IndoAgri

SUSTAINABILITY REPORT 2018

ABOUT INDOAGRI, OUR VISION, MISSION AND VALUES

Indofood Agri Resources Ltd (IndoAgri) is listed on the Singapore Exchange Securities Trading Limited (SGX-ST) with headquarters in Singapore and Jakarta. IndoAgri and its subsidiaries operate plantation and processing facilities to produce palm oil, rubber, sugar, timber, cocoa and tea. The group also operates research & development, seed breeding, manufacturing and marketing of award-winning edible oils brands.

Our vision is to become a leading integrated agribusiness and a world-class agricultural research and seed breeding company. Our mission drives us to be a high-yield, low-cost producer that continuously improves its people, processes and technology to deliver at the highest standards of quality. Our values guide our work: with discipline as the basis of our way of life, we conduct our business with integrity, we treat our stakeholders with respect, and together we unite to strive for excellence and continuous innovation.

OUR POLICY

Our Sustainable Palm Oil Policy (Policy) guides all our sustainability programmes. It applies to all our palm oil operations, our plasma smallholders, and other third parties from whom we purchase crude palm oil (CPO) for our refineries. Key Policy commitments to deliver traceable and sustainably-produced palm oil products are:

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

Sustainable Palm Oil Policy is available online at http://www.indofoodagri.com/managing-sustainability.html

OUR SEVENTH SUSTAINABILITY REPORT

Since our first sustainability report was published in 2013, we have progressively improved our management of material topics, our engagement with stakeholders, and our reporting on sustainability progress.

This report communicates our progress against Policy commitments and targets on material topics. Please see page 53 for details on scope and reporting framework. This report provides all relevant information for stakeholders, but we encourage the reader to use it alongside the online sustainability sections. Relevant links are provided in the report.

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CEO STATEMENT

> develop.
> respond.
> change.

Welcome to our seventh Sustainability Report which aims to update all stakeholders on performance, highlights, challenges and stories across a set of material topics.

IndoAgri has over 100 years of experience in the plantation industry. Our work on sustainability began from the ground up over 30 years ago, with investment in our seed business to deliver high-yield, disease-resistant oil palm seeds, which today have become the leading oil palm seed material in Indonesia. Yields can potentially reach ten tonnes of CPO/ha/year, which can mean a requirement for less land and lower pressure to clear new land.

As the definition and coverage of sustainability risk have evolved, so IndoAgri has responded. We are proud of this responsiveness, which is a foundation *principle* of corporate accountability, and we do it whilst delivering our commercial strategy aim: to be a leading, integrated agribusiness. For example, governments, customers, consumers and other stakeholders increasingly want to know where palm oil comes from, how it is cultivated and how it compares to other edible oils. And we note how Indonesians possess growing levels of environmental literacy: our domestic market is significant and Indonesians know the importance of palm oil to the national economy. In response, provide a high quality and safe product that gives the customer confidence and that demonstrates our ability to produce all of our crops in a sustainable manner. And whilst palm oil appears to attract the most of the attention of the public compared to other crops, our sustainability policy and programmes cover all of our plantation crops and refineries.

Year-on-year we have seen some good sustainability performance improvements and, naturally, some challenges, managed by teams of people who are diligently committed to realising our Sustainable Palm Oil Policy (our Policy) on the ground across our operations and our supply chains. 2018 saw some highlights and some challenges which are shown overleaf, but I would draw your attention to my top three:

1. Safety
2. Indonesian Sustainable Palm Oil (ISPO) certification
3. Community

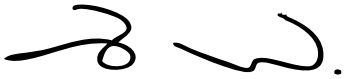
Our **safety** management system is embedded across all operations. IndoAgri's Board has pushed for better harvesting practices near powerlines in 2018, and has also made clear the importance of near-miss awareness and reporting. Regrettably, we endured four fatalities in palm oil operations in 2018. We are investigating to mitigate the same risk elsewhere and are supporting the family and colleagues involved.

We have worked hard over the last 14 years to expand our production of **certified CPO**, to implement improvements, and share what is learned with operations yet to be certified. We aim to have all palm plantation and milling assets ISPO certified by the end of 2019; we achieved 80% of our target by the end of 2018. This covers all mills and estates and contributes to our target to ensure that 100% of CPO we refine is sourced in accordance with our Policy by the end of 2020. ISPO is a legally binding, mandatory certification for all oil palm growers in the country and was developed by the Indonesian Government which is closely aligned to the principles and criteria of Roundtable on Sustainable Palm Oil (RSPO). Further, we are delighted to see in 2018 some promising yields from our certified smallholders and during the year we assisted one smallholder cooperative ('KUD') through an ISPO stage 1 audit in South Sumatra.

Community investment also represents a beacon of success. I am proud of our flagship cleft lip programme: a vital contribution to society in Indonesia which delivered 130 operations in 2018 for 112 people, mostly children. Health clinics and first aid posts are provided on every estate for workers and their families. We provide community health centres ('Posyandu') for maternal and infant health, which serve infants in the vicinity of our operations. In 2018, we had 197 medical clinics on our estates and 206 Posyandu, supported by 277 midwives/nurses and 60 doctors.

We operate at scale. We monitor our operations extensively. But when performance on the ground does not match the expectations of our management or stakeholders, we commit to resolve the issue in an open and transparent manner. This is responsiveness in action. We have made steadfast effort to fully engage with the RSPO Complaints process since 2016 relating to the allegations of human rights and labour violations at one of our North Sumatra operations. Subsequent to an independent audit, the RSPO Complaints Panel (CP) suspended one of our North Sumatra mills without taking note of our robust evidence substantiating our compliance, and without accepting our request to meet and discuss the findings of the audit. The findings were materially different from the previous 23 RSPO audits conducted in our North Sumatra operations, which we passed as fully compliant with RSPO standards. The RSPO CP refused to communicate on, or explain, the material difference between their verification audit and the 23 prior audits. This demonstrated a lack of reciprocal openness and transparency: we therefore decided to withdraw our PT Salim Ivomas Pratama Tbk (SIMP) and PT PP London Sumatra Indonesia Tbk (Lonsum) operations from the RSPO and instead focus on the ISPO certification. We continue to comply with Indonesian laws and regulations, and to deliver our policies relating to labour practices and human rights. Again, in 2018, no dispute or other issues arose with any of our seven labour unions or with the Indonesian Ministry of Labour. We have regular bipartite meetings with our unions to ensure an open and transparent dialogue.

Our Board has overall responsibility for sustainability issues, validates material environment, social and governance (ESG) factors and oversees their management and monitoring. Sustainability is at the core of how we work, from our high-yielding seed research 30 years ago, our Sustainable Palm Oil Policy, and our ISPO commitments into the future. We look forward to ongoing improvements towards our goals.



MARK JULIAN WAKEFORD
Chief Executive Officer and Executive Director

2018 at a glance

INDOAGRI: A VERTICALLY INTEGRATED AGRIBUSINESS

301,721 hectares nucleus planted area, **83%** under oil palm; **26** mills; **5** refineries

Workforce representation

62% of our operational employees are registered with a union; the rest are covered by company regulation

ISPO-certified production

458,000 tonnes, or **62%** of total nucleus CPO produced in 2018

Food Safety Management

43% of our EOF processed volume manufactured at sites certified to FSSC 22000 food safety management standard

Labour conditions and safety

COMPLETE elimination of Paraquat since end of March 2018

SMK3 set up in **100%** of sites

SMK3 certification in **41** sites (34 Gold rating)

ZERO ACCIDENT AWARD in 17 units

Child labour

No registered worker under 18 years old

Preventing deforestation

ZERO

- clearance of primary forest
- degradation of HCV areas
- new planting on peat regardless of depth
- burning

100% of sites have HCV Management and Rehabilitation Plans

Energy and water

7% energy | **19%** water

Reduction in consumption per material produced at refineries (2016 baseline)

12% increase in water consumption per FFB processed and energy consumption per FFB processed remains stable at mills (2016 baseline)

Indonesian rural climate change mitigation and adaptation

All units in Riau now have PROKLIM projects in place

Received three National awards for **3** villages in Riau estates

Health Facilities

197 clinics,
60 doctors,
206 Posyandus,
277 midwives/nurses

Quality

Bimoli awarded Best Brand
16 years in a row

Education Facilities

319 day care centres,
161 schools,
828 teachers,
17,170 students,
20 Rumah Pintar

Cleft lip programme

130 operations,
112 beneficiaries,
42 volunteers

TWO VOICES: INDOAGRI KICK-STARTS MY EDUCATION

My childhood was spent growing up on IndoAgri's Sungai Rumbia 1 estate, my father is an Administration Officer there and my mother runs the household. Living on the estate I had a similar quality of life to that of other children of my age. The estate provides opportunities for children to achieve qualifications: my entire education was made possible through IndoAgri's support. The company provides a quality education and good facilities, such as a bus service which certainly saves time to focus on my studies. IndoAgri empowered me. I went on to successfully graduate with a Bachelor of Medicine from Abdurrab University at Pekanbaru, Riau in 2014. My education has enabled me to work as a doctor in a public hospital.

Dr. Dewi Sasmita Kumalasari, Medical Doctor and daughter of Mr. Siswanta, employee of the Sungai Rumbia 1 Estate, Riau

Growing up on IndoAgri's Sei Rumbia estate meant that my formative years were spent in the plantations. My father, Mr Temu, has worked for the Sungai Rumbia 1 estate at IndoAgri since 1991. I am grateful for a formal education in a school provided by IndoAgri: I studied in the school owned by the plantation after which I continued my high school education in Pekanbaru city and then on to Malang to continue my studies in medicine. The schooling instilled in me the ability to overcome any hardships: it gave me the confidence to strive for my goals. I am now serving as a doctor in Efarina Hospital, Riau. My goals and dreams were made possible by access to facilities and encouragement that I received while growing up on the estates of IndoAgri.

Dr. Boy Fazriansyah, Medical Doctor and son of Mr. Temu, employee of the Sungai Rumbia 1 Estate, Riau

An oil palm plantation in South Sumatra

SUSTAINABILITY IN PALM OIL: GOVERNANCE AND MANAGEMENT

We are committed to meeting the world's food needs in a sustainable and traceable manner

SUSTAINABILITY IN PALM OIL: GOVERNANCE AND MANAGEMENT

A SYSTEMATIC APPROACH

We recognise that agribusinesses are exposed to a dynamic set of risks and opportunities related to the environment, to communities, and to stakeholders. Guided by our Vision, Mission, Values, and Policy, our teams of well-trained personnel manage these material topics and impacts in order to improve operational efficiency, to stimulate innovation, and thus to preserve value over the long-term. The image above illustrates our approach.

GOVERNANCE ARRANGEMENTS FOR SUSTAINABILITY

Our Board actively considers sustainability issues, reviews our material environmental, social and governance (ESG) topics and oversees their management and monitoring.

IndoAgri's sustainability management is led by the CEO who updates the Board on sustainability management initiatives, performance against key ESG topics, stakeholder engagement and the Group's response to issues arising. A Sustainability Think Tank meets regularly to review the sustainability progress and direction and comprises Executive Directors, Chief Operating Officers, Enterprise Risk Management (ERM) unit, R&D team and sustainability representatives from all business units. Our Audit and Risk Management Committee is updated on a quarterly basis on matters relating to material sustainability risks and concerns.

Our CEO personally takes part in discussions and correspondence relating to ongoing impacts in the field. Senior leaders of the sustainability team in Jakarta regularly report internally at SIMP's Board level on issues such as process safety and efficiency, community investment and supply chain certification. Headline performance indicators are discussed, changes of direction are decided as appropriate, and often in consultation with other executives in the Indofood Group. Applying the precautionary principle in our management of material ESG topics, we are committed to prevent undesirable impacts and analyse alternatives in an accountable manner.

We evaluate our performance for material topics by measuring progress towards targets. The targets for certain material topics are an extension of the ISPO certification of estates and processing sites and the Indonesian Government's Programme for Pollution Control, Evaluation, and Rating (PROPER) environmental reporting initiative, namely (i) Governance and integrity; (ii) Land rights; (iii) Smallholder engagement and livelihoods. Evaluation of our approach depends on audit (internal and external), performance trends and stakeholder feedback.

Our regular internal audits, monitoring and assessments are guided by the ISO 14001 Environment Management Systems and the ISO 9001 Quality Management Systems. ISPO certification is a key tool to help deliver on our Policy goals on deforestation, land rights, peatland, burning, smallholders and human rights.

For more details on our Programmes, certifications, management systems, R&D innovation and team organisation please see http://www.indofoodagri.com

INDONESIAN SUSTAINABLE PALM OIL (ISPO) CERTIFICATION

The Indonesian Sustainable Palm Oil certification system (ISPO) is a mandatory certification for all oil palm growers in the country. ISPO was developed by the Indonesian Government to closely align the principles and criteria of RSPO to meet the international standard[1]. ISPO also aims to support the Indonesian Government's commitments to reduce greenhouse gas emissions (GHG) through the cultivation of a sustainable plantation industry. The Government plans to make it mandatory for smallholders, for whom it is currently voluntary.

To ensure that ISPO requirements are implemented in the field consistently, a certification system helps to guarantee that CPO and palm kernel oil (PKO) produced from the supplier is sustainable. ISPO certification requires oil palm applicant companies to pass a Plantation Business Assessment (Penilaian Usaha Perkebunan - PUP) administered by the Regional Plantation Estates Office (at the Province or District level), resulting in the determination of either a Class I, II or III plantation classification. The classification is a prerequisite for companies seeking ISPO certification, to ensure that their operations implement the requirements.

The ISPO audit is conducted by a government approved certification body in two stages:

1. Compliance audit of plantation licenses and required business documentation.

2. Plantation audit assessing
   - all documentation concerning adherence to the ISPO Principles and Criteria (P&C) in the estates and mills
   - competency of workers involved in management of estates and mills
   - confirmation of adherence to the P&C by external stakeholders

The ISPO P&C must be fulfilled in order to obtain the ISPO certification:

- **Principle 1: Legal plantation business permits**
  Criteria specify companies to operate in accordance to Indonesian laws and regulations, plantation to operate on land free from disputes, and that land disputes must be resolved in accordance to Indonesian laws and regulations

- **Principle 2: Plantation management**
  Criteria include application of technical cultivation guidelines related to land clearing, use of water resource, planting, pest management, FFB harvest and processing, transportation, and waste management

- **Principle 3: Protection of primary forest and peatland**
  Criteria stipulate company's obligation for conservation of HCV and protected areas, fire prevention and control, peatland management, and reforestation of land

- **Principle 4: Environmental management and monitoring**
  Criteria set down compulsory environmental impact assessments and mitigation of GHG emissions by company

- **Principle 5: Responsibility to workers**
  Criteria prescribe company's obligations regarding occupational health and safety management systems, employee welfare, trade unions and workers co-operatives, and prohibition of discrimination and child labour

- **Principle 6: Social responsibility and community economic empowerment**
  Criteria set forth social responsibility of companies such as empowerment of indigenous communities, development of local communities, and procurement of goods and services from local communities

- **Principle 7: Continuous business improvement**
  Criteria stipulate the continuous improvement of sustainability practices by developing and implementing actions that support the production of sustainable palm oil

1 *https://www.rspo.org/resources/rspo-reports/rspo-ispo-studi-bersama*

FOCUS ON KEY TOPICS

Each material topic is managed on the ground under a set of six Sustainability Programmes. In this section, we outline the relevance of each material topic, where its impacts occur and how we manage them. The purpose of the management approach (MA) is to establish processes towards measurable improvement guided by targets. The MA includes certain

AT A GLANCE: HOW WE MANAGE EACH MATERIAL TOPIC

	Management approach				
Topic	Sustainable Palm Oil Policy	ISPO Certification	PROPER/ISO/ SMK3	FSSC	Other – ERM Framework, Whistle-blowing Policy
A. Deforestation and land management (including peatland, fire control)	✓	✓	✓		✓
B. Environment impacts and compliance	✓	✓	✓		✓
C. Governance (transparency, integrity, anti-corruption, risk)	✓	✓	✓		✓
D. Land rights including scarce land resources	✓	✓			✓
E. Occupational health and safety	✓	✓	✓		✓
F. Smallholder engagement and livelihoods	✓	✓			✓
G. Product traceability and sustainable sourcing	✓	✓		✓	✓
H. Product quality and safety	✓	✓	✓	✓	✓
I. Yield maximisation including innovation	✓	✓			✓
J. Human rights	✓	✓			✓

For more details on our Sustainable Palm Oil Policy, governance, materiality assessment, stakeholder engagement, Programmes, certifications, management systems, and team organisation please see http://www.indofoodagri.com/sustainability-home.html

components such as a Programme, policies, standards and certifications such as ISPO, PROPER, and ISO 14001. The components provide the basis for monitoring, evaluating and improving performance on each material topic. This entire set of activities must comply with our Policy, in scope and in timeline therein.

	Programme					
Topic	Growing Responsibly	Sustainable Agriculture and Products	Safe and Traceable Products	Smallholders	Work and Estate Living	Solidarity
A. Deforestation and land management (including peatland, fire control)		■■■			■	■
B. Environment impacts and compliance	■■	■■■		■	■	■
C. Governance (transparency, integrity, anti-corruption, risk)	■■■					
D. Land rights including scarce land resources				■■	■■	■
E. Occupational health and safety		■■■		■	■■	■
F. Smallholder engagement and livelihoods				■■■		■■
G. Product traceability and sustainable sourcing			■■■			
H. Product quality and safety	■■■		■■■			
I. Yield maximisation including innovation		■■■	■■	■	■■	■
J. Human rights					■■■	■

■■■ Programme sets strategy, governance, compliance and policy framework; delivery of performance improvement and monitoring

■■ Programme contributes indirectly to performance outcomes

■ Programme relates to topic, knowledge sharing occurs, relevant teams may interact "on the ground"

ENVIRONMENT

OUR APPROACH

We are committed to reducing our environmental impacts, we have a commercial responsibility to use resources efficiently. We formally evaluate environmental risks to the business and the value of eco-systems.

Our Sustainable Palm Oil Policy 2017 sets environmental commitments throughout our value chain on material issues, such as climate change, land management, biodiversity, and transboundary haze.

Environmental improvements are guided by the six Programmes, which also focus on land use and smallholder environmental practices. We have put in place ERM framework and Whistle-blowing mechanism to ensure compliance with the relevant environmental requirements and to manage such risks.

RESPONSIBLE SOURCING

OUR APPROACH

Our markets demand clarity on where palm oil comes from and the impacts upstream. Commercial success depends on our customers having confidence in our products. As their purchasing patterns are under scrutiny, good information from our products can help improve transparency on food safety, seed quality, and cultivation practices.

Whilst palm oil supply chains are complex and challenging we are committed to collaborating with others to enable more responsible and profitable practices. The use of ISPO certification is a key component of our approach to delivering on our Policy and commitments. By the end of 2019 we aim to have all our palm oil production certified to ISPO standards.

Good working relations with our suppliers and growers is important to encouraging transparency, influencing sustainability in the palm industry, and increasing communities' resilience against economic, social, or political hardship.

Palm oil: the traceability of each tonne is established when we have recorded the following:

- Name, parent company, address and GeoCoordinates of plantation[2] and mill.
- Nucleus or plasma KUD/kelompok profile and data
- Refinery dispatch number
- Certification status

PRODUCT SAFETY, PRODUCT QUALITY

OUR APPROACH

The oil palm has the highest yield of any edible oil crop and is extremely versatile. Palm oil is used extensively in thousands of food and non-food products. We face pressure from many customers to ensure full product traceability, and regulators increasingly demand more information on ingredients, such as nutritional content. Product quality and safety are fundamental to our commercial success. Our Quality Policy and Sustainable Palm Oil Policy commit us to maintain product quality, process safety, as well as the implementation of food safety management systems and quality assurance at our refineries. We also provide full certification to local and international food safety standards such as Indonesia National Standard (SNI) and FSSC 22000.

Our regulatory compliance commitments extend to food safety, consumer protection, quality and nutrition, labelling and advertising.

Our R&D, marketing and sales teams use independent market-testing to meet quality requirements and accredited laboratories to test the quality and safety of our products against relevant health, safety and regulatory standards. All CPO raw materials supplied to us can be traced back to their milling site, and batch numbers on product packaging allows traceability. An approved Halal certification system applies to all our products and refineries, it is accredited to LPPOM MUI, the Research Institute for Food, Drugs and Cosmetics of the Indonesian Ulemas Council.

Customers can contact our operations openly by phone, e-mail and post, on any aspect of production.

PEOPLE AND COMMUNITY

OUR APPROACH

Our actions are directed by our Policy, which commits us to protect and respect the rights of our workers, comply with the Indonesian law as well as the UN Universal Declaration on Human Rights and the International Labour Organisation codes of practice ratified by the Republic of Indonesia. Through our Policy, we aim to provide a conducive work environment for our people. We manage the safety, training and development, evaluation, remuneration, and engagement of our workforce to meet our targets and commitments to our stakeholders.

All IndoAgri employees receive a wage that is within or above the minimum wage of their respective region, in addition to a range of benefits and incentives such as healthcare and education. Minimum wages in Indonesia are set by the regional government, by considering the local cost of living. We support the rights of our employees to bargain collectively. All our workers are free to register themselves with their preferred labour union.

Safety is a top priority. Guided by our Policy, we have a rigorous Occupational Health and Safety management system in place to minimise accidents and negative health impacts.

Through our Training and Development programmes, we seek to achieve professional development, knowledge exchange and a skilled workforce: essential components to organisational success.

As one of the biggest palm oil companies with operations in rural Indonesia, we aim to boost the quality of life for our smallholders and communities through inclusive and sustainable development. Our Work and Estate Living Programme ensures that economic development meets the needs of the community and local governments.

2 *And batch barcode for South Sumatra plasma estate FFBs*

TRACKING PERFORMANCE, EVALUATING PROGRESS

CERTIFICATION ACHIEVEMENT AND POLICY DELIVERY

Goal/target	Status	Progress (see pages 30-35)
1 By end 2019: ISPO certification for all estates		Achieved 79% of targeted hectarage*
2 By end 2019: ISPO certification for all mills		On track; achieved 24 out of 25 mills*
3 By 2020: 100% of CPO we refine is sourced in accordance with Policy		On track; supplier guidelines enhanced in 2017

* *Figures cover hectarage or number of mills that are already certified or have completed ISPO first stage audit. The certificate release date is subject to the accreditation period of the certifying body. Hectarage data are based on planted areas on 31 December 2018. One of our mills ceased operations in April 2017, thus reducing our total number of operational mills from 26 to 25.*

REDUCING ENVIRONMENTAL IMPACTS

Goal/target	Status	Progress (see pages 18-29)
1 Reduce energy consumption per tonne FFB processed in palm oil mills by 5% (2016 baseline);		Energy consumption in ISPO/PROPER mills remained stable at 3.14 between 2016-2018
Reduce energy consumption per tonne material produced in refineries by 3% (2016 baseline)		7% reduction in refineries compared to 2016
2 By 2018: reduce water consumption per tonne FFB processed in palm oil mills by 3% (2016 baseline)		12% increase in ISPO/PROPER mills compared to 2016
3 By 2018: Phase out the use of Paraquat		100% of all estates Paraquat-free since March 2018
4 By 2018: all of our factories and refineries are ready for PROPER certification*		100% of non-PROPER certified mills and factories ready for PROPER certification
		100% of refineries are PROPER-certified
		PROPER blue rating achieved by 13 mills, five refineries, and three other non-palm oil factories
5 By 2020: ISO 14001 certification for 25 mills and 3 refineries		New target in 2018; Received certifications for 5 mills and 1 refinery in 2018. Our total certified sites as of end 2018 are 16 mills and 1 refinery

* *Participation in PROPER certification is subject to appointment by the Indonesian Ministry of Environment and Forestry.*

ZERO HARM, PRODUCTIVE WORKFORCE

Goal/target	Status	Progress (see pages 42-45)
1 Zero fatalities (across total workforce)		We regret to report four fatalities in our palm oil operations
2 Reduce group accident frequency rate (AFR) by 10% between 2018-2020		Group AFR decreased by 5% from 1.8 in 2017 to 1.7 in 2018
3 By 2020: SMK3 certification for 25 mills and 3 refineries		New target in 2018; Received certifications for 1 refinery in 2018. Our total certified sites as of end 2018 are 12 mills and 3 refineries

SAFE PRODUCTS, HEALTHY FOOD

Goal/target	Status	Progress (see pages 36-41)
1 Quality and safety: comply with FSSC 22000 Food safety standard		Full compliance with regulations
2 Quality and safety: Comply with Halal certification system recognised by the World Halal Council.		All products are Halal-certified
3 Quality: complete annual audit on quality assurance at refineries		Audit completed for all refineries
4 Quality: complete annual food safety audits for suppliers of raw materials (including CPO) to our refineries		Completed; 81% of supply tonnage to our refineries comes from sources that are audited annually on food safety

Achieved *Not yet achieved* *In progress* *New target*

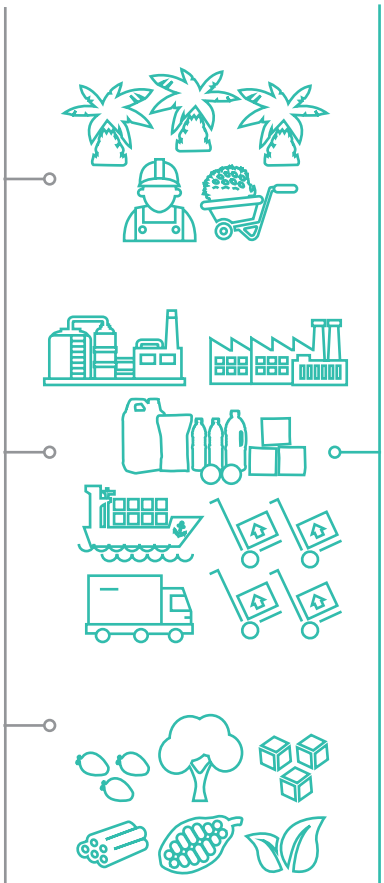
BUSINESS OVERVIEW

A palm oil mill in Riau

BUSINESS OVERVIEW

IndoAgri
is a diversified and vertically integrated agribusiness. Our operations span the entire supply chain, from plantation management and crop production, through to refining, branding and marketing of edible oil products.

We operate plantation and processing facilities to produce palm oil, rubber, sugar, timber, cocoa and tea.



Indonesia Operations

301,721 HECTARES
Nucleus planted area covering all crops

89,662 HECTARES
Plasma planted area oil palm and rubber

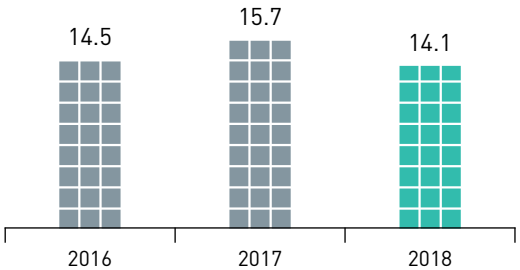
26 PALM OIL MILLS
FFB Processing capacity – **6.8M TONNES**

2 SUGAR MILLS/ REFINERIES
Cane crushing capacity – **2.2M TONNES**

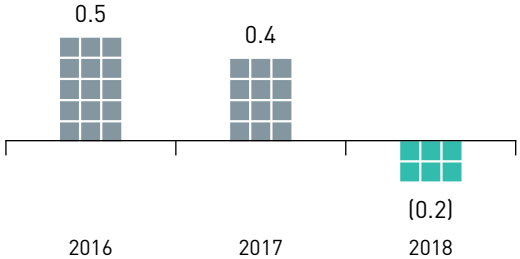
5 REFINERIES
CPO processing capacity – **1.7M TONNES**

KEY HIGHLIGHTS

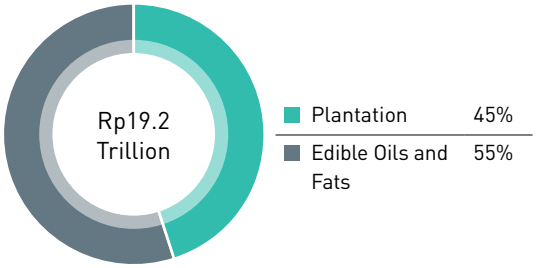
Net Sales
(Rp trillion)



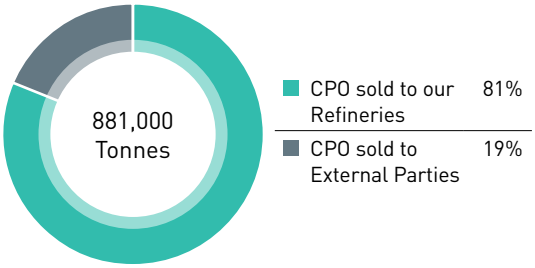
Attributable Profit
(Rp trillion)



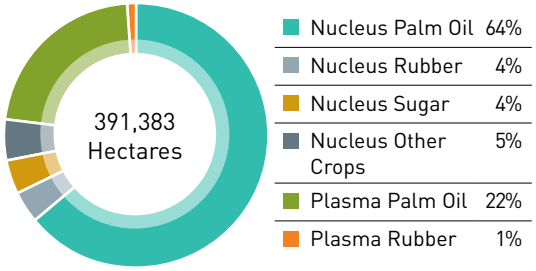
Revenue (Internal and External) by Division 2018



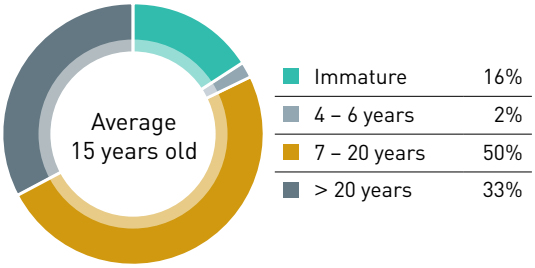
CPO Sales Volume 2018



Planted Area (Nucleus and Plasma) 2018

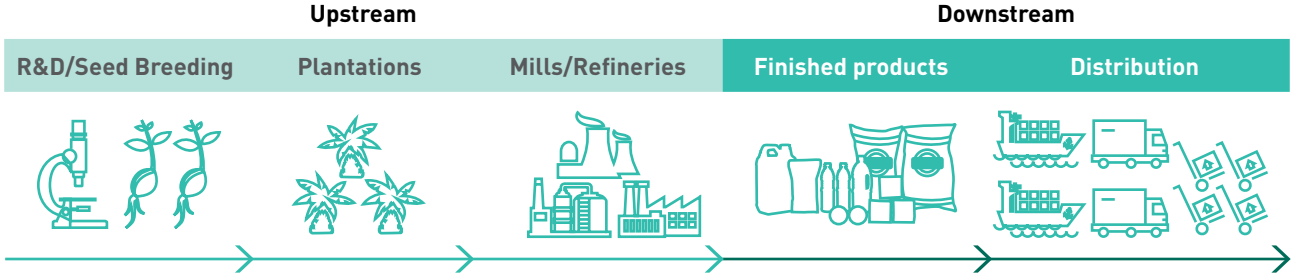


Age of Our Oil Palm Trees



VALUE CHAIN – FROM SEED TO SALES

Capturing Value Across The Entire Supply Chain



OIL PALM: OUR PRINCIPAL CROP

Our palm oil business which is based in Indonesia is involved in every aspect of palm oil production. We develop and innovate seeds and planting materials, manage plantation operations, harvest and mill the Fresh Fruit Bunches (FFB) of palm trees into CPO in our mills, refine and process CPO and Palm Kernel (PK) into higher value products such as cooking oil, margarine, and shortening.

Since 77% of our CPO processed in refineries comes from our own plantations, we have greater control of 'value drivers' relating to how we manage sustainability risks and opportunities.

Our oil palm seeds are produced using world-renowned breeding populations from Southeast Asia and Africa. We aim to meet the evolving needs of our customers and stakeholders through our R&D initiatives. We have two advanced seed breeding R&D centres: Sumbio, in North Sumatra and PT SAIN in Pekanbaru. They produce high-yielding seed material, free of Genetically Modified Organisms which attract a premium on the open market.

As of 31 December 2018, our total planted oil palm estates were 251,112 hectares, of which 16% were immature estates. The age of our oil palms averaged 15 years, which is a key factor affecting our CPO production moving forward.

In 2018, our total FFB production from our nucleus estates, plasma and third parties was 4,424,000 tonnes. These FFB were processed into 921,000 tonnes of CPO.

OTHER CROPS

In 2018, we produced 9,600 tonnes of sheet or cup lump rubber from operations in North and South Sumatra, East Kalimantan and Sulawesi. Around half of it is exported to countries such as Singapore, the US and UK.

Through joint ventures and other investments, we also own sugar operations in Indonesia, Brazil and the Philippines.

We expanded our sugar production capacity in Brazil with the investment of two sugar and ethanol mills in 2018. Together with our one existing mill, this gives us a combined cane crushing capacity of 8.3 million tonnes annually. The proximity of the mills to one another in Minas Gerais will provide operational and management synergies.

In 2018, we produced 291,000 tonnes of sugar, 290,000 m^3 of ethanol and 305,000 MWh of electricity for export and domestic markets. Our sugar joint venture, CMAA's Vale do Tijuco (UVT) operating unit, achieved Bonsucro certification for 869,000 tonnes of sugar cane harvested from 13,390 hectares, representing 100% of area available for certification. Moving forward the Company will start the process for Bonsucro certification at CMAA's Vale do Pontal operating unit[3].

OUR EDIBLE OIL PRODUCTS

In 2018, we expanded our Surabaya refinery to produce an additional 300,000 tonnes per annum, bringing our total annual refinery capacity to 1.7 million tonnes of CPO. Nearly 85% of our branded edible oil and fats are sold in the Indonesian market. The remaining is sold to export markets.

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

Our finished products - cooking oil and margarine

WORKFORCE PROFILE

In 2018, IndoAgri employed 38,265 people (2017: 37,426) in permanent full-time positions, and 5,316 people (2017: 2,761) on short-term contracts in Indonesia. We also employed 29,397 seasonal contract workers (2017: 31,836).

96% of our employees are based in our field and processing sites, the rest comprises management and executive staff based in our head office and regional offices. More than 87% of our employees are based in Sumatra and Kalimantan, the rest are in Java and Sulawesi. 40% of our workforce is female (2017: 22%).

See employee statistics for all IndoAgri assets on page 51.

3 *https://www.bonsucro.com/*

REGIONAL PRESENCE

INDONESIA

IndoAgri owns strategically located estates and production facilities across Indonesia. The Group's planted area occupies 301,721 hectares. Oil palm is our dominant crop. Our oil palm estates are largely located in rural Sumatra and Kalimantan, while our refineries are mainly located at major cities including Jakarta, Medan, Surabaya, and Bitung.

BRAZIL

IndoAgri has a 35% interest in CMAA and 50% in Canápolis, which together operate 3 sugar and ethanol mills. CMAA has 79,268 hectares of planted sugar cane. 44% of the sugar cane plantation is company owned and 56% belongs to third parties. We are targeting to complete the cane-planting activities and rehabilitate the Canápolis mill so that is ready to start operation in 2020.

PHILIPPINES

IndoAgri has a 30% interest in FP Natural Resources Limited, which owns a 62.9% shareholding in RHI, the largest integrated sugar business in the Philippines.

See also details on our mill and plantation locations, on pages 154-155 of our Annual Report 2018.

INDONESIA
251,112
hectares of oil palm

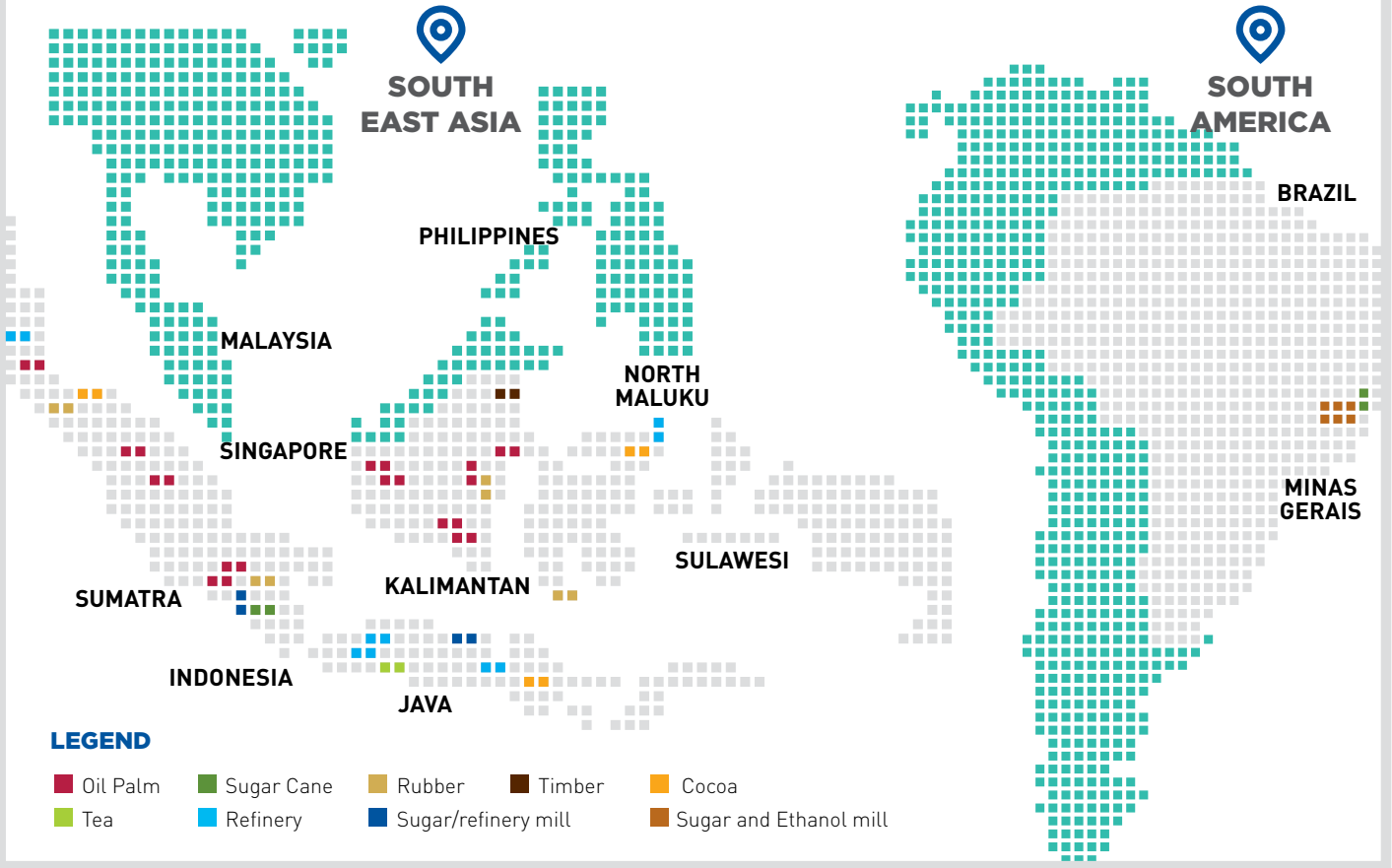
INDONESIA
16,678
hectares of rubber

INDONESIA
13,595
hectares of sugar cane

INDONESIA
20,336
hectares of other crops

BRAZIL
79,268
hectares of sugar cane

WHERE WE OPERATE



Otus bakkamoena, a bird species lives in our estates

ENVIRONMENTAL PERFORMANCE

PRIORITIES

- Protect eco-systems through zero deforestation and no new planting on peatland
- Use resources efficiently
- Fire control and haze prevention
- Meet the expectations of our stakeholders

ENVIRONMENTAL PERFORMANCE

IN THIS SECTION

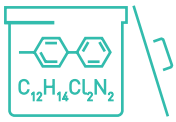
We explain how we are doing on delivering our commitments to zero deforestation, no peatland planting, fire control and resource efficiency.

PROGRESS IN 2018

FIGHTING DEFORESTATION

NO primary forest clearance on our sites

NO degradation of HCV areas



Completed phase out of paraquat since end of March 2018

FIRE CONTROL, HAZE REDUCTION

Zero burning for land clearing and replanting

PEATLAND MANAGEMENT

Another year of **no new planting** on peatlands under our control

RESOURCE EFFICIENCY

6% reduction in greenhouse gas emissions per tonne of palm products since 2017

REDUCING ENVIRONMENTAL IMPACTS

Goal/target	Status	Progress
1 Reduce energy consumption per tonne FFB processed in palm oil mills by 5% (2016 baseline);	☐	Energy consumption in ISPO/PROPER mills remained stable at 3.14 between 2016-2018
Reduce energy consumption per tonne material produced in refineries by 3% (2016 baseline)	☐	7% reduction in refineries compared to 2016
2 By 2018: reduce water consumption per tonne FFB processed in palm oil mills by 3% (2016 baseline)	☐	12% increase in ISPO/PROPER mills compared to 2016
3 By 2018: Phase out the use of Paraquat	☐	100% of all estates Paraquat-free since March 2018
4 By 2018: all of our factories and refineries are ready for PROPER certification*	☐	100% of non-PROPER certified mills and factories ready for PROPER certification
	☐	100% of refineries are PROPER-certified
	☐	PROPER blue rating achieved by 13 mills, five refineries, and three other non-palm oil factories
5 By 2020: ISO 14001 certification for 25 mills and 3 refineries	☐	New target in 2018; Received certifications for 5 mills and 1 refinery in 2018. Our total certified sites as of end 2018 are 16 mills and 1 refinery

* *Participation in PROPER certification is subject to appointment by the Indonesian Ministry of Environment and Forestry.*

☐ *Achieved* ☐ *In progress* ☐ *New target*

SCOPE OF DATA

Our data relate to all ISPO/PROPER certified and audited palm oil operations, unless otherwise stated.

In 2018, we recorded:
- no primary forest clearance
- no degradation of HCV areas

PROTECTING FORESTS

We aim to preserve areas of High Conservation Value (HCV) and High Carbon Stock (HCS) within our operations. Prior to any new planting we use the *HCS Approach Toolkit 2017* which allows estates to quantify carbon stocks of assets and gauge FPIC in the community.

IndoAgri has under its control some areas of HCV which includes riparian areas, indigenous land, and habitats for endangered species. Therefore, we have HCV Management Plans at all our plantations (which are assessed by an accredited third-party).

To deliver on the objectives of our Management Plans, 100% of our sites have HCV Rehabilitation Plans up and running. We aim to deliver enriched biodiversity through reforestation in existing HCV areas, especially riparian areas. Since 2017, we have planted approximately 164,000 trees in over 450 hectares of riparian areas.

training on HCV monitoring and rehabilitation

Measurement of a tree's diameter as part of HCV monitoring

While identification and analysis of HCV is reviewed once every five years, regular training on HCV Monitoring and Rehabilitation is conducted for employees in our estates. The four-day training ensures that the knowledge on HCV management and implementation of best-practices remains fresh and relevant. Conducted by subject-matter-experts from our Sustainability Department, this training aims to:

(i) Ensure the existing HCV areas remain protected
(ii) Ensure proper implementation and management of HCV
(iii) Ensure availability of personnel who understand HCV concepts
(iv) Increase capacity of our employees in HCV management
(v) Integrate sustainability principles such as production, ecology, and social in the management of natural resources which will benefit IndoAgri, communities, and other stakeholders

Since September 2013 our records show no new planting on peatlands, and water levels were maintained in all peatlands under our control

PEATLAND

Our Policy commits to no new planting on peat regardless of depth and to comply with related regulations of the Government of Indonesia.

Peatlands are a major source of carbon emissions when drained or burned and global monitoring of the sector is intensifying.

Our HCV management approach described above also embraces peatland. Additionally, maintaining a minimum water table depth for our existing cultivated peatland is a top priority, and nucleus planting programmes must be approved at Executive Board level. We also ensure that our plasma and independent smallholders strictly practice peatland management.

PEATLAND PROTECTION

The principal aim of the Water Management System of peatland for oil palm cultivation is ensuring that the soil supports the growth of the oil palm roots while maintaining optimum peat moisture to protect the physical and hydrological functions of peat.

In managing peatlands IndoAgri focuses on two important aspects, namely:

(1) Water monitoring system, which is fully in accordance with government regulations

(2) Regular consultation with the Ministry of Environment and Forestry and the Ministry of Agriculture on the following aspects:

(a) Determination of water monitoring plots
(b) Preparation of field equipment for water monitoring
(c) Implementation of water level monitoring

A fire prevention training in South Sumatra

During 2018, our analysis indicated an improved level of fire risk control on our estates and surrounding community

FIRE PREVENTION

We are monitoring hotspots and engaging stakeholders on fire prevention. Our enterprise risk team uses satellite data to gauge fire risk, while our operational teams ensure that land preparation is done mechanically and that good practice is shared with the communities. The way IndoAgri controls fires is systematic but it also depends on local engagement to achieve results.

Ministry of Environment and Forestry uses joint fire patrols, and regional disaster mitigation agencies work with the military and the police on prevention. IndoAgri aims to support them where possible and has delivered 135 fire control training days in 2018 (2017: 223 days).

In 2018 we invested in an additional 13 fire towers and once again continued our long-term collaboration with the local government, village chiefs, and local communities to build local capacity and knowledge to prevent fires through the socialisation programme. Since the launching of the programme in 2016, we have engaged 39 local villages. The programme has generally helped to reduce hotspots and fires.

Our collaborative initiatives, fire towers, equipment, and training collectively help to deliver on our commitment to zero burning on all assets (IndoAgri and suppliers) in line with our Sustainable Palm Oil Policy.

REDUCING ENERGY AND GHG EMISSIONS

Process efficiency leads to lower costs, lower carbon emissions and better shareholder returns.

Our sustainability team continues working with colleagues from Indofood Group to focus on best management practices and resource efficiency. Supported by energy studies in 2016, the goal is to identify energy savings and earmark more sites with energy efficiency opportunities. We have 23 energy managers and 13 energy auditors across all our facilities.

In 2018, the energy consumption per tonne of FFB processed at our mills increased to 3.14 GJ/tonne from 3.11 GJ/tonne in 2017. In 2018, 99% of our milling fuel is from renewable shell and fibre by-products (99% in 2017).

Energy consumption per tonne of material produced at our refineries reduced to 0.22 GJ/tonne (0.25 GJ/tonne in 2017); 9% of fuel used in our refineries is from renewable biomass (6% in 2017).

We have **23** energy managers and **13** energy auditors across all our facilities.

In 2018, **99%** of our milling fuel is from renewable shell and fibre by-products (99% in 2017).

Mills: Energy consumption 2018

Energy Consumption	2016		2017		2018	
	Gj ('000)	%	Gj ('000)	%	Gj ('000)	%
Fibre	8,243	74	7,949	74	7,592	72
Palm Shell	2,797	25	2,735	25	2,771	27
Total from renewable fuel	11,040	99	10,684	99	10,363	99
Diesel	130	1	136	1	131	1
Total from non renewable fuel	130	1	136	1	131	1
Total Energy Consumption	**11,170**	**100**	**10,819**	**100**	**10,494**	**100**
GJ/Tonne FFB Processed	**3.14**		**3.11**		**3.14**	

Note: Our intensity figures refer to the energy types listed for mills and refineries as shown and are based on energy consumed within the organisation. Data are not currently available on the overall breakdown of electrical, heating, cooling and steam energy consumed: we are reviewing the data on these. No energy is sold off site.

Refineries: Energy consumption 2018

Energy Consumption	2016		2017		2018	
	Gj ('000)	%	Gj ('000)	%	Gj ('000)	%
Palm Shell	96	6	111	6	154	9
Total from renewable fuel	96	6	111	6	154	9
Diesel*	198	11	119	7	101	6
Coal	501	28	489	27	470	26
Gas**	884	50	1,011	56	978	54
Electricity	90	5	90	5	89	5
Total from non-renewable fuel	1,673	94	1,709	94	1,638	91
Total Energy Consumption	**1,769**	**100**	**1,820**	**100**	**1,792**	**100**
GJ/Tonne material produced	**0.24**		**0.25**		**0.22**	

* Diesel including High Speed Diesel Oil and Marine Fuel Oil
** Gas including Liquefied Natural Gas (LNG) and Compressed Natural Gas (CNG)
Note: Data from four refineries (out of five) are based on consumption per tonne of material produced, in six processes: (i) tank yard (ii) refining CPO (iii) fractionation (iv) margarine (v) cooking oil filling and (vi) finished goods warehousing. Data are not currently available on the breakdown of electrical, heating, cooling and steam energy consumed.

One of our palm oil mills in South Sumatra

GREENHOUSE GAS EMISSIONS

Our primary GHG emission (38.3%) is from land conversion i.e. changes in carbon stock during the development of our plantations. Therefore, conservation of HCS forests is a critical initiative by IndoAgri to retain stores of carbon and prevent GHG emissions.

Around 18.5% of IndoAgri's GHG emissions are the result of naturally-occurring, low-level methane emissions from peat, rather than from its disturbance. Other sources are from Palm Oil Mill Effluent (POME), fuel usage in our mills, and nitrous oxide emissions from fertilisers.

Total net emissions in 2018 for each tonne of palm product were 1.44 tonnes CO_2e (2017: 1.54 tonnes CO_2e).

Emissions related to transport of CPO to four refineries were 0.06 tonnes CO_2e per tonne of CPO transported (2017: 0.07 tonnes CO_2e per tonne of CPO transported).

Our three aerated bunker composters continue to reduce methane emissions by 30%-70% compared with standard composting.

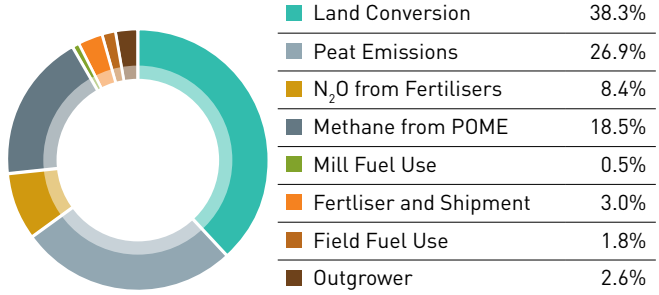
GHG Emissions 2018

Emission Sources	Description	Emission (tonnes CO_2e/tonne of palm product) 2016	2017	2018
Direct Emission Estate	Land conversion	1.16	0.95	0.91
Direct Emission Estate	Peat emissions	0.78	0.63	0.64
Direct Emission Estate	N_2O from fertilisers	0.21	0.21	0.20
Direct Emission Mill	Methane from POME	0.46	0.46	0.44
Direct Emission Mill	Fuel usage in the mill	0.01	0.01	0.01
Indirect Emission	CO_2 emissions from fertiliser	0.06	0.09	0.07
Scope 3/Transportation Emission	Fuel usage in the field	0.05	0.04	0.04
Direct Emission Estate	Outgrower	0.17	0.12	0.06
Total Emissions from Mills and Estate Operations	**A**	**2.90**	**2.51**	**2.39**
Carbon Sinks	**B** Crop and HCV sequestration	(1.07)	(0.91)	(0.90)
Carbon Credits	**C** Sale of PK shells and export of excess electricity to housing grid	(0.04)	(0.06)	(0.05)
Net Emissions from Operations	**A+B+C**	**1.79**	**1.54**	**1.44**

Note 1: Gases included in the calculations are carbon dioxide, nitrous oxide and methane. Calculations are based on site-specific data and published defaults (emissions factors and GWPs) using the Palm GHG Calculator V3.0.1. The calculation relates only to plantations and mill sites under our operational and financial control.

Note 2: The GHG emission data in 2016 are based on 10 mills and 28 estates. The 2017 and 2018 data are based on 11 mills and 30 estates.

GHG Emission Sources 2018



Total net emissions in 2018 for each tonne of palm product were **1.44 tonnes CO_2e** (2017: 1.54 tonnes CO_2e).

Our three aerated bunker composters continue to reduce methane emissions **30%-70%** compared with standard composting.

AGRICULTURAL INPUTS

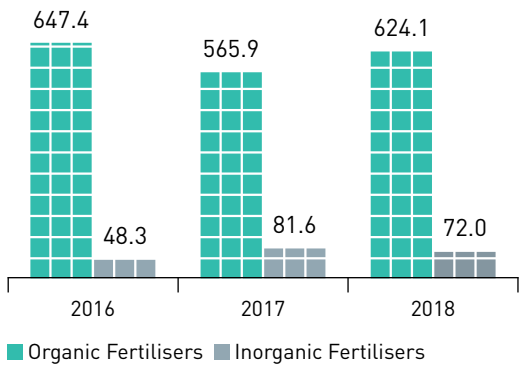
We continue to apply good agricultural practices in our nucleus and plasma plantations, and to work with independent smallholders. From 'laboratory to field', our innovation teams aim to improve soil, minimise its degradation and improve yields. We are scaling up soil improvement technologies such as slow-release fertilisers and we continue to ensure widespread good estate management practices. Better yields mean less pressure to convert or clear land. Our other research focuses on environmental risks: such as integrated pest and disease management (IPM), soil and water conservation, fertiliser management and recycling mill by-products. The initiatives include the trial of a biodegradable 'polybag' for packaging growth materials for seedlings at our Bah Lias Research Station (BLRS) in March 2018. We compared the biodegradable polybags with the more commonly used alternatives to ensure that quality was maintained after 12-18 months. Also, the trial of slow-release fertiliser bags made of biodegradable cassava help to prevent fertiliser wastage, water contamination and plastic pollution. The once-a-year application also saves time and resources while improving soil health and crop yields.

On-going trial on fertiliser application using biodegradable cassava bags that decompose naturally to slowly release fertilisers to the roots of trees

Fertiliser consumption

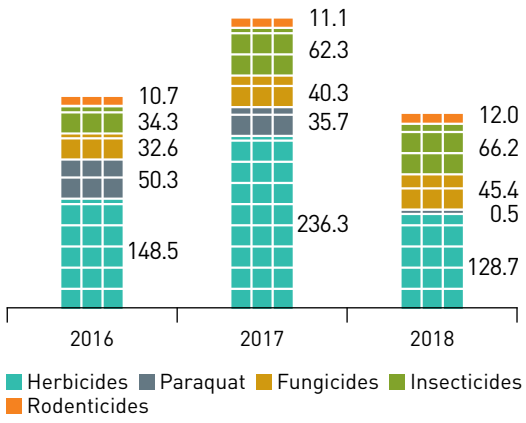
We aim to improve our soils and water quality using a blend of precise fertiliser dosage and natural improvements. The use of fertilisers is tailored based on soil productivity and the age of trees in each plantation block. Whilst we administer fertiliser during planting and replanting, we also use leguminous cover crops to manage atmospheric nitrogen and improve the soil. We also recycle Empty Fruit Bunches (EFBs) and POME for use as a soil improver. In our estates, we ensure appropriate interval between fertiliser applications and avoid applying fertilisers during heavy rain.

Fertiliser Consumption 2018
('000 tonnes)



Note: Scope of data is ISPO certified/audited estates; 50 sites in 2018.

Pesticide Consumption 2018
('000 litres)



Note: Scope of data is ISPO certified/audited estates; 50 sites in 2018.

Complete elimination of paraquat from all operations since end of March 2018

Crop health

Whilst pesticide use varies from year to year in all agribusinesses, we apply Integrated Pest Management techniques to achieve a variety of benefits such as cost savings, lower risk to human health and richer biodiversity. For example, we suppress weeds using leguminous cover crops, we encourage natural habitats for predators of leaf-eating insects, and we continue deploying our successful Barn Owl rodent control programme. Chemical pesticides are only deployed when biological and natural controls have failed. We are pleased to report that we eliminated the use of Paraquat from all our operations since end of March 2018. IndoAgri complies with government regulations (Komite Pestisida) on restricted pesticides.

avoiding chemical controls

Chelisoches morio predates the sugarcane shoot and stem borer pest at all stages of its life cycle

IndoAgri has been using natural predators for more than two decades, our best-known predators are our barn owls. Here is another example: sugarcane stem borers are a pest threat to sugarcane plantations. They are moths that lay eggs on sugarcane leaves that hatch in less than a week to produce caterpillars that bore into the sugarcane stalks. The quantity and quality of sugarcane juice from an infested stalk are drastically impaired, thus posing an economic and environmental threat to our plantations and industry.

On IndoAgri estates, we suppress the spread of this pest using natural, biological control. We introduce predatory insects that feed on the borer at every stage of its lifecycle, thus dwindling its population and safeguarding our sugarcane estates from infestation. In 2018, nearly five million insects from five different species were introduced in our sugarcane plantations to control the sugarcane borer population, resulting in lower use of insecticides.

WATER USE EFFICIENCY

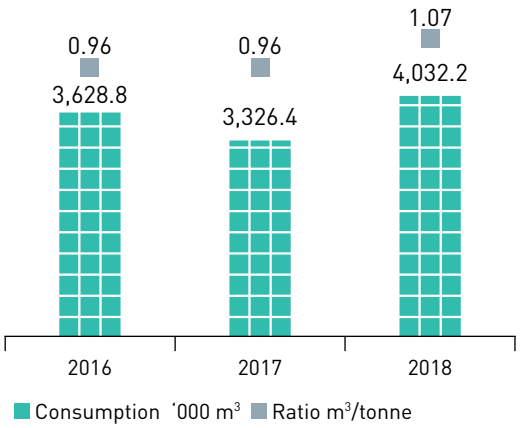
With the changing climate, global water availability risk is an increasingly important issue. As water is a critical resource in our operations, water is managed carefully at our estates, mills and refineries. In tropical Indonesia, our estates are entirely watered by rainfall, 83% of mill water is from rivers; 84% of refinery water is from municipal sources; the proportions from groundwater and reverse osmosis are 16% and 0.3% respectively.

Water used in office and site accommodation is from rain-harvest. All plantation site water is subject to formal environmental controls (AMDAL) and is within the scope of HCV assessment (page 21). In 2018, we recorded no incidences of non-compliance in water use and wastewater management.

- At our mills: we use 1,07 m^3 of water per tonne of FFB processed, an increase of 12% compared to 2017 levels. Water consumption increased marginally due to higher FFB processed and also the installation of flow meters in some mills resulting in more accurate measurements.
- At our refineries: we use 0.08 m^3 per tonne of material produced, a reduction of 12% compared to 2017 levels.

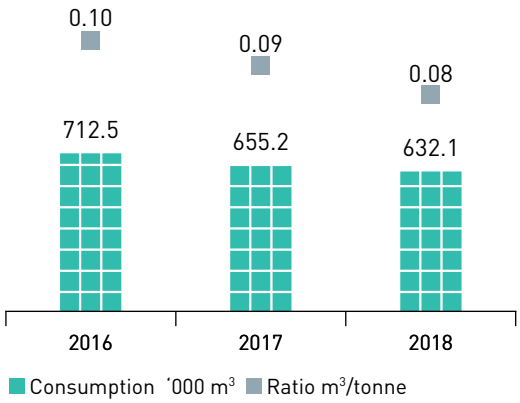
Reverse osmosis system in our Tanjung Priok refinery

Water Consumption in Mills
('000 m^3)



Note: Data from ISPO- and PROPER certified/audited palm oil mills (20 out of 26 mills). Water consumption ratio covers industrial usage in each mill. Ratio is based on average consumption in m^3 per tonne of FFB processed.

Water Consumption in Refineries
('000 m^3)



Note: Data from four refineries based on water consumption per tonne of material produced, in six processes: (i) tank yard (ii) refining CPO (iii) fractionation (iv) margarine (v) cooking oil filling and (vi) finished goods warehousing. Calculations are based on metered volumes. Water content of product is excluded.

WASTE MANAGEMENT

Waste management is important to effective process efficiency and cost control. Our sites have waste management arrangements in compliance with Indonesian regulations and waste minimisation that is guided by PROPER and ISO 14001 processes.

- At our mills: we produced an average of 1.71 tonnes of hazardous waste in 2018 (2017: 2.16 tonnes).
- At our refineries: we produced a total of 26,882 tonnes of hazardous waste in 2018 (30,032 tonnes in 2017), 74.2% of which is spent earth.

Our mills recycle 100% of milling wastes. Solid wastes consisting of EFB, fibre and shells are used as organic fertiliser or fuel for our boilers. Effluent from milling – POME – is generated by the processing FFB into CPO. Our solid waste and POME are managed in compliance with regulatory controls. Mill waste water, such as POME, is treated on site: an aerated bunker composting system is in place at three mill sites.

- Mill effluent volume: in 2018, we produced 1,925,340 m^3 of wastewater from our 20 certified/audited mills, down 1% (2017: 1,946,984 m^3).
- Mill effluent quality: the median Biological Oxygen Demand (BOD) was 2,660 mg/l at 20 certified/audited sites (2017: 2,410 mg/l).

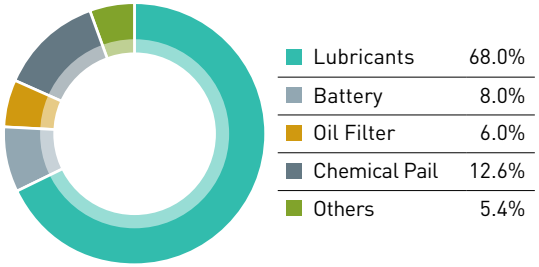
Refinery effluent produced increased from 2017, and its quality remains in compliance with regulatory controls. The effluent is sent to waste water treatment plants prior to release into water courses or municipal sewers.

- In 2018, we produced 245,759 m^3 of refinery wastewater (2017: 204,701 m^3).

No spills of effluent, CPO or diesel were recorded in 2018 during harvesting, processing or transportation. No fines or sanctions related to environmental regulations were imposed on IndoAgri in 2018.

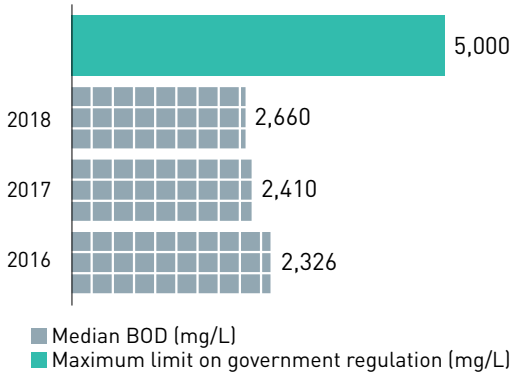
100% of hazardous waste is disposed according to national regulations and transported by an accredited third-party.

Hazardous Waste in Mills 2018

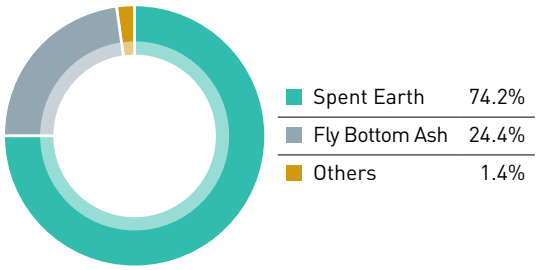


Note: Data from ISPO and/or PROPER audited, certified mills. "Others" comprise rags, electric lamps, paint cans, clinical and laboratory waste, used cartridges, and contaminated goods.

Mill Effluents 2018

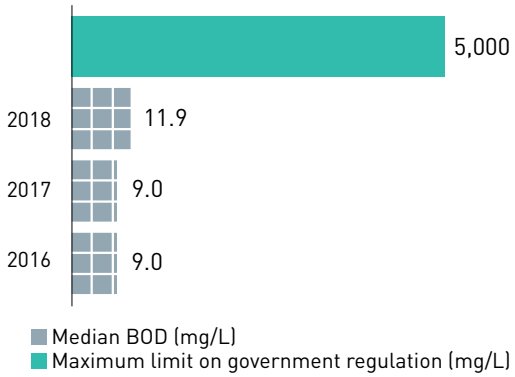


Hazardous Waste in Refineries 2018



Note: Data from 4 refineries. "Others" consist of batteries, filter oil, lubricants, electric lamps, rags, clinical waste, carbon waste, sludge waste, used nickel catalysts, contaminated packaging and gloves, and used print cartridges.

Refinery Effluents 2018



PROPER – the Indonesian Government's environmental management evaluation

Region	Type	Name	2016	2017	2018
Riau	Palm Oil Mills	Kayangan	■	■	■
Riau	Palm Oil Mills	Balam	■	■	■
Riau	Palm Oil Mills	Sungai Dua	■	■	■
Riau	Palm Oil Mills	Sungai Bangko	■	■	■
Riau	Palm Oil Mills	Napal	■	■	■
Riau	Palm Oil Mills	Lubuk Raja	■	■	■
North Sumatra	Palm Oil Mills	Turangie	■	■	■
South Sumatra	Palm Oil Mills	Arta Kencana	■	No PROPER assessment in 2017 as the mill ceased operation in April 2017	
South Sumatra	Palm Oil Mills	Sei Lakitan	■	■	■
East Kalimantan	Palm Oil Mills	Pahu Makmur*	■	■	■
East Kalimantan	Palm Oil Mills	Ampanas*	■	■	■
West Kalimantan	Palm Oil Mills	Bengkayang	■	■	■
West Kalimantan	Palm Oil Mills	Kedukul*	–	–	■
West Kalimantan	Palm Oil Mills	Nanga Silat*	–	–	■
West Java	Tea Factory	Kertasarie	■	■	■
South Sulawesi	Rubber Factory	Palangisang	■	■	■
South Sumatra	Rubber Factory	Sei Rumbiya	■	■	■
Jakarta	Refinery	Pluit	■	■	■
Jakarta	Refinery	Tanjung Priok*	–	–	■
Surabaya	Refinery	Surabaya	■	■	■
North Sumatra	Refinery	Lubuk Pakam	■	■	■
North Sulawesi	Refinery	Bitung	■	■	■

* The audit was performed by the provincial government.

Note: Participation in the PROPER audit is subject to approval by the Indonesian Ministry of Environment and Forestry.

■ Emissions in compliance with regulatory standard

■ Emissions less than 50% of regulatory standard; proper disposal of wastes; good housekeeping; accurate emissions records; reasonable maintenance of a wastewater treatment system

– *Yet to be appointed by the Ministry of Environment and Forestry for participation in PROPER assessment.*

CONSERVATION LIST OF SPECIES

For detail on IUCN Red List or other national conservation list species found on our estates, please see http://www.indofoodagri.com/environmental-performance.html

One of our oil palm mills in North Sumatra

RESPONSIBLE SOURCING

PRIORITIES

- A traceable and responsible supply chain
- Meet environmental and social standards required by customers and other stakeholders
- Work with our estates, suppliers and smallholders to deliver our Sustainable Palm Oil Policy

RESPONSIBLE SOURCING

IN THIS SECTION

Aiming for a traceable, sustainable supply chain, we explain how we work with our own estates and independent suppliers to satisfy our Policy.

PROGRESS IN 2018

PRODUCT TRACEABILITY

Some **77%** of Crude Palm Oil (CPO) is **sourced from our own plantations**

100% of CPO we refine is **traceable**

100% of Fresh Fruit Bunches (FFB) arriving at our mills is **traceable** to plantation (nucleus and plasma) sources

SUSTAINABLE SOURCING

62% of our **nucleus CPO production** was **ISPO-certified** in 2018

100% Policy compliance: all IndoAgri mills audited to our Policy requirements

CERTIFICATION ACHIEVEMENT AND POLICY DELIVERY

Goal/target	Status	Progress
1 By end 2019: ISPO certification for all estates	▢	Achieved 79% of targeted hectarage*
2 By end 2019: ISPO certification for all mills	▢	On track; achieved 24 out of 25 mills*
3 By 2020: 100% of CPO we refine is sourced in accordance with Policy	▢	On track; supplier guidelines enhanced in 2017

* *Figures cover hectarage or number of mills that are already certified or have completed ISPO first stage audit. The certificate release date is subject to the accreditation period of the certifying body. Hectarage data are based on planted areas on 31 December 2018. One of our mills ceased operations in April 2017, thus reducing our total number of operational mills from 26 to 25.*

▢ *In progress*

CERTIFICATION

Our ISPO-certified production in 2018 was 458,000 tonnes, representing 62% of our nucleus CPO production. We will continue with our initiatives to achieve our target of 100% ISPO certification by end of FY2019.

A key target is for all our mills and nucleus estates to become ISPO-certified by end of 2019. As with all certification processes, the ISPO process requires management preparation, auditing (stage one, stage two), and certification.

Of all the CPO we refine, 100% can be traced back to a supplier mill

Of the FFB processed at mills we control, 100% can be traced back to a plantation of origin

TRACEABILITY – KNOW THE SOURCE

100% of CPO we refine is traceable to mill, 77% of it is traceable to plantation. Meanwhile, all FFB processed at mills we control is traceable to plantation.

CPO to Refinery

77% of CPO is sourced internally

Our refineries purchase CPO from 43 mills, we know their addresses, ownership, and scale; 24 are IndoAgri mills.

Part of traceability is for all IndoAgri and third-party CPO suppliers to formally accept our Sustainable Palm Oil Policy and Supplier Guidelines. By 2020, all CPO suppliers must operate in accordance with our Policy. We regularly audit our suppliers to ensure compliance with our Supplier Guidelines. Major findings and recommendations will be communicated and followed-up.

Our Policy expects that all suppliers achieve ISPO certification. All IndoAgri mills are scheduled to be ISPO-certified by end 2019.

FFB to mill

100% of FFB are from IndoAgri Estates

All FFB arriving at IndoAgri mills are sourced from our plantations, of which 24% are from plasma.

Our Policy commits us to traceable palm oil that ensures: no deforestation; preservation of HCV and HCS areas; no planting on peat regardless of depth; no burning; and respect for Human Rights including Free Prior and Informed Consent.

We audit our plantations, including plasma smallholders, as part of the ISPO certification process. We have a significant project in progress designed to achieve independent smallholder certification (page 35).

Seed breeding

High-yielding oil palm seeds produced by our Bah Lias Research Station

Our Policy commits us to innovation in seed breeding to achieve productive growth and high yields.

Palm oil seeds are produced at our Bah Lias and SAIN Research Stations. Each Bah Lias seed is stamped and each batch is barcoded to provide assurance on its authenticity and quality. Bah Lias is supported by international scientists and our research station quality management systems are certified to ISO 9001.

IndoAgri maintains High Scorer status

We maintained our 'high scorer' status and achieved a score of 69.8% (higher transparency; 30th percentile) in the Annual Sustainability Policy Transparency Toolkit (SPOTT) assessment for 2018.

Developed by the Zoological Society of London (ZSL), SPOTT scores commodity producers and traders, including 70 palm oil companies, on over 100 indicators in ten categories. These indicators are on the public disclosure of policies, operations, and commitments related to environmental, social, and governance (ESG) issues. SPOTT helps investors and buyers to inform their screening, sourcing, and due diligence processes. Please see this link for more information: https://www.spott.org/palm-oil/indofood-agri-resources-ltd/

BETTER SOURCING – FOR SUSTAINABILITY AND QUALITY

Supplier management, audit, review

The scope of our Policy includes our estates (nucleus and plasma), 26 mills and all third-party CPO suppliers.

As more than 77% of our CPO supply is from our own mills, this year we focussed our engagement and audit initiatives on internal supply chains. In 2018 we conducted 121 visits, workshops, and audits on 100% of our mills and their supply base estates, focusing on:

- agronomy (Good Agricultural Practices, yield, soil health, crop protection);
- responsible operations (safety, human rights, biodiversity, peatland, fire risk);
- efficiency of operations (energy and water consumption, GHG emissions, waste production).

Our baseline supplier audit protocol includes relevant certification requirements expected of good practice auditing standards (compliance, environment, human rights, community engagement, FPIC). As we approach 2020 we are improving our audit processes and preparing data on the levels of Policy compliance of suppliers, for review against the target at that time.

To achieve a resilient supplier base, better agricultural productivity and sustainability on the ground, IndoAgri runs community projects which aim to improve local economic development and micro-enterprise opportunities (see page 48), alongside our smallholder certification project (see page 35).

While all IndoAgri suppliers must meet legal and commercial conditions, our procurement team treats all suppliers with respect to price, quality and capacity.

Yield uplift

Palm oil yield is affected by age of palm trees, seed quality, soil and weather conditions, plantation management as well as timely harvesting and processing of FFB.

At IndoAgri, we produce seeds that potentially can produce approximately 34 tonnes of FFB per hectare. We are focussed on uplifting yields of our plantations and those of our smallholders, particularly as it reduces pressure for additional conversion of land for agricultural purposes. Our agronomy research teams continue to improve the yield of oil palm fruit. For example, improvements include shortening the duration of growth to maturity for harvest and increasing the number and weight of FFB of first harvest, and increasing the oil content in the FFB.

Yield and quality are closely connected. Our plasma and other smallholders are expected to meet the same quality criteria as nucleus suppliers. We encourage and coach them in high standards of agronomy and materials management leading to better yields and productivity that will improve farmer livelihoods and reduce environmental impacts. As smallholders are vulnerable to volatile market conditions, we offer them with free advice and training. We also ensure that the costs of essential resources such as seed stocks and fertilisers are affordable to our plasma growers.

In 2018, there were no recorded incidents of FPIC violations or violations of the rights of indigenous peoples

Human rights assessment

Our human rights assessments were based on ISPO certification achievements. Our assessments will be achieved with the implementation of ISPO certification and the Indonesian Government regulation. We report that 69% of operational sites units have been formally assessed for human rights risk in 2018. The competence developed through ISPO also informs and guides our other sites which are preparing for ISPO certification. All ISPO audits include criteria for assessing this risk for new suppliers.

In 2018, we recorded no human rights related Policy breaches through our whistle-blower mechanism. See page 46 for more on human rights.

Social engagement/FPIC

As stated in our Policy, we are committed to respecting land rights and customary rights of communities and to fulfilling the requirements of FPIC before any operations begin.

To deliver FPIC in practice, particularly with respect to land acquisition involving local villages, we assess community needs relevant to all sites using a Social Impact Assessment (SIA) before any new development. Through the SIA, we identify baseline conditions and likely social impacts of development. The SIA is a guide to how we work with local communities and governments on land tenure and rights. Our process sets out licenses, government policies, company policies, land valuations and proof of ownership to promote open negotiations, inclusive decision-making and clear agreements.

In addition to FPIC, 100% of our estates have community development and engagement programmes. This is detailed in our Community section in page 48.

Smallholders

Smallholders are crucial stakeholders in our commitment to a traceable and sustainable supply chain. In Indonesia, smallholder plantations represent at least 40% of all palm oil cultivation, they generate exports and create jobs. The Indonesian Government plans to make ISPO mandatory for smallholder farmers; we aim to support and assist our smallholders achieve the ISPO certification once it is mandated. In 2018, we assisted one KUD (co-operative) in South Sumatra to achieve the ISPO certification. This smallholder KUD has successfully undergone the ISPO audit.

While IndoAgri plasma smallholders benefit from support by nucleus estates to improve yields, most smallholders traditionally record lower yields. Smallholders are embraced by our Policy and our technical and financial support, which helps them avoid clearing primary forest. Our longstanding Smallholder Programme and related smallholder group certification project are in place to improve yields.

Plasma farmers eventually become a viable and independent business. Once they fully repay their loans from IndoAgri, they get management control and land title deeds. We provide assistance to the smallholder sector and we help KUDs with their financial management and Internal Control System (ICS).

Our engagement with smallholders also involve training and workshop activities on sustainable palm oil. These include training programmes such as the Curriculum Preparation Workshop Training for Oil Palm Farmers in Sustainable Palm Oil Plantation conducted by Ekologika in September 2018. Similarly, another programme was held in Suka Damai Estate in December 2018 on Trial Ex-Plasma / Independent Farmer Training Manual for Sustainable Palm Oil Certification with participation of 20 farmers from KUD Teratai Biru. The programmes' objective was to test the training curriculum tools, learning media and manuals for facilitators of training for ex-plasma / independent oil palm farmers in the context of sustainable palm oil certification.

DIVERSE TRAINING FOR SMALLHOLDERS

The Responsible Sourcing from Smallholder (RSS) training was organised in collaboration with SNV Netherlands Development Organisation. The training will help farmers increase their production and living standards. It is also in line with the expectations of palm oil buyers who perceive risks in palm oil supply chains.

The RSS Training I was held in April in Palembang with the participation of farmers from KUDs, IndoAgri Community Development Officers and Plasma Unit Assistants, and several other partners. The session aimed to strengthen Oil Palm Farmer Organisations and cooperatives and improve financial literacy and Internal Control systems. RSS Training II in May focussed on 'environmentally-friendly palm oil plantation practices', such as HCS, harvesting, grading, transportation, plantation development, fertilisation, as well as pest and disease control.

SMALLHOLDER CERTIFICATION PARTNER PROJECT

In collaboration with IDH, IndoAgri's Smallholder Programme is working to achieve RSPO certification of 3,144 independent smallholders covering 6,141 ha in South Sumatra. The growers are committed in the programme as they understand that this will improve their access to markets, agricultural practices, and safer labour practices.

- Our analysis for 2018 shows that after a successful pilot stage, RSPO certification was achieved at eight cooperatives whose members produced 86,168 tonnes of palm oil fruit covering 4,346 hectares of planted area
- Out of the eight cooperatives, four cooperatives achieved the RSPO certification in 2018 whose members produced 42,915 tonnes of palm oil fruit covering 2,443 hectares of planted area
- Initial indications show some yields improving from 3 tonnes/ha to 4 tonnes/ha
- 10 days of training delivered to participant growers in 2018 (2017: 48, 2016: 25, 2015: 11)

Technical assistance by our plasma unit assistant to our smallholder

PRODUCT INTEGRITY

PRIORITIES

- Customer first: safe, healthy and high-quality products
- Responsible marketing
- Maintain customer trust

Filling of cooking oil into packaging


Bimoli
MINYAK GORENG BERMUTU
INFORMASI NILAI GIZI
Saran Penyajian
STABIL PANASNYA*
MATANG LUAR DALAM*
Bimoli dibuat dari kelapa sawit berkualitas. Warna kuning keemasan berasal dari Beta Karoten alami.
Bimoli menambah cita rasa dan aroma
Komposisi:
Minyak Kelapa Sawit
Indofood

PRODUCT INTEGRITY

IN THIS SECTION

We describe IndoAgri's high standards of hygienic production and food safety, and how our products are recognised for quality and their contribution to consumer health.

PROGRESS IN 2018

FOOD SAFETY

43% of production volume certified to Food Safety Management Standard FSSC 22000

Food safety audits completed for **81%** of raw materials suppliers

PRODUCT QUALITY AND INTEGRITY

Five product awards in 2018

All products and refineries **are Halal-certified**

SAFE PRODUCTS, HEALTHY FOOD

Goal/target	Status	Progress
1 Quality and safety: comply with FSSC 22000 Food safety standard	☐	Full compliance with regulations
2 Quality and safety: Comply with Halal certification system recognised by the World Halal Council.	☐	All products are Halal-certified
3 Quality: complete annual audit on quality assurance at refineries	☐	Audit completed for all refineries
4 Quality: complete annual food safety audits for suppliers of raw materials (including CPO) to our refineries	☐	Completed; 81% of supply tonnage to our refineries comes from sources that are audited annually on food safety

☐ *Achieved*

SCOPE OF DATA

Our product-related data and targets relate to all palm oil operations, unless otherwise stated. Our product sustainability focus is on edible oils and fats (EOF) products.

We recorded no incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products

FOOD SAFETY

Our consumers rely on the IndoAgri brands for safe, high quality products that they can trust. We are dedicated to meeting consumers' expectations. We have formal management processes throughout our operations that deliver our promise of high standards. Further, we have an experienced laboratory team that works on product formulations to meet the evolving needs of our customers.

IndoAgri's Quality Control teams deliver our product quality assurance. Our production sites and suppliers are audited at least annually on hygiene and sanitation. To keep up with evolving food standards, our Quality Control teams undergo regular specialist training on hygiene, safety, and Halal risk and control.

Our edible oils and fats (EOF) processed volume of CPO in 2018 was 920,000 tonnes. Some 43% of it was manufactured at our Tanjung Priok Refinery which is certified to food safety management system standard FSSC 22000. Additionally, all IndoAgri product packaging meets the Indonesian National food safety standards.

NUTRITION

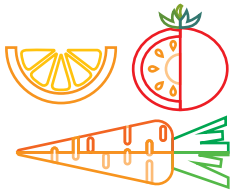
Some 85% of our edible oils and fats products are destined to domestic consumers and the commercial Indonesian market.

OUR CONSUMER BRANDS

Cooking oils are marketed domestically under the leading brands of *Bimoli*, *Bimoli Spesial*, *Delima* and *Happy*, while our margarine and shortening consumer products are packed and sold under the *Royal Palmia* and *Amanda* brands.

Please visit our website for more information on key products and markets served http://www.indofoodagri.com/edible-oils-and-fats-division.html

nutrition facts



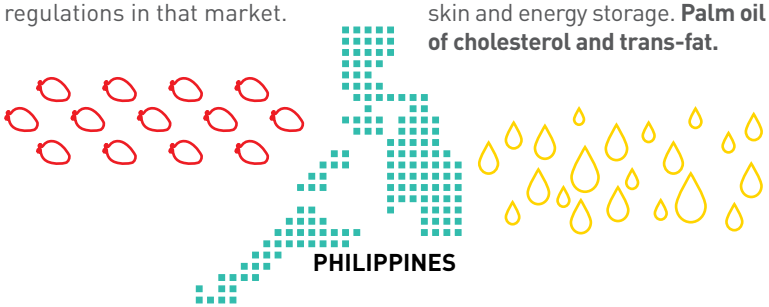
Our products provide carotenoid (for vitamin C) and tocopherol (for vitamin E) to ensure consumers achieve a balanced diet and to mitigate risk of vitamin deficiency.

Our products are fortified with essential vitamins. These vitamins strengthen the immune system, eyesight and the developing foetus in utero. These vitamins also improve cell development, enzymes and a healthy nervous system.

We take vitamin fortification beyond compliance. Whilst vitamins A and D are mandated by Indonesian law, as a manufacturer of high-quality food products, we aim to contribute to the healthy diet of Indonesians. For example, we have also added vitamins E, B1, B2, B3, B9 and B12 in our table margarine.

Our exported cooking oils to the Philippines are further enriched with vitamin A, as required by regulations in that market.

Palm oil contains the right sorts of fat (saturated and unsaturated triglycerides) which promote healthy growth, supple skin and energy storage. **Palm oil is free of cholesterol and trans-fat.**



PRODUCT INFORMATION AND LABELLING

IndoAgri complies with all national and export market requirements on marketing and communication of product information. Our product packaging complies with the Indonesian policy on Extended Producer Responsibility. Currently, we do not use recycled packaging or operate any take-back solutions.

CUSTOMER SATISFACTION

IndoAgri products are recognised for quality, price and confidence. It is critical for us to continue engaging consumers to understand and address concerns such as product quality, sustainability progress, and to communicate our policies on achieving responsible palm oil supply chain.

In 2018, we engaged over 15,000 domestic consumers through events sponsored by our award-winning brands such as *Bimoli*.

Our edible oil products meet legal limits relating to saturated fat, trans-fat and sodium

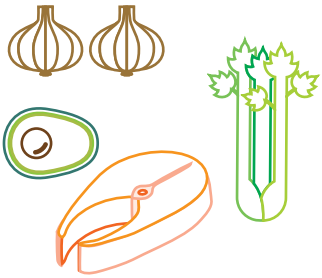
Nutritional values of each branded product are printed on the packaging

Serving size		Serving per Container	
Amount per serving		Calories	
			% Daily Value*
Total fat	...g		...%
Saturated fat	...g		...%
Cholesterol	...g		...%
Sodium	...g		...%
Total carbohydrate	...g		...%
Dietary Fiber	...g		...%
Sugar	...g		...%
Protein	...g		...%
Vitamin A	...%	Vitamin C	...%
Calcium	...%	Iron	...%

Labels urge consumers to dispose of used packaging responsibly

100% of our products and refineries are Halal-certified by a certification body accredited to the World Halal Council

All information is subject to regulations



We recognise the importance of a healthy diet to a healthy economy

Bimoli's #ICookLikeThis campaign

Our marketing campaign #icooklikethis for our Bimoli brand

A series of events were launched as part of our *Bimoli* #ICookLikeThis campaign. The campaign was organised to improve the *Bimoli* brand awareness amongst mothers from the millennial generation. From this campaign, we hope to encourage family engagement at home.

Held over a one-month period, the campaign successfully reached over 1,500 members of the public. The series of events include:

- Mobile roadshows with cooking demos by celebrity chefs
- Social gathering for women and mothers
- Cooking sessions for children
- Music performances and bazaar

Bimoli®
Kesempurnaan Minyak Goreng

awarded Best Brand

16 years in a row

Indonesia Living Legend Brands 2018

Indonesia WOW Brand 2018 Gold Champion

Most Valuable Indonesian Brands with a US$ 320 million Brand Value and AA Brand Rating

Platinum Indonesia Best Brand Award for the 16th year

Top Halal 2018

Children activities at play centre in Rumah Pintar

PEOPLE AND COMMUNITY

PRIORITIES

- Safe operations, healthy workforce
- People feel valued and respected, and committed to success
- Positive development of our people and local communities
- Listen to our local stakeholders

PEOPLE AND COMMUNITY

IN THIS SECTION

We explain progress on optimising labour conditions and ensuring the wellbeing of our people and host communities.

PROGRESS IN 2018

ZERO HARM

100% of SMK3 management system in place on all sites

EMPLOYEE WELFARE & TRAINING

Decrease in employee turnover

DECENT LABOUR CONDITIONS

Strict compliance with minimum wage regulations

Seasonal workers' contracts **respect government regulation**

No forced labour nor child labour on any sites

All workers free to participate in labour union of choice

DECENT LABOUR CONDITIONS

Three awards from the Ministry for Environment & Forestry in recognition of our **successful PROKLIM projects**

11 out of 20 Rumah Pintar are self-sufficient

ZERO HARM, PRODUCTIVE WORKFORCE

Goal/target	Status	Progress
1 Zero fatalities (across total workforce)	■	We regret to report four fatalities in our palm oil operations
2 Reduce group accident frequency rate (AFR) by 10% between 2018-2020	■	Group AFR decreased by 5% from 1.8 in 2017 to 1.7 in 2018
3 By 2020: SMK3 certification for 25 mills and 3 refineries	■	New target in 2018; Received certifications for 1 refinery in 2018. Our total certified sites as of end 2018 are 12 mills and 3 refineries

■ *Not yet achieved* ■ *In progress* ■ *New target*

HEALTH AND SAFETY

100% of our sites have now set up SMK3 (Sistem Manajemen Keselamatan dan Kesehatan Kerja), the Indonesian OHS standard. 34 sites (30 in Palm Oil) also achieved SMK3 Gold certification.

We conduct SMK3 refresher training across 100% of our sites every year. This is to ensure day-to-day SMK3 compliance of all our workers at their respective sites.

We regret to report that there were four work-related fatalities in 2018, all in our palm oil operations. Senior managers visited the bereaved, and victims are covered by Badan Penyelenggara Jaminan Sosial (BPJS), an Indonesian social security system. Every accident is followed by a thorough formal investigation, a review of causes and a preventive action plan.

SCOPE OF DATA

As per previous years, our health and safety data relate to all IndoAgri group assets, not solely palm oil operations. There is no change in scope or methodology for our health and safety indicators.

	Fatality	AFR*	ASR*
IndoAgri Group	4	1.7	243.2
	(1 in 2017)	(1.8 in 2017)	(71.7 in 2017)

AFR in 2018

	Employees	
Coverage	**Male**	**Female**
By Gender	2.1	0.3
By Region		
Sumatra	3.1	0.4
Kalimantan	0.4	–
Others	1.0	–

ASR in 2018

	Employees	
Coverage	**Male**	**Female**
By Gender	326.0	1.0
By Region		
Sumatra	483.8	1.6
Kalimantan	136.5	–
Others	10.5	–

* *Accident frequency rate (AFR) is calculated as follows: No. of Work Days Lost x 1,000,000 divided by Total Hours Worked (number of employees x 40 hours x 50 weeks). Accident severity rate (ASR) is a calculation that gives a company an average of the number of lost days per recordable incident, recorded when an employee is referred to a clinic due to a workplace accident, and given leave of absence. In accordance with regulations, we count the accident if the lost day is more than one day.*

harvest safe!

We are particularly committed to the safety of employees harvesting or pruning near high tension electricity cables. Colleagues carrying out such high-risk tasks undergo special training, are required to follow specific technical procedures and are regularly monitored. Strictly controlled procedures include the following:

- Before work commences, proper coordination and a special approval from the estate manager is required which specifies Personal Protective Equipment (PPE), capital equipment used and names of employees
- A foreman is to oversee the task until completion
- The electricity supply must be turned off
- No work is allowed under wet weather conditions
- A non-conductive bamboo pole must be used for harvesting
- PPE must be appropriate and complete e.g. voltage resistant gloves and shoes

Training on harvesting near high tension electricity cables

LABOUR RIGHTS AND HUMAN RIGHTS

In 2018, no operations or suppliers were identified as having significant risk relating to collective bargaining, forced labour or child labour. IndoAgri employees benefit from a government pension, additional contributions from the company, and retirement packages (in agreement with the BPJS).

Seasonal Contract Workers

IndoAgri hire seasonal contract workers for weeding and peak season tasks. They are usually local and related to our full-time employees. The flexibility of seasonal agricultural work allows workers to tend to other activities such as juggling a variety of household jobs, or in other income generating activities such as cultivating their own crops and running cottage industry businesses.

The hiring of contract workers complies with government regulation using company procedures, Code of Conduct, our Sustainable Palm Oil Policy, and the latest Principles and Criteria of ISPO. Each seasonal worker's contract respects government regulation and we ensure that they understand their rights and responsibilities. As it is our policy to ban non-registered employees from working on our sites, all seasonal workers are registered by our Human Resource Department and logged onto the fingerprint recognition system. Depending on skills and job availability, our seasonal workers can be promoted as permanent workers to manage core roles.

Against child labour

We strictly disallow those below age 18 from working at our sites. Based on our employee database, no registered IndoAgri worker is below age 18.

We take proactive measures to prevent child labour from arising. As education is critical in drawing children away from fields, we provide free education to the children of our employees in estates with existing schools. Levels of education provided begin from kindergarten level to secondary school. As at end 2018, there are 161 schools and 828 teachers on our plantations. We also provide day care facilities for children under five.

Signs and posters reminding workers not to bring children to the work area are placed in all our plantation sites. Employment contracts for all workers include a clause on disallowing children to help with agricultural production work. Warning letters will be issued to those who do not comply – this is incorporated into employment contracts.

Diversity

In 2018, there were no incidents of discrimination reported via our whistle-blowing facility or to our Gender Committees. Jobs of new mothers are reserved while they are on maternity leave. During the reporting period, 359 women took maternity leave (2017: 194), 80% or 287 women returned to the same job position (60% in 2017). The rest remained on leave or chose to leave the company.

Sign posting stating "Unregistered workers are forbidden"

GENDER COMMITTEES IN ACTION

Gender Committees aim to discuss issues concerning the protection of women such as complaint services, counselling and maternal/child health. A training session was held in North Sumatra in October 2018 to share information on the Committees' role and extent. A Committee is in place in all work units to foster clear understanding of gender equality and to mediate problems faced by female workers. Male and female Committee members are equipped with knowledge of family nutrition and hygiene. The Committee plays an important role in maintaining and enhancing the role of women in estates, mills and households.

Freedom of association

All our workers have the liberty to register themselves directly with their preferred labour union and bargain collectively. As at end 2018, 62% (2017: 69%) of our operational employees were registered with a union, the remainder are covered by a company regulation known as Peraturan Perusahaan. We engage regularly with the labour unions of our workers

through bipartite meetings to discuss issues such as agreement on quota, wages etc. These bipartite meetings are attended by representatives of the company and all labour unions. One of the latest meetings was held in North Sumatra on 4th October 2018 to discuss mutual agreement on increases of premiums wages for harvesters and factory workers. Such dialogue sessions are conducted with the labour unions to achieve a favourable outcome for all and to avoid disputes. We believe there are no sites where the right to freedom of association is at significant risk.

EMPLOYEE WELFARE

Through our Work and Estate Living Programme, we work with local governments and hospitals to provide essential medical support, facilities and infrastructure for the people living on our estates. Our projects focus on household hygiene, healthy living and free access to medical facilities. See page 52 for more data on education and medical facilities provided which employees and their dependents enjoy free of charge.

Minimum wage and wage slips

We ensure that all our employees are adequately compensated for their work. We are also in strict compliance with the minimum wage regulations set by the Government. In 2018, we continued to pay all our employees and workers within or above the minimum wages of their respective region.

Access to benefits

We comply with government regulation on equal access to employment benefits. Over the years, we have improved the benefits and incentives for all our employees and workers to improve job satisfaction and welfare across our operations. Other than competitive remuneration, we care for our employees through provisioning of housing, sports facilities, places of worship, educational institutions such as schools, medical facilities and amenities.

In compliance with the Indonesian Government regulation, we also register all our workers to the BPJS health and accident insurance scheme. The BPJS insurance is only available to workers with an electronic identity card (E-KTP). However, some of our workers remain unregistered because they lack an E-KTP. This is because those who do not yet have an E-KTP or have invalid E-KTP number are unable to register for it. In such cases, we help workers obtain the appropriate documentation and liaise with the relevant government units to facilitate registration.

Appropriate workload

While daily quotas for harvesting are based on individual plantation characteristics and complexities, it is crucial for IndoAgri that the daily quota is achievable by our harvesters. Therefore, daily quotas are set based on mutual agreement between the company and respective labour unions with representation from workers.

Update on the allegations related to labour and human rights

At IndoAgri we take all grievances and complaints very seriously and comply fully with any obligatory formal processes. In June 2016, three NGOs submitted a formal complaint alleging instances of labour violations at one of our subsidiaries. Between 2016 and 2018, we have had a total of 23 audits at the location in question in North Sumatra conducted by RSPO accredited independent auditors and Accreditation Services International ("ASI"). These audits confirm that we remain compliant with the RSPO Principles and Criteria. All audited sites remained compliant and certified, and there were no material findings to substantiate the allegations. We were naturally surprised at the findings of RSPO's final audit report dated 23rd November 2018 which

Our central clinic in Riau estate, which is level 1 BPJS-registered, provides health services to our employees and neighbouring communities

stated that an audit carried out between 4-7 June 2018 were inconsistent with the 23 previous audits.

Despite numerous requests for supporting evidence to substantiate the allegations, nothing beyond the initial report has been provided by the complainants. We committed to abide by the RSPO Complaints Process (CP) and receive feedback as part of our ongoing improvement processes. Overall we experienced a deep and disappointing lack of engagement by the RSPO CP and unrealistic timings related to responses expected of IndoAgri. For example, in December 2018, we openly sought advice from RSPO on selecting an external consultant to assist us; instead of providing constructive feedback, RSPO insisted that we submit an Action Plan in an unrealistically short timeframe. Despite our steadfast efforts to engage with the RSPO CP since 2016 we decided to withdraw from RSPO and focus instead on implementing the Indonesian Sustainable Palm Oil (ISPO) certification. We add that in 2019, subsequent to our withdrawal from RSPO, the audit of our Turangie mill in North Sumatra confirmed compliance with RSPO requirements.

A chronology of events including actions taken by IndoAgri and communication between IndoAgri and RSPO is available on our website.

TRAINING AND DEVELOPMENT

Our various training and development modules are guided by Total Quality Management principles. These modules and initiatives seek to improve the career development, job satisfaction and welfare of our employees. We are pleased to report 6% of permanent employee turnover, which is a decrease compared to 8% 2017. See figures on training, turnover and new hires data on pages 51-52.

Since 2015, all employees from staff-level and above complete an annual performance review. This appraisal process allows us to reward and retain high performance and identify opportunities for improvement, with a focus on a competitive rewards package. It also helps implement the Balanced Scorecard to track against a target for each employee. The scorecard focuses on quality, cost, regulatory and social practice, as well as culture change and learning.

COMMUNITY

As an agribusiness in rural Indonesia, we play a crucial role in the livelihood of the communities in which we operate. We aim to advance the socio-economic development of our farmers and suppliers, communities and families living in the vicinity of our operations. Besides providing employment opportunities to thousands living in remote areas, we continue to improve the quality of life in our nucleus and plasma estates through our Solidarity Programme. Through a range of education, health, infrastructure, micro-enterprise, farmer training, culture and humanitarian living programmes, the outcome we want is empowered and resilient communities.

Access to Healthcare

During the reporting period, we continued our ongoing initiatives for community welfare improvements for each site. Clinics and first aid posts are provided on every estate for workers and their families. Community Health Centres ('Posyandu') are also available in the wider community for maternal and infant health care. In 2018, we have 197 medical clinics in our estates, and 206 Posyandu, supported by 277 midwives/nurses and 60 doctors. Routine activities in our Posyandu include monthly health checks, counselling, immunisation, and provision of nutritional supplements or food.

Land Rights

Managing land tenure systems in rural Indonesia can be complex as national laws and regulations overlap with customary laws, religious laws, inheritance systems, and the historic assertions of traditional ownership and rights. This legal framework creates confusion and may lead to abuse which affects land ownership and property. Despite the challenging operational environment, we remain steadfast in committing to respect the principles of FPIC, see also page 34. All our land transaction complies with Indonesian law and company policy.

We recognise the challenges surrounding land use, hence are focused on maximising the yield of our plantations. Please see page 34 about maximising yield to alleviate pressure on forests and reduce risk of conflicts over land rights.

SKILLS ALWAYS UNDER THE SPOTLIGHT

Our training and development programme is called 'Sharing Knowledge'. Delivered by our human resources team, it features workshops on interview methods, personal improvement and stress management. Special "Friday Sharing Sessions" in 2019 will also cover business processes, mental wellbeing, sustainability, behavioural skills and management techniques. The programme is an opportunity for employees to interact and bond with members of other departments as well as to discover new skills. The sessions are interactive and engaging and will increasingly be part of each employee's routine.

Another specialist programme called 'Mapping Assessment' allows our employees to enrich their career path and communicate directly with the Human Resource Department. The program helps our employees reflect on their achievements, increase motivation and maintain a 'healthy competitiveness' in achieving the targets set by the management for the staff.

POSYANDU UPDATE

We aim to render as much support to improve the welfare of the communities living near our sites. As one beneficiary said: Various services are provided by Posyandu in collaboration with the local Puskesmas such as gynecological services for pregnant mothers and infants, paediatric care for children, family planning services, and vaccinations. Services offered at the Posyandu has benefitted my family and others.

Height measurement as part of Posyandu activities in our estates

RUMAH PINTAR

Rumah Pintar or 'smart houses' are set up in our oil palm plantations for locals to come together to learn new skills and sell artisanal products. Typically, it provides tutors, books, children's facilities, and a computer workstation. In 2018, our 20 Rumah Pintar in 6 different regions benefited more than 60,000 visitors. We are also pleased to report that 11 out of 20 Rumah Pintars are financially self-sufficient and has benefitted many academically.

Computer Centre at Rumah Pintar

I have just graduated from high school and am planning to apply for a job as an office administrator in a school. With the IT facilities provided at Rumah Pintar, I managed to understand and learn about using computers. I am very grateful for the Rumah Pintar facilities in Kayangan estate.

Risma - Palem Agung Village, Kayangan Estate, Riau

YEAR 3 OF PROKLIM

Set up in 2016, our PROKLIM project, sponsored by the Ministry for Environment and Forestry, is part of a national Indonesian 'climate village programme' to promote climate change mitigation and adaptation action in agriculture, waste and energy. Our PROKLIM projects aim to (i) increase community resilience, (ii) contribute to national GHG emission reduction target, (iii) improve local level coordination to deliver climate change policies, and (iv) provide opportunities to the communities to adopt low-carbon technologies in the local villages.

In recognition of our successful PROKLIM project, we have received a total of six awards, including three in 2018, from the Ministry for Environment and Forestry.

Showcase of products developed by communities in our Riau estates as part of PROKLIM program.

We are happy because there is no need to frequent the market to meet our daily food needs. We can just pick vegetables around our homes. My hope is that this program can be replicated in other units.

Mukhtar, Division IV Spray Overseer, Sungai Bangko Estate, Riau

CLEFT LIP SURGERY PROGRAMME

The cleft lip surgery programme represents a vital contribution to communities in Indonesia. The support is aimed at children with a cleft lip or cleft palate, usually aged between three months to two years as facial aesthetics and speech recovery are optimised. In collaboration with numerous hospitals and non-profit organisations, we facilitate all stages from searching for cases, pre-operation family counselling, pre-operative examination, surgery, and post-operative care or speech therapy. In 2018, the team together with 42 volunteers delivered additional 130 surgeries on 112 patients. Since 2014, this programme has delivered 384 successful treatments to 342 children.

Please visit our Sustainability Homepage for more information on our community, enterprise, and medical aid programmes.

OUR PEOPLE – DATA TABLES

Employee Statistics

	18 – 25 Years		26 – 35 Years		36 – 45 Years		≥ 46 Years		Total	
Education	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**
Academy and University (Strata 1, 2 and 3)	185	124	650	631	393	271	393	188	1,621	1,214
Diploma (D1-D4)	42	39	239	242	156	88	107	68	544	437
Senior High School	763	636	3,084	2,290	2,948	1,867	1,976	1,146	8,771	5,939
Junior High School	1,219	331	3,245	1,537	2,439	1,327	1,261	530	8,164	3,725
Primary School	299	347	2,383	1,821	3,196	1,981	2,042	1,097	7,920	5,246
Total	**2,508**	**1,477**	**9,601**	**6,521**	**9,132**	**5,534**	**5,779**	**3,029**	**27,020**	**16,561**
Level										
Manager and Senior Manager	0	0	23	41	60	94	201	141	284	276
Supervisor	1	2	68	78	96	40	143	37	308	157
Staff	143	97	468	477	265	130	320	87	1,196	791
Administrative/ Operational	2,364	1,378	9,042	5,925	8,711	5,270	5,115	2,764	25,232	15,337
Total	**2,508**	**1,477**	**9,601**	**6,521**	**9,132**	**5,534**	**5,779**	**3,029**	**27,020**	**16,561**
Region										
Sumatra	1,585	868	6,255	4,277	5,859	3,935	3,521	2,331	17,220	11,411
Kalimantan	530	528	2,115	1,951	1,608	1,321	759	460	5,012	4,260
Others	393	81	1,231	293	1,665	278	1,499	238	4,788	890
Total	**2,508**	**1,477**	**9,601**	**6,521**	**9,132**	**5,534**	**5,779**	**3,029**	**27,020**	**16,561**
Status										
Permanent Employee	1,241	1,245	7,423	6,228	8,294	5,380	5,490	2,964	22,448	15,817
Non Permanent Employee	1,267	232	2,178	293	838	154	289	65	4,572	744
Total	**2,508**	**1,477**	**9,601**	**6,521**	**9,132**	**5,534**	**5,779**	**3,029**	**27,020**	**16,561**
Seasonal Workers										
Total	**3,932**	**2,242**	**5,734**	**4,381**	**4,229**	**3,830**	**2,560**	**2,489**	**16,455**	**12,942**

Note: Regarding ethnic diversity of the workforce, no significant difference exists between diversity of our workforce and the host regions where we operate.

Training

	Training Hours		
Level	**Male**	**Female**	**Total**
Manager and Senior Manager	2,397	164	2,561
Supervisor	1,328	164	1,492
Staff	64,500	1,219	65,719
Administrative/ Operational	18,898	6,657	25,555
Total	**87,123**	**8,204**	**95,327**

OUR PEOPLE AND COMMUNITY – DATA TABLES

New Hire

	18 – 25 Years		26 – 35 Years		36 – 45 Years		≥ 46 Years		Total	
Region	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Sumatra	130	196	309	312	120	47	32	5	591	560
Kalimantan	107	144	189	232	103	112	50	4	449	492
Others	68	13	66	13	79	1	91	3	304	30
Total	**305**	**353**	**564**	**557**	**302**	**160**	**173**	**12**	**1,344**	**1,082**

Turnover

	18 – 25 Years		26 – 35 Years		36 – 45 Years		≥ 46 Years	
Region	Male	Female	Male	Female	Male	Female	Male	Female
Sumatra	8%	10%	6%	0%	3%	1%	12%	4%
Kalimantan	26%	5%	15%	3%	11%	2%	9%	5%
Others	4%	12%	4%	7%	2%	1%	6%	14%

WELFARE (MEDICAL FACILITIES – ESTATE AND OFF SITE)

Medical Facilities on Our Plantations 2018

Medical Facilities	North Sumatra	South Sumatra	Kalimantan	Riau	Java	Sulawesi	Total
Division Clinic	40	37	16	38	2	1	**134**
Central Clinic	13	25	17	4	2	2	**63**
Ambulances	2	14	10	5	1	0	**32**
Doctors	2	1	2	3	0	0	**8**
Visiting Doctors	16	24	9	0	2	1	**52**
Midwife/Nurses	62	74	47	84	4	6	**277**
Posyandu	59	38	48	42	17	2	**206**

EDUCATION FACILITIES

Education Facilities on Our Plantations 2018

School Facilities	North Sumatra	South Sumatra	Kalimantan	Riau	Java	Sulawesi	Total
Day Care Centres	30	30	52	44	1	162	**319**
Kindergarten	25	29	7	33	3	4	**101**
Primary Schools	10	18	2	17	1	1	**49**
Secondary Schools	2	1	0	4	0	0	**7**
High Schools	1	0	0	3	0	0	**4**
Teachers	129	198	41	433	14	13	**828**
Rumah Pintar	4	6	5	4	0	1	**20**

ABOUT THIS REPORT

This sustainability report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. The report also complies with requirements of the SGX-ST Listing Rules Practice Note 7.6 Sustainability Reporting Guide. IndoAgri has not commissioned any third-party assurance on this report. We welcome your feedback or questions at sustainability@indofoodagri.com. Previous reports are available online at www.indofoodagri.com. Please refer to page 55 of this report for the GRI Content Index.

SCOPE AND PROFILE

This report presents our sustainability performance for 2018. The scope of this report covers our most dominant crop, oil palm, which occupies 83% of our total planted area. There is no significant change to the size, structure or ownership of our oil palm operations compared to the previous report. The palm oil sustainability data is captured through our Sustainability Management Information System.

For environmental, health and safety, and responsible sourcing data, the scope of oil palm plantation, mill, and refinery operations covered has expanded. In this report, we include data from our ISPO- or PROPER-certified/audited plantations and mills (previously only RSPO). These data cover:

- ISPO-certified/audited plantations: 50 out of 85 sites (2017: 39 sites)
- ISPO- or PROPER-certified/audited mills: 20 out of 26 sites (2017: 17 sites)
- PROPER-certified/audited refineries: 4 out of 5 sites (2017: 4)

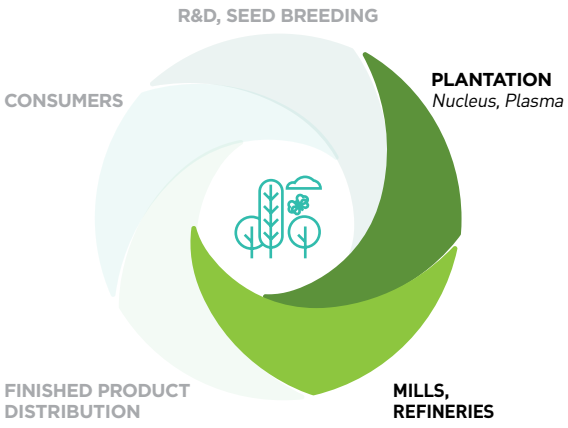
ISPO certification is a key tool to help deliver on our Policy goals on deforestation, land rights, peatland, burning, smallholders and human rights.

In 2018, the capacity of our Surabaya edible oil refinery was increased to produce an additional 300,000 tonnes/annum.

The scope of palm oil GHG data for 2018 includes 11 mills and 30 estates (unchanged from 2017)

The financial and employee data refer to the whole Group (all commodity operations).

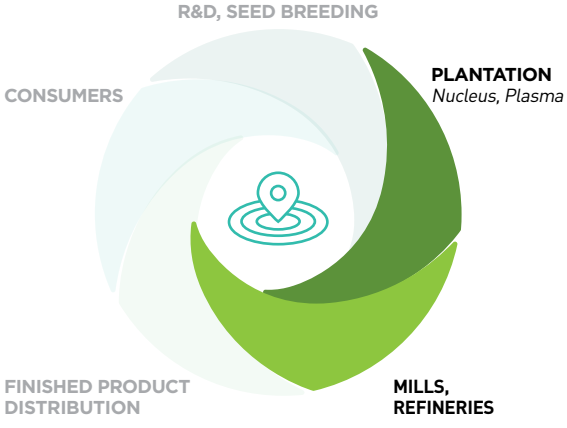
ISSUE BOUNDARIES – ENVIRONMENTAL PERFORMANCE



Environmental impacts principally occur in the origination and manufacturing stages of our business. Stakeholders affected by, and who may influence, such impacts:

- Employees
- Smallholders
- Communities
- Investors
- Customers
- Civil society organisations

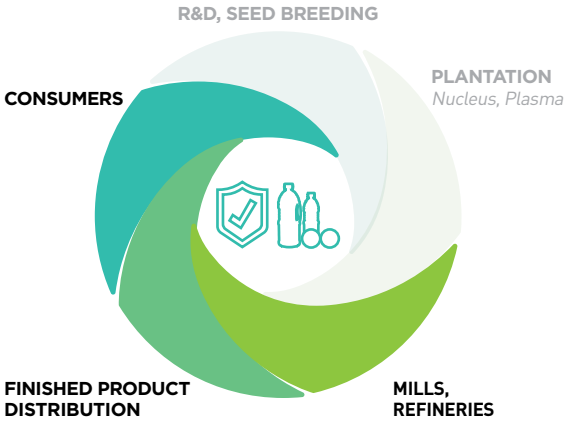
ISSUE BOUNDARIES – RESPONSIBLE SOURCING



The impacts of concern here affect the origination and manufacturing stages of our business, and influence product quality. Stakeholders affected by, and who may influence, such impacts:

- Customers
- Plasma Smallholders
- Third-party suppliers
- Communities
- Special interest groups

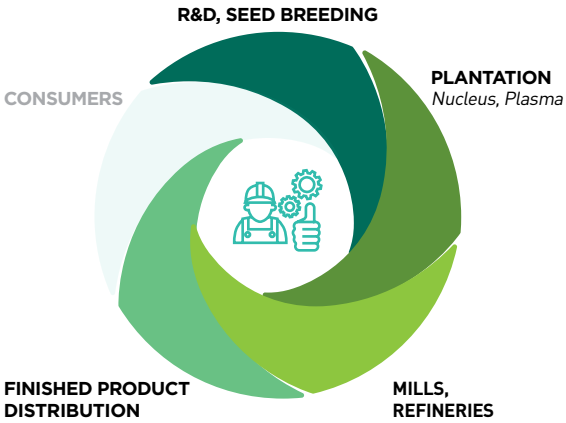
ISSUE BOUNDARIES – PRODUCT INTEGRITY



The impacts of concern here centre on the product attributes, quality and customer satisfaction. However, origination and manufacturing stages are clearly important too. Stakeholders affected by, and who may influence, such impacts:

- Customers, consumers
- Investors
- Employees
- Special interest groups

ISSUE BOUNDARIES – PEOPLE AND COMMUNITY



The impacts of concern here affect all employees and workers through out assets we control as well as host communities of our operations. Stakeholders affected by, and who may influence, such impacts:

- Employees, workers, contractors
- Communities
- Special interest groups
- Regulator

GRI CONTENT INDEX

GRI 101: FOUNDATION 2016

GENERAL STANDARD DISCLOSURES

Disclosure No.	Disclosure Title	Page Number and Reasons for Omissions, if applicable
ORGANISATIONAL PROFILE		
GRI 102: General Disclosures 2016		
102-1	Name of the organisation	Back cover
102-2	Activities, brands, products, and services	Business Overview pages 12-17, Annual Report pages 26-29
102-3	Location of headquarters	Welcome page, Back cover
102-4	Location of operations	Business Overview → Regional Presence page pages 16-17
102-5	Ownership and legal form	IndoAgri is 62.8% effectively owned by PT Indofood Sukses Makmur Tbk (PT ISM). IndoAgri is listed on the Singapore Exchange Securities Trading Limited (SGX-ST). Annual Report Corporate Structure page 01, page 156
102-6	Markets served	Business Overview → Value Chain - From seed to sales pages 15-16, Annual Report page 151
102-7	Scale of the organisation	Business Overview → Workforce Profile page 16, Business Overview → Key Highlights pages 14-15
102-8	Information on employees and other workers	Business Overview → Workforce Profile page 16, People and Community pages 46 and 51 Part-time employment is not used at IndoAgri. Our HR team collate the data using their HR management information system, using standard definitions of terms, in line with regulatory requirements.
102-9	Supply chain	Responsible Sourcing → Traceability - know the source, page 33
102-10	Significant changes to the organization and its supply chain	About This Report → Scope and profile page 53 In 2018, we acquired two new sugar mills in Brazil
102-11	Precautionary Principle or approach	Sustainability in Palm Oil: Governance & Management → Governance Arrangements for Sustainability page 06
102-12	External initiatives	Sustainability in Palm Oil: Governance & Management → Governance Arrangements for Sustainability page 06
102-13	Membership of associations	Sustainability in Palm Oil: Governance & Management → Governance Arrangements for Sustainability page 06, Sustainability webpage → Our Reporting → Engaging With Our Stakeholders http://www.indofoodagri.com/our-reporting.html
STRATEGY		
102-14	Statement from senior decision-maker	CEO Statement page 01
ETHICS AND INTEGRITY		
102-16	Values, principles, standards, and norms of behavior	Welcome page
102-17	Mechanisms for advice and concerns about ethics	Sustainability webpage → How We Manage Sustainability → Governance and Risk http://www.indofoodagri.com/managing-sustainability.html
GOVERNANCE		
102-18	Governance structure	Sustainability webpage → How We Manage Sustainability → Governance and Risk http://www.indofoodagri.com/managing-sustainability.html
STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	Sustainability webpage → Our Reporting → Engaging With Our Stakeholders http://www.indofoodagri.com/our-reporting.html
102-41	Collective bargaining agreements	People and Community → Labour Rights and Human Rights → Freedom of Association pages 46-47
102-42	Identifying and selecting stakeholders	Sustainability webpage → Our Reporting → Engaging With Our Stakeholders http://www.indofoodagri.com/our-reporting.html
102-43	Approach to stakeholder engagement	Sustainability webpage → Our Reporting → Engaging With Our Stakeholders http://www.indofoodagri.com/our-reporting.html
102-44	Key topics and concerns raised	Sustainability webpage → Our Reporting → Engaging With Our Stakeholders http://www.indofoodagri.com/our-reporting.html
REPORTING PRACTICE		
102-45	Entities included in the consolidated financial statements	a. Our Annual Report pages 70, 112-123 provides an overview of all entities (subsidiaries pages 112-117, associates pages 118-120, joint venture pages 121-123, agriculture assets including palm oil, transport operations pages 112-116, research stations page 112 and others pages 113-116). b. Apart from palm oil operations (82 plantations, 32 subsidiary companies in plantation management, milling and refining), all other entities in 102-45a above are excluded
102-46	Defining report content and topic Boundaries	Sustainability webpage → Our Reporting → Where Material Impacts Occur http://www.indofoodagri.com/our-reporting.html
102-47	List of material topics	Sustainability in Palm Oil: Governance & Management → Focus on Key Topics pages 08-09 Sustainability webpage → Our Reporting → Where Material Impacts Occur http://www.indofoodagri.com/our-reporting.html

GENERAL STANDARD DISCLOSURES

Disclosure No.	Disclosure Title	Page Number and Reasons for Omissions, if applicable
REPORTING PRACTICE		
GRI 102: General Disclosures 2016		
102-48	Restatements of information	About This Report → Scope and Profile pages 53-54 There have been no restatements of information from the previous report covering the financial year 2017.
102-49	Changes in reporting	About This Report → Scope and Profile pages 53-54
102-50	Reporting period	About This Report → Scope and Profile pages 53-54
102-51	Date of most recent report	Sustainability webpage → Our Reporting http://www.indofoodagri.com/our-reporting.html
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	About This Report page 53
102-54	Claims of reporting in accordance with the GRI Standards	About This Report page 53
102-55	GRI content index	GRI Content Index pages 55-63
102-56	External assurance	About This Report page 53

TOPIC SPECIFIC DISCLOSURES

Disclosure No.	Disclosure Title	Page Number and Reasons for Omissions, if applicable
CATEGORY: ECONOMIC		
PROCUREMENT PRACTICES		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Sustainability webpage → Our Reporting → Where Material Impacts Occur http://www.indofoodagri.com/our-reporting.html, Sustainability in Palm Oil: Governance & Management → Responsible Sourcing page 10
103-2	The management approach and its components	Sustainability in Palm Oil: Governance & Management pages 04-11, Sustainability in Palm Oil: Governance & Management → Responsible Sourcing page 10, Sustainability webpage → How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html
103-3	Evaluation of the management approach	Sustainability webpage → How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html, Sustainability in Palm Oil: Governance & Management → Responsible Sourcing page 10, Sutainability in Palm Oil: Governance & Management → Tracking Performance, Evaluating Progress → Certification Achievement and Policy Delivery page 11
GRI 204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	Not reported; reason for omission is that we use the more meaningful indicators from the GRI Food Processing Sector Disclosures in place of 204-1, see below.
GRI G4 FPSS		
FP1	Percentage of purchased volume from suppliers compliant with company's sourcing policy	Responsible Sourcing → Traceability - know the source page 33
FP2	Percentage of purchased volume verified as in accordance with responsible production standards (ISPO)	Responsible Sourcing → Certification page 33
CATEGORY: ENVIRONMENTAL		
MATERIAL ASPECT: MATERIALS		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Sustainability webpage → Our Reporting → Where Material Impacts Occur http://www.indofoodagri.com/our-reporting.html, Sustainability in Palm Oil: Governance & Management → Environment page 10
103-2	The management approach and its components	Sustainability in Palm Oil: Governance & Management pages 04-11, Sustainability in Palm Oil: Governance & Management → Environment page 10, Sustainability webpage → How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html
103-3	Evaluation of the management approach	Sustainability webpage → How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html, Sustainability in Palm Oil: Governance & Management → Environment page 10, Sustainability in Palm Oil: Governance & Management → Tracking Performance, Evaluating Progress →Reducing Environmental Impacts page 11
GRI 301: Materials 2016		
301-1	Materials used by weight or volume	Environmental Performance → Agricultural inputs → Fertiliser Consumption page 26

TOPIC SPECIFIC DISCLOSURES

Disclosure No.	Disclosure Title	Page Number and Reasons for Omissions, if applicable
CATEGORY: ENVIRONMENTAL		
ENERGY		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Sustainability webpage → Our Reporting → Where Material Impacts Occur http://www.indofoodagri.com/our-reporting.html, Sustainability in Palm Oil: Governance & Management → Environment page 10
103-2	The management approach and its components	Sustainability in Palm Oil: Governance & Management pages 04-11, Sustainability in Palm Oil: Governance & Management → Environment page 10, Sustainability webpage → How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html
103-3	Evaluation of the management approach	Sustainability webpage → How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html, Sustainability in Palm Oil: Governance & Management → Environment page 10 Sustainability in Palm Oil: Governance & Management → Tracking Performance, Evaluating Progress → Reducing Environmental Impacts page 11
GRI 302: Energy 2016		
302-1	Energy consumption within the organsation	Environmental Performance → Reducing Energy and GHG Emissions pages 22-23
302-3	Energy intensity	Environmental Performance → Reducing Energy and GHG Emissions pages 22-23
302-4	Reduction of energy consumption	Environmental Performance → Reducing Energy and GHG Emissions pages 22-23
WATER		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Sustainability webpage → Our Reporting → Where Material Impacts Occur http://www.indofoodagri.com/our-reporting.html, Sustainability in Palm Oil: Governance & Management → Environment page 10
103-2	The management approach and its components	Sustainability in Palm Oil: Governance & Management pages 04-11, Sustainability in Palm Oil: Governance & Management → Environment page 10, Sustainability webpage → How We Manage Sustainability www.indofoodagri.com/managing-sustainability.html
103-3	Evaluation of the management approach	Sustainability webpage → How we manage sustainability www.indofoodagri.com/managing-sustainability.html, Sustainability in Palm Oil: Governance & Management → Environment page 10 Sustainability in Palm Oil: Governance & Management → Tracking Performance, Evaluating Progress → Reducing Environmental Impacts page 11
GRI 303: Water 2016		
303-1	Water withdrawal by source	Environmental Performance → Water Use Efficiency page 27
BIODIVERSITY		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Sustainability webpage → Our Reporting → Where Material Impacts Occur http://www.indofoodagri.com/our-reporting.html, Sustainability in Palm Oil: Governance & Management → Environment page 10
103-2	The management approach and its components	Sustainability in Palm Oil: Governance & Management pages 04-11, Sustainability in Palm Oil: Governance & Management → Environment page 10, Sustainability webpage → How We Manage Sustainability www.indofoodagri.com/managing-sustainability.html
103-3	Evaluation of the management approach	Sustainability webpage → How We Manage Sustainability www.indofoodagri.com/managing-sustainability.html, Sustainability in Palm Oil: Governance & Management → Environment page 10, Sustainability in Palm Oil: Governance & Management → Tracking Performance, Evaluating Progress → Reducing Environmental Impacts page 11
GRI 304: Biodiversity 2016		
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Environmental Performance → Red List page 29, Online at http://www.indofoodagri.com/environmental-performance.html or http://www.indofoodagri.com/misc/F.Species_list_of_Protected_Flora_and_Fauna_IndoAgri_2018.pdf

TOPIC SPECIFIC DISCLOSURES

Disclosure No.	Disclosure Title	Page Number and Reasons for Omissions, if applicable
CATEGORY: ENVIRONMENTAL		
EMISSIONS		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Sustainability webpage → Our Reporting → Where Material Impacts Occur http://www.indofoodagri.com/our-reporting.html, Sustainability in Palm Oil: Governance & Management → Environment page 10
103-2	The management approach and its components	Sustainability in Palm Oil: Governance & Management pages 04-11, Sustainability in Palm Oil: Governance & Management → Environment page 10, Sustainability webpage → How We Manage Sustainability www.indofoodagri.com/managing-sustainability.html
103-3	Evaluation of the management approach	Sustainability webpage → How We Manage Sustainability www.indofoodagri.com/managing-sustainability.html, Sustainability in Palm Oil: Governance & Management → Environment page 10, Sustainability in Palm Oil: Governance & Management → Tracking Performance, Evaluating Progress → Reducing Environmental Impacts page 11
GRI 305: Emissions 2016		
305-4	GHG emissions intensity	Environmental Performance → Greenhouse Gas Emissions page 24
EFFLUENTS AND WASTE		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Sustainability webpage → Our Reporting → Where Material Impacts Occur http://www.indofoodagri.com/our-reporting.html, Sustainability in Palm Oil: Governance & Management → Environment page 10
103-2	The management approach and its components	Sustainability in Palm Oil: Governance & Management pages 04-11, Sustainability in Palm Oil: Governance & Management → Environment page 10, Sustainability webpage → How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html
103-3	Evaluation of the management approach	Sustainability webpage → How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html, Sustainability in Palm Oil: Governance & Management → Environment page 10, Sustainability in Palm Oil: Governance & Management → Tracking Performance, Evaluating Progress → Reducing Environmental Impacts page 11
GRI 306: Effluents and Waste 2016		
306-1	Water discharge by quality and destination	Environmental Performance → Waste Management page 28
306-2	Waste by type and disposal method	Environmental Performance → Waste Management page 28
306-3	Significant spills	Environmental Performance → Waste Management page 28
ENVIRONMENTAL COMPLIANCE		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Sustainability webpage → Our Reporting → Where Material Impacts Occur http://www.indofoodagri.com/our-reporting.html, Sustainability in Palm Oil: Governance & Management → Environment page 10
103-2	The management approach and its components	Sustainability in Palm Oil: Governance & Management page pages 04-11, Sustainability in Palm Oil: Governance & Management → Environment page 10, Sustainability webpage → How we manage sustainability http://www.indofoodagri.com/managing-sustainability.html
103-3	Evaluation of the management approach	Sustainability webpage → How we manage sustainability http://www.indofoodagri.com/managing-sustainability.html, Sustainability in Palm Oil: Governance & Management → Environment page 10, Sustainability in Palm Oil: Governance & Management → Tracking Performance, Evaluating Progress → Reducing Environmental Impacts page 11
GRI 307: Environmental Compliance 2016		
307-1	Non-compliance with environmental laws and regulations	Environmental Performance → Waste Management page 28
SUPPLIER ENVIRONMENTAL ASSESSMENT		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Sustainability webpage → Our Reporting → Where Material Impacts Occur http://www.indofoodagri.com/our-reporting.html, Sustainability in Palm Oil: Governance & Management → Responsible Sourcing page 10
103-2	The management approach and its components	Sustainability in Palm Oil: Governance & Management pages 04-11, Sustainability in Palm Oil: Governance & Management → Responsible Sourcing page 10, Sustainability webpage → How we manage sustainability http://www.indofoodagri.com/managing-sustainability.html
103-3	Evaluation of the management approach	Sustainability webpage → How we manage sustainability http://www.indofoodagri.com/managing-sustainability.html, Sustainability in Palm Oil: Governance & Management → Responsible Sourcing page 10, Sutainability in Palm Oil: Governance & Management → Tracking Performance, Evaluating Progress → Certification Achievement and Policy Delivery page 11
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	Responsible Sourcing → Traceability - know the source page 33

TOPIC SPECIFIC DISCLOSURES

Disclosure No.	Disclosure Title	Page Number and Reasons for Omissions, if applicable
CATEGORY: SOCIAL		
SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK		
EMPLOYMENT		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Sustainability webpage → Our Reporting → Where Material Impacts Occur http://www.indofoodagri.com/our-reporting.html, Sustainability in Palm Oil: Governance & Management → People and Community page 10
103-2	The management approach and its components	Sustainability in Palm Oil: Governance & Management pages 04-11, Sustainability in Palm Oil: Governance & Management → People and Community page 10, Sustainability webpage → How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html
103-3	Evaluation of the management approach	Sustainability webpage → How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html, Sustainability in Palm Oil: Governance & Management → People and Community page 10
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	People and Community → Our People - Data Tables pages 51-52 We opt to report new hire numbers and turnover rates in order to provide meaningful reporting (this is our Reason for Omission of turnover numbers and new hire rates). The key outcome of the reported data is to understand the trends as production and operations change over time.
LABOUR-MANAGEMENT RELATIONS		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Sustainability webpage → Our Reporting → Where Material Impacts Occur http://www.indofoodagri.com/our-reporting.html, Sustainability in Palm Oil: Governance & Management → People and Community page 10
103-2	The management approach and its components	Sustainability in Palm Oil: Governance & Management pages 04-11, Sustainability in Palm Oil: Governance & Management → People and Community page 10, Sustainability webpage → How we manage sustainability http://www.indofoodagri.com/managing-sustainability.html
103-3	Evaluation of the management approach	Sustainability webpage → How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html, Sustainability in Palm Oil: Governance & Management → People and Community page 10
GRI 402: Labour-Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	No minimum notice period or specific provisions on consultation/negotiation are required to be stated in a CLA under Indonesian regulations. If new changes arise eg, a merger, we would follow Indonesia Financial Services Authority (Bapepam/OJK) laws. Other changes such as new policies that will impact on our workers are supported by awareness raising or training prior to implementation
OCCUPATIONAL HEALTH AND SAFETY		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Sustainability webpage → Our Reporting → Where Material Impacts Occur http://www.indofoodagri.com/our-reporting.html, Sustainability in Palm Oil: Governance & Management → People and Community page 10
103-2	The management approach and its components	Sustainability in Palm Oil: Governance & Management pages 04-11, Sustainability in Palm Oil: Governance & Management → People and Community page 10, Sustainability webpage → How we manage sustainability http://www.indofoodagri.com/managing-sustainability.html
103-3	Evaluation of the management approach	Sustainability webpage → How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html, Sustainability in Palm Oil: Governance & Management → People and Community page 10, Sutainability in Palm Oil: Governance & Management → Tracking Performance, Evaluating Progress → Zero Harm, Productive Workforce page 11
GRI 403: Occupational Health and Safety 2016		
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	People and Community → Health and Safety page 45
403-3	Workers with high incidence or high risk of diseases related to their occupation	Some tasks such as harvesting are subject to inherent risk of exposure to some tropical diseases, the workforce is accustomed to managing the risks, there are mitigation proedures to manage the risks; so we can state that the risk is not 'high'.
403-4	Health and safety topics covered in formal agreements with trade unions	The Collective Labour Agreement (CLA) covers safety, with reference to proper PPE for field workers, an OHS Trustee Committee, training, and grievance mechanisms (we opt not to express 'coverage' as a percentage). Periodic workplace inspection, safety audit, and accident evaluations are also completed with employee representatives. In line with SMK3, we have Policies for strict compliance on PPE. This is also stated in the CLA.

TOPIC SPECIFIC DISCLOSURES

Disclosure No.	Disclosure Title	Page Number and Reasons for Omissions, if applicable
CATEGORY: SOCIAL		
SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK		
TRAINING AND EDUCATION		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Sustainability webpage → Our Reporting → Where Material Impacts Occur http://www.indofoodagri.com/our-reporting.html, Sustainability in Palm Oil: Governance & Management → People and Community page 10
103-2	The management approach and its components	Sustainability in Palm Oil: Governance & Management pages 04-11, Sustainability in Palm Oil: Governance & Management → People and Community page 10, Sustainability webpage → How we manage sustainability http://www.indofoodagri.com/managing-sustainability.html
103-3	Evaluation of the management approach	Sustainability webpage → How We Manage Sustainability http://www.indofoodagri.com/managing-sustainability.html, Sustainability in Palm Oil: Governance & Management → People and Community page 10
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	People and Community → Our People - Data Tables pages 51-52 We opt to omit reporting the average hours, our data table shows exact hours by employee type and gender. The reason for the omission is that the use of an average makes the disclosure substantially less meaningful
DIVERSITY AND EQUAL OPPORTUNITY		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Sustainability webpage → Our Reporting → Where Material Impacts Occur http://www.indofoodagri.com/our-reporting.html, Sustainability in Palm Oil: Governance & Management → People and Community page 10
103-2	The management approach and its components	Sustainability in Palm Oil: Governance & Management pages 04-11, Sustainability in Palm Oil: Governance & Management → People and Community page 10, Sustainability webpage → How we manage sustainability http://www.indofoodagri.com/managing-sustainability.html
103-3	Evaluation of the management approach	Sustainability webpage → How we manage sustainability http://www.indofoodagri.com/managing-sustainability.html, Sustainability in Palm Oil: Governance & Management → People and Community page 10
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	People and Community → Our People - Data Tables pages 51-52, Annual Report 2018 → Corporate Governance page 41
CATEGORY: SOCIAL		
SUB-CATEGORY: HUMAN RIGHTS		
NON-DISCRIMINATION		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Sustainability webpage → Our Reporting → Where Material Impacts Occur http://www.indofoodagri.com/our-reporting.html, Sustainability in Palm Oil: Governance & Management → People and Community page 10
103-2	The management approach and its components	Sustainability in Palm Oil: Governance & Management page pages 04-11, Sustainability in Palm Oil: Governance & Management → People and Community page 10, Sustainability webpage → How we manage sustainability http://www.indofoodagri.com/managing-sustainability.html
103-3	Evaluation of the management approach	Sustainability webpage → How we manage sustainability http://www.indofoodagri.com/managing-sustainability.html, Sustainability in Palm Oil: Governance & Management → People and Community page 10
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	People and Community → Labour Rights and Human Rights → Diversity page 46

TOPIC SPECIFIC DISCLOSURES

Disclosure No.	Disclosure Title	Page Number and Reasons for Omissions, if applicable
CATEGORY: SOCIAL		
SUB-CATEGORY: HUMAN RIGHTS		
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Sustainability webpage → Our Reporting → Where material impacts occur http://www.indofoodagri.com/our-reporting.html, Sustainability in Palm Oil: Governance & Management → People and Community page 10
103-2	The management approach and its components	Sustainability in Palm Oil: Governance & Management page pages 04-11, Sustainability in Palm Oil: Governance & Management → People and Community page 10, Sustainability webpage → How we manage sustainability http://www.indofoodagri.com/managing-sustainability.html
103-3	Evaluation of the management approach	Sustainability webpage → How we manage sustainability http://www.indofoodagri.com/managing-sustainability.html, Sustainability in Palm Oil: Governance & Management → People and Community page 10
GRI 407: Freedom of Association and Collective Bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	People and Community → Labour Rights and Human Rights → Freedom of association page pages 46-47
CHILD LABOUR		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Sustainability webpage → Our Reporting → Where material impacts occur http://www.indofoodagri.com/our-reporting.html, Sustainability in Palm Oil: Governance & Management → People and Community page 10
103-2	The management approach and its components	Sustainability in Palm Oil: Governance & Management pages 04-11, Sustainability in Palm Oil: Governance & Management → People and Community page 10, Sustainability webpage → How we manage sustainability http://www.indofoodagri.com/managing-sustainability.html
103-3	Evaluation of the management approach	Sustainability webpage → How we manage sustainability http://www.indofoodagri.com/managing-sustainability.html, Sustainability in Palm Oil: Governance & Management → People and Community page 10
GRI 408: Child Labour 2016		
408-1	Operations and suppliers at significant risk for incidents of child labour	People and Community → Labour Rights and Human Rights → Against child labour page 46
FORCED OR COMPULSORY LABOUR		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Sustainability webpage → Our Reporting → Where material impacts occur http://www.indofoodagri.com/our-reporting.html, Sustainability in Palm Oil: Governance & Management → People and Community page 10
103-2	The management approach and its components	Sustainability in Palm Oil: Governance & Management page pages 04-11, Sustainability in Palm Oil: Governance & Management → People and Community page 10, Sustainability webpage → How we manage sustainability http://www.indofoodagri.com/managing-sustainability.html
103-3	Evaluation of the management approach	Sustainability webpage → How we manage sustainability http://www.indofoodagri.com/managing-sustainability.html, Sustainability in Palm Oil: Governance & Management → People and Community page 10
GRI 409: Forced or Compulsory Labour 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	People and Community → Labour Rights and Human Rights page 46

TOPIC SPECIFIC DISCLOSURES

Disclosure No.	Disclosure Title	Page Number and Reasons for Omissions, if applicable
CATEGORY: SOCIAL		
SUB-CATEGORY: HUMAN RIGHTS		
SECURITY PRACTICES		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Sustainability webpage → Our Reporting → Where Material Impacts Occur http://www.indofoodagri.com/our-reporting.html, Sustainability in Palm Oil: Governance & Management → People and Community page 10
103-2	The management approach and its components	Sustainability in Palm Oil: Governance & Management pages 04-11, Sustainability in Palm Oil: Governance & Management → People and Community page 10, Sustainability webpage → How we manage sustainability http://www.indofoodagri.com/managing-sustainability.html
103-3	Evaluation of the management approach	Sustainability webpage → How we manage sustainability http://www.indofoodagri.com/managing-sustainability.html, Sustainability in Palm Oil: Governance & Management → People and Community page 10
GRI 410: Security Practices 2016		
410-1	Security personnel trained in human rights policies or procedures	All security guards receive basic human rights training. Security training is also delivered via our training centre for our security guard and in partnership with military commando units for additional focus on strength, discipline, and human rights.
HUMAN RIGHTS ASSESSMENT		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Sustainability webpage → Our Reporting → Where material impacts occur http://www.indofoodagri.com/our-reporting.html, Sustainability in Palm Oil: Governance & Management → People and Community page 10
103-2	The management approach and its components	Sustainability in Palm Oil: Governance & Management pages 04-11, Sustainability in Palm Oil: Governance & Management → People and Community page 10, Sustainability webpage → How we manage sustainability http://www.indofoodagri.com/managing-sustainability.html
103-3	Evaluation of the management approach	Sustainability webpage → How we manage sustainability http://www.indofoodagri.com/managing-sustainability.html, Sustainability in Palm Oil: Governance & Management → People and Community page 10
GRI 412: Human Rights Assessment 2016		
412-1	Operations that have been subject to human rights reviews or impact assessments	69% of our operational sites have been assessed for human rights transgressions. These assessments are conducted through our human rights related audit processes which includes ISPO. None of our third-party suppliers have completed a full formal Policy audit. Our whistle-blower mechanism yielded no alerts of Policy breaches on human rights in 2018
SUB-CATEGORY: SOCIETY		
LOCAL COMMUNITIES		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Sustainability webpage → Our Reporting → Where material impacts occur http://www.indofoodagri.com/our-reporting.html, Sustainability in Palm Oil: Governance & Management → People and Community page 10
103-2	The management approach and its components	Sustainability in Palm Oil: Governance & Management pages 04-11, Sustainability in Palm Oil: Governance & Management → People and Community page 10, Sustainability webpage → How we manage sustainability http://www.indofoodagri.com/managing-sustainability.html
103-3	Evaluation of the management approach	Sustainability webpage → How we manage sustainability http://www.indofoodagri.com/managing-sustainability.html, Sustainability in Palm Oil: Governance & Management → People and Community page 10
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programmes	People and Community → Community pages 48-50, We understand the community needs of all sites based on Social Impact Assessment.

TOPIC SPECIFIC DISCLOSURES

Disclosure No.	Disclosure Title	Page Number and Reasons for Omissions, if applicable
CATEGORY: SOCIAL		
SUB-CATEGORY: SOCIETY		
SUPPLIER SOCIAL ASSESSMENT		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Sustainability webpage → Our Reporting → Where material impacts occur http://www.indofoodagri.com/our-reporting.html, Sustainability in Palm Oil: Governance & Management → People and Community page 10, Sustainability in Palm Oil: Governance & Management → Responsible Sourcing page 10
103-2	The management approach and its components	Sustainability in Palm Oil: Governance & Management pages 04-11, Sustainability in Palm Oil: Governance & Management → People and Community page 10, Sustainability in Palm Oil: Governance & Management → Responsible Sourcing page 10, Sustainability webpage → How we manage sustainability http://www.indofoodagri.com/managing-sustainability.html
103-3	Evaluation of the management approach	Responsible Sourcing → Progress in 2018 page 32, Responsible Sourcing → Better sourcing – for sustainability and quality pages 34-35, People and Community → Labour Rights and Human Rights pages 46-47
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	Responsible Sourcing → Progress in 2018 page 32, Responsible Sourcing → Better sourcing – for sustainability and quality pages 34-35, People and Community → Labour Rights and Human Rights pages 46-47
SUB-CATEGORY: PRODUCT RESPONSIBILITY		
CUSTOMER HEALTH AND SAFETY		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Sustainability webpage → Our Reporting → Where Material Impacts Occur http://www.indofoodagri.com/our-reporting.html, Sustainability in Palm Oil: Governance & Management → Product Safety, Product Quality page 10
103-2	The management approach and its components	Sustainability in Palm Oil: Governance & Management pages 04-11, Sustainability in Palm Oil: Governance & Management → Product Safety, Product Quality page 10, Sustainability webpage → How we manage sustainability http://www.indofoodagri.com/managing-sustainability.html
103-3	Evaluation of the management approach	Sustainability webpage → How we manage sustainability http://www.indofoodagri.com/managing-sustainability.html, Sustainability in Palm Oil: Governance & Management → Product Safety, Product Quality page 10
GRI 416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	Product Integrity → Food Safety page 39 100% of palm oil product categories are assessed for food safety
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Product Integrity → Food Safety page 39 100% of palm oil product categories comply with regulations and codes on food safety
MARKETING AND LABELING		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Sustainability webpage → Our Reporting → Where Material Impacts Occur http://www.indofoodagri.com/our-reporting.html, Sustainability in Palm Oil: Governance & Management → Product Safety, Product Quality page 10
103-2	The management approach and its components	Sustainability in Palm Oil: Governance & Management pages 04-11, Sustainability in Palm Oil: Governance & Management → Product Safety, Product Quality page 10, Sustainability webpage → How we manage sustainability http://www.indofoodagri.com/managing-sustainability.html
103-3	Evaluation of the management approach	Sustainability webpage → How we manage sustainability http://www.indofoodagri.com/managing-sustainability.html, Sustainability in Palm Oil: Governance & Management → Product Safety, Product Quality page 10
GRI 417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	Product Integrity → Product Information and Labelling page 40
417-2	Incidents of non-compliance concerning product and service information and labeling	Product Integrity → Product Information and Labelling page 40 100% of palm oil product categories comply with regulations and codes on product information and labeling

GLOSSARY

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

BADAN PENYELENGGARA JAMINAN SOSIAL (BPJS)
An authorised body established by the Indonesian Government to provide medical coverage for Indonesian citizens and residents.

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

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

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

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

CRUDE PALM OIL (CPO)
Oil produced from oil palm fruits in milling process.

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

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

FREE PRIOR INFORMED CONSENT (FPIC)
Consent which represents the rights of a community to give or withhold its consent to proposed projects that may affect the lands it customarily owns, occupies or uses.

FRESH FRUIT BUNCH (FFB)
The fruit bunch harvested from the oil palm tree.

GLOBAL REPORTING INITIATIVE (GRI)
A non-profit organisation that promotes economic sustainability and develops an international standard for sustainability reporting.

GREENHOUSE GAS (GHG)
Gases, such as carbon dioxide, methane and nitrous oxide, which trap solar radiation and contribute to climate change and ozone destruction.

HIGH CARBON STOCK (HCS)
An area of land with large amounts of carbon and high biodiversity value.

HIGH CONSERVATION VALUE (HCV)
HCV land comprises certain critical ecological or socio-cultural attributes. A key part of HCV management is ensuring activity in forests does not have a negative impact on the critical ecological and socio-cultural attributes, a process that aligns with ISPO's requirements.

HCV ASSESSMENT
Recording ecological or sociocultural attributes is part a process that aligns with ISPO's requirements. HCV assessments use accredited third-party assessors.

INTEGRATED PEST MANAGEMENT
The use of ecological pest control techniques to reduce pest populations and replace pesticides and other harmful intervention to minimise risks to human health and the ecosystem.

INDONESIAN SUSTAINABLE PALM OIL (ISPO)
A government effort led by the Ministry of Agriculture to support sustainable palm oil agriculture in Indonesia. For more information on ISPO, see page 07 of this report.

ISO 14000 SERIES
A family of international standards for addressing environmental management.

NUCLEUS
A system developed by the Indonesian Government for estates (nucleus) owned by plantation companies to develop oil palm plots (plasma) near their own plantation for smallholders.

OHSAS 18001:2007
An international occupational health and safety management system specification.

PALM KERNEL (PK)
Seed of the oil palm fruit, which is processed to extract palm kernel oil and other by-products.

PANITIA PEMBINA KESELAMATAN DAN KESEHATAN KERJA (P2K3)
A health and safety committee responsible for monitoring Indoagri's compliance to the SMK3 in the estates, mills and refineries.

PALM OIL MILL EFFLUENT (POME)
Liquid waste or sewage produced from the palm oil milling process or refinery.

PROGRAMME FOR POLLUTION CONTROL, EVALUATION AND RATING (PROPER)
An Indonesian regulatory mechanism based on public disclosure of pollution records and environmental performance.

ROUNDTABLE ON SUSTAINABLE PALM OIL (RSPO)
A non-governmental organisation that promotes the growth and use of sustainable oil palm products through international standards and engagement of stakeholders.

SISTEM KESELAMATAN DAN KESEHATAN KERJA (SMK3)
Occupational health and safety management system according to Indonesia regulation.

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

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

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