops cover relevant and emerging topics such as NDPE; FPIC and SIA; occupational health and safety; tackling GHG emissions; traceability; legal issues such as the Omnibus Law; sustainability reporting; and Good Agricultural Practices.

In partnership with a major customer and several CSOs, we held more than 11 workshops on human rights in 2023, with more than 310 participants from over 400 suppliers.

Most of our suppliers are receptive and open to recommendations for improvement as they seek to remain in our supply chain. We opt to work with our suppliers on corrective action plans in instances of non-compliance with our standards and only terminate contracts as a last resort. GAR has a strict Re-entry Protocol with timebound remedial actions, whereby suspended suppliers may re-enter our supply chain, providing they implement the protocol. One supplier was suspended in 2023 but was allowed to re-enter our supply chain in 2024 after completing the remedial steps.

All supplier grievances are captured and detailed in our publicly available [Grievance List](#).



### GRIEVANCE RESOLUTION IN 2023

Grievances raised in 2023	5
Grievances closed in 2023 (including pre-2023 grievances)	8

## HUMAN RIGHTS IN OUR SUPPLY CHAIN

Addressing significant labour and human rights concerns within our supply chain is crucial, alongside our efforts regarding deforestation and peatland protection.

While we have not identified instances of forced or child labour, we have observed risks within certain segments of our supply chain. These risks stem from either a lack of formal policies or actions suggestive of irresponsible labour practices.

Proactively, we assist suppliers in reviewing their labour policies and offering recommendations to enhance standard operating procedures (SOPs) and recruitment processes. We also provide training and support for suppliers to implement formal measures against child labour. We collaborate with multiple suppliers to develop action plans for improvement.

## BUILDING SUPPLIER CAPACITY IN HUMAN RIGHTS

- Through our engagement with our suppliers we have found the following:

- Many suppliers still lack policies and procedures related to labour and human rights

Suppliers are aware of issues related to human rights but many do not have systems or mechanisms to assess, mitigate and remediate risks in their own operations and supply base.

Aspects which need attention include:

- Forced labour and responsible recruitment
- Child labour and access to education
- Safety and health at work
- Prohibition of discrimination and violence
- Humane working hours
- Freedom of association and collective bargaining
- Indigenous peoples and local communities' land rights

To address these issues, we conducted human rights workshops for over 310 participants from 2023 in collaboration with CSOs and a major customer.



## PROMOTING SMALLHOLDER ECONOMIC INCLUSION

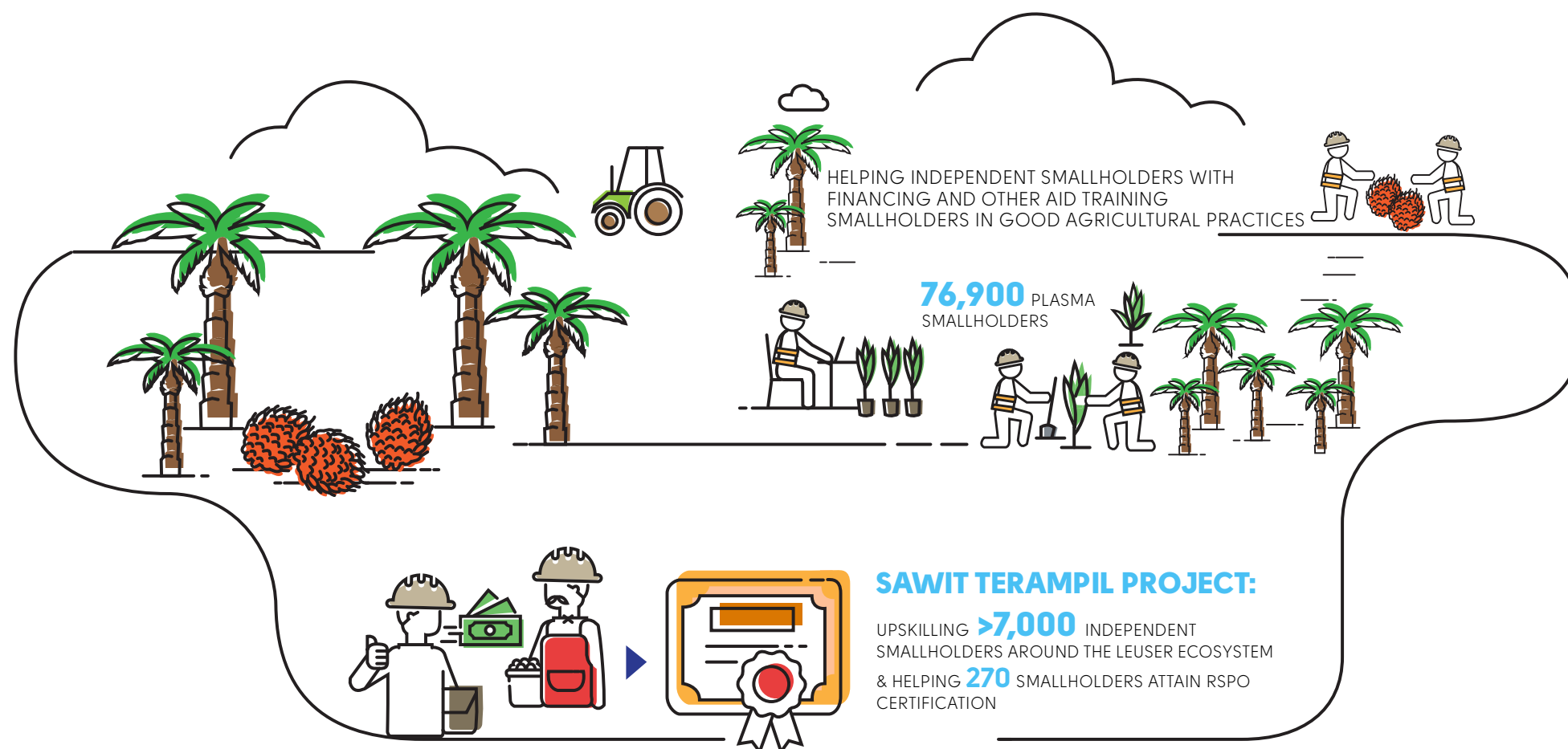
The palm sector is relatively fragmented, with smallholders playing a key role. About 2.6 million farmers in Indonesia control around 41 percent of palm oil estates. Smallholders are, a critical piece of the puzzle when it comes to improving the industry.

GAR provides plasma smallholders with access to high-yielding seeds and good-quality fertilisers. We also ensure knowledge transfer and capacity building through regular training on Good Agricultural Practices. While GAR does not own the plasma plantations, they are closely integrated into our management system. We take the lead in promoting their success while ensuring they adhere to the GSEP.

In 2023, 76,900 plasma smallholders supplied about 19 percent of our total intake of FFB. Our plasma smallholders regularly achieve a higher yield than the national average of 3.4 tonnes per hectare. In 2023, they produced a CPO yield of around 4.1 tonnes per hectare.

While we can support our plasma smallholders directly, we recognise that many Indonesian independent farmers lack access to formal agronomy training, administrative knowledge, and support that can help them improve their farming practices and meet certification requirements. To address this, GAR is partnering with multiple stakeholders on projects to transform the palm oil industry. These projects support smallholders, helping them adopt responsible practices and improve their livelihoods. One such programme is [Sawit Terampil](#).

Working with major customers like MARS and Fuji Oil, we focus on upskilling independent smallholders from the Leuser Ecosystem area in Aceh and North Sumatra. The smallholders receive group coaching and individual support on good agricultural practices. To date, more than 7,000 smallholders have benefitted from the project. Notably, in 2023, we helped support 270 smallholders to attain RSPO certification in Aceh, covering plantations of



about 560 hectares. We will continue to scale up these efforts to help the farmers become more sustainable while boosting their earning capacity.

Our efforts, along with those of our supply chain and smallholders, help contribute to UN SDG 12, which aims to ensure sustainable consumption and production patterns.

We also extend support to independent smallholders. GAR has supported the Independent Farmers Replanting Scheme since its launch in 2014. The programme encourages independent smallholders to replant with better quality, higher-yielding seeds, which will help boost productivity and incomes while potentially reducing the demand for new agricultural land. It gives farmers access to financing, helping them sustain their livelihoods during the four years it takes for the new seedlings to mature. Since 2014, GAR has helped several thousand farmers secure financing from state-owned banks for replanting.

GAR has also provided technical assistance to independent farmers in East Kalimantan through our Smallholders Development Programme since 2013. As a result, farmers have access to high-yielding seeds, fertilisers, herbicides, and heavy equipment rental.

Our R&D division, SMARTRI, runs regular training programmes for smallholders. Each year, they train several hundred farmers in agronomic practices, focusing on integrated pest management and fertiliser management. The farmers also receive beneficial plants that function as biological controls of herbivores. SMARTRI staff are also available to visit smallholder estates to help solve pest outbreaks or nutrient deficiency issues.





## OUR NON-PALM SUPPLY CHAIN

GAR also procures non-palm commodities, including soy and sunflower, for processing facilities in China and India. We are in the process of completing Traceability to the Mill (TTM) for our non-palm commodities.

For more details on GAR's non-palm businesses, please see the [GAR Annual Report](#).

## OTHER SUPPLIERS

We also procure other products and services to run our business in Indonesia. Significant spending for our upstream operations includes fertilisers sourced from 35 Indonesian-based companies, accounting for 32 percent of procurement spend. Other procurements include materials, spare parts and services; fuel and tires; food; tools; and consumables. In addition, food such as rice, noodles and milk is procured for our employees, forming part of their non-monetary benefits.







# Our Customers







GAR is involved in the production, processing and sale of various agri-products, with the sale of palm products forming the bulk of our business. These are mainly sold as raw materials to industrial customers in the food, FMCG, energy and animal feed industries. We market our products in bulk, industrial and branded form, domestically as well as in international markets.

GAR also has complementary businesses such as soybean-based products in China, sunflower-based products in India, and sugar businesses. Read more about our diversified range of products as well as our other non-palm businesses in the [GAR Annual Report](#).

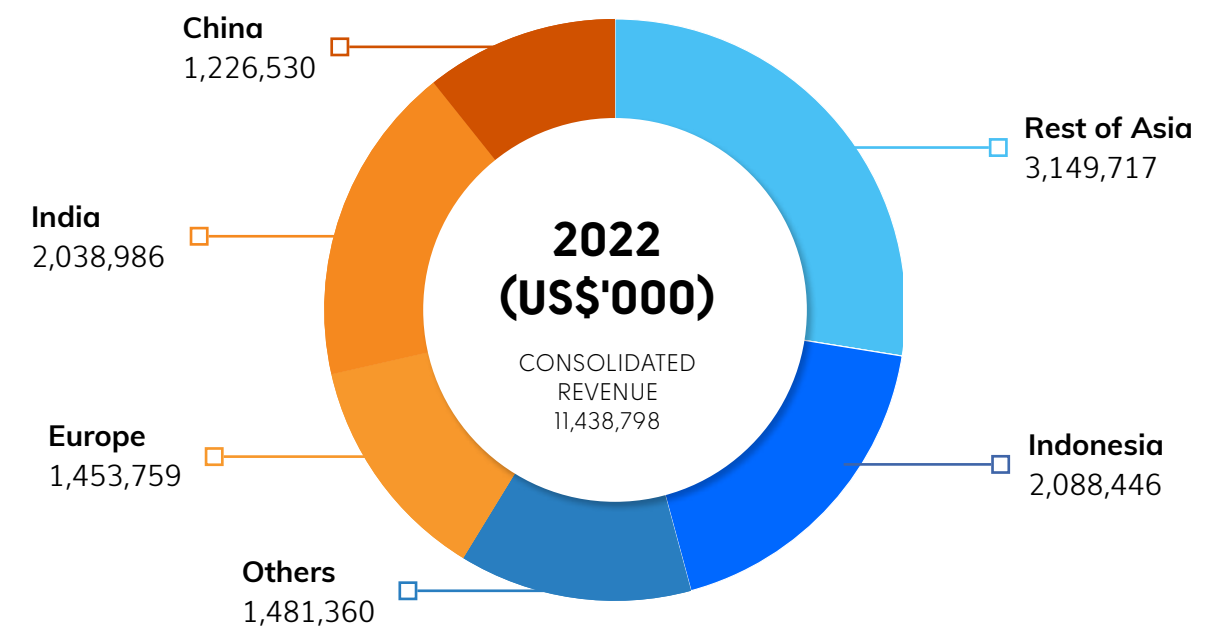
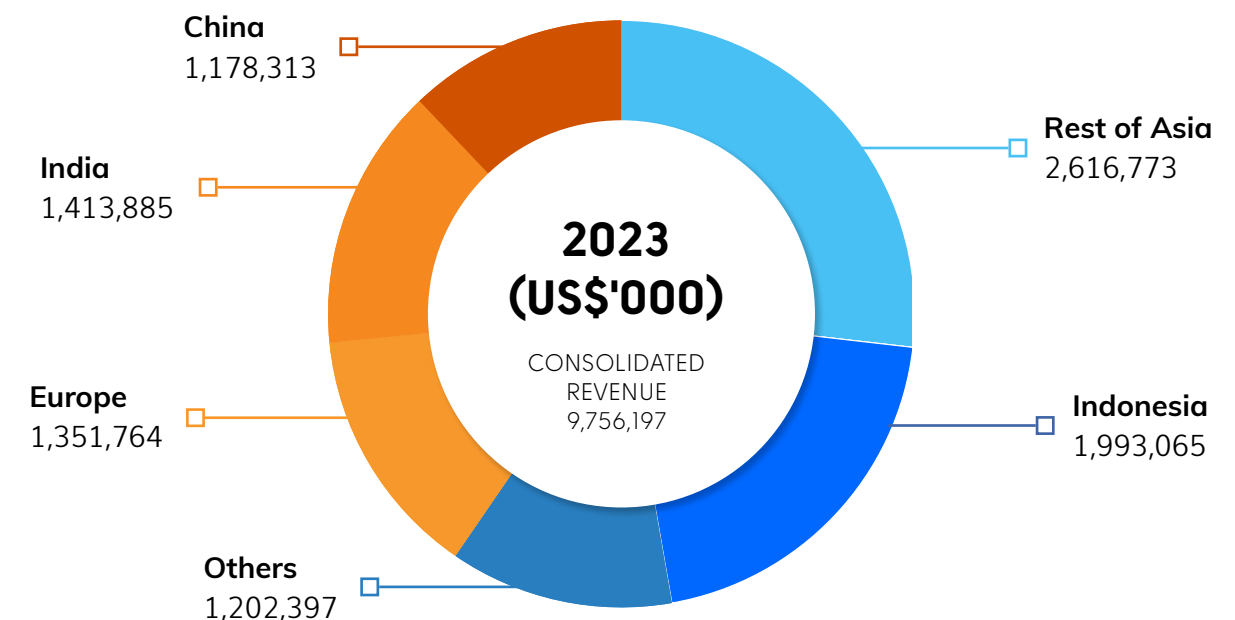
We sell our products across the world, deriving the bulk of our revenue from markets in Asia.

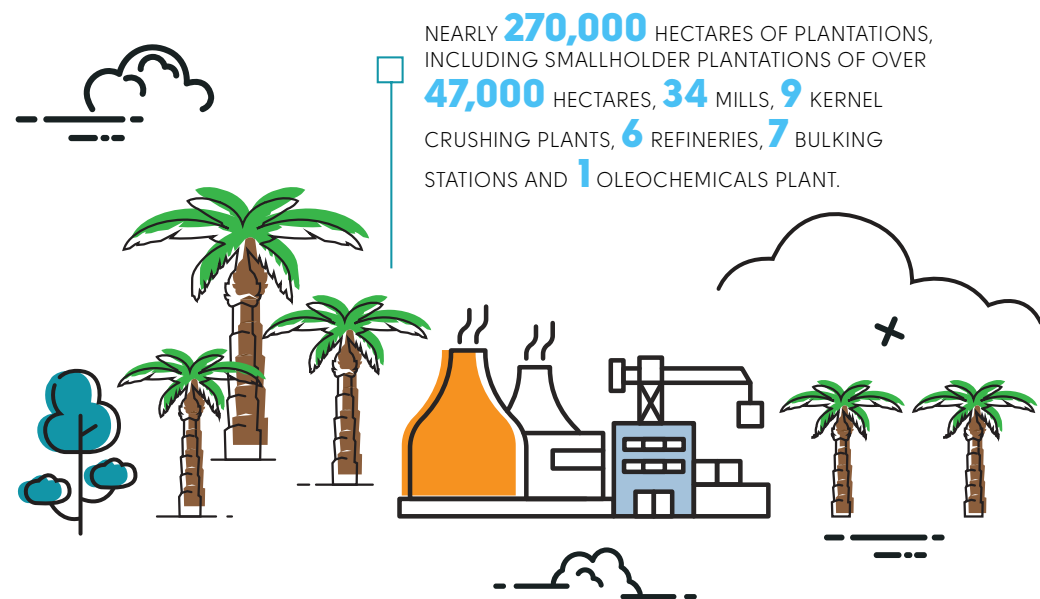
## PROVIDING CERTIFIED SUSTAINABLE PALM OIL

We were early adopters of sustainably produced palm oil certification. GAR has been a member of the Roundtable on Sustainable Palm Oil (RSPO) since 2005, shortly after the RSPO was founded. We play an active role in the RSPO, participating in the Board of Governors and various working groups. Our latest certification data is updated regularly on our [website](#).



## REVENUE BASED ON GEOGRAPHICAL LOCATION OF CUSTOMERS

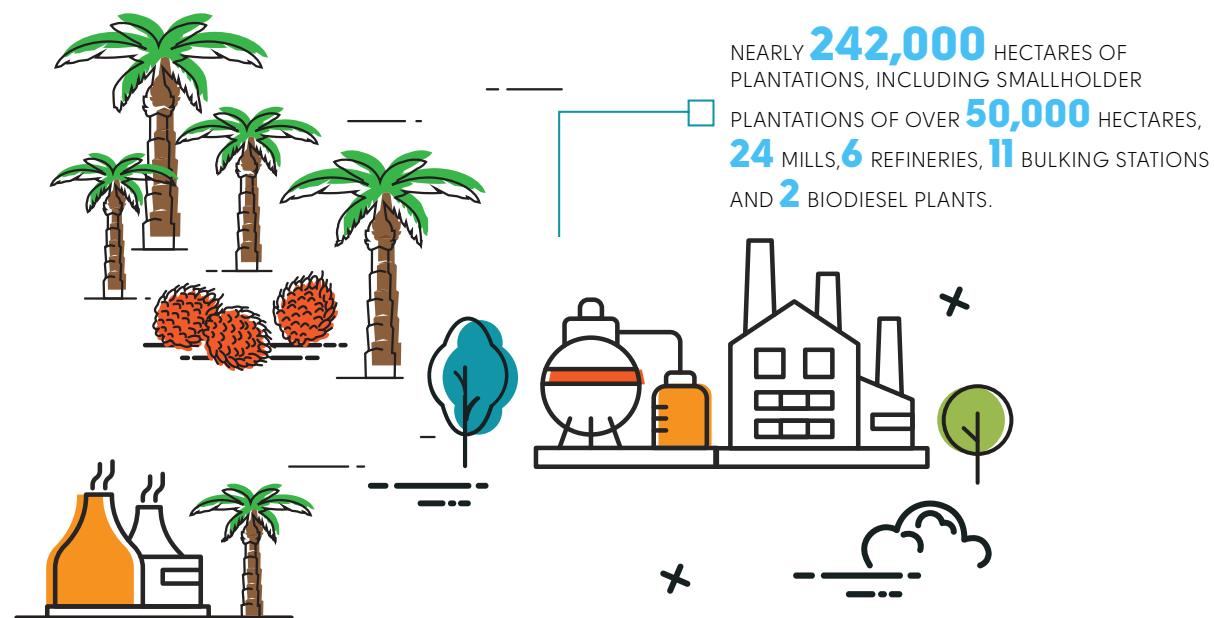




## ROUNDTABLE ON SUSTAINABLE PALM OIL (RSPO) CERTIFICATION

GAR plays an active role in the RSPO. GAR's CSCO, Ms. Anita Neville, is on the RSPO Board of Governors. We participate in various RSPO working groups including GHG; peatland; biodiversity and conservation; jurisdictional and supply chain certification; smallholders; outreach; Compensation Task Force; FPIC Task Force; as well as the Principles and Criteria (P&C) Review Task Force.

Please see our [website](#) for the latest RSPO certification progress.



## INTERNATIONAL SUSTAINABILITY AND CARBON CERTIFICATION (ISCC)

ISCC certification is a global certification which aims to ensure sustainable production and use of all kinds of biomass in global supply chains. ISCC is based on implementing the highest sustainability requirements in ecological sustainability, social sustainability, compliance with laws and international treaties, monitoring of GHG emissions and good management practices.

All biomass intended for biofuels in destinations like Europe is ISCC certified, ensuring that our products meet the highest responsible palm oil standards in international markets. Please see our [website](#) for the latest ISCC certification data.



## INDONESIAN SUSTAINABLE PALM OIL (ISPO)

GAR also participates in the ISPO Scheme developed by the Indonesian Ministry of Agriculture. The standard aims to improve the competitiveness of Indonesian palm oil in world markets, meet Indonesia's commitment to reduce greenhouse gases and address environmental issues.

Please see our [website](#) for the latest ISPO certification data.







## BIOFUEL PRODUCTION

We were granted a higher volume allocation of 1.1 million kilo litres to fulfill the Indonesian B35 mandate in 2023, recognising our good track record in biodiesel delivery domestically. Our two biodiesel plants total capacity is 1.05 million tonnes in 2023. For 2024, we have received a similar volume allocation as the Indonesian Government maintains its B35 mandate.

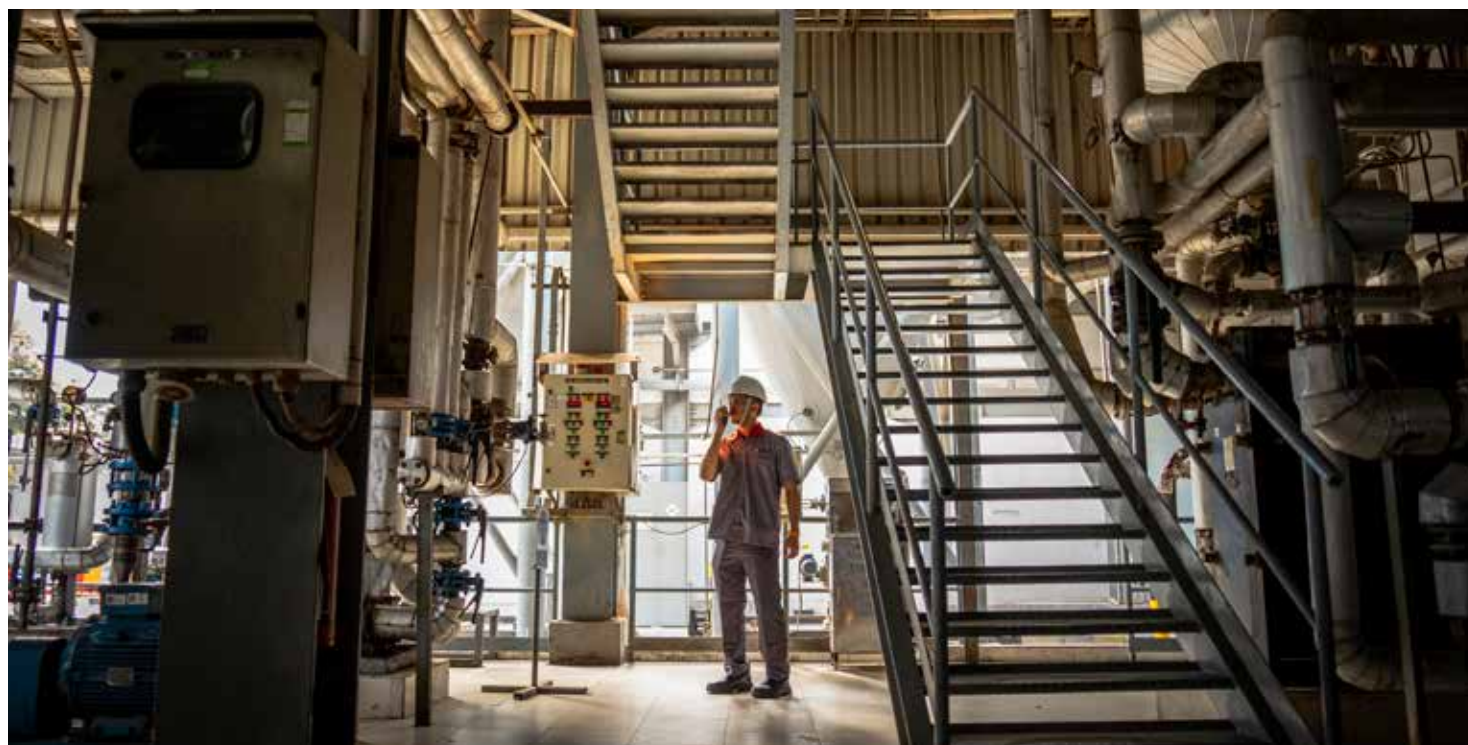
## CONSUMER PRODUCTS

We also sell edible oil and food products directly to end consumers in markets like Indonesia, China and India. See our [website](#) for a complete list of our products and brands.

For more information on our consumer markets and future business strategy, please refer to the [GAR Annual Report](#).

## CONSUMER SAFETY, WELLBEING AND PRODUCT QUALITY

For our consumer products, we use international standards to ensure the quality of our products, and we systematically record expiry dates and batch data in accordance with government regulations. Our plants and operations in Indonesia have obtained the following certifications:



## INDONESIA

Certification	Facilities/products
ISO 9001 Quality management systems	6 refineries, 1 biodiesel plant
ISO 14001 for environmental management system (EMS)	6 refineries, 1 biodiesel plant
FSSC 22000 (recognised by Global Food Safety Initiative)	4 refineries
ISO 22000	3 refineries
ISO 45001 (OHS management systems)	6 refineries, 1 biodiesel plant
BPOM (Indonesian National Agency of Drug and Food Control) & BPOM CPPOB (Good Manufacturing Practices for Processed Food)	6 refineries, 1 biodiesel plant
SMETA SEDEX audited	6 refineries
Halal	6 refineries, 1 biodiesel plant
Kosher	6 refineries, 1 biodiesel plant
ISCC EU	6 refineries, 1 biodiesel plant
RSPO Supply chain certification	6 refineries
GMP+ Feed Safety Assurance Module 2020 - Production of Feed materials	PKE, PFAD, and PKFAD products at four refineries and GAR Trading Department
ISCC-Logistic Centre	Trading Department
SNI (Indonesian National Standard)	Margarine and cooking oil products from 3 refineries
KAN ISO 17025 Accredited Laboratory	3 refineries, 1 biodiesel plant
Qualified Importer Certification (QIC) under Food Safety Modernisation Act (FSMA).	4 refineries
ISCC CORSIA	3 refineries



## INDIA

Certification	Facilities/products
FSSC 22000	2 refineries
FSSAI	3 refineries
KOSHER	2 refineries
HALAL	1 refinery
RSPO	1 refinery

## CHINA

Certification	Facilities/products
ISO 9001	Refinery and Crushing plant
ISO 2200	Refinery and Crushing plant
Agricultural GMO processing license	Refinery and Crushing plant
HACCP FAD	5 food manufacturing facilities

We are committed to product transparency by marketing and labelling our products accurately, in accordance with relevant government regulations and using strict standards wherever we operate. There were no cases of non-compliance with regulations related to marketing, advertising and labelling of our products in 2023 in our operations. Additionally, there were no product recalls in 2023.

Our Downstream Research and Development department works on improving product quality and addressing health and safety concerns related to our products.

Our margarine, shortening and specialty products are trans-fat free and allergen-free. Our soybean meal and crude soybean oil are also allergen-free. All our palm oil is non-GMO.

GAR continues to focus on minimising the occurrence of 3-monochloropropane diol (3-MCPD) precursors following the European Food Standards Authority revision of 3-MCPD and glycidyl fatty acid esters (GE) levels. Our business successfully tackles the 3MCPD/GE issue holistically, for example, by improving the CPO quality and optimising refining techniques. We are also continuing to optimise identification methods for 3-MCPD and GE esters. GAR participates in the FAPAS UK 3-MCPDE, 2-MCPDE and GE proficiency tests with satisfactory results every year. We have in-house laboratories in Surabaya and Marunda, which are KAN ISO 17025 accredited and can test for 3-MCPDE, 2-MCPDE and GE.

GAR fortifies our cooking oil with Vitamin A in line with the Indonesian government's regulations. Our Filma margarine is also fortified with vitamins A, B1, B2, B3, D, and E.

We are developing non-GMO high oleic palm oil which is high in monounsaturated fats and has a better nutritional profile. Several potential hybrids are now being tested.

GAR is working on various recyclable packaging projects. These include the development of new tubs made of mono-materials for margarine and brown kraft paper for margarine/shortening carton boxes. We are also developing mono-material pouches and working on reducing pouch thickness. Mono materials make it easier to recycle the packaging.

We conduct annual customer satisfaction surveys on our retail and bulk products. This effort is part of our internal quality management system and is audited and verified under ISO 9001:2015 certification. Results of the most recent survey show that customers are generally happy with our overall service as well as the quantity and quality of our goods, but have given feedback that the company can improve communication channels for consumers. We therefore provide a free customer service hotline to handle queries and complaints at all of our global processing facilities.





# GAR IN THE **COMMUNITY**

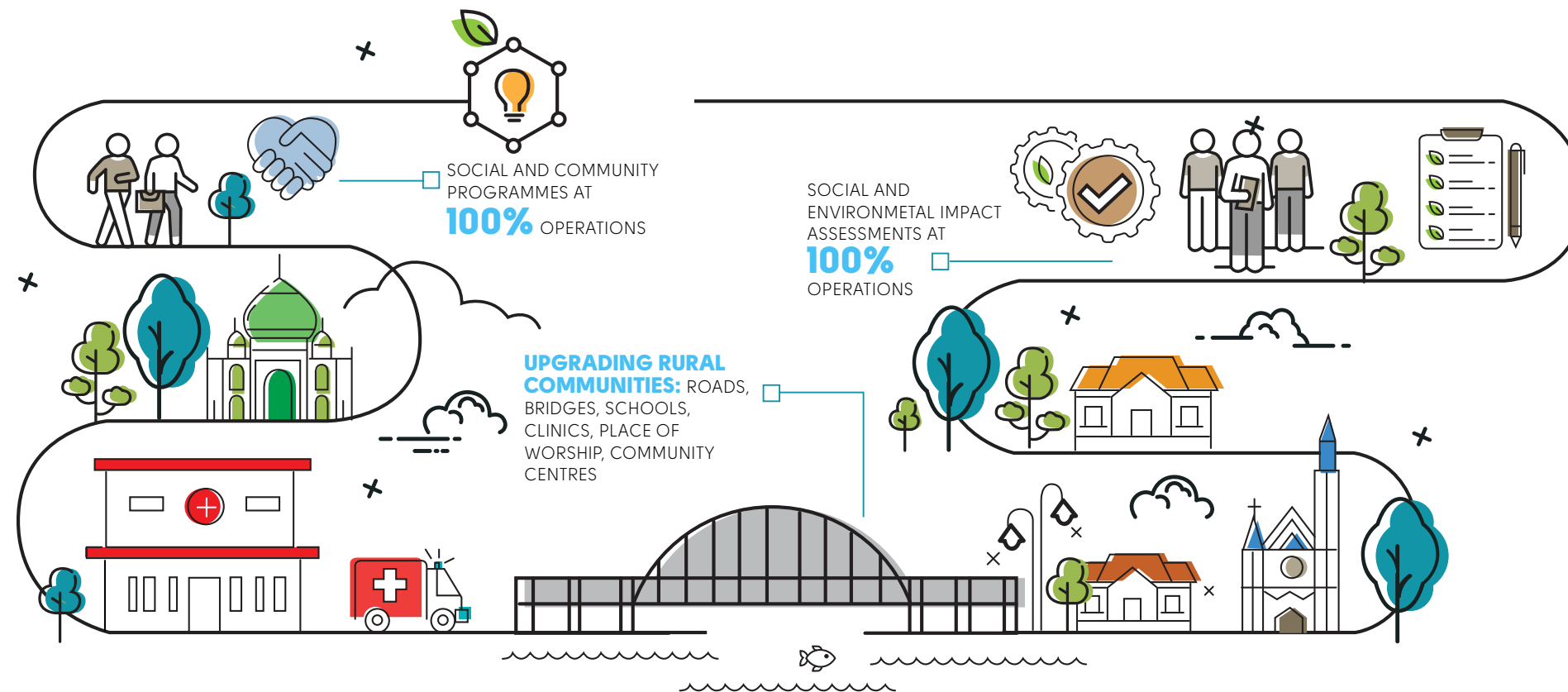


We see ourselves as part of the local community where we operate. Our employees come from these communities, and we seek to improve their living conditions and welfare, as well as that of the larger community.

In addition to providing employment opportunities, GAR is committed to respecting the rights of indigenous and local communities wherever we operate. To ensure we do not adversely impact local communities, we conduct on-site Environmental and Social Impact Assessments (EIA and SIA) before any new developments. The results are shared with the local communities. We have carried out EIA and SIAs at all our operations. All our third-party palm suppliers are also required to do this.

Each of our plantations in Indonesia has community engagement and development plans. GAR is involved in building and maintaining roads, bridges, community halls and places of worship such as mosques and churches; providing the facilities and knowhow to run cooperative shops that ensure necessities are available at affordable prices; carrying out construction and rehabilitation of decent accommodation, health, education and sporting facilities; and sponsoring festive and religious events.

Discover [more](#).



Strategic collaborations such as our Bright Future Initiative have become increasingly vital in recent years as we forge stronger partnerships with local communities to foster sustainable economic growth and bolster community resilience.

What we do in the community contributes to several UN SDGs, especially tackling poverty; improving infrastructure; providing access to quality education; improving good health and well-being; and reducing inequalities.

## RESPECTING HUMAN RIGHTS, FREE, PRIOR AND INFORMED CONSENT (FPIC) AND CUSTOMARY RIGHTS

We recognise that the establishment of plantations impacts local and indigenous. As stated in the GSEP, we are committed to respecting human rights and fulfilling Free, Prior and Informed Consent (FPIC) requirements before operations begin. We implement this at all our plantations.

GAR is similarly committed to respecting the customary rights of local and indigenous communities wherever it operates. Operations, where indigenous peoples are impacted include our estates in Jambi and Riau in Indonesia. We employ specialists in community relations to engage with indigenous peoples.





Respecting FPIC means we ensure that decision-making by indigenous peoples and local communities regarding the presence of our operations is done:

- Without pressure and intimidation (free);
- Before an activity that has an impact on the surrounding communities is carried out (prior);
- With sufficient knowledge about the activity and its impact on the surrounding communities (informed);
- So they may agree or disagree with such activity (consent).

Our FPIC SOP summary can be found [here](#).

One way we ensure proper implementation of FPIC is through Participatory Mapping (PM), which includes land tenure studies. We have completed PM at 199 villages since 2015. PM is a process that helps villages map out critical areas, such as customary boundaries and land necessary for food security. This map is then lodged with and formally recognised by the authorities, clarifying land tenure rights and enabling villages to access government development funds for the first time.

As members of the RSPO, we also comply with the New Planting Procedure (NPP) before any development, including plasma development. FPIC is an integral part of the NPP. GAR has not opened any new nucleus plantations since the end of 2014, as we have chosen to focus on raising productivity on existing plantations through investment in R&D and Good Agricultural Practices. To help the community boost their livelihood, we continue to develop plasma estates and the NPPs for these can be found on the [RSPO website](#).

Our grievance procedure records and tracks grievances raised by or involving indigenous peoples and local communities. Nine grievances

related to community issues were registered in 2023. Five cases have been successfully resolved, while the other four are being actively handled.

## RESPONSIBLE CONFLICT RESOLUTION

Our policies and practices are designed to minimise the likelihood of any conflicts arising from our operations. We are committed to working towards a responsible resolution when conflicts arise.

Our conflict management system maps all conflicts related to our operations and develops action plans to address them. It incorporates transparent monitoring and reporting; the option for the local community and customary groups to access independent legal and technical advice; the ability for complainants to choose individuals or groups to support them or act as observers; and the option of a third-party mediator. We categorically reject the use of violence in any dispute. Our SOP for conflict resolution can be viewed [here](#).

## INVESTING IN COMMUNITIES

We work with various stakeholders to implement our inclusive community and social programmes. All estates have social and community programmes, from providing educational and healthcare facilities to disaster relief, as illustrated in the infographic on the next page.



Our partners include government agencies, local communities as well as non-profits such as the Eka Tjipta Foundation - a non-profit social organisation founded by the family of the late Eka Tjipta Widjaja in 2006; and the Tzu Chi Foundation in Indonesia (affiliated with the nondenominational global Tzu Chi organisation established in Taiwan).

In terms of operations, we have the largest impact on communities in Indonesia, a country with a young population. Education is key in this setting as it helps youths escape the cycle of rural poverty, opening up new opportunities and increasing their social mobility. Being able to earn a decent living from palm oil, coupled with schools in rural areas provided by plantation companies like GAR, has allowed many farmers' families to keep their children longer in school and even send them to pursue further education and urban white-collar jobs. This upward social mobility can be achieved within one generation.

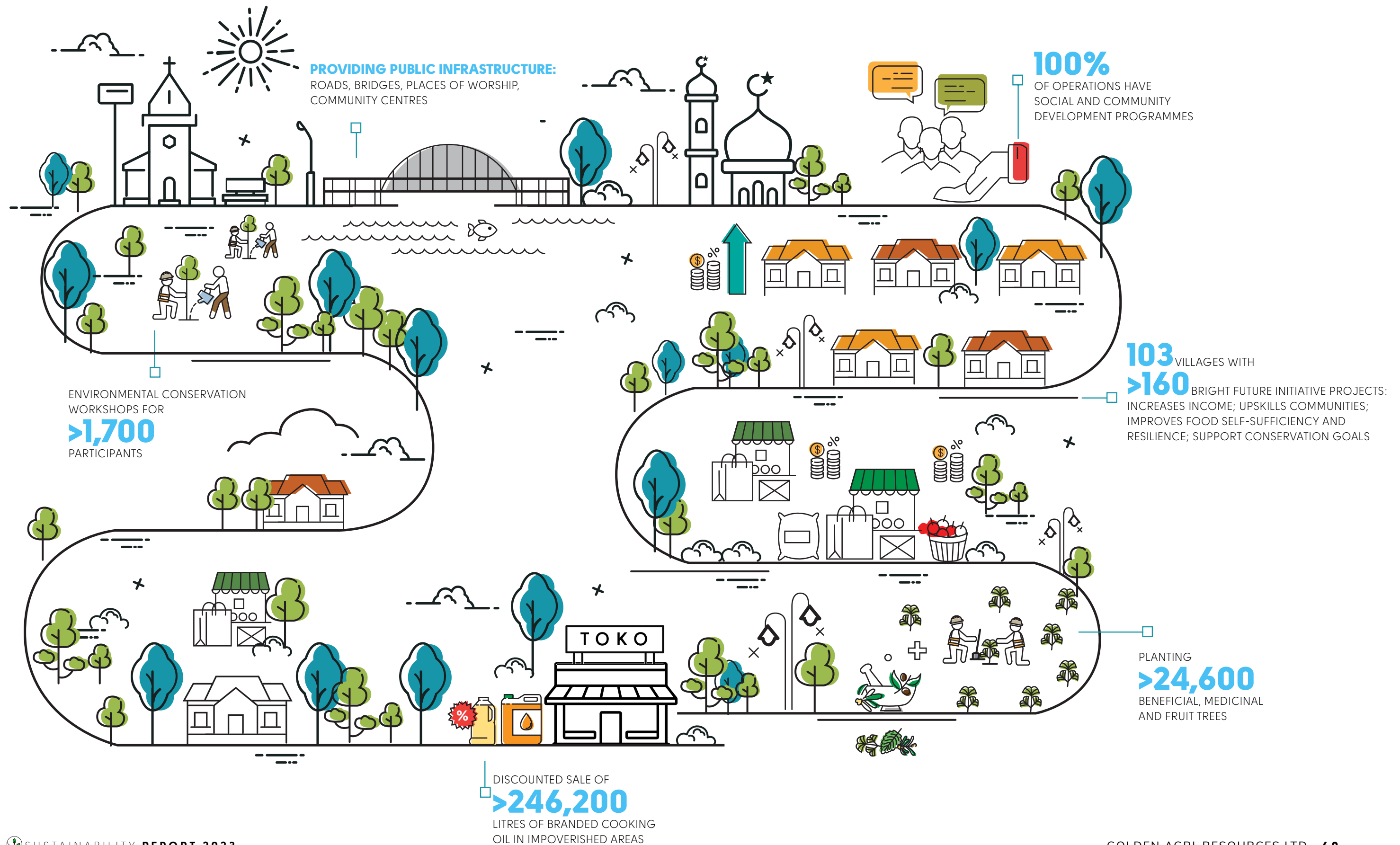
All children of workers living on our estates receive free education from kindergarten to junior high school and heavily subsidised higher education. GAR also offers heavily subsidised education for children living near and around our estates. In line with the nine years of compulsory education required by the Indonesian government, we ensure that each estate has educational facilities ranging from kindergarten to sixth grade. We ensure that every region has a junior high school for the children of our employees and local communities. There are more than 340 childcare centres with over 770 carers so that our workers can leave their children somewhere safe while they work. In partnership with ADM Cares and Tzu Chi Indonesia, we have launched a pilot project in Riau to train carers and improve facilities and classroom equipment.

We help improve the well-being of local communities by providing access to healthcare in remote and rural areas, which tend to be poorly served. GAR supports more than 320 medical personnel at 151 clinics. These clinics have proven critical during the recent pandemic, with visits quadrupling at the height of the crisis.

Discover [more](#).



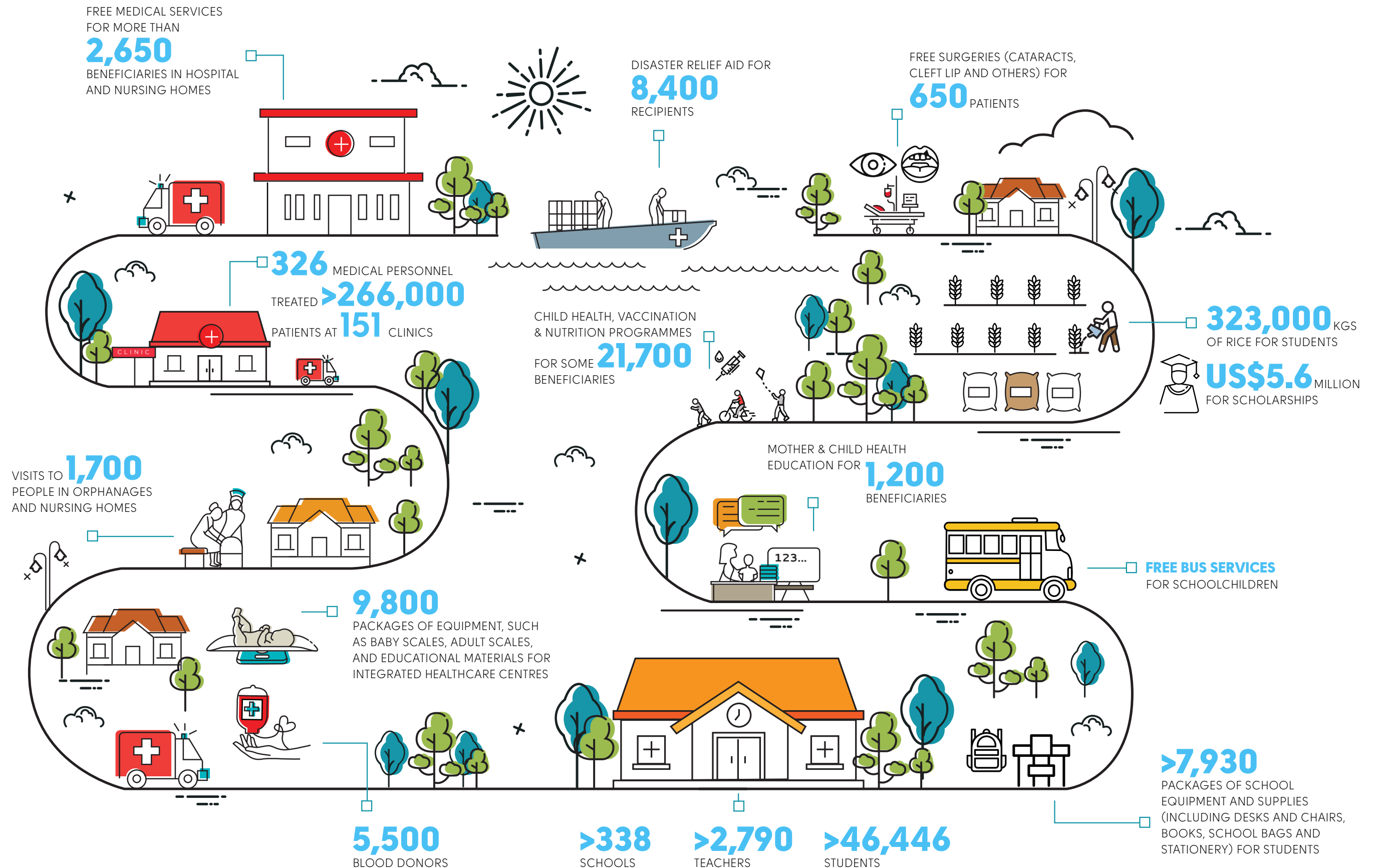
## INVESTING IN COMMUNITIES







## INVESTING IN COMMUNITIES







## GAR EMPLOYEES IN THE COMMUNITY

We involve and mobilise our staff for various causes. In 2023, around 5,500 employees and local community members participated in the annual blood donation drive. We also encourage our employees to contribute funds regularly to the Tzu Chi Foundation.







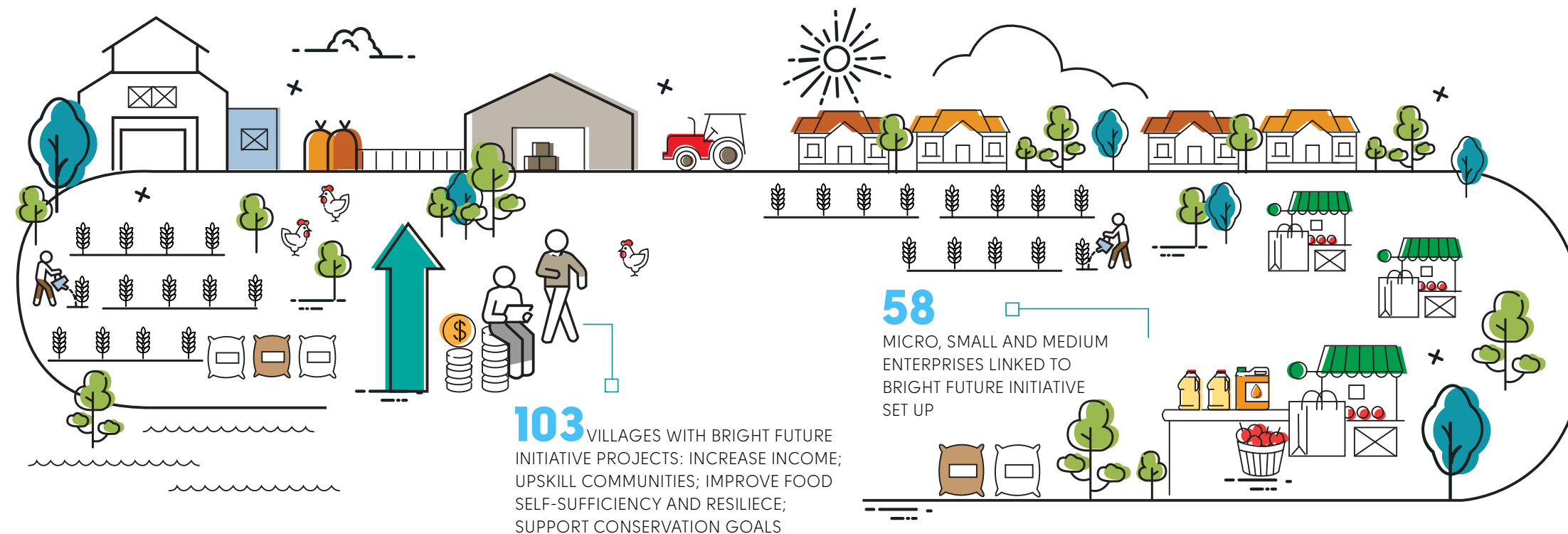
## BRIGHT FUTURE INITIATIVE

We have been developing more strategic partnerships with local communities to stimulate long-lasting economic growth and improve their resilience. There are over 160 Bright Future Initiative (BFI) projects in 103 villages across our operations, including 58 Micro, Small and Medium Enterprises (MSMEs).

The BFI projects range from organic vegetable farming to fish and livestock rearing and the planting of cash crops. The projects have enhanced local food security and resilience. A household can save up to Rp 300,000 per month from growing its own food. Additionally, if the surplus produce is marketed, the household can earn up to Rp 1,000,000 per month.

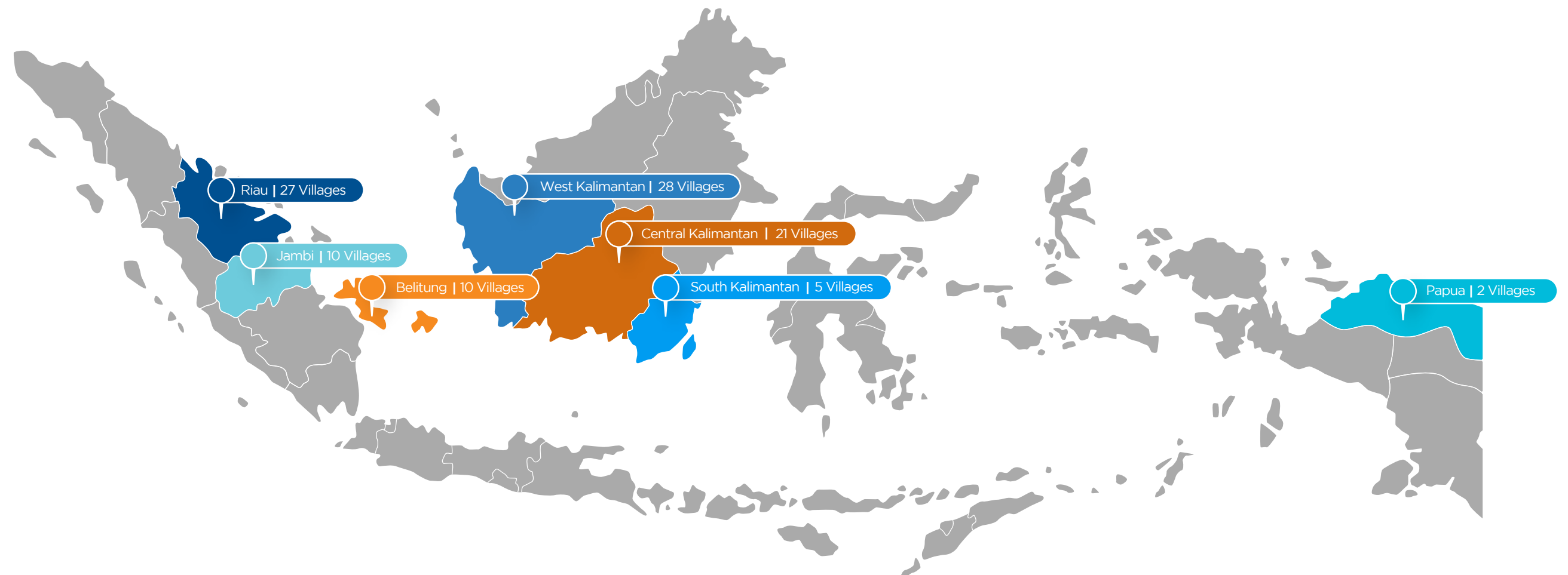
Expanding on this success, we have set up MSMEs to further boost community earnings by marketing value-added products derived from the projects. Rural MSMEs can benefit significantly from training in digital and financial literacy, business planning and product marketing strategies we help provide. Adopting the skills can help an MSME earn up to Rp 40 million per year, on average.

Our operations continue to serve as an economic catalyst fostering the emergence of various enterprises in Indonesia's rural and remote regions. This multiplier effect can be observed in the proliferation of local transportation services that transport palm oil and fresh fruit bunches (FFB). As a result of this growth, there is an increased demand for repair workshops, gas stations, and vehicle spare parts outlets, elevating local community income levels and generating new livelihood and employment opportunities.

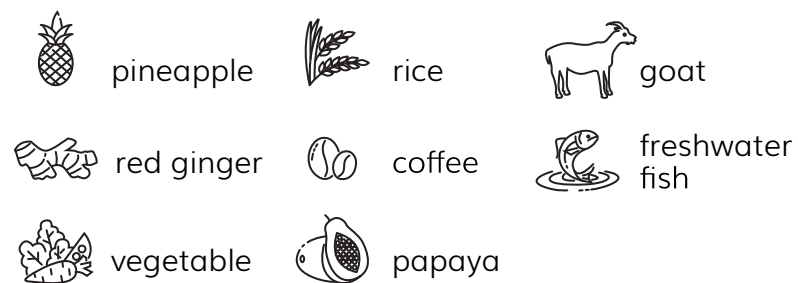




# BRIGHT FUTURE INITIATIVE PROJECTS



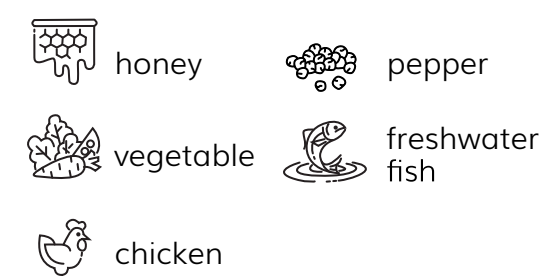
## Riau



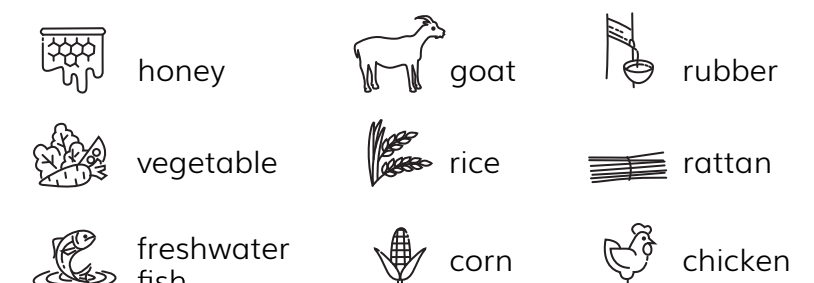
## Jambi



## Belitung



## West Kalimantan



## Central Kalimantan



## South Kalimantan

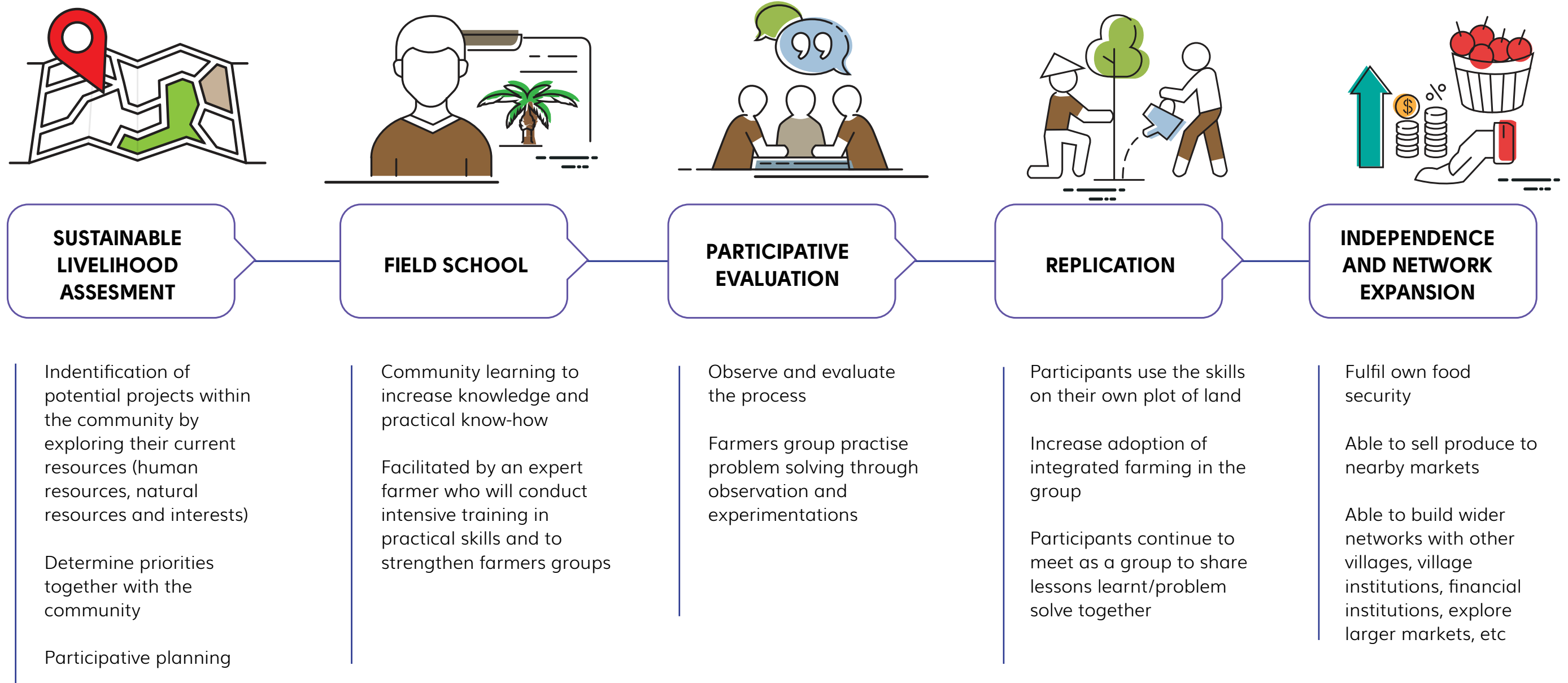


## Papua





# BRIGHT FUTURE INITIATIVE PROJECT PHASES





## HOW THE BRIGHT FUTURE INITIATIVE IS CHANGING LIVES FOR THE BETTER

The idea of starting a hen farming business emerged during a community gathering. I was chatting with other farmers and homemakers in our community about our collective challenges and how we could work together for a better future for our families. The notion of poultry farming piqued our interest, given our rural area and the challenges we have in getting fresh eggs. Knowing that eggs are a fantastic nutritional resource, the irresistible appeal of having fresh eggs daily made poultry farming the clear choice for us. Before we knew it, we had formed a farmer group dedicated to making this idea a reality.

Poultry farming was unfamiliar territory for most of us, but we were eager to learn. We attended workshops and sought guidance from experienced farmers, including those introduced by GAR's [Bright Future Initiative team](#).

[Bright Future Initiative](#) not only furnished us with practical hard skills and valuable resources for hen farming but also offered a comprehensive understanding of effective business management. We learned how to identify potential markets for selling our eggs, calculate startup costs, manage finances, and oversee distribution channels. Acquiring hands-on expertise and a firm understanding of business know-how at the same time set a solid foundation for our business to grow.

For me and my family, hen farming brings an additional plus point – fresh eggs right at our doorstep. Collecting warm eggs each morning from my contented hens is a daily source of happiness. Our current egg production is an impressive 430 eggs per day, produced from 482 chickens. This translates to nearly 13,000 eggs per month, all finding buyers without fail.

Read Ernawati's story [here](#).



My name is Nila Septiana Wulandari, a handcrafted dowries businesswoman in Tapung Hilir, Riau, and my story is one of resilience, creativity, and the unwavering belief that success comes to those who dare to dream.

In 2021, a new chapter of growth began in my journey as a small businesswoman. An opportunity arose that I couldn't pass up – the chance to participate in Micro, Small, and Medium Enterprise (MSME) training initiated by GAR, part of a broader [Bright Future Initiative](#).



The timing was both challenging and serendipitous, as the world grappled with the COVID-19 pandemic. Nonetheless, I was determined to see this through. Alongside other small start-up owners, I joined an online training called Lokakreasi, eager to take my entrepreneurial dreams one step further.

The training, which covered product development, bookkeeping, and market expansion, broadened my horizons and equipped me with the skills to take my business to new heights. Inspired by the training, my focus shifted towards marketing my handcrafted products digitally, a domain I had hesitated to enter.

While I was familiar with various e-commerce platforms, the thought of opening my own online shop had been a daunting one, primarily because I lacked background knowledge on how to navigate the complex world of online retail and sales. However, the training provided me with the confidence and tools necessary to take that leap of faith. Today, my e-commerce shop is thriving, and my products have garnered attention even beyond the borders of the Riau province.

Read Nila's story [here](#).





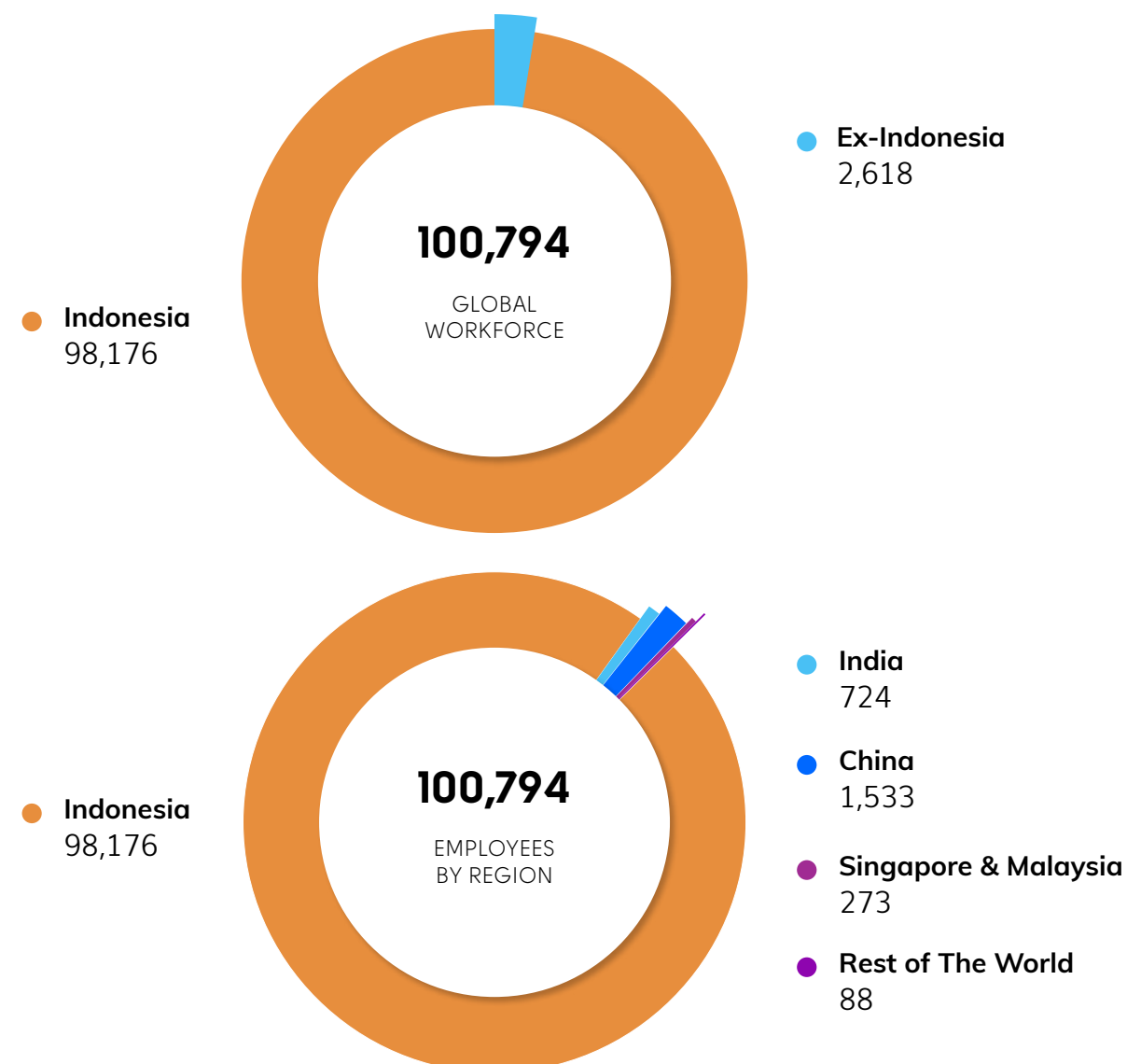
# OUR **PEOPLE**



## As a multi-national agribusiness, GAR provides employment for over 100,000 people worldwide.

The majority - 97 percent - are based in Indonesia, working in our palm oil upstream and downstream operations. The rest are employed in China and India, where we have businesses in soybean and sunflower processing and sales and satellite offices worldwide. See GAR's global operations map on p 13.

Employee wellbeing, fair labour practices, and workers' rights are part of our GSEP commitments. We aim to foster a safe working environment, empower women and promote a culture of diversity.



## FAIR WAGES AND EMPLOYEE BENEFITS

We are committed to ensuring that all GAR employees receive a wage equal to or above the minimum wage set for their respective countries or regions. Minimum wages in Indonesia, where 97 percent of our workforce is based, are set by provincial and district authorities and consider the local prices of goods and services and, therefore, the amount required for a decent living.

Benefits for our full-time workers in our Indonesian upstream operations include free healthcare for themselves and their families, company housing, water, electricity and free education for their children from kindergarten to junior high. In addition, GAR provides necessities such as rice. Our upstream part-time workers also receive free medical services at our polyclinics, and their children have access to education at our estate schools.

GAR employees worldwide enjoy benefits that align with applicable local and national laws and regulations.

## RECOGNISING, RESPECTING AND STRENGTHENING WORKERS' RIGHTS

We believe in fair, equal and respectful treatment for all our employees. The GSEP reinforces our commitment to ensuring that the rights of all people working in our operations are respected. The company fully complies with local, national and ratified international laws. These include freedom of association for our employees, decent pay and working hours, non-discrimination, and the elimination of child and forced labour. GAR defers to the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work, where legal frameworks are not yet in place.

Our company's [Code of Conduct](#) and employment practices also emphasise our commitment to fair labour practices. GAR's equal opportunities policy for employment bans discrimination based on race, national origin, religion, disability, gender, sexual orientation, union membership and political affiliation.

We are also engaging our supply chain in Indonesia and helping them build capacity to improve their labour standards and practices, including prohibiting child labour. This is part of our effort to help them comply with the GSEP and adopt responsible practices.





## PROHIBITING CHILD LABOUR AND FORCED LABOUR

The minimum age for employment in GAR in any capacity is 18 years. We aim to prevent all forms of child labour. We rigorously enforce these principles at our plantations, mills and other workplaces.

Our recruitment officers check identification cards against the candidate's schooling records, such as their school diploma, to ensure that we only employ people aged 18 and above.

We provide schools and daycare centres for our workers' children in Indonesia, allowing parents to send their children somewhere safe while at work. There are nearly 350 childcare centres with over 770 carers across our estates. In collaboration with ADM Cares and Tzu Chi Indonesia, we have launched a project to build capacity and train carers in Riau. We are also upgrading facilities and classroom equipment. Read [more](#).

GAR is a member of the [Partnership in Action Against Child Labour in Agriculture](#) – a collaboration involving the government, private sector and CSOs to eliminate child labour in the Indonesian agricultural sector.

We do not employ any foreign migrant workers at our Indonesian estates. All workers enter employment freely and are not required to deposit identity papers or money.

Our suppliers are required to comply with our commitments to No Child Labour and No Forced Labour. See the Supply Chain chapter for more details on how we are helping our suppliers strengthen their compliance with our No Exploitation commitment.

## DIVERSITY AND GENDER EQUALITY

We are committed to fostering gender equality within our workplace environment. Twenty-nine percent of our global workforce are women. In our upstream operations in Indonesia, the manual and physically demanding nature of agricultural tasks has traditionally rendered specific roles more suitable for male employees. For instance, male workers typically handle tasks like harvesting Fresh Fruit Bunches (FFB), weighing 23-27 kg, and transporting them to trucks for further processing at the mills.

However, as we harness technology and modern equipment for various tasks in the estates, women are now increasingly able to participate in agricultural jobs on the ground, and can be found using heavy equipment like tractors alongside their male counterparts.

We have a zero-tolerance policy towards sexual harassment within our organisation. Comprehensive training and socialisation programs are conducted for all estate and mill workers to ensure a clear understanding of this policy.

To further promote female participation and advancement in the workplace, gender committees have been established in our upstream and more recently in our downstream operations. These committees are tasked with handling sexual harassment complaints and fostering a supportive environment for female employees. In the event of a harassment report, whether formal or informal, the relevant committee conducts a thorough investigation to determine the need for further sanctions or legal actions. Throughout this process, the committee provides assistance and support to the victim. In 2023, no cases of harassment or abuse were reported.



## FREEDOM OF ASSOCIATION



**191** LABOUR UNIONS REPRESENTING  
**87%** WORKERS IN INDONESIA

We uphold the freedom of our employees to join labour unions. In Indonesia, each of our units elects union representatives through member voting. Regular bipartite forums are held where local management representatives engage with union counterparts to address and resolve various issues. In 2023, a total of 85,625 employees, accounting for 87 percent of our workforce, were represented by 191 labour unions across our operations.

We acknowledge and respect the rights of our employees to participate in collective bargaining agreements (CBAs) that comply with government regulations and apply to all employees. CBAs covered 85,625 employees in Indonesia, representing 87 percent of our workforce there.



## EMPLOYEE DEVELOPMENT AND ENGAGEMENT

We recognise our employees as our greatest asset and invest significantly in their training and upskilling. In 2023, GAR allocated over IDR 73.2 billion (US\$ 4.8 million) towards training and development initiatives in our Indonesian operations.

Training hours per employee increased significantly in 2023, with more staff enrolled in intensive training programmes such as the Basic Management Development Programmes. The number of people participating in soft skill webinars conducted by the Human Resources and Learning and Development department also increased. External training sessions also contributed to a rise in training hours.

We have introduced the "Managing STARs Workshop", a comprehensive training programme tailored for all managerial roles. This programme is designed to enhance leadership capabilities, fostering leaders to be ready to navigate talents in their team.

We have also launched Sinar Mas Integrated Learning Environment (SMILE). Accessible online, SMILE serves as a centralised platform, providing easy access to learning resources for our workforce. Plans are underway to launch a broader version in 2024.

To enhance industrial relations, we have implemented the Industrial Relations Management Assessment (IRMA) programme to identify and mitigate potential industrial relations risks. IRMA's key objectives are compliance with labour laws and cultivating a harmonious industrial relations ecosystem across all business units.

We use the Objective & Key Results (OKR) approach to drive performance and monitor key business outcomes. Regular performance evaluations and feedback sessions are conducted using the Workday HR digital platform. Each GAR employee undergoes a career development and Key Performance Indicator (KPI) review at least once every year.

GAR is taking significant strides to foster employee engagement and shared values. A second Employee Temperature Check was carried out in 2023 after the inaugural Check in 2021. We observed an increase in employee participation, with a 90 percent engagement rate. This underscores GAR's commitment to understanding the sentiments of our workforce and cultivating an inclusive workplace where every voice matters. We note employee feedback and design action plans to address their concerns.



## CREATING A SAFE AND HEALTHY WORKPLACE

With a vast workforce spread across our operations, we prioritise the provision of a safe and healthy workplace. Our Occupational Health and Safety (OHS) management system is designed to mitigate workplace accidents, fatalities, and adverse health impacts for all employees.

The OHS systems we employ adhere to both national and international standards. National regulations, including Indonesian national OHS standards (regulation no. 50 (2012), form the basis of our OHS framework. Furthermore, our OHS system is bolstered by certifications such as ISO 14001, OHSAS 18001, and ISO 45001 while also considering the OHS requirements outlined by sustainable palm oil certifications like RSPO, ISCC, and ISPO.

Our Indonesian operations are certified under the SMK3 (Sistem Manajemen Keselamatan dan Kesehatan Kerja) OHS management system, recognising our commitment to effective OHS management. Sixteen mills hold SMK3 certification, renewed every three years through rigorous audits. In 2023, SMK3 recertification was conducted for four mills in Jambi. The mills were awarded the gold flag for exceeding a score of 85 percent.

To ensure OHS compliance and proficiency, we employ over 260 OHS experts within our Indonesian workforce and provide regular training to all employees in accordance with national regulations. More than 4,400 employees have undergone OHS training sessions.

Each unit adheres to Law No. 1 of 1970 on Occupational Safety by establishing an OHS Supervisory Committee, fostering collaboration between management and employees on OHS matters. These committees, comprising an average of 40 members per plantation and mill, with 60 percent worker representation, convene monthly to review OHS performance data and provide safety briefings to employees.

We systematically assess work-related hazards through Hazard Identification and Risk Analysis, supplemented by OHS Cross Inspections, to identify unsafe actions and conditions. The Safety Committee evaluates identified hazards and risks, implementing necessary actions such as additional training, revising and reinforcing safety Standard Operating Procedures (SOPs), and ensuring adequate utilisation of Personal Protective Equipment (PPE) by employees.

Our downstream facilities are equipped with Occupational Health Service Centres that conduct annual Health Risk Assessments (HRA) to identify occupational health hazards and establish measures to mitigate associated risks.





## WORKPLACE ACCIDENTS

We regret to report three fatalities in 2023. These fatalities took place in our Indonesian operations. We have investigated each accident thoroughly and implemented action plans to prevent future occurrences.

Cause of fatalities	Corrective actions		
	SHORT-TERM	MEDIUM-TERM	LONG-TERM
<b>Struck by harvesting tool (1 fatality)</b>	<ol style="list-style-type: none"> <li>1. Provide better PPE and equipment protection.</li> <li>2. Workshop and socialisation on the importance of wearing PPE at work.</li> <li>3. Implement PPE inspection by Estate Managers, Plantation Assistants, and HSE Officers.</li> </ol>	<ol style="list-style-type: none"> <li>1. Mentoring for new harvesters focusing on safety.</li> <li>2. Provide adequate storage facilities and transportation units for harvesting equipment.</li> <li>3. Review SOPs for harvesting work.</li> </ol>	<ol style="list-style-type: none"> <li>1. Fulfil General Occupational Safety and Health Experts in each Unit and restructure the Unit's OSH Committee.</li> </ol>
<b>Vehicular accident (2 fatalities)</b>	<ol style="list-style-type: none"> <li>1. Implement internal regulation to prohibit employees from riding on FFB transport trucks.</li> <li>2. Preparing transportation facilities for relevant staff.</li> <li>3. Regular OHS inspection of employee transportation.</li> <li>4. Conducting OHS socialisation for new employees.</li> <li>5. Ensuring employees are insured before commencing work.</li> </ol>	<ol style="list-style-type: none"> <li>1. Regular inspection of vehicle conditions and drivers' fitness and qualifications.</li> <li>2. Refreshment Training on Riding Safety.</li> </ol>	<ol style="list-style-type: none"> <li>1. Increase monitoring to ensure safety procedures and SOPs are implemented.</li> </ol>

## HEALTHCARE AND WELLBEING

We prioritise providing access to comprehensive healthcare for our entire workforce. In Indonesia, we operate 151 clinics staffed by more than 320 medical professionals who deliver free medical services to our employees. These clinics are instrumental in delivering essential primary care, particularly in rural and remote areas, and during health crises like the recent pandemic.

Our facilities offer pre-employment medical assessments for new hires and specialised medical evaluations for workers exposed to potential health and safety risks. These medical assessments are part of our proactive approach to preventing and addressing work-related illnesses through early detection.

Regular discussions on various health topics are conducted to promote employee well-being. Subjects range from COVID-19 precautionary measures to HIV prevention and the risks associated with substance abuse. Additionally, employees receive education on ergonomics and combatting work-related fatigue. To further support employee health, we offer nutritious menus based on medical recommendations at our staff canteens.

Several of our facilities also feature sports and recreational amenities, such as basketball and badminton courts, to encourage a healthy and active lifestyle among our workforce.

Ensuring the safety of our workers and their families, especially in remote rural areas, is paramount. We employ security guards at our Indonesian operations to maintain security within our plantations and neighbouring communities.

Our security guards undergo a comprehensive 21-day training programme administered by the Bhakti Manunggal Karya Centre of Education and Training (BMK), where they receive certification from the Indonesian National Police upon completion. This training covers human rights standards and professional ethics.

Data Tables<sup>8</sup>

## GLOBAL EMPLOYEE PROFILE

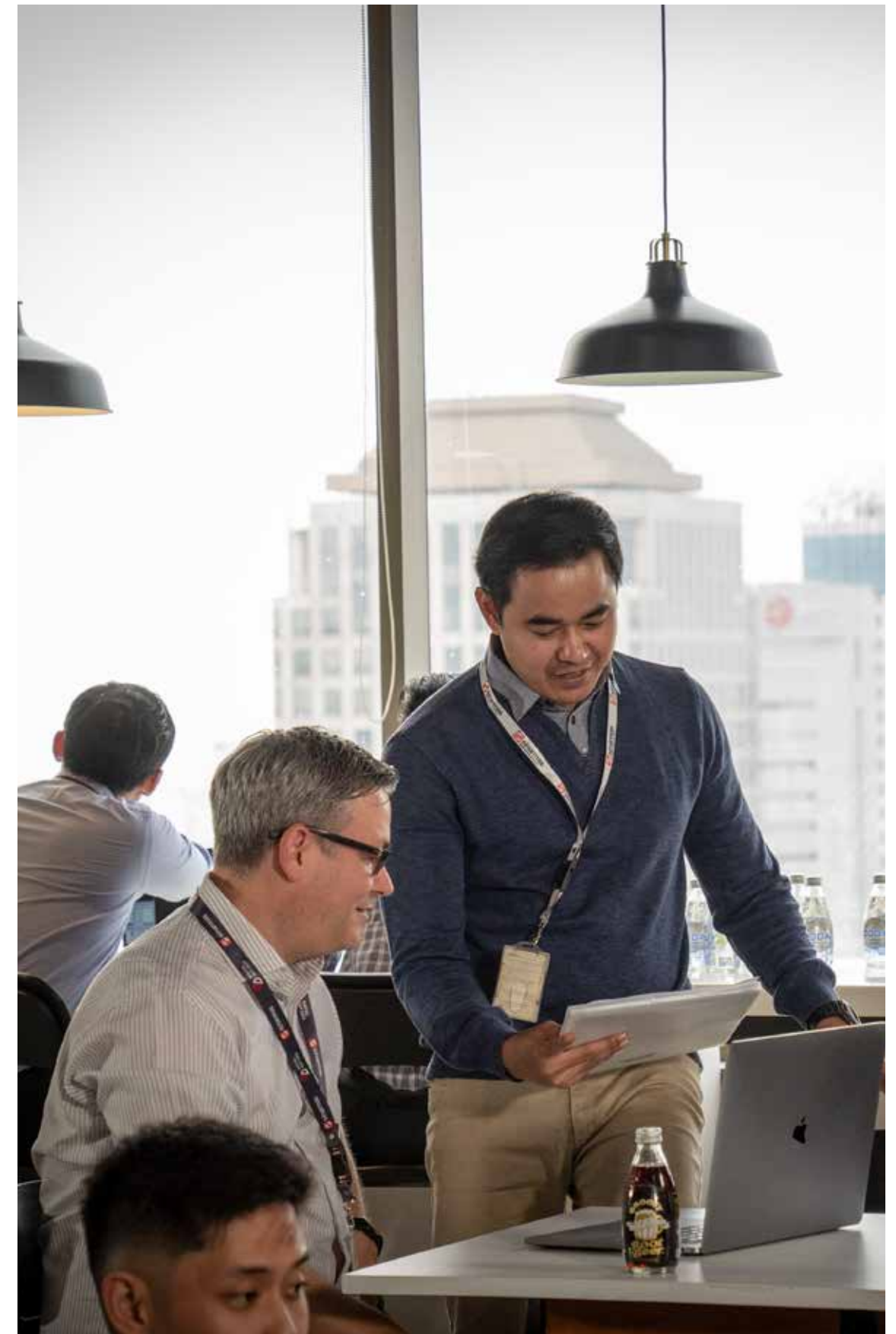
	2021		2022*		2023	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Permanent	51,929	17,295	51,714	15,795	52,213	14,974
Fixed term	20,502	12,793	18,809	13,498	19,004	14,603
Full-time	65,973	23,826	65,170	22,784	65,977	23,827
Part-time	6,458	6,262	5,355	6,507	5,240	5,750
New hires	2,219	561	2,882	622	4,276	910
New hire rate	4.27%	3.24%	5.57%	3.94%	8.19%	6.08%
Turnover	4,736	2,230	5,497	3,021	4,866	1,850
Turnover rate	9.12%	12.89%	10.63%	19.13%	9.32%	12.35%

\*From 2022, data reported is global, except for new hire and turnover rates.

## LOWEST WAGE RATE AND MINIMUM LEGAL WAGE

Region	GAR's lowest monthly wage (US\$)	Provincial/jurisdictional minimum wage (US\$)	Ratio of GAR's lowest monthly wage and provincial/jurisdictional minimum wage
<b>INDONESIA</b>			
Sumatra	188.35	188.35	1:1
Kalimantan	174.50	171.01	1.02:1
Papua	253.35	253.35	1:1
Java	301.68	296.66	1.02:1
<b>EX INDONESIA</b>			
India	218.51	205.33	1.06:1
China	350.39	322.39	1.09:1

<sup>8</sup> We are progressively expanding our reporting of global employee data







## RATIO OF BASIC SALARY OF WOMEN TO MEN

Category      Ratio (Average Female Salary/Average Male Salary)

COUNTRY	INDONESIA	INDIA	CHINA
Staff	1:1.04	1:0.75	1:1.35
Middle management	1:1.03	1:0.79	1:0.95
Senior management	1:1.04	1:1.00	1:0.84

## DIVERSITY AND GENDER INDICATORS

Global Employee Gender Profile

	MALE	FEMALE
Board	87.5%	12.5%*
Senior Management	78.53%	21.47%
Middle Management	80.72%	19.28%
Junior Management	77.24%	22.76%
Overall workforce	77.77%	22.23%

\*The sustainability information has been externally assured for FY2023

Global Employee Age Profile

AGE GROUP	BOARD	SENIOR MANAGEMENT	MIDDLE MANAGEMENT	JUNIOR MANAGEMENT	AVERAGE
<30	0%	0%	3%	33%	26%
30 – 50	0%	51%	66%	59%	60%
>50	100%	49%	31%	8%	14%





## GLOBAL OHS INDICATORS

	2021	2022	2023
Number of fatalities (US)	2	6	2
Rate of fatalities (US)	0.01	0.03	0.01
Number of fatalities (US contractors)	0	0	0
Rate of fatalities (US contractors)	0	0	0
Number of fatalities (DS)	0	0	1
Rate of fatalities (DS)	0	0	0.12
Number of fatalities (DS contractors)	1	0	0
Rate of fatalities (DS contractors)	0.2	0	0
Number of recordable work-related injuries (US)	528	504	445
Rate of recordable work-related injuries (per 1,000,000 work hours)	2.8	2.67	2.48
Number of recordable work-related injuries (DS)	4	1	3
Rate of recordable work-related injuries (per 1,000,000 work hours)	0.4	0.11	0.36
Number of recordable work-related injuries (US contractors)	2	1	0
Rate of recordable work-related injuries (US contractors)	0.56	0.61	0.00
Number of recordable work-related injuries (DS contractors)	2	0	3
Rate of recordable work-related injuries (DS contractors)	0.40	0	0.57
Lost Time Injury Frequency Rate (US)	1.98	1.35	1.82
Lost Time Injury Frequency Rate (DS)	0.4	0.11	0.49
Main types of work-related injuries	Falls, cuts, struck by falling FFB, injured by vehicles/ machinery, personal vehicular accidents, injured in landslides.		

\* US = upstream ops  
DS = downstream ops

## TRAINING AND DEVELOPMENT

### Average hours of training By Employee Level

LEVEL	AVERAGE TRAINING HOURS
Staff	40
Middle Management	14
Senior Management	3

### Average hours of training By Employee Gender

GENDER	AVERAGE TRAINING HOURS
Male	40
Female	15







# GAR AND THE UN SDGs

## SUSTAINABLE DEVELOPMENT GOALS

The United Nations has set 2030 as the deadline to achieve the Sustainable Development Goals (SDGs). The SDGs represent an interrelated and holistic framework of the most pressing challenges facing humanity and require urgent actions from all actors.

Agribusinesses such as GAR can and do support many of the 17 SDGs. When we open a plantation for example, we create jobs, open clinics, schools and develop other infrastructure that is used not only by the business, but also our employees and the local community.

However, as part of our strategic approach, we have chosen to focus on the goals where we believe we can make the most meaningful contributions due to our ongoing initiatives and/or our expertise.

Following an assessment of the goals and their underlying targets, we have identified three SDGs – SDG 2, SDG 12 and SDG 15 – which we believe currently align best with our strengths and our areas of impact as a company. They also represent the greatest opportunities to partner with other stakeholders and work together on sustainable development in support of SDG 17.

The table shows our contributions to specific targets under the three UN SDGs.







## Strategic UN SDG

**End hunger, achieve food security and improved nutrition and promote sustainable agriculture.**



## Specific targets under the SDG

**2.3** By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.

**2.4** By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality.

**2.A** Increase investment, including through enhanced international cooperation, in rural infrastructure, agricultural research and extension services, technology development and plant and livestock gene banks in order to enhance agricultural productive capacity in developing countries, in particular least developed countries.

## GAR's contribution

As an agribusiness, GAR is committed to the sustainable production of palm oil as a key food ingredient.

While palm oil is already the highest yielding vegetable oil crop in the world, we continue our R&D efforts to develop even higher yielding seeds capable of producing three times the current national yield in Indonesia.

We are also developing planting materials that are resilient to diseases and droughts resulting from climate change (see p 49). This will help GAR contribute to the growing demand for vegetable oil, while reducing pressure on the need for more agricultural land.

GAR is pursuing intensification of oil palm cultivation using precision agriculture. Precision Agriculture aims to maximise yield through more precise application of inputs such as fertiliser and chemicals – doing more with less. This approach includes finding new ways to increase the efficiency of field practices; using new research tools such as biotechnology and high throughput phenotyping; and combining new technologies for remote observation of palm trees with AI and digitalisation.

On improving nutrition, our R&D departments are currently developing palm oil with a better nutritional profile such as high oleic palm oil. For more information see p 65.

Our focus on productivity and improving agronomic practices extends to our plasma and independent smallholders. We support them to earn decent incomes, while adopting practices that protect the environment. We also work with local communities on Bright Future Initiative programmes, which help to improve farmers' agricultural practices and grow crops ranging from organic vegetables to coffee. For more information see p 72-75.







## Strategic UN SDG

### Ensure sustainable consumption and production patterns



## Specific targets under the SDG

**12.2** By 2030, achieve the sustainable management and efficient use of natural resources.

**12.4** By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment.

**12.5** By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

**12.6** Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

## GAR's contribution

At GAR we support SDG 12 through actions that include sustainable management of natural resources. This includes trying to minimise our water footprint through recycling and reuse. While our plantation are rain-fed and not developed in water-stressed areas, we are nevertheless looking into better management of water through the use of AI and Precision Agriculture. See p 35.

We aim to minimise the waste we generate, recycling and reusing as much as we can. Since 2015, we have recycled/reused all of our waste from the production of CPO in our upstream operations. See p 33-34.

We are also working towards phasing out harmful chemical substances in our operations. We have stopped using the herbicide paraquat, while continuing to practise Integrated Pest Management using a combination of natural solutions and biological controls for pests. See p 36.

Industry certification also forms part of GAR's ongoing commitment to adopt best practices and standards in responsible production while allowing us to meet the growing demand for certified sustainable palm oil. We continue to actively participate in relevant certification schemes, including RSPO, ISCC and ISPO. For more information see p 63-64.

Our sustainability commitments also apply to our supply chain. We are currently helping our suppliers to improve their practices in these areas. Aside from reporting on our progress in the Sustainability Report, we have also provided training and are encouraging our suppliers to publish Sustainability Reports which are now mandated in Indonesia. For more information please see p 58.

## Strategic UN SDG

### Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss



## Specific targets under the SDG

**15.1** By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements

**15.2** By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally

**15.3** By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world

## GAR's contribution

As a palm oil company operating mainly in Indonesia, we acknowledge that we have an important role to play in ensuring the protection of forest areas. GAR currently oversees and supports the conservation of about 222,000 hectares of forest, directly and indirectly. This includes 79,900 hectares of HCS and HCV areas across our operations which we have identified for conservation. In addition, we have taken a landscape approach, working with local communities around and beyond our concession areas on conservation. This includes Participatory Mapping (PM) and Participatory Conservation Planning (PCP). To date, this has resulted in agreements to protect around 43,000 hectares of forests. We are also supporting the commitments to conserve more than 100,000 hectares of forests by our suppliers.

We are also conserving mangrove swamps and riparian buffer zones. These are essential for preserving biodiversity and key ecosystem services. Mangroves are also important stores of carbon. For more information see p 31.

We are currently collaborating with major customers to rehabilitate and revegetate 1,600 hectares of peat area in West Kalimantan. See p 30.

We are also aiming to rehabilitate another 2,100 hectares of peatland in Jambi.



**15.5** Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species

**15.7** Take urgent action to end poaching and trafficking of protected species of flora and fauna and address both demand and supply of illegal wildlife products

GAR also continues to implement our long-term fire prevention programme with the community. For more information see p 32.

We have a Zero Tolerance policy against hunting, injuring, possessing and killing of rare and endangered wildlife. This policy also applies to our suppliers.

## Strategic UN SDG

**Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development**



## Specific targets under the SDG

**17.16** Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilise and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries

## GAR's contribution

To achieve sustainable development, partnerships between governments, the private sector and civil society is required.

All of our efforts are underpinned by local and global partnerships. These range from collaborations with communities and suppliers on conservation; working with top research facilities and universities on improving biodiversity; and with customers to help smallholders improve livelihoods and sustainability







# LIMITED ASSURANCE STATEMENT

## INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT ON SUSTAINABILITY INFORMATION OF GOLDEN AGRI-RESOURCES LTD FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Dear Sirs

We have been engaged by Golden Agri-Resources Ltd ("the Company" or "GAR" or "you") to undertake a limited assurance engagement in respect of the selected sustainability information from the 2023 Sustainability Report of the Company described below for the year ended 31 December 2023 ("the Identified Sustainability Information").

### *Identified Sustainability Information*

The respective Identified Sustainability Information for the year ended 31 December 2023 is set out below:

1. Percentage of palm oil supply chain traceable to plantation (TTP), including number of suppliers and volume of physical supply involved
2. Number and percentage of palm suppliers (new and existing) assessed annually based on social and environmental criteria
3. Number and percentage of suppliers assessed for their risk level (high, medium or low)
4. Number and percentage of suppliers who are assessed to be high, medium or low risk with time-bound action plans to address social and environmental issues
5. Percentage of global palm oil supply chain traceable to the mill (TTM), including number of suppliers and volume of physical supply involved
6. Scope 1 Greenhouse Gas emissions
7. Scope 2 Greenhouse Gas emissions
8. Number and percentage of females on the Golden Agri-Resources Board of Directors

Our assurance engagement was with respect to the year ended 31 December 2023. We have not performed any procedures with respect to (i) earlier periods and (ii) any other elements included in the Company's 2023 Sustainability Report, and in the annual report, website and other publications, and therefore do not express any conclusion thereon.

Golden Agri-Resources Ltd  
c/o 108 Pasir Panjang Road  
#06-00 Golden Agri Plaza  
Singapore 118535

Attention: The Board of Directors

30 May 2024

Our ref: ASR / KML / IT / JY (13)  
(When Replying Please Quote Our Reference)

PricewaterhouseCoopers LLP, 7  
Straits View, Marina One East  
Tower Level 12, Singapore 018936

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### *Reporting Criteria*

The Identified Sustainability Information has been assessed against the the Reporting Criteria, as set out in Appendix I.

### *Management's Responsibility for the Identified Sustainability Information*

Management of the Company is responsible for the preparation of the Identified Sustainability Information in accordance with the Reporting Criteria. The responsibility includes designing, implementing and maintaining internal control relevant to the preparation of Identified Sustainability Information that is free from material misstatement, whether due to fraud or error.

### *Practitioner's Independence and Quality Management*

We have complied with the independence and other ethical requirements of the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Singapore Standard on Quality Management 1 which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### *Practitioner's Responsibility*

Our responsibility is to express a limited assurance conclusion on the Identified Sustainability Information based on the procedures we have performed and the evidence we have obtained. We performed our limited assurance engagement in accordance with Singapore Standard on Assurance Engagements 3000 (Revised) – *Assurance Engagements other than Audits or Reviews of Historical Financial Information* and, in respect of greenhouse gas emissions included in the Identified Sustainability Information, Singapore Standard on Assurance Engagements 3410 – *Assurance Engagements on Greenhouse Gas Statements* (collectively, the "Standards"). These Standards requires that we plan and perform our work to form the conclusion about whether the Identified Sustainability Information is free from material misstatement. The extent of our procedures depends on our professional judgment and our assessment of the engagement risk.

A limited assurance engagement involves assessing the suitability in the circumstances of the Company's use of the Reporting Criteria as the basis for the preparation of the Identified Sustainability Information, assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Identified Sustainability Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.





The procedures selected included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. Given the circumstances of the engagement, we also performed the following:

- interviewed management and personnel in Singapore and Indonesia (ESG Reporting and Disclosure team, Traceability and Transparent Production team, Carbon Analytics team) in relation to the Identified Sustainability Information;
- obtained an understanding of how the Identified Sustainability Information is gathered, collated and aggregated internally;
- performed limited substantive testing, on a selective basis, of the Identified Sustainability Information (i) to verify the assumptions, estimations and computations made in relation to the Selected Sustainability Information; and (ii) to check that data had been appropriately measured, recorded, collated and reported, to the extent we considered necessary and appropriate to provide sufficient evidence for our conclusion; and
- assessed the disclosure and presentation of the Identified Sustainability Information.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion about whether the Company's Identified Sustainability Information has been prepared, in all material respects, in accordance with the Reporting Criteria.

#### *Inherent Limitations*

In designing these procedures, we considered the system of internal controls in relation to the Identified Sustainability Information and reliance has been placed on internal controls where appropriate. Because of the inherent limitations in any accounting and internal control system, errors and irregularities may nevertheless occur and not be detected.

The absence of a commonly used generally accepted reporting framework or a significant body of established practice on which to draw to evaluate and measure subject matter allows for different, but acceptable, measurement techniques that can affect comparability between entities.

The quantification of the greenhouse gas emissions data underlying the Identified Sustainability Information is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases, and the estimation uncertainty from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge. This can affect the ability to draw meaningful comparison of the Company's greenhouse gas emissions over time.



### *Conclusion*

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Identified Sustainability Information for the year ended 31 December 2023 is not prepared, in all material respects, in accordance with the Reporting Criteria.

### *Purpose and Restriction on Distribution and Use*

This report, including our conclusion, has been prepared solely for the Company in accordance with the letter of engagement between us. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our work or this report.

Yours faithfully

PricewaterhouseCoopers LLP  
Public Accountants and Chartered Accountants

Singapore

30 May 2024





## APPENDIX I

### REPORTING CRITERIA

This Reporting Criteria document sets out the principles, and scope used to report the Identified Sustainability Information by Golden Agri-Resources Ltd ("the Company" or "GAR") within the FY2023 Sustainability Report.

Management is responsible for having appropriate procedures in place to prepare the Identified Sustainability Information in accordance with these Reporting Criteria. The Identified Sustainability Information is aligned with the Company's financial reporting period for the year ended 31 December 2023.

#### I. General reporting principles

In preparing these reporting criteria, the Company has considered the following principles:

- The data reported is accurate and complete.
- Assumptions or estimations are used where actual data is unavailable or unreliable.
- Consistent organisational boundaries are included, and consistent methodologies are used.

#### II. Organisational boundary for the Identified Sustainability Information

The organisational boundary for Identified Sustainability Information as stated in Appendix II covers Golden Agri-Resources Ltd's activities of subsidiaries and joint ventures in which the Company has shareholding interest of 50% or more, specifically as follows:

Metrics	Locations covered
1 to 4	Indonesia
5	Global
6 to 7	Global (excluding China)
8	Global

If a business is acquired as a subsidiary during the year, the business will be included in the Company's reporting from the date of acquisition.

If the Company divests a business during the year, that business will be included in the Group's reporting up until the date of disposal.

Where Identified Sustainability Information is stated at a point in time, only businesses controlled by the Company at the year end are included in the Identified Sustainability Information.



### III. Definitions and assumptions on Identified Sustainability Information

#### IDENTIFIED SUSTAINABILITY INFORMATION

#### DEFINITION AND ASSUMPTIONS

Percentage of palm oil supply chain traceable to plantation (TTP) for palm supply chain achieved including number of suppliers and volume of physical supply involved

A mill achieves Traceability to the Plantation (TTP) when it can trace back the origin of Fresh Fruit Bunches (FFB) from each plantation entity, agent or farmer based on information pertaining to the location of the plantation and the volume of supply through a systematic and documented method. Information on TTP is obtained through annual declaration by suppliers.

The percentage is based on the volume of palm products (i.e. CPO, PK) produced from FFB that is traceable to plantation as compared to the total volume of palm products supplied to GAR's downstream facilities during the year.

Volume of physical supply involved is determined by total volume of palm products (i.e. CPO, PK) produced from FFB that is traceable to plantation, that is physically going through GAR-owned and thirdparty mills, and subsequently supplied to GAR's downstream facilities during the year.

Downstream facilities are GAR-owned refineries, kernel crushing plants and bulking stations.

Suppliers are GAR-owned and third-party mills supplying CPO and PK to GAR's downstream facilities.

Number of suppliers is derived from GAR's internal system SAP, which contains details of all suppliers.

Fresh Fruit Bunches (FFB) are the raw material for palm oil mills.

Crude Palm Oil (CPO) and Palm Kernel (PK) produced by palm oil mills are the palm products for palm oil refineries and kernel crushing plants respectively.

Number and percentage of palm suppliers (new and existing) assessed annually based on social and environmental criteria

Suppliers are GAR-owned and third-party mills selling CPO and PK to GAR's downstream facilities.

Environmental and social criteria by which they are assessed include criteria under the 4 pillars found in GAR's Social and Environmental Policy (GSEP) which can be found in [https://goldenagri.com.sg/wp-content/uploads/2016/09/GAR\\_Social\\_and\\_Environmental\\_Policy-2.pdf](https://goldenagri.com.sg/wp-content/uploads/2016/09/GAR_Social_and_Environmental_Policy-2.pdf).





### III. Definitions and assumptions on Identified Sustainability Information

#### IDENTIFIED SUSTAINABILITY INFORMATION

#### DEFINITION AND ASSUMPTIONS

Number and percentage of suppliers assessed for their risk level (high, medium or low)

Suppliers are GAR-owned and third-party mills supplying CPO and PK to GAR's downstream facilities.

Suppliers' risk profile is determined according to the criteria and definitions contained in GAR's standard operating policy for the risk assessment of suppliers based on spatial and non-spatial data.

Number and percentage of suppliers who are assessed to be high, medium or low risk with time-bound action plans to address social and environmental issues

Suppliers are GAR-owned and third-party mills CPO and PK to GAR's downstream facilities.

Suppliers' risk profile is determined according to the criteria and definitions contained in GAR's standard operating policy for the risk assessment of suppliers based on spatial and non-spatial data.

Time-bound action plans are plans to address environmental and social issues with clear steps, measurable actions and set timelines to achieve the agreed actions.

Percentage of Traceability to the Mill (TTM) for global palm supply chain achieved, including number of suppliers and volume of physical supply involved

A refinery achieves Traceability to the Mill (TTM) when it can trace back the origin of Crude Palm Oil (CPO) and Palm Kernel (PK) from each identified mill. Information on TTM is obtained through a periodic mill information update stated in the mill's TTP declaration

The percentage of TTM is based on the volume of palm products traceable to mills as compared to the total volume of palm products supplied to GAR's downstream facilities during the year.

Downstream facilities are GAR-owned refineries, kernel crushing plants and bulking stations.

Suppliers are GAR-owned and third-party mills supplying CPO and PK to GAR's downstream facilities.

Number of suppliers is derived from GAR's internal system, SAP, which contains details of all suppliers.



### III. Definitions and assumptions on Identified Sustainability Information

#### IDENTIFIED SUSTAINABILITY INFORMATION

#### DEFINITION AND ASSUMPTIONS

##### Scope 1 Greenhouse Gas emissions

All our emissions data are measured in carbon dioxide equivalent (CO<sub>2</sub>e) unless otherwise stated. Scope 1 emissions include the following gases: CO<sub>2</sub>, CH<sub>4</sub>, HFC, HCFC and N<sub>2</sub>O. The Global Warming Potential (GWP) rates used are from the IPCC Fifth Assessment Report (AR5)

GAR uses the IPCC, ISCC, KESDM, RSPO, DEFRA, KLHK Worksheet IGRK Industri Kelapa Sawit for Company Reporting and other published emission factors based on the latest factors that are annually revised for our emissions factors.

GAR reports Scope 1 greenhouse gas emissions from land use, landuse-change and forestry (LULUCF) with reference to the FLAG Science-Based Target-Setting Guidance in which GAR allocates deforestation emissions using linear discounting over 20 years.

GAR reports other carbon emissions with reference to the Green House Gas Protocol.

Scope 1 GHG emissions is defined as direct GHG emissions from sources that are owned or controlled. The sustainability data relating to Scope 1 GHG emissions is collected and aggregated based on a combination of actual, extrapolated and estimated data, depending on the type of data and the location the data comes from.

They are as follows:

- Mobile combustion and/or transport, such as Petrol and Diesel
- Stationary combustion, such as Diesel, Coal, Natural gas
- Biogenic emissions, such as palm kernel expeller (PKE), Biomass, Palm kernel fibre and shells, Biogas, Biodiesel.
- Waste such WWTP sludge
- GHG emissions from LULUCF, such as Deforestation, Peat decomposition and Peat fire in relation to Land use, land-use change, and forestry
- GHG emissions from use of Fertilizer, such as Urea, Limestone, Dolomite and Nitrogen fertilizer in relation to fertilizer application
- Combustion of Avtur fuel for aerial manuring activities
- GHG emissions from Palm Oil Mill Effluent treatment
- Refrigerants leakage (HCFC and HFC))





### III. Definitions and assumptions on Identified Sustainability Information

#### IDENTIFIED SUSTAINABILITY INFORMATION

#### DEFINITION AND ASSUMPTIONS

Scope 2 Greenhouse Gas emissions

All our emissions data are measured in carbon dioxide equivalent (CO<sub>2</sub>e) unless otherwise stated.

GAR uses the IPCC, ISCC, KESDM for Company Reporting and other published emission factors based on the latest factors that are annually revised for our emissions factors.

GAR reports carbon emissions with reference to the Green House Gas Protocol.

Scope 2 GHG emissions is defined as Indirect GHG emissions from purchased electricity and steam.

Number and percentage of females on the Golden Agri-Resources Board of Directors

Information on Golden Agri-Resources Board of Directors can be found at <https://www.goldenagri.com.sg/about-us/our-leaderships/>.

The formula to calculate percentage of females on the Golden Agri-Resources Board of Directors is as follows:

Number of females on the Golden Agri-Resources Board of Directors ÷ total number of Golden Agri-Resources Board of Directors



# GLOSSARY

3-MCPD	– 3-monochloropropane diol	NDPE	– No Deforestation, No Peat and No Exploitation
CPO	– Crude Palm Oil	PCP	– Participatory Conservation Planning
CSO	– Civil Society Organisation	PK	– Palm Kernel
CSR	– Corporate Social Responsibility	PM	– Participatory Mapping
EFB	– Empty Fruit Bunch	POME	– Palm Oil Mill Effluent
FFB	– Fresh Fruit Bunch	PT	– Perseroan Terbatas (Limited Liability Company)
FPIC	– Free, Prior and Informed Consent	PT AMNL	– PT Agrolestari Mandiri
GAR	– Golden Agri-Resources Ltd	RADD	– Radar Alerts for Detecting Deforestation
GHG	– Greenhouse Gas	RSPO	– Roundtable on Sustainable Palm Oil
GRI	– Global Reporting Initiative	SASB	– Sustainability Accounting Standards Board
GSEP	– GAR Social and Environmental Policy	SDGs	– Sustainable Development Goals
HCS	– High Carbon Stock	SMART	– PT SMART Tbk
HCV	– High Conservation Value	SMART SEED	– Social and Environmental Excellence Development
HGU	– Hak Guna Usaha (Right to Cultivate)	SMART SPOT	– Sustainable Palm Oil Training
IPM	– Integrated Pest Management	SMARTRI	– SMART Research Institute
ISCC	– International Sustainability and Carbon Certification	SOP	– Standard Operating Procedure
ISSB	– International Sustainability Standards Board	TTP	– Traceability to the Plantation
ISPO	– Indonesian Sustainable Palm Oil	TCFD	– Task Force on Climate-related Financial Disclosure



# FEEDBACK AND CONTACT

We see our Sustainability Report as part of our continuous engagement with our stakeholders and would welcome your feedback.

Please contact our Head of ESG Reporting and Disclosure, Lim Shu Ling, at [shuling.lim@goldenagri.com.sg](mailto:shuling.lim@goldenagri.com.sg)

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