



Sustainability
Report 2022

SUSTAINING CHANGE





CONTENTS

- 01 About This Report
- 02 Message from The President Director
- 04 About Permata Group
- 07 Our Approach to Sustainability
- 13 Our Material Topics
- 15 Our Sustainability Progress
- 19** **PROTECTING OUR ENVIRONMENT**
- 19 Protecting High Conservation Area and Biodiversity
- 25 Pest Management and Fertilizer Use
- 26 Water and Effluent Management
- 28 Waste Management
- 30 Energy Management
- 31 Climate Change
- 33 Yield and Extraction Improvement
- 34** **EMPOWERING OUR PEOPLE AND COMMUNITIES**
- 34 Our People
- 37 Respecting Worker's Right
- 37 Employee Health, Safety and Wellbeing
- 40 Community and Smallholder Livelihood
- 43** **RESPONSIBLE BUSINESS AND SOURCING**
- 43 Corporate Governance and Ethics
- 44 Consumer and Customer
- 45 Sustainable Supply Chain
- 51** **APPENDIX**



ABOUT THIS REPORT

This Sustainability Report communicates our sustainability performance and progress in our works to realize our vision to be a leading and sustainable palm oil company.

Scope of The Report

[GRI 2-2]

This report covers the operations of Permata Group which includes 21,000 Ha of planted area, 6 palm oil mills, 6 refineries, 5 kernel crushing plants, 3 biodiesel plants, 2 oleochemical plants and 1 specialty fat plant. The scope for disclosure covers our employees and contracted workers directly remunerated by Permata Group.

Reporting Framework

This report is prepared in accordance with the Global Reporting Initiative (GRI) Standards: 2021. Our GRI content index can be found on pages 51.

Reporting Period and Scope

[GRI 2-3]

The information contained in this report covers our operations from 01 January 2022 to 31 December 2022. Where applicable, data from previous financial years have been included for comparison. In addition to this report, sustainability-related information is also available on our website which is regularly updated.

External Assurance

[GRI 2-5]

As this stage we have decided that it is premature to engage a third party to provide assurance. In lieu of external assurance, we would like to provide guarantee for the veracity of the data we provided as it was dispensed in good faith and has undergone a rigorous review process.

Feedback Contact

[GRI 2-3]

We value opinions from our stakeholders to help us improve our approach to sustainability and this report. Please send your feedback to:

PERMATA GROUP

Jl. Iskandar Muda No. 107 Medan, 20154

Tel +62-61-4577-777
Fax +62-61-4569-755
Email Sustainability@permatagroup.com
Web www.permatagroup.com



MESSAGE FROM THE PRESIDENT DIRECTOR

[GRI 2-22]

Dear stakeholders, I am pleased to present our FY2022 Sustainability Report. This is our second sustainability report and is a testament to our steadfast commitment to sustainability and to our on-going efforts to realize our vision to build a sustainable future that benefits the communities.

Year 2022 saw the end of the worst phase of the Covid-19 pandemic and the gradual lifting of its related restrictions. As we dismantled the last restrictions of the era, we were able to reflect on the valuable lessons that the pandemic has taught us. We learned that decisive and timely action is important. We learned that we are adaptable. Most importantly, we learned that our people and our business are strong and resilient. The end of Covid-19 has also caused a massive rebound in economic activities as pent up demand suppressed over the previous two years exploded. This provided a much needed boost to the business but also resulted in supply chain crunch and increased price volatility which was compounded by the deteriorating global geopolitical situation. The crunch and price volatility as well as the governments' reaction to it has created unprecedented challenges but also great opportunities. I'm pleased to see that Permata Group was able to rise to the challenges and seized the opportunities to grow and realize value to our stakeholders in a sustainable manner.

Progress in 2022

Despite the many challenges, Permata Group has made continuous and incremental progress towards achieving our sustainability commitments. Over the past year, we have maintained 100% traceability to mill and have increased our traceability to plantation from 54% to 66%. The past year also saw us conduct inaugural verification of our kernel crushing plant traceability data which were completed successfully. We remain steadfast in our engagement with our suppliers through workshops, questionnaires and direct visits to push No Deforestation, No Peat and No Exploitation (NDPE) agenda. Utilizing the NDPE Implementation Reporting Framework (IRF) to gauge our progress, we are pleased to report that more than 45% of suppliers are already delivering on their No Deforestation commitment and 56% on No Peat commitment. We aim to continue our engagement process and increase these scores to 100% in the near future.

Permata Group continues to receive recognition for our advancement in Sustainability. In 2022, we scored 67.3% in SPOTT, an increase of 24% over the 2021 score demonstrating our continued commitment to transparency. We also submitted to CDP Forest for the first time in 2022, scoring a respectable "B" and demonstrating our advanced forest risk management system. We maintained our more than one hundred certifications over the past year and obtained our first ISPO certificate in 2022.

On the environmental conservation front, we continued our biodiversity conservation efforts with our existing and new partners. Over the past year, we expanded our partnership with the Leuser International Foundation and supported the planting of another 10,000 hardwood seedlings to rehabilitate hundreds of hectares of degraded forest in Aceh. We continued our support to the Barumon Nagari Wildlife Sanctuary to protect Sumatran elephants and we worked with the 1000 reefballs Nature Lovers to rehabilitate coral reefs in the water around Sibolga, North Sumatera.

Our corporate social responsibilities (CSR) program continues to flourish following a switch to more targeted approach. Following the four pillar of our CSR: Health, Education, Environment and Economic Development, we are scaling back our charity-type programs to put more focus on developing the local enterprise as well as environmental conservation programs. Two of our CSR programs were recognized in the Indonesian Green Award held in Jakarta.



Future Challenges

Anticipated challenges lie ahead in the coming years. The impending European Union Deforestation Regulation (EUDR) will demand complete traceability to plantation and full legal adherence across our entire supply chain, encompassing even smallholders. While the regulation's admirable and noble intent is acknowledged, the practical implementation is poised to pose substantial hurdles. Permata Group must be prepared to confront and surmount these challenges.

As the need for sustainable palm oil becomes increasingly critical, we are committed to doing our part. At the same time, we also recognize that environmental conservation is only one aspect of sustainability and acknowledge the role of palm oil in uplifting the livelihoods of the local population. Thus we will remain committed to our NDPE and Sustainability Policy and continue to use our position as an integrated company to influence those in our value chain to do the same.

In making sure that these issues are properly managed and monitored, the Board will continue to regularly review material ESG factors and integrate these in our strategic formulation. For Permata Group, this means expanding our current initiatives while working towards the targets we have set for ourselves to reduce our emissions and water use intensity, maintain 100% traceability to mills and improve traceability to plantation.

I would like to thank our employees and stakeholders for their continued support in our sustainability efforts. I am confident that we will continue to see further progress even as the road ahead is filled with challenges. I hope that our progress thus far has inspired others to join us on this journey.

Sincerely,

Jhonny Virgo

President Director



ABOUT PERMATA GROUP

[GRI 2-1, 2-2, 2-6, 2-7]

Permata Group was established in 1984 as a palm oil cultivation company. Since then, we have grown into a fully integrated palm oil corporation and a major player in the industry. Permata Group's operations span the entire palm oil value chain from cultivating to manufacturing and distributing palm oil and its derivatives for the domestic and international market.

We produce and market a wide range of high-quality palm oil products including crude palm oil (CPO), cooking oil, specialty fats for baking, oleochemicals for personal care & industrial products and biodiesel. The products are produced following strict quality and manufacturing standards and have obtained certifications such as ISO 9001, ISO 22000, HACCP, GMP and FSSC 22000.



High quality cooking oil manufactured by Permata Group

Today, Permata Group is a leading palm oil processors and traders in the country. We attribute our success to our long history in the industry, incorporation of cutting edge technologies, high economies of scale, a skilled and dedicated workforce, the integrated nature of our operations and a steadfast commitment to sustainability. Those aspects enable us in producing high quality and cost-efficient products ultimately benefitting not only our consumers and suppliers but also the broader community. We remain committed to serve our customers on a long-term basis and respond to their evolving needs and demands.

Our vision is to be a leading and sustainable palm oil company by producing quality products that benefit communities.

To fulfil this vision, we are guided by the following set of core values:



Teamwork
great things can be achieved by working as a team



Integrity
acting with honest and honour by adhering to the highest ethical standards



Professionalism
knowing how to do it, when to do it and doing it right



Communication
listening and responding with a positive attitude



Excellence
giving our utmost efforts in everything we do



Permata Group is a fully integrated company spanning the entire palm oil value chain

Our workforce of more than 6,000 employees across Indonesia supports our business including our headquarters in Medan as well as our upstream and downstream operations across the Indonesian provinces of North Sumatra and Riau. They are led by our Senior Management Teams which comprises of 11 members including 1 woman.

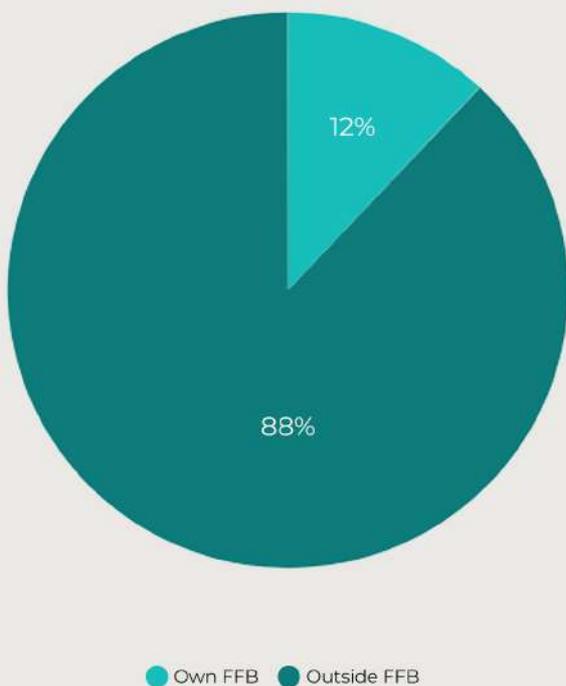
Our estates cover 20,000 Ha of planted area which in 2022 produces around 220,000 tonnes of FFB. This number is expected to go up as our replanting process moves toward completion and the newly replanted palms mature and begin producing fruits. We also source fruits from various third-party suppliers including larger plantation companies as well as independent smallholders.

Aside from our plantation, we also own and operate:

6 Palm Oil Mills	5 Kernel Crushing Plants	3 Biodiesel Plants
2 Oleochemical Plants	1 Specialty Fat Plants	

These facilities are supported by our head office in Medan and three representative offices in Jakarta, Kuala Lumpur and Singapore respectively. Our mills processed around 1.900.000 ton FFB. Our downstream facilities sourced from 291 suppliers to produce high quality and sustainable products which were exported to countries around the world.

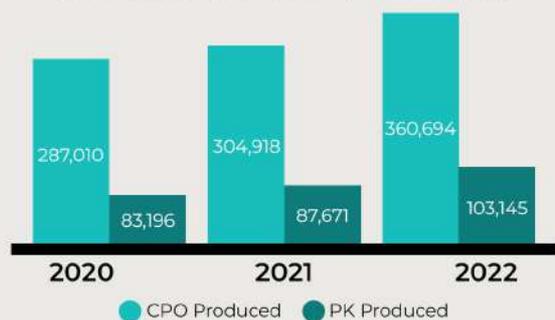
FFB Processed at our Palm Oil Mill



FFB processed by source 2020-2022 (MT)



CPO and PK produced 2018-2022 (MT)





Dumai port where we ship our products to our customers

Our operational map



OUR APPROACH TO SUSTAINABILITY

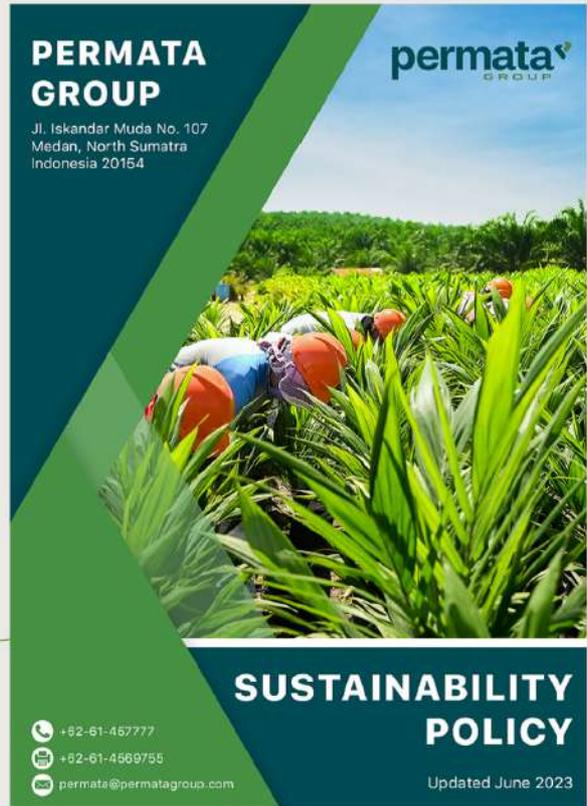
[GRI 2-22]

Our approach to sustainability is guided by our vision to be a leading and sustainable palm oil company. It is also inspired by our core values of Teamwork, Integrity, Professionalism, Communication and Excellence. We believe that the growth of our business should not come at the expense of the environment or the people and we strive to implement principles of sustainability in all our activities.

Our Sustainability Policy

[GRI 2-23]

Our sustainability policy sets out our commitment to ensure that our operations protect and support the environment and the communities where we operate. Our Sustainability Policy was first launched in 2015 and was last updated in 2023. We expect all of our suppliers and third parties which might use our processing facilities to adhere to our sustainability policy. This is reflected in our supplier code. Both of these documents are published on our website and are actively communicated and socialized to all our employees through annual training and retraining programs and to our suppliers during the onboarding process and throughout the year through sustainability workshops and annual questionnaires. More details of our engagement with our suppliers can be found on page 49.



Our sustainability policy is built around four pillars:



Environment

We will protect the environment surrounding our operations. This means no burning, no deforestation, conserving HCV areas and HCS forests, conserving peat areas, adopting agronomic best practices, improving yield and reducing our emissions. A summary of our environmental management can be found on page 19.



Social

We will respect the human rights of the people we work and interact with as well as those impacted by our operations. This includes our employees, smallholders and indigenous and local communities where we operate. A summary of our workplace standards and community engagement can be found on page 34.



Ethics and integrity

We will conduct business ethically and within the boundaries of national and local laws and regulations. We will not tolerate any form of corruption or bribery. A summary of our code of conduct can be found on page 43.



Quality, certification and traceability

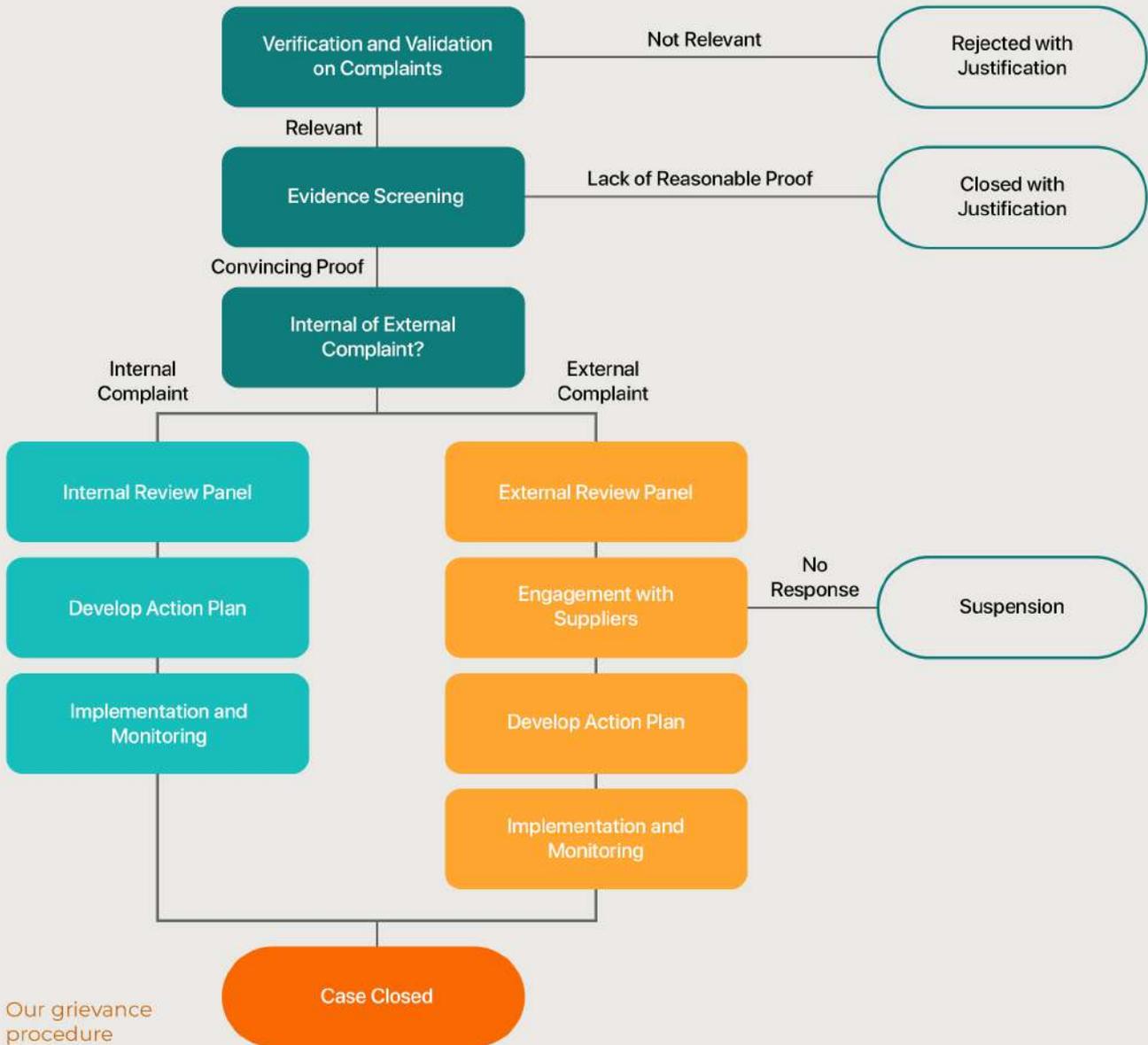
We will produce safe and high-quality products in compliance with ISO 9001, 14001, GMP, HACCP and other relevant certifications. To support our vision to become a sustainable palm oil company, we will also endorse sustainability certifications such as RSPO and ISPO and work towards certifying all our business units as well as tracing our entire supply chain. A summary of our certifications and membership associations can be found on page 11 & 44.

Complaint and Grievance Management

[GRI 2-16]

Working with our stakeholders to identify and address any concerns is an important aspect of our approach to ensure sustainable business practices.

We invite stakeholders (be it internal or external) to lodge any grievances and complaints through our grievance and complaint system. The grievances and complaints are processed following the flowchart:



Our grievance procedure

Any complaint and grievance can be delivered through the following channels:
 Email: grievance@permatagroup.com
 Tel: +62-61-4577777
 Tel: +62-61-4569755
 Mail: Grievance and Complaint Team Jl. Iskandar Muda No.107 Medan, 20154 Indonesia

A list of our grievances and complaints list is available on our website:
<https://www.permatagroup.com/list-of-grievances-and-complaints2/#listgrievance>



Refer to our website for more information on the list of our grievances and complaints

Our Sustainability Governance

[GRI 2-9]

A robust corporate governance system is crucial to the successful integration and management of sustainability at a company. Sustainability governance helps a company implement sustainability strategies across the business, manage target setting and reporting, strengthen stakeholder relations, and ensure overall accountability.



Our sustainability governance

The Sustainability Department is overseen by the Board of Directors and led by the Director of Sustainability. The Director of Sustainability is a member of the Board and reports on sustainability-related topics at the Board's weekly meetings.

Responsibilities for day-to-day operations is delegated to our Head of Sustainability who leads four teams with their own responsibilities:

1. The quality and food safety team work to ensure our product is produced in accordance with our quality standard and is safe to consume and use.
2. The health, safety and environment team work to ensure a safe and healthy workspace for our employees and that our operations operate within the legal environmental parameters set by the government.
3. The sustainability implementation team work to instill a culture of sustainability within our operations and promote initiatives such as energy efficiency, greenhouse gas reduction, water efficiency, and others that go beyond the legal requirement in environmental and social management.
4. The traceability, grievance and stakeholder engagement team work to engage with our stakeholders to promote sustainability, traceability, and transparency and also to solve grievances and disputes that may arise.

The Head of Sustainability liaises daily with the Director of Sustainability on the planning and implementation of our sustainability strategies.

Ethics and Integrity

[GRI 2-26, 2-27]

Permata Group commits to uphold full compliance to all applicable laws and regulations in all our operations. We also adopt a zero-tolerance approach to any form of corruption and bribery. This commitment is enshrined in our ethics policy and is manifested in our code of conduct which is read and signed by all our employees. The code of conduct covers expectations on professionalism, human rights, transparency, conflicts of interest, political impartiality, anti-corruption and zero tolerance to fraud.

To provide a safe, secure and anonymous channel to report any violations of our ethics policy and our code of conduct, we established a whistleblower procedure. This procedure shares a similar communication channel as the general complaint and grievance mechanism discussed on page 08. Permata Group does not tolerate or condone any retaliatory actions taken against any employee or external stakeholder for whistleblowing. We will take disciplinary action against any party within our jurisdiction which is found to have taken such actions against whistleblowers. More detailed discussion on ethics can be found on page 43.

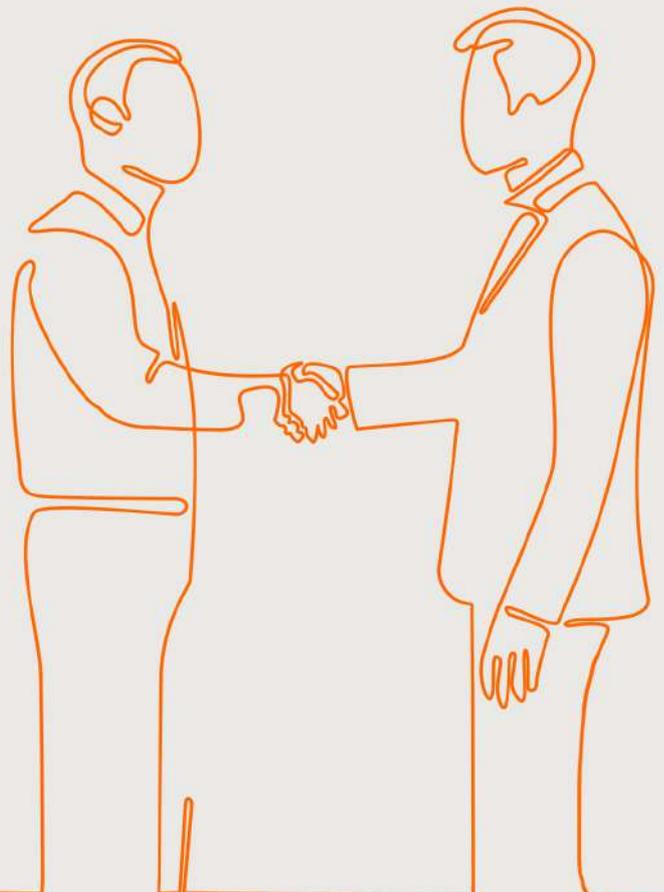
Stakeholder Engagement and Partnership

[GRI 2-28, 2-29]

Our commitment to sustainability is shaped by the concerns and interests of our stakeholders, and their input plays a significant role in our decision-making processes. We actively involve all stakeholders, including employees, local communities, government entities, NGOs, suppliers, and buyers, in discussions surrounding key ESG (Environmental, Social, and Governance) topics through diverse engagement channels.

Our employees are engaged through annual surveys and bilateral meetings with the workers' union. Stakeholders such as local communities, government officials, and NGOs are engaged through annual consultation meetings, along with coordination visits. Suppliers are included in our initiatives through annual questionnaires, workshops, and field visits while we actively participate in buyers' workshops and respond to their questionnaires and requests.

In addition, we are actively involved in various ESG ratings and assessments, including platforms like Ecovadis, CDP, and SPOTT. We join multiple industry groups and associations and participate in various sustainability initiatives. To align with the expectations of our buyers, we pursue a range of quality and sustainability certifications.



MEMBERSHIP ASSOCIATIONS

- | | |
|---|--|
| 1. Palm Oil Collaboration Group (POCG) | 4. Gabungan Pengusaha Kelapa Sawit Indonesia (GAPKI) |
| 2. International Sustainability and Carbon Certification (ISCC) | 5. Asosiasi Produsen Biofuel Indonesia (APROBI) |
| 3. Roundtable on Sustainable Palm Oil (RSPO) | 6. Asosiasi Produsen Oleochemical Indonesia (APOLIN) |

CERTIFICATIONS



ISPO is a mandatory sustainability standard developed by the government of Indonesia with the aim to advance sustainability in Indonesian palm oil sector.

Permata Group has obtained one ISPO certification for our mill with another two expected to follow in the near future



ISCC is established in 2010 to allow vegetable oil exporters to certify that their oils are compliant with European EU RED 2009 for use as renewable fuels.

Permata Group has obtained ISCC certification since 2015 and is able to supply ISCC certified oil.



RSPO is a multi-stakeholder initiative that has been leading the transformation of palm oil industry towards sustainability and accountability by providing standards as well as resources and trainings for the industry.

Our refineries have obtained RSPO SCCS certification and are able to supply RSPO certified oil. Our plantation and mill have also obtained P&C certification.



ISO 9001 is the international standard that specifies requirements for a quality management system (QMS). It is used by organizations of all sizes and in all industries to improve their performance and deliver consistent quality products and services.

Permata Group has obtained ISO 9001 certification for 70% of our plants.



ISO 14001 is an internationally recognized standard that sets the requirements for an environmental management system (EMS). It is used by organizations of all sizes and in all industries to minimize their environmental impact and operate more sustainably.

Permata Group has obtained ISO 14001 certification for 70% of our plants.



Halal certification signifies the adherence of a product, service, or process to Islamic law. It serves as a vital assurance for Muslim consumers, enabling them to confidently choose products and services that align with their religious beliefs and dietary restrictions.

All of our refineries are Halal certified.



Kosher certification signifies the adherence of food and related products to the stringent dietary regulations of kashrut, as prescribed by Jewish law. It serves as a critical marker for observant Jews seeking to consume items that align with their faith and traditional practices.

All of our refineries are Kosher certified.

We also participate in several environmental award and rating programs operated by the government and others in the private sector.

AWARDS



The Industri Hijau Award recognizes companies that have implemented activities to reduce environmental impacts from their operations. Our business units have received several level 4 and level 5 Industry Hijau Awards over the years. In 2022, two of our subsidiaries PT. Pelita Agung Agrindustri and PT. Permata Hijau Indonesia received the level 5 (highest-level) award from Industri Hijau while one received level 4 award.



SMK3 certification is the Indonesian health and safety certification roughly equivalent to ISO 45001: 2018. Most of our business units have achieved SMK3 certification. The achievement of SMK3 certification shows commitment towards safe working conditions for our workers. In 2022, we received Gold Flag rating (highest rating) for all our business units which participate in SMK3 certification.



CDP is a non-profit charity which has established a reporting platform which assists companies, cities, states and regions in assessing and disclosing their environmental impacts and management. In 2022, Permata Group scored "B" in CDP Forestry platform which is par for the course for Crop Farming sector and higher than the Asia regional average of "C".



SPOTT is an online platform operated by the Zoological Society of London. SPOTT assesses commodity producers, processors and traders on their public disclosure regarding their organization, policies, and practices related to environmental, social and governance (ESG) issues. In 2022, Permata Group scored 67.4%.



EcoVadis was founded in 2007 to provide the world's most-trusted sustainability ratings, enabling all businesses to reduce risk, drive performance, and improve environmental and social outcomes. Two of our business units participated in EcoVadis rating where one received silver rating while the other received bronze rating.



FOREST 500 is an online ranking service which assesses the ESG performance of 500 most influential companies with regards to tropical deforestation, based on their exposure to forest-risk commodities. In 2022, Permata Group obtained a score of 39 and was ranked 16th out of 76 agricultural and agribusiness companies.



PROPER is a national public environmental reporting initiative established by the Indonesian Ministry of Environment. While we have consistently maintained PROPER Biru rating in our operations, we also received PROPER Hijau rating for our subsidiaries.



SUSTAINABLE DEVELOPMENT GOALS (SDGs)

[GRI 2-22]

Permata Group supports United Nations' Sustainable Development Goals (SDGs) which were adopted in 2015 as a universal call to create a better and more sustainable future by 2030. We implemented activities and programs which support one or more SDGs. Throughout our report we have indicated which SDGs are supported by our activities.



OUR MATERIAL TOPICS

TOPIC	DESCRIPTION
Climate change mitigation and adaptation	Minimizing the environmental impacts of our business and building resilience against climate change
Conservation of HCV areas and HCS forests	Identifying and conserving land with high biological, ecological, social or cultural value and large stores of carbon
Fire and haze prevention	Working with smallholders and local communities to prevent and manage forest fires
Pest management and fertilizer use	Reducing the use of harmful synthetic chemicals while promoting biological pest control methods and organic fertilisers
Waste management	Ensuring safe and proper management and disposal of waste
Water and effluents management	Minimizing our water consumption and ensuring the proper treatment and disposal of effluent
Community and smallholder livelihoods	Supporting smallholders and local communities in employment, health and wellbeing, education, and infrastructure
Respecting human rights	Promoting fair and favourable working conditions including preventing forced, bonded or child labour and promoting freedom of association

TOPIC	DESCRIPTION
Occupational health & safety and employee wellbeing	Ensuring a high level of health, safety and wellbeing for our employees and contractors
Human capital development	Attracting talented individuals and providing training and development opportunities to build a high-performing and engaged workforce
Corporate governance and ethics	Ensuring the highest standards of ethical business conduct and conducting business free of bribery and corruption
Product quality and safety	Ensuring the highest standard of quality and safety for our products
Supply chain traceability	Working with suppliers to ensure the traceability of raw materials

Materiality

[GRI 3-1, 3-2]

This report employs a materiality assessment to identify the most pertinent subjects for our business and stakeholders. Through this process, we evaluate environmental, social, and governance (ESG) topics, assigning them rankings based on their significance to both Permata Group and our stakeholders. The outcome guides us in determining which topics merit inclusion in this report.



ENVIRONMENT

- 1 Deforestation
- 2 Peat
- 3 Biodiversity
- 4 Energy
- 5 GHG and climate change
- 6 Waste
- 7 Water

PEOPLE

- 8 FPIC and community rights
- 9 Corporate social responsibilities and community development
- 10 Worker right
- 11 Fair and decent wage
- 12 Health and safety
- 13 Training and development
- 14 Talent attraction and retention

ETHICS AND SUPPLY CHAIN

- 15 Business ethics
- 16 Traceability
- 17 Supplier engagement

OUR SUSTAINABILITY PROGRESS

Sustainability Milestones



Targets and Progress

[GRI 2-4]

TOPIC	2022 COMMITMENTS AND TARGET	2022 PROGRESS	FUTURE COMMITMENTS AND TARGETS
Climate change	<ul style="list-style-type: none"> • Maintain the methane capture systems installed in our mills • Moving towards our target to reduce our 2030 GHG emission intensity by 5% from 2020 baseline • Continue to explore opportunities for GHG reductions 	<ul style="list-style-type: none"> • Avoided 164,000 tCO₂e from our existing methane capture plants • Reduced our GHG emission intensity by 20% from 2020 baseline (Exceeded Expectation) 	<ul style="list-style-type: none"> • Reduce our GHG emission intensity by 10% by 2030 from 2020 baseline (Updated)

TOPIC	2022 COMMITMENTS AND TARGET	2022 PROGRESS	FUTURE COMMITMENTS AND TARGETS
Conservation of HCV areas and HCS forests	<ul style="list-style-type: none"> Continue conserving HCV areas and HCF forests by: Continuing our commitment to NDPE Continuing to implement best management practices on existing plantations on peat Continuing to train and socialize our suppliers on our sustainability policy Continuing to socialize villagers on HCV areas and HCFs forests and imploring them not to encroach 	<ul style="list-style-type: none"> No encroachment reported in our monitored HCV area Engaged with suppliers with suspected deforestation in a timely manner Conducted HCV and HCS conservation training and/or refreshment for employees 	<ul style="list-style-type: none"> Continue monitoring and conserving HCV areas and HCS forests
Fire and haze prevention	<ul style="list-style-type: none"> No use of fire for planting or pest/disease control Equip our ground team with proper equipment and training Continue implementing our integrated fire monitoring and response system 	<ul style="list-style-type: none"> No fires in our concession Built one new fire tower Work with Manggala Agni to provide one session of fire fighting training Maintained the hotspot early warning system to complement GLAD hotspot alerts Continued to socialize villagers on fire prevention and management Continued to socialize suppliers on no fire for planting or pest/disease control 	<ul style="list-style-type: none"> Expand our fire monitoring and response system outside of our concessions and operational units including launching a Fire Free Village Program
Pest management and fertilizer use	<ul style="list-style-type: none"> Continue reducing the use of synthetic pesticides and fertilizers Continue to phase out paraquat and WHO 1A and 1B pesticides as well as those listed in the Stockholm and Rotterdam Conventions 	<ul style="list-style-type: none"> Continued to implement an integrated pest management system (IPM) in our plantations Continued to phase out paraquat and WHO 1A and 1B pesticides as well as those listed in the Stockholm and Rotterdam Conventions 	<ul style="list-style-type: none"> Continue reducing the use of synthetic pesticides and fertilizers Fully phase out paraquat and WHO 1A and 1B pesticides as well as those listed in the Stockholm and Rotterdam Conventions

TOPIC	2022 COMMITMENTS AND TARGET	2022 PROGRESS	FUTURE COMMITMENTS AND TARGETS
Waste management	<ul style="list-style-type: none"> Continue to innovate our waste management systems Reduce hazardous waste intensity 	<ul style="list-style-type: none"> 100% of our hazardous waste handled as per the government regulations by licensed transporters Reduced hazardous waste intensity by 10% compared to 2020 baseline 	<ul style="list-style-type: none"> Continue to innovate our waste management systems Reduce hazardous waste intensity by 10% compared to 2020 baseline (New)
Water efficiency and effluents management	<ul style="list-style-type: none"> Continue ensuring effluent complies with quality limits set by the relevant authorities Moving towards our target to reduce our 2030 water use intensity by 5% from 2020 baseline Continue reducing water consumption 	<ul style="list-style-type: none"> No incidents of non-compliance to government regulation on effluent Reduced water use intensity by 37% compared to 2020 baseline (Exceeded Expectation) 	<ul style="list-style-type: none"> Maintain zero non-compliance to government regulation on effluent Expand our current water use reduction initiatives Reduce our water use intensity by 20% by 2030 from 2020 baseline (Updated)
Community and smallholder livelihoods	<ul style="list-style-type: none"> Engaging community through annual stakeholder consultations Implement effective and targeted CSR programs with emphasis on community development 	<ul style="list-style-type: none"> Implemented annual stakeholder consultations Disbursed more than USD 270,000 in aid through our CSR programs 	<ul style="list-style-type: none"> Improve upon the effective CSR programs with emphasis on community development Develop a smallholder engagement and education program to improve yield and sustainability of smallholder
Human rights	<ul style="list-style-type: none"> Continue ensuring our operations and suppliers are in full compliance with labor laws Continue conducting stakeholder consultations and supplier workshops to discuss human rights topics 	<ul style="list-style-type: none"> No substantiated human rights complaints in our operations Continued to conduct stakeholder consultations and supplier workshops to discuss human rights topics 	<ul style="list-style-type: none"> Continue ensuring our operations and suppliers are in full compliance with labor laws Continue to conduct stakeholder consultations and supplier workshop to discuss human rights topics
Employee health, safety and wellbeing	<ul style="list-style-type: none"> Continue creating a safe and healthy working environment Achieve SMK3 Gold flag rating for all our operations No work fatalities 	<ul style="list-style-type: none"> Achieved gold flag (highest level) rating in SMK3 (Indonesian health and workplace safety) certification for 80% of our operations No work fatalities 0.08% time lost due to accidents 	<ul style="list-style-type: none"> Continue creating a safe and healthy working environment Achieve SMK3 Gold flag rating for 100% of our operations No work fatalities Less than 0.1% time lost due to accidents

TOPIC	2022 COMMITMENTS AND TARGET	2022 PROGRESS	FUTURE COMMITMENTS AND TARGETS
Human capital development	<ul style="list-style-type: none"> Continue providing training and opportunities for continuous development 	<ul style="list-style-type: none"> 4386 employees trained and retrained 5.9 hours of training per employee 	<ul style="list-style-type: none"> Continue providing training and opportunities for continuous development
Corporate governance and ethics	<ul style="list-style-type: none"> Continue to socialize and retrain our employee on the code of ethics No incidents of anti-competitive behaviour, monopolistic practice or corruption or bribery cases 	<ul style="list-style-type: none"> Continued to socialize and retrain our employee on the code of ethics No incidents of anti-competitive behaviour, monopolistic practice or corruption or bribery cases 	<ul style="list-style-type: none"> Continue to socialize and retrain our employee on the code of ethics No incidents of anti-competitive behaviour, monopolistic practice or corruption or bribery cases
Product quality and safety	<ul style="list-style-type: none"> No incidents of non-compliance with regulations concerning the health and safety of our products No complaints from customer on our product quality and safety 	<ul style="list-style-type: none"> No incidents of non-compliance with regulations concerning the health and safety of our products No complaints from customer on our product quality and safety 	<ul style="list-style-type: none"> Maintain no incidents of non-compliance with regulations and zero complaints from customers
Supply chain traceability and engagement	<ul style="list-style-type: none"> Maintain 100% traceability to mills Continue to increase % of fruit traceable to plantation Continue supplier engagement 	<ul style="list-style-type: none"> Maintained 100% traceability to mills Achieved 66% traceability to plantation Achieved 50.4% delivering and progressing on NDPE IRF 73.68% of our suppliers have attended our supplier workshops 84.59% of our suppliers have completed our sustainability questionnaire 	<ul style="list-style-type: none"> Maintain 100% traceability to mills Achieve 100% traceability to plantation by 2025 Achieve 100% suppliers delivering and progressing on NDPE IRF by 2025
Sustainability certification	<ul style="list-style-type: none"> Continue working towards obtaining RSPO SCCS certification for 100% of our business units, RSPO P&C certification for 100% of our palm oil mills and RSPO P&C certification for 100% of our plantations Continue working towards obtaining ISPO certification for 100% of our palm oil mill and plantations 	<ul style="list-style-type: none"> Obtained RSPO SCCS certification for 75% of our business units Obtained RSPO P&C certification for 17% of our palm oil mill Obtained RSPO P&C certification for 15% of our plantations Obtained ISPO certification for 17% of our palm oil mill Obtained ISPO certification for 15% of our plantations 	<ul style="list-style-type: none"> Achieve RSPO and ISPO certification for 100% of our business unit

PROTECTING OUR ENVIRONMENT

Permata Group understood that the protection of the environment is the heart of all sustainable development. We also understood that as a major player in the agribusiness industry we have an outsized impact on the environment. That is why managing our environment is a major pillar in our sustainability management system.

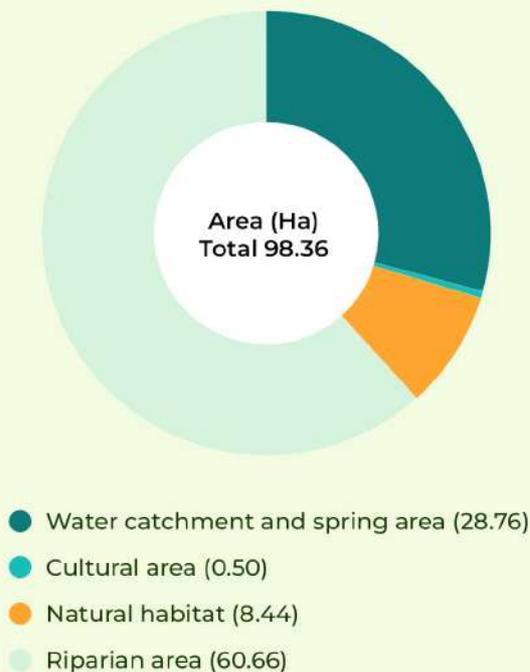
1. Protecting High Conservation Area and Biodiversity

[GRI 3-3, 304-1, 304-3, 304-4]



Permata Group is committed to manage and monitor HCV areas identified in our concession and protect their natural functions and biodiversity. We have commissioned HCVRN ALS licensed assessors to conduct HCV assessments in all of our concession area. The assessments identified the presence of 98.36 Ha of HCV area (1% of our concessions) spread out across our plantations in Padang Lawas regency, North Sumatra. Most of our HCV is riparian and water catchment area with some natural habitat and cultural sites.

HCV areas by type:



The assessments also identified 60 plant species and 54 animal species within our concession area, some which have been identified as vulnerable, near threatened and endangered.

	IUCN Rating			
	Least Concern	Near Threatened	Vulnerable	Critically Endangered
Total Number of Plant Species	56	1	1	2
Total Number of Animal Species	46	1	3	2

We are committed to manage the HCV areas and to protect their natural functions and biodiversity including ensuring that no hunting of protected species occurred within our concession area and ensuring that no riparian area will be planted or replanted. For riparian area already planted, we will stop the manuring and spraying activities to return the land to its native state. We assign our staffs to periodically patrol the HCV areas to prevent encroachment. We also erect and maintain signs and markings demarcating HCV areas and actively socialize to locals during stakeholder consultations on the presence of HCV areas and the necessity of preserving them. Our staffs and workers were also trained on the importance of HCV areas and their preservation and conservation.

We require our suppliers to follow our approach in managing their HCV areas and requested them to share their HCV management in our sustainability questionnaire. In the questionnaire, suppliers are invited to elaborate on their NDPE and sustainability policy as well as to update us of its implementation. They are also encouraged to disclose activities and programs that they have implemented to protect the environment, mitigate climate change, and improve the economic well-being of the local communities.



Natural Ecosystem Conservation and Rehabilitation

In addition to protecting and monitoring HCV areas within our concession, we also actively participate in forest restoration and wildlife conservation projects outside. In the Gayo Highland of Aceh within the Leuser ecosystem zone, we worked with Leuser International Foundation to plant 18,000 hardwood trees such as asavocado, durian, candlenut, mindi, lekap and others. This project started in 2021 and over the past two years has helped rehabilitate 140 hectares of degraded forest.

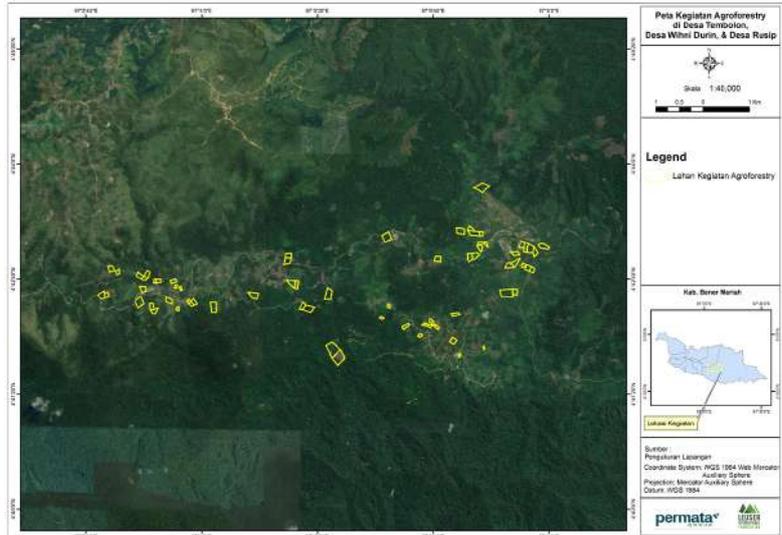
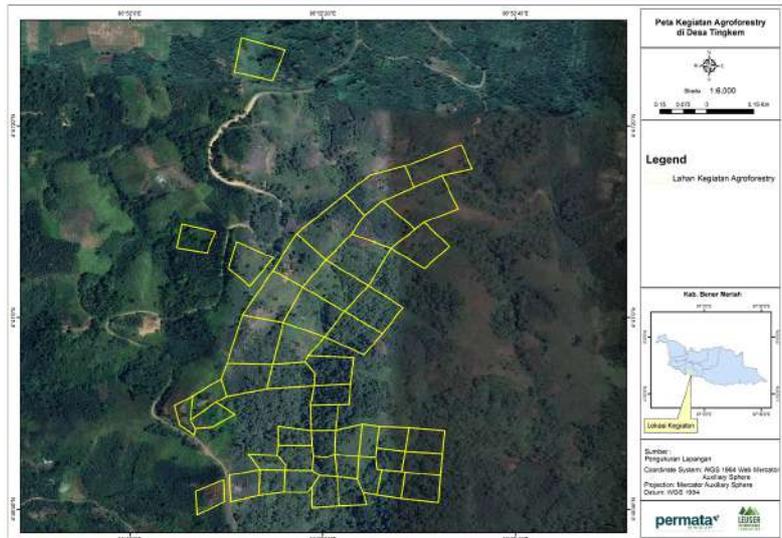


Rehabilitation of Degraded Land in Aceh With Yayasan Leuser International

The Leuser Ecosystem is a vast area of forest located in the provinces of Aceh and North Sumatra on the island of Sumatra in Indonesia. It is home to a wide variety of plant and animal species, including many that are endangered or threatened. It is also the only place in the world where the four critically endangered fauna species of Sumatra (the orangutan, the Sumatran rhinoceros, the Sumatran tiger, and the Asian elephant) still coexist. In addition to its biodiversity, the Leuser Ecosystem also plays an important role in regulating the global climate. The forests of the Leuser Ecosystem store vast amounts of carbon, which helps to mitigate climate change. The forests also help to regulate the water cycle, which is essential for the water security of millions of people in the region.

In the northern edge of the Leuser Ecosystem Zone is the Gayo Highland, home of the Gayo people and its famous Gayo Coffee. The Gayo highland hosts lush tropical montane and coniferous forests. However, over the past several decades the area has been affected by deforestation and forest degradation due to both legal and illegal logging as well as land use change. The area also suffered due to the Gerakan Aceh Merdeka rebellion and its suppression by Indonesian military which saw numerous fire outbreaks which were either set deliberately by the combatants or inadvertently caused by the firefighters. The degraded areas, located mostly on sloped hillside have been slow to recover and many have been converted into monoculture coffee plantations by the locals. The conversion to coffee plantations are increasing the risk of erosion, reducing biodiversity and diminishing the water storage capacity of the area.

Against this backdrop, Permata Group partnered with Leuser International Foundation to plant hardwood trees in the affected area and to convert monoculture coffee plantations into shade grown coffee. Several tree species have been identified for planting such as avocado, durian and candlenut which provide economic value as well as species with environmental value such as pangbabi, mindi, and lekap.



Beyond Aceh, we continued our collaboration with Barumun Nagari Wildlife Sanctuary, providing essential support for the inhabitants. The sanctuary, sprawling across 600 hectares, shelters 15 Sumatran Elephants and 2 Sumatran Tigers, offering them a haven to thrive. By sourcing food—bananas, papayas, and sugarcane—from local farmers, the Permata Group ensures the well-being of these majestic creatures, many of whom were rescued from the wild.



Permata Group worked with the Barumun Nagari Wildlife Sanctuary to support the protection of critically endangered Sumatran elephants

In addition to our terrestrial conservation efforts, we also actively contributed to the rehabilitation of marine ecosystems through our support for the 1000 reefball project in the waters surrounding Pulau Mursala and Pulau Kalimantan in North Sumatra. The approach involves strategically placing coral reefballs, each weighing approximately 50 kg, in the sea around these islands. These reefballs act as a substrate for coral growth and provide a stable foundation for the establishment of diverse marine life. By enhancing the conditions for coral reefs, we aim to promote biodiversity, strengthen the marine ecosystem, and contribute to the overall health of the oceans.

The Permata Group is proud to have sponsored 110 reefballs for this project, underscoring our commitment to marine conservation. Our contribution goes beyond mere financial support; it reflects our dedication to actively participating in initiatives that address the challenges faced by our oceans.

As these artificial reefs become submerged and begin to foster the growth of corals, they play a crucial role in the broader effort to counteract the impacts of climate change, overfishing, and other threats to marine life. By supporting the 1000 reefball project, Permata Group contributes to the preservation and sustainable use of marine resources, safeguarding the beauty and resilience of our oceans for future generations.



Permata Group partnered with the 1000 Reef Ball Nature Lovers in the Coral Reef Conservation and Rehabilitation Program

Peatland Management

Peatlands play a crucial role in the global carbon cycle and support diverse ecosystems. However, improper management of peatlands, particularly in relation to palm oil production, can lead to significant environmental and social impacts. Peatlands serve as an important carbon reservoir, storing as much as 4 trillion tons of carbon (forests store around 1.3 trillion tonnes while peatlands store double that amount). They also serve as habitats for numerous species of plants and animals, many of which are rare, threatened and/or endangered. Indonesia's forests and peatlands are among some of the most extensive and biodiverse in the world and their protection and conservation play an important role in climate change mitigation at the national and global level.

Permata Group is fully committed to zero new planting on peatland. We are also committed to manage our existing plantation on peatland in accordance with RSPO Best Management Practice (BMP). We constructed water gates and water weirs to maintain the water level of our peat area at 40 cm below the ground level in accordance with Indonesian government regulation and installed water level gauges and piezometers to measure and ensure that the water level is maintained at the recommended level. We also installed peat subsidence pole to measure the subsidence rate of the peat.



Piezometer is installed to measure and ensure that the water level is maintained at the recommended level



Subsidence Pole is installed to measure the subsidence rate of the peat

We conducted Peat Drainability Assessments for all our peat areas prior to replanting as required by the RSPO. To date we have carried out 6 soil and peat assessments (combined with our HCV assessment) and 1 drainability assessment in our estates. The results of the assessment indicated that our existing plantations on peat were suitable for replanting.

Preventing Deforestation

Deforestation remains a significant global challenge, with far-reaching environmental, social, and economic consequences. Utilizing advanced technology such as Global Forest Watch (GFW) Pro, coupled with regular field patrols, we vigilantly monitor our designated conservation areas identified through High Conservation Value (HCV) and High Carbon Stock (HCS) assessments. This proactive approach allows us to receive early warnings of potential deforestation, enabling swift and targeted responses. Concurrently, we prioritize community education initiatives to instill an understanding of the importance of these conservation areas, urging local communities to refrain from encroaching on these vital zones.

Extending our commitment to deforestation-free practices, we hold our suppliers to the same high standards. Leveraging similar methods, we employ GFW to detect disturbances within a 50 km radius of our suppliers' mills, serving as indicators of potential deforestation within their operations. We are actively collaborating with our suppliers to enhance this monitoring process by mapping their fruit sources, adopting a risk-based approach for greater traceability to the plantation level. This meticulous approach allows us to pinpoint the exact origins of our fruits, subsequently narrowing down our monitoring area for more effective oversight.

We had zero deforestation or fire within our operations and no verified deforestation or fire in our suppliers' operations in the past year. Nevertheless, as part of our Sustainability Policy, any non-High Carbon Stock Approach (HCSA) compliant deforestation after 2020 (if found) will be remediated or compensated in accordance with RSPO Remediation and Compensation Procedure (RACP) procedure. We require our suppliers to implement the same policy.

Fire Management and Prevention

[GRI 3-3]

At Permata Group, we recognized the critical importance of fire management and prevention in protecting our plantations, surrounding communities, and the environment. We are committed to zero use of fire for any planting (new or replanting) or for pest and disease control in our plantation. We developed and implemented an integrated fire monitoring and response system that includes the following:

1. Fire awareness and prevention training

We organize awareness campaigns and training sessions for our plantation workers and nearby communities to educate them about fire prevention measures. This includes proper handling of equipment, avoiding open burning, and reporting potential fire risks promptly.

Working with Manggala Agni and Dinas Pemadam Kebakaran, we have developed a comprehensive training program tailored to the needs of our workforce. The training covers crucial aspects of fire awareness and prevention, ensuring that each employee is well-informed and capable of mitigating fire risks effectively. This collaboration aims to empower our workers with essential fire awareness and prevention training, fostering a culture of safety and vigilance within our organization. Participants gain a deep understanding of fire behavior, including how fires spread, factors that contribute to their intensity, and the environmental conditions that influence their course. To enhance engagement and retention, our training approach involves interactive workshops and realistic simulations. Participants actively practice fire prevention techniques and simulated emergency responses.



Training sessions are conducted for our workers and nearby communities to educate them about fire prevention measures

We also conduct regular fire risk assessments across our plantations to identify vulnerable areas and potential fire hazards. This assessment helps us prioritize fire prevention efforts and allocate resources effectively.



Training sessions are conducted for our workers and nearby communities to educate them about fire prevention measures

2. A robust early warning system

We subscribed to the Global Forest Watch's GLAD alert system as well as VIIRS and NOAA for any fires that might occur in our or our suppliers' plantation. This allows us to detect fire hotspots promptly, enabling rapid response measures to contain fires before they escalate.

In addition to satellite-based monitoring, we have taken a proactive approach by constructing fire towers strategically placed across our plantations. These towers serve as elevated vantage points, enhancing our ability to spot potential fires from a distance. Complementing this infrastructure, we deploy dedicated patrol teams to conduct periodic surveillance around the plantations. This on-the-ground presence significantly contributes to early fire detection and aids in swiftly initiating response actions.

Upon the identification of a suspected fire through any of the monitoring systems, be it GLAD, VIIRS, NOAA, fire towers, or patrol teams, our specialized fire-fighting teams are immediately mobilized. These teams are equipped and trained to control and extinguish fires efficiently. Their prompt response is crucial in preventing the spread of fires and minimizing potential damage to the environment.



Fire tower to monitor fire incidences

3. A well trained and well-equipped firefighting team

We have a dedicated emergency response team trained in handling fire incidents. Our fire-fighting team is equipped with firefighting equipment in line with government regulation. In our larger units, teams are also supported by fire engines. Many members of our firefighting teams have received Fire Fighting Training Certificate Class A, B, C and D as well as specialized forest and land fire training from Manggala Agni.



A well-trained and well-equipped firefighting team

We will continue to improve our fire monitoring and prevention and are looking to expand the system outside of our concessions and operational units in the future. In the near future, we are planning to initiate our community-based Fire Free Village Program (FFVP) around our operation area. The FFVP is a community-based incentive scheme to help reduce the incidence of fires where we will provide socialization and training for villages around our concessions to minimize fire incidences and to quickly respond to any fires which broke out. Villages that manage to achieve a zero fire hotspot for an entire year will be rewarded. This program is aimed to engage and support the local community to use alternatives to clear their land instead of slash-and-burn methods. Community engagement approaches like this is seen as effective and proven method for fire prevention. In 2022, there are zero fire incidents in our concession and no verified fire in our suppliers' operations.

2. Pest Management and Fertilizer Use

[GRI 3-3]

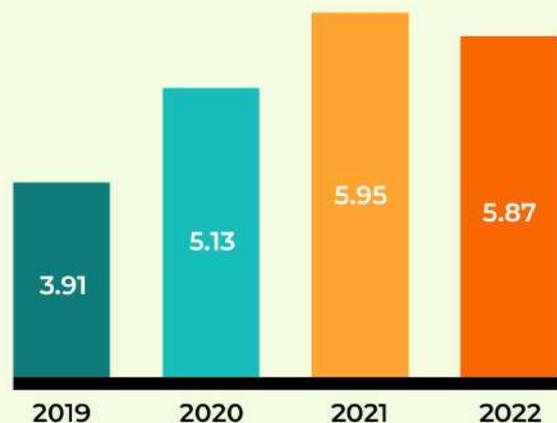


The use of chemicals such as synthetic fertilizers and pesticides is an unavoidable facet of plantation operations. However, these chemicals can adversely impact the environment in and around our operations. Groundwater contamination from soil leaching and surface water contamination due to the runoff from the rain are the two main environmental concerns. The use of chemicals can also negatively impact the health of workers who handle them. We are aware of the negative impacts and are committed to reducing the use of synthetic pesticides and fertilizers.

We use soil and leaf analysis to inform our manuring programmes to minimize excessive and ineffective fertilizer application. We also employ Integrated Pest Management (IPM) practices to reduce reliance on synthetic pesticides.

Additionally, we continuously explore and adopt alternative and more environmentally friendly agricultural inputs and practices.

Quantity of chemicals (pesticides and fertilizers) used per hectare (kg/ha)



Our chemical use intensity decreased between 2021 and 2022 due to our manuring programmes and integrated pest management (IPM) system. We utilize natural and organic means to control pests, thus reducing the need for chemical pesticides. We use barn owls to control the rat population in our plantations. We also plant crops such as the allamanda flower to encourage the presence of beneficial insects that prey on the larvae of oil palm pests and mucuna bracteata to control the growth of weeds as well as provide supplemental nitrogen to young palm plants.

Where possible, we use organic fertilizers derived from waste products which contain a good amount of valuable macro and micronutrients. We implemented a land application system whereby treated palm oil mill effluent (POME) from our mills is used in our plantations as organic fertilizer and for irrigation. We also trialed the installation of belt presses in some of our mills to separate solids from effluent which can be applied in our plantations. Other wastes from our operations recycled into organic fertilizers include boiler ash and decanter solids.



Belt presses are installed in some of our mills to help reduce effluent's COD load



Land application system to fertilize and irrigate our plantations

We are committed to phase out the use of chemicals with the most negative impacts on the environment including paraquat, a chemical herbicide with high levels of toxicity, WHO class 1a and 1b chemicals as well as those listed in the Stockholm and Rotterdam convention.

We provide proper protective gear to our chemical handling workers and mandate their use in all chemical handling activities. We also provide chemical training for our workers who handle them. Chemical waste is stored in dedicated temporary hazardous waste storage facilities on our sites and is disposed of by certified third parties.

3. Water And Effluent Management

[GRI 3-3, 303-1, 303-2, 303-5]

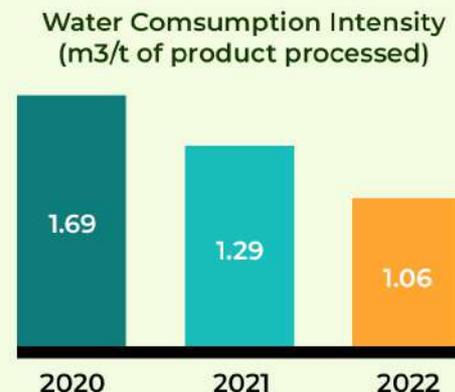
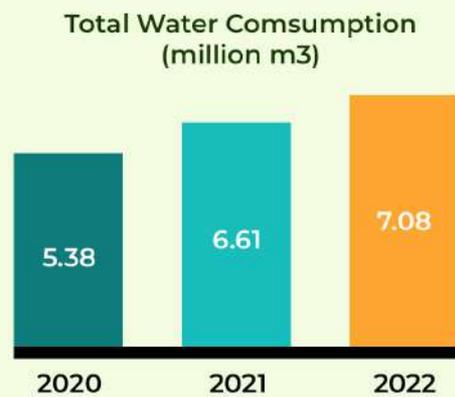


Water Management

Water is a finite resource, and its responsible usage is integral to sustainable development. Inefficient water usage can lead to depletion of local water sources, affect ecosystems, and disrupt nearby communities. Inadequate effluent management can pollute water bodies, soil, and air, resulting in adverse environmental and public health impacts. That's why water and effluent management is a critical aspect of sustainable operations.

We have implemented several programs and initiatives to reduce, reuse, and recycle water where possible. We installed rainwater collection drains on the roofs of our plants and employees' homes to supplement our water withdrawal. In a single plant, collected rainwater can provide up to 2% of total water usage. Other initiatives to reduce water withdrawal and consumption include using palm fibres instead of water to clean up accidental oil spills in our plants and reusing reject water from our reverse osmosis water treatment system to wash and clean our plants which can save us up to 10% of our water consumption. We will continue to seek out

and innovate ways to reduce our water usage and have set ourselves a target to reduce our 2030 water consumption intensity by 20% compared to a 2020 baseline.



Our water consumption increased by 7% in 2022 compared to 2021. This is due to increased utilization of our production facilities as we meet increased demand in 2022. On the other hand, our water consumption intensity in 2022 decreased by 17% compared to 2021. This was due to the increased utilization and efficiency of our plant capacities.

Effluent Management

Effluent management stands as a pivotal component of our commitment to environmental sustainability and responsible business practices. Proper management is essential to prevent pollution, minimize environmental impact, and safeguard human health.



A wastewater treatment plant in one of our units

Permata Group ensures that any effluent discharged complies with quality limits set by the relevant authorities. To do this we built wastewater treatment plants combining chemical and biological treatments for our palm oil mills, refineries and other downstream operations to treat both palm oil mill effluent (POME) and palm oil refinery effluent (PORE).

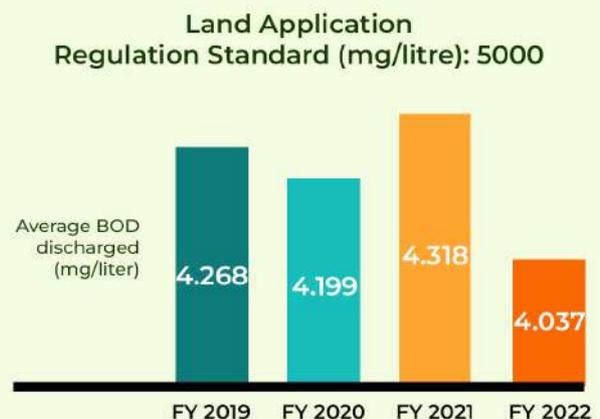
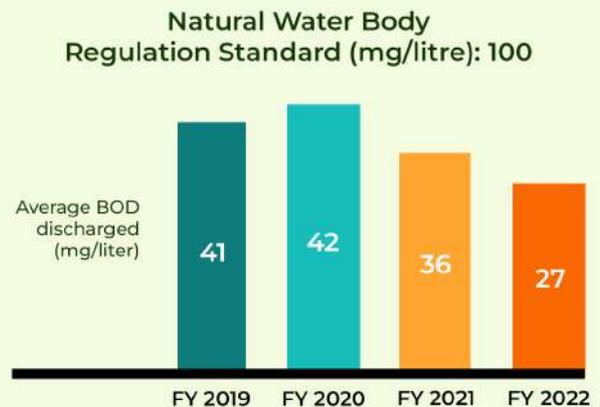
In addition to the typical wastewater treatment plants which utilize a series of open lagoons and ponds, we constructed methane capture facilities in our palm oil mills to reduce GHG emissions and odors. In some of our mills, we also installed belt presses to separate out solids from effluent which in turn reduces its organic load. The separated solids are then used as organic fertilizers for our plantations

Where possible, we recycle POME and other effluent into organic fertilizer and irrigation for our plantations through our land application system. While we experience dry season during weather phenomena such as El Niño, this is not significant enough to pose a major risk of water stress to our oil palm plantations because we mitigated it by irrigate our land using palm oil mill effluent (POME).

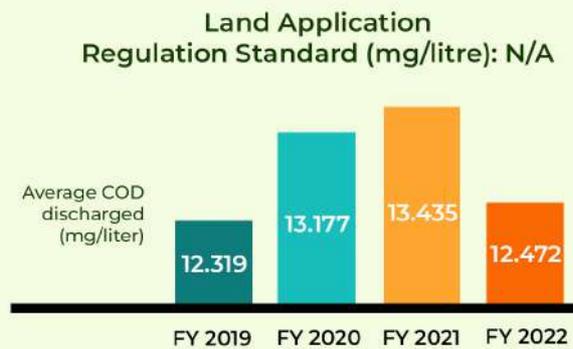
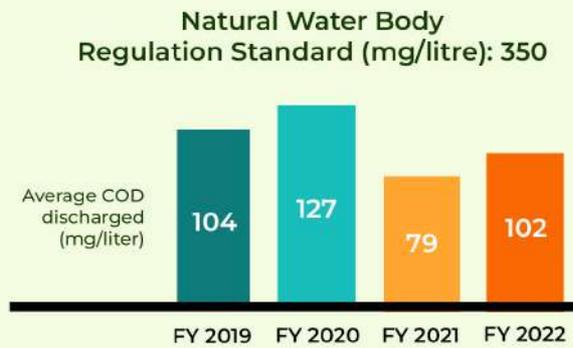
This is supplemented with our integrated pest management (IPM) system which promotes the use of natural and organic means to control pests. These initiatives not only minimize effluent discharge, but also reduce the need for synthetic chemicals and with it, the potential run off of those chemicals into surrounding water bodies.

For our refineries and downstream operations, we constructed chemical based wastewater treatment plants which used flocculent and coagulant to remove organic materials from our wastewater, reducing their Chemical Oxygen Demand (COD) and Biological Oxygen Demand (BOD) to the level compliant with the government regulations which we hope to maintain.

BOD of effluent by discharge destination:



COD of effluent by discharge destination



4. Waste Management

[GRI 3-3, 306-1, 306-2, 306-3, 306-4, 306-5]



Ensuring effective waste management is a cornerstone of our dedication to sustainable palm oil practices. Our commitment to environmental responsibility extends to the implementation of a holistic waste management strategy designed to minimize our operational impact and foster a circular economy.

Emphasizing the principles of the 3R's—reduce, reuse, and recycle—we strive to promote these practices for all categories of waste generated within our operations. By doing so, we aim to not only minimize the volume of waste but also ensure that materials are utilized efficiently, contributing to a more sustainable and resource-efficient production process.

In alignment with our commitment to compliance and responsible corporate citizenship, Permata Group is dedicated to ensuring that all waste generated undergoes proper treatment and disposal. This commitment is in full adherence to the laws and regulations set forth by the Indonesian authorities. We understand the importance of legal compliance in waste management to prevent adverse environmental impacts and maintain the integrity of the ecosystems in which we operate.

Hazardous waste

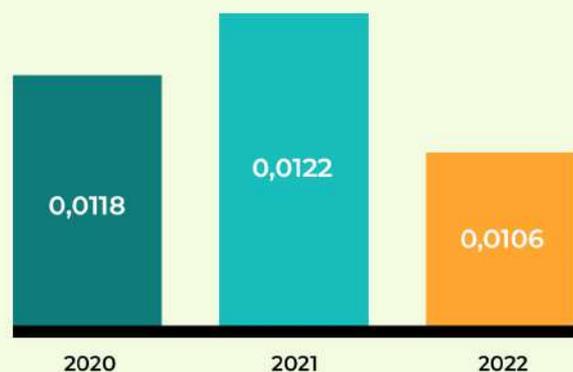
Our commitment to responsible hazardous waste management underscores our dedication to safeguarding both the environment and human well-being. Rigorous protocols are in place to identify, segregate, and handle hazardous waste generated throughout our operations. By adhering to strict regulatory guidelines and international standards, we ensure the safe storage, transportation, and disposal of these materials.

We ensure the proper handling of hazardous waste by providing well-built and well-equipped temporary hazardous waste storage facilities on our sites and engaging with certified third parties to transport and dispose of the waste.

Quantity of hazardous waste produced by our operations

	FY 2020	FY 2021	FY 2022
Spent bleaching earth (SBE) (t)	19,038	32,342	35,970
Fly ash and bottom ash (FABA) (t)	15,742	26,585	28,725
Chemical container (t)	65	122	138
Other hazardous waste (t)	2,961	3,578	5,620
Total (t)	37,806	62,627	70,574

Hazardous Waste Intensity (t/t of product processed)



Empty pesticide and fertilizer containers constitute the primary source of hazardous waste in our plantation operations. To address this concern, we have proactively promoted the controlled use of chemicals through our Integrated Pest Management (IPM) system and scientifically based manuring programs. By emphasizing natural and organic means to control pests and provide nutrients, we've effectively reduced the reliance on chemicals, consequently minimizing the disposal of empty chemical containers.

Our commitment to minimizing potential human and environmental exposure to hazardous chemicals is further demonstrated by our restriction on the use of WHO Class 1a and 1b chemicals, as well as those listed in the Stockholm and Rotterdam conventions. This strategic approach aligns with global efforts to manage and reduce the impact of highly hazardous chemicals on ecosystems and human health.

In our refineries, Fly Ash and Bottom Ash (FABA) from coal-fired boilers, and Spent Bleaching Earth (SBE) are identified as the main sources of hazardous waste. To address this, we actively promote the use of biomass, such as Palm Kernel Shell (PKS), as a sustainable and environmentally friendly replacement for coal in our power plants. Encouragingly, four out of our six refineries have phased out the use of coal entirely and now utilize palm kernel shells instead.



Well-built and well equipped temporary hazardous waste storage facilities on our sites

Coal substituted and FABA avoided through the use of biomass in our plants

	FY 2020	FY 2021	FY 2022
Coal Substituted (t)	434,624	460,140	445,595
FABA Avoided (t)	21,731	23,007	22,281

Non Hazardous Waste

[306-2]

In managing non-hazardous waste from our plantations and mills, we prioritize sustainable practices and recycling efforts. Two significant components of this waste are empty fruit bunches (EFB) and palm kernel shells (PKS), both of which are predominantly reused and recycled.

1. Empty Fruit Bunches (EFB):

Reusing as Mulch and Organic Fertilizer: EFB is repurposed as mulch and organic fertilizer, contributing to soil enrichment and plant health.

Pressing and Shredding for Boiler Power: EFB can be pressed and shredded into fibers, serving as a renewable and sustainable source of energy to power boilers in our mills.

2. Palm Kernel Shells (PKS):

Export and Use in Sister Refineries: The utilization of EFB in our mills allows us to replace PKS, which can then be exported and used in our sister refineries. This serves as an alternative to coal, contributing to cleaner energy generation.

General and domestic waste even though produced in much lesser quantities than EFB and PKS still represented a sizable component of non-hazardous waste. To manage this waste, we implemented a waste segregation system to distinguish between organic and non-organic waste within our waste streams. This separation allows us to manage waste more effectively and implement tailored disposal methods.

3. Organic Waste:

Landfill Disposal: While not ideal, organic waste is predominantly sent to landfills. Efforts to explore alternatives or promote composting may further enhance sustainability in this aspect.

4. Non-Organic Waste:

Recycling at Third-Party Facilities: Non-organic waste is directed to third-party recycling facilities, emphasizing our commitment to responsible waste management and contributing to circular economy practices.

Quantity of non-hazardous waste generated and disposal method

Waste Type	Disposal Method	FY 2019	FY 2020	FY 2021	FY 2022
EFB (t)	Reused as organic fertilizer or fuel	308,701	298,567	339,581	365,607
PKS (t)	Reused as fuel	115,908	111,672	115,416	112,775
Mesocarp fibre (t)	Reused as fuel	190,307	186,048	197,348	202,688
Inorganic general waste (t)	Sent to landfill, municipal waste processor or recycled by third party	13,408	17,555	11,070	10,218
Organic general waste (t)	Sent to landfill or municipal waste processor	19,085	19,085	15,155	14,123
Total		647,410	626,314	678,570	705,411

5. Energy Management

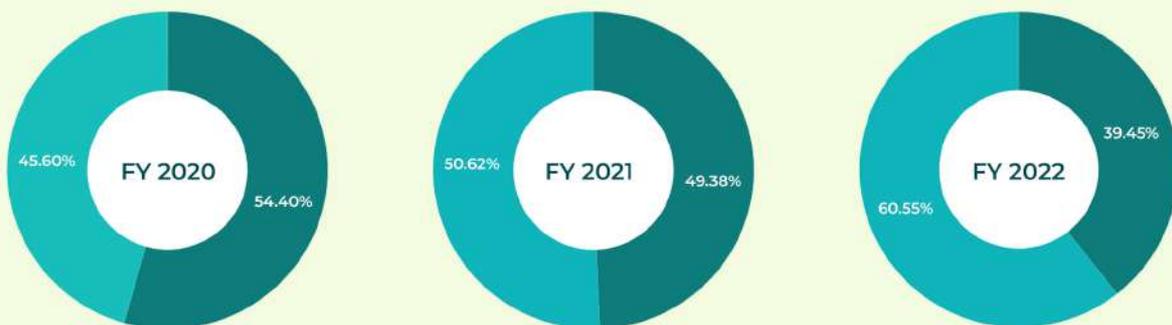
[GRI 3-3, 302-1, 302-3]



Reducing energy consumption is one of our focus areas in our drive towards improving the sustainability of our operations.

In 2022, our operations consume 16.3 million GJ of energy, an 18% increase compared to 2021 energy consumption. 9.9 million GJ of those came from non-renewable sources (60.55%) and 6.4 million GJ from renewable sources (39.45%).

ENERGY CONSUMPTION

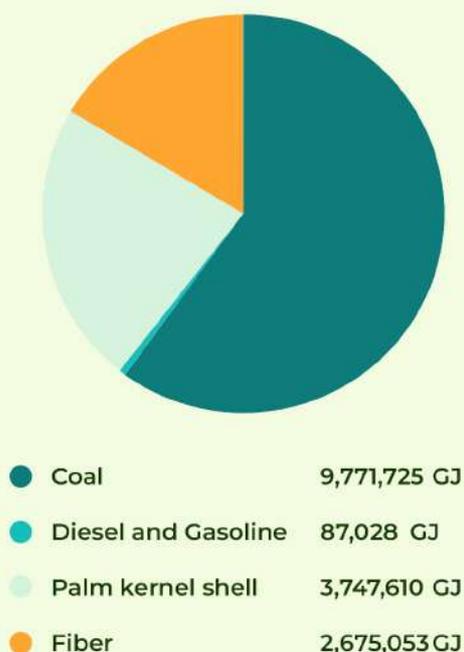


● Renewable Energy ● Fossil Energy

	2020		2021		2022	
Fossil Energy	5,553,443.40	GJ	6,993,785.43	GJ	9,858,752.90	GJ
Renewable Energy	6,625,772.90	GJ	6,822,640.23	GJ	6,422,662.69	GJ
Total Energy	12,179,216.30	GJ	13,816,425.67	GJ	16,281,415.59	GJ
% Renewable Energy	54.40	%	49.38%	%	39.45%	%

The decline in % renewable energy in 2022 is caused by the ramping up of our new KID refinery complex to full operation. The refinery complex used coal as its primary boiler fuel due to the limited availability of biomass in the area around it.

ENERGY CONSUMPTION 2022



In addition to promoting the use of renewable energy in our operations, we also exported surplus renewable electricity to the national grid.

Renewable Electricity Export (KWH)		
2020	2021	2022
2,276,847	5,329,828	5,434,985

6. Climate Change

[GRI 3-3, 305-1, 305-2, 305-4, 305-5]



Climate change refers to the long-term alteration of Earth's average weather patterns, primarily driven by human activities that release greenhouse gases into the atmosphere. These gases trap heat, leading to rising temperatures, shifts in weather patterns, and a cascade of environmental changes. It is one of the most pressing challenges facing our planet today with urgent actions required. At Permata Group, we focus our efforts on two aspects: to manage physical climate risks and to combat climate change.

Managing physical climate risks

As global climate patterns shift and extreme weather events become more frequent, the management of physical climate risks has emerged as a critical priority. We have undertaken comprehensive risk assessments to identify potential vulnerabilities across our operations. By analyzing climatic data, geographical factors, and historical events, we have gained insights into the specific risks we face.

The tropics where Permata Group operates are expected to see more frequent and intense droughts and floods. Our short-term adaptation strategy is focused on looking at ways to better manage water supply such as storing floodwater from the wet season for use during the dry season. Over the longer term, we are looking at procuring drought and flood-resistant palm varieties for re-planting.

Combating Climate Change

Quantifying our GHG emissions

Quantifying GHG emissions is essential for understanding our environmental impact and identifying opportunities for reduction. By measuring emissions across our operations, we gain insights into where emissions originate and can develop targeted strategies to mitigate them. To that end we utilize the GHG Protocol Standard and the RSPO PalmGHG calculator.

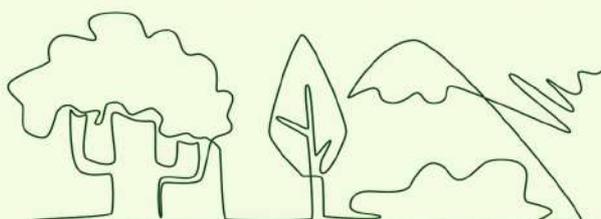
We use GHG Protocol Standard to inform the direct (scope 1) and indirect (scope 2) GHG emissions released by our operations. Presently, we have omitted other indirect (scope 3) GHG emissions from our calculations but hope to quantify and report these emissions in the future.

Carbon footprint of our operations calculated using the GHG Protocol Standard

	FY 2019 (tCO2e)	FY 2020 (tCO2e)	FY 2021 (tCO2e)	FY 2022 (tCO2e)
Scope 1	630,926	637,457	873,606	823,870
Scope 2	4,272	5,477	2,733	15,174
Total	635,198	642,934	876,339	839,044

Carbon emission intensity of our operations calculated using the GHG Protocol Standard

FY 2019 (tCO2e/t)	FY 2020 (tCO2e/t)	FY 2021 (tCO2e/t)	FY 2022 (tCO2e/t)
0.13	0.15	0.13	0.12



In 2022, our total Scope 1 and 2 GHG emissions were 839,044 tCO₂e, a 4% decline compared to 2021 value. Intensity wise, our 2022 value is 0.12 tCO₂e/t which is a 8% improvement over 2021 value. Our carbon footprint would have been much higher if not for our use of biomass in our power plants. Our biogenic emissions (emissions produced by the combustion of biomass which is recycled back by the palm trees and is not included in our carbon footprint calculations above) in 2022 is 900,578 tCO₂e which is larger than our scope 1 + 2 emissions.

Biogenic emissions from biomass

FY 2019 (tCO ₂ e)	FY 2020 (tCO ₂ e/t)	FY 2021 (tCO ₂ e/t)	FY 2022 (tCO ₂ e/t)
381,684	838,652	901,486	900,578

We also use RSPO PalmGHG to evaluate the GHG emissions of our RSPO certified palm oil mills. PalmGHG is a life-cycle greenhouse gas emission calculator which includes indirect emissions from our suppliers such as emission from fertilizer production and transport, fuel production and transport and others. PalmGHG also accounts for emissions from land use change although Permata Group has no emissions from land use change in 2022 as we have not cleared any new land for oil palm cultivation since the early 2000s (before the RSPO cut off date of November 2005).

Carbon emission intensity of our RSPO certified palm oil mills calculated using PalmGHG

	FY 2022
tCO ₂ e per tonne of crude palm oil (CPO)	5.95
tCO ₂ e per tonne of palm kernel (PK)	5.95

Reducing our GHG emissions

We design our GHG emission reduction plan accordingly with a focus on the following activities:

1. Construction of methane capture plants

We were one of the first companies in Indonesia to install methane capture facilities in our palm oil mills. We commissioned our first methane capture facility in 2008 and equipped all our palm oil mills with methane capture facilities by 2010. Three of our methane capture facilities have been registered as CDM projects by the UNFCCC:

- a) Project 2130: Methane Recovery in Wastewater Treatment, Project AIN07-W-04, Sumatera Utara, Indonesia
- b) Project 2633: AIN08-W-03, Methane Recovery in Wastewater Treatment, Sumatera Utara, Indonesia
- c) Project 2421: Nubika Jaya Biogas Extraction for Bio-Hydrogen Production

Since their commissioning, these projects have generated a total of 91,215 Certified Emission Reduction credits which were sold to the Netherlands, Switzerland and Japan through our partners AES AgriVerde and Mitsubishi. These projects would have generated more CERs had the CER market not collapsed in 2012.

Our methane capture facilities prevent the release of 164,000 tCO₂e annually

2. Committing to no deforestation, no peat and no exploitation (NDPE)

We released our Sustainable and NDPE policy in 2015 marking our commitment to zero deforestation and zero peat conversion. While we have not developed any new plantations since the early 2000s, this policy will ensure that any new potential developments will not be located in forested or peat areas which will greatly reduce future GHG emissions from land use change

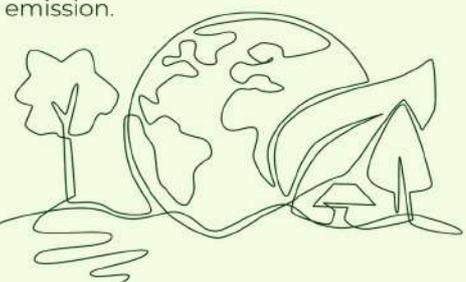
3. Practicing peat best management practices

For existing peat areas located within our concession, we practice RSPO Best Management Practices (BMP). This includes installing water weirs and gates in our canals to maintain water levels at an optimal 50-70 cm below ground level and monitoring the rate of subsidence in our peat areas.

4. Improving yield

One of the best ways to increase palm oil production without increasing GHG emissions or adverse environmental impacts is to increase palm yield. To increase our yield, we engage in best agronomic practices, including replanting old palms with high quality palm seedlings. More information on measures we are implementing to improve yield can be found on the next page.

While we will continue to seek out and innovate opportunities for emission reductions, we recognize that our current initiatives already cover the most obvious and impactful opportunities, such as methane capture. Future reduction activities may be limited in their impact. As such, we have set a modest target of reducing our carbon intensity by 10% by 2030 compared to a 2020 baseline. We selected a more recent baseline to ensure that we are focused on driving future improvement. This target applies to Scope 1 and 2 GHG emissions for all our operations upstream and downstream. As we progress, we will review this target on regular basis to ensure that it remains appropriate to drive towards achieving net-zero emission.



7. Yield and Extraction Improvement



Efficiency gains in palm oil yield and extraction are pivotal in achieving a sustainable equilibrium. Through meticulous seed selection, precision agriculture techniques, and innovative extraction methods, we are increasing our yield while minimizing resource consumption and waste. These practices not only bolster our economic viability but also contribute to the reduction of our environmental footprint.

Our approach to yield and extraction improvement is grounded in sustainable principles. We prioritize biodiversity conservation, ensuring that our practices protect habitats and minimize deforestation. In collaboration with local communities, we align our efforts with their needs and aspirations, fostering mutual benefits.

We are constantly on the lookout for ways to improve our productivity whether that means an increase in FFB yield or CPO extraction rates. This is reflected in our continuous improvement policy which aims to consistently improve on all aspects of our operations.

One way we improve yield in our plantations is through our replanting program. Replanting older and less productive palm and replacing them with younger and more productive trees is necessary to produce more oils without the need for additional space. This replanting program took on more urgency for us as our plantations are generally older plantations planted in the 1990's and early 2000's. We replace the older palms with high quality tenera seedlings sourced from reputable sources with certification.

Other than replanting we also implemented other methods to increase our yield. These include best management practices such as science-based manuring and integrated pest management. In our mills, we utilize science-based harvesting timing to ensure the palm fruits supplied to our mill are ripe which yield the most oil.



EMPOWERING OUR PEOPLE AND COMMUNITIES

1. Our People

[GRI 2-8, 3-3, 202-1, 401-1, 404-1, 404-2, 404-3, 405-1]

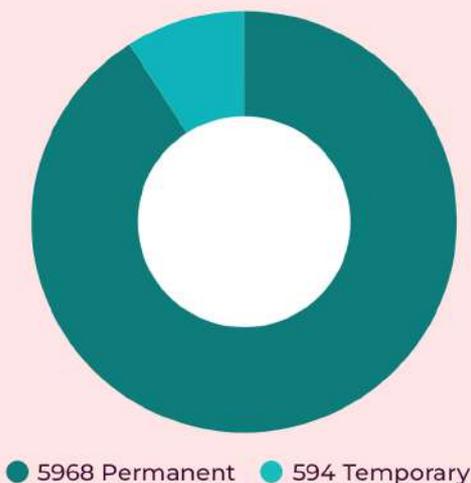


Our employees are our core asset. Our diverse and skilled workforce is committed to upholding our core values of environmental stewardship, social responsibility, and economic viability. Through their dedication and expertise, they play a vital role in driving positive change across our operations.

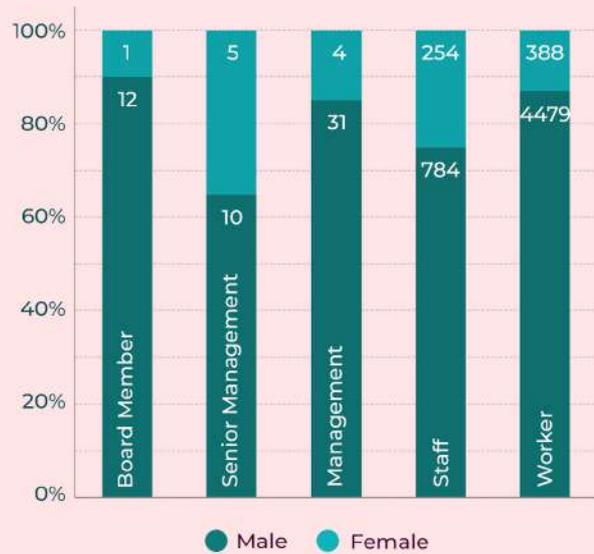
Our operations currently employ 6,562 workers spread over our sites in North Sumatra and Riau. 5,968 or 90% of those are permanent workers while the rest are temporary workers.



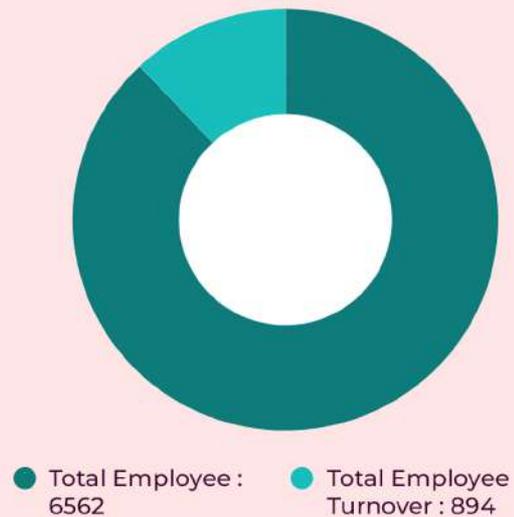
EMPLOYEES BY CONTRACT TYPE



EMPLOYEES LEVEL BY GENDER



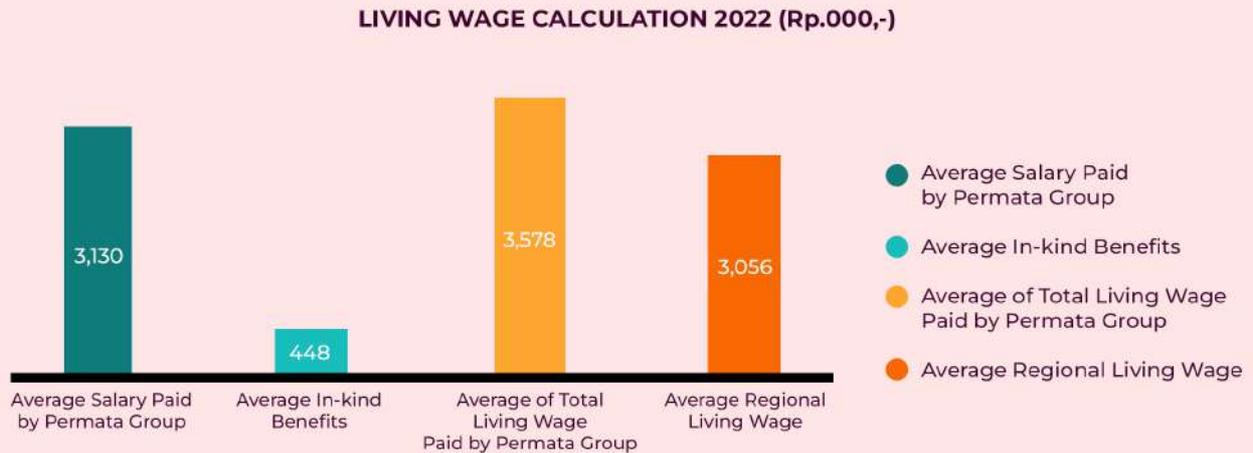
EMPLOYEES TURNOVER



We also employ part time workers in our operations (mostly in our plantations) to work on activities which are seasonal in nature such as manuring and spraying. Due to the nature of our plantations which are generally small in size and scattered across our estate, manuring and spraying are not full year activities and precludes the maintenance of permanent staff. While we have looked into converting our part time workers to full time by reducing the total number of workers and increasing the length of the workday, this is challenged by the timeframe needed to achieve optimum impact from manuring and spraying and by the unwillingness of our part time workers to increase the number and the length of their workday. Most of our part time workers are local villagers with their own farms and gardens for whom part time work at our estates is a source of supplementary income.

Fair and Decent Wages

All of our employees receive a wage equal to or above the minimum wage set for their respective countries, regions and sectors. Minimum wages in Indonesia, where we employ the most people, are set by provincial and district authorities and consider the local prices of goods and services and, therefore, the amount required for a living wage.



We understand that competitive and equitable compensation is essential for attracting and retaining top talent, while also ensuring a motivated and engaged workforce that contributes to our sustainable growth. In addition to wages, we also provide in-kind benefits. Employees based in production units are provided with free housing including full access to electricity and running water. They also have access to sports and recreational facilities, places of worship, and medical and educational facilities. Head office employees are provided with gym memberships, subsidized lunches and free medical insurance.

Seeking Excellence through Training and Development

We firmly believe that an educated and empowered workforce is essential for the successful implementation of sustainable practices. To achieve this, we invest in continuous training and development programs that equip our employees with the knowledge and skills needed to carry out their responsibilities in an environmentally conscious manner.

In 2022, Permata Group spent more than IDR 870 million on training and development for our employees. Most of these trainings are being done online as we transition from the COVID-19 period. These training are provided for all level of employees from the Board of Directors down to the field workers. The trainings provided can be divided into several categories:

Technical Training	Company Regulation & Policies, Standard Operating Procedure, Induction Training, First Aid, Fire & Safety, Land & Forest Fire and 3R (Reduce, Reuse & Recycle).
Soft skills Training	Leadership, Problem Solving & Decision Making, Motivational, Coaching & Counseling, Emotional Quality Management, and Manager Development Program.
Certification Training	ISO 9001:2015, ISO 14001:2015, RSPO SCCS, RSPO P&C, ISPO, Halal Assurance System, Food & Safety Scheme Certification (FSSC) 22000, SMK3, Energy Auditor, Boiler Operator License, Welder License, Lift & Transport Operator, Electrical Technician license, Hazardous waste management and OHS expert certification.
International / National Seminar	The Indonesia Palm Oil Conference (IPOC), RSPO Roundtable, and various government provided seminars.

In 2022, a total of 4,386 employees (67%) have received training with average training per employee of **5.9 hours**.

I Lead Program



In the dynamic and challenging landscape of the corporate world, effective leadership and cohesive teamwork are paramount for success. Drawing inspiration from military-style training can provide corporate leaders with invaluable insights and strategies to enhance their leadership skills and foster a collaborative team environment. This program is designed to provide a comprehensive and ongoing development of leadership skills. The goal is to enhance the capabilities of individuals in leadership roles. It takes place in three locations: Bogor, Medan, and Pantai Cermin, spanning a total of 10 days, during which participants will engage in various learning activities.

The training is attended by leaders from each unit and department within Permata Group. The training is tailored to equip these leaders with the skills, knowledge, and tools necessary to effectively lead their respective teams and contribute to achieve shared goals and maintaining the group's success.

Talent Attraction and Retention

Attracting and maintaining top talent is key to ensuring the long-term success of our business. We do this by providing employees with attractive incentives including opportunities for growth and professional development as well as employee benefits.

Talent Attraction

We begin building our talent pool early on by providing scholarships to academically deserving students, especially those living in the areas where we operate. These students are given priority during our recruitment process after they graduate. We also recruit students from various universities in Indonesia to participate in internships. These internships allow students to develop practical experience in our plantations and mills while also providing us with an opportunity to evaluate potential hires. To complement the above mentioned strategies, we conduct regular recruitment drives at universities and high schools.

Talent Retention

Retaining top talent is a priority for the management. We do so by offering competitive pay and performance bonuses as well as implementing the following:

1. Annual performance evaluations

We conduct annual performance evaluations to assess the performance of employees over the past year. To prevent favoritism, we gather feedback not only from their superiors but also from their colleagues, either within their own or different department, with whom they interact.

2. Multiple windows for promotions

Growth opportunities can be a key incentive for highly skilled talent. We provide three windows in a year (January, May and September) when our employee can be given a promotion. This multiple windows provide flexibility in managing and rewarding our employees

3. Annual employee survey

We recognize that employees appreciate being given a voice in managing the company. As such, we conduct annual company-wide employee surveys where employees can provide inputs and advice as well as score our management team. The results of the surveys are publicly reported to all employees.

4. Promoting from within

We strive to promote existing employees into open positions before considering external hires. External hires will only be considered if there are no qualified employees to fill in the position or the position requires certain skill sets not available within the company.

5. In kind benefits

In addition to wages, we also provide in-kind benefits. Employees based in production units are provided with free housing including full access to electricity and running water. They also have access to sports and recreational facilities, places of worship, and medical and educational facilities. Head office employees are provided with gym memberships, subsidized lunches and free medical insurance.

2. Respecting Worker’s Right

[GRI 3-3, 405-2, 406-1, 407-1, 408-1, 409-1]



Permata Group recognizes the fundamental importance of upholding the rights of our workers. We are committed to fostering an environment that respects the dignity, well-being, and rights of our employees. Our dedication to these principles is integral to our responsible palm oil production practices.

Elimination of Forced and Child Labor

We have a zero-tolerance policy when it comes to forced labor and child labor. Our recruitment processes are designed to verify the age and eligibility of all workers. We require all new hires to be at least 18 years old and check the birthdates of all our applicants. We also socialize our workers to ensure that they do not bring their spouses or children to help them in their work. We also work diligently to ensure that our supply chain remains free from any form of labor exploitation, and we actively collaborate with suppliers and partners to uphold these principles.

Freedom of Association and Collective Bargaining

We respect the rights of our workers to join trade unions and/or to collective bargaining agreements. The workers in our plants and plantation are free to join trade union and conduct union activities. We also provide support to labor union activities such as providing venue for meeting etc.

Harassment, Abuse and Discrimination

We have a zero-tolerance policy towards harassment, abuse or discrimination of any kind on our premises. Victims of harassment, abuse or discrimination can report complaints and grievances through our whistleblowing system. Whistle-blowers are guaranteed anonymity and protection from reprisals.

Gender Equality and Inclusion

As part of our commitment to gender equality and inclusion, we established gender committee in all of our operational units. This committee is comprised entirely of female workers which serve to advocate for women workers’ rights, develop extracurricular programs for women workers and address complaints regarding gender-based harassment. When a complaint is received, the committee will conduct enquiries, assist and provide redress to victims and recommend penalties and actions against the perpetrator to the management.

We are also committed to protecting women’s reproductive rights and provide our women workers with 90 days of maternity leave. We recognize that

lack of access to childcare is one of the main reasons women leave the workforce. To address this, we provide crèche facilities at our production units as well maternity room facilities for working and breastfeeding mothers. We also provide special arrangements for pregnant and breastfeeding mothers working in positions that could be potentially dangerous to the baby’s health, such as those working with chemicals, by reassigning them to other jobs while they are pregnant or breastfeeding.



Creche at one of our units

11% of our workforce are women while 11% of our management positions, 33% of our senior management and 7% of our Board positions are filled by women.

We provide equal pay to both men and women working in the same position.

3. Employee Health, Safety and Wellbeing

[GRI 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9]



The health, safety, and well-being of our employees are vital to maintaining our operation. We implement rigorous health and safety protocols to prevent accidents and incidents. Regular training and awareness programs are conducted to ensure that all employees are well-equipped to work safely, and to promote a culture of safety across our workforce.

Occupational Health and Safety Management System

As part of our commitment to creating a safe and healthy working environment, we set up an occupational health, safety and environment (OHSE) committee in each of our operational units. The committees are composed of the workers and the management, including at least one licensed occupational health and safety expert (Ahli K3), and is headed by the site manager. They are responsible for all health and safety issues within their units including dealing with fallouts from work accidents. The committee is also responsible for conducting monthly meetings and producing annual health and safety reports for senior management in our headquarters.

The Indonesian Ministry of Manpower endorses and awards companies with SMK3 certification for Occupational Health and Safety Management based on performance against 8 principles and 166 criteria. Implementation is divided into 3 levels: beginner, intermediate and advanced. Companies at the beginner level are only audited against 64 criteria while those at the intermediate and advanced level are audited against 122 and 166 criteria respectively. Advanced level implementation is further divided into 2 grades: Silver Flag for scores between 60% and 84% and Golden Flag for scores of 85% or higher.

80% of Permata Group's units have received golden flag (Bendera Emas) the highest available SMK3 certification.

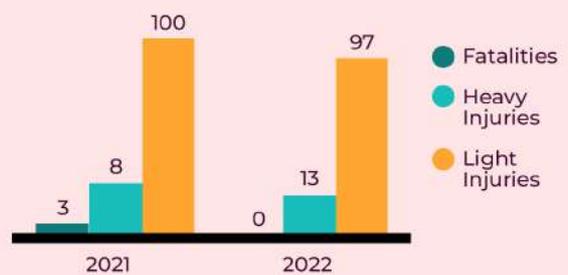


Hazard Identification and Risk Assessment

We conduct Hazard Identification and Risk Assessments (HIRA) for all our production processes. Assessments are conducted jointly by the OHSE committee and respective operational departments to identify and qualify all potential health and safety risks in our operations and find ways to eliminate or mitigate those risks. Assessments are reviewed annually as well as whenever there is a work accident or when new equipment and/or workflows are installed or implemented. Workers are also encouraged to report work-related hazards and dangerous situations through an anonymous suggestion box. These inputs will be used to inform our regular HIRA reviews.

For every occurrence of work accident, the OHS team will conduct investigation. This involved witness interviews and the acquisition of physical evidence. After the investigation is complete, the OHS team will provide recommendations to prevent a recurrence. With this, we hope to improve the implementation of HIRA in our operation. In 2022, we are glad to inform that there are no fatalities involving our employees in our operation. However, there are 13 heavy injuries and 97 light injuries. We lost 9,760 hours due to accidents or 0.08% of our total work hours. We regret the the injuries that occurred within our units of operation and will continue our efforts to create a safe and health working environment for our workers. We aim to maintain zero fatalities and less than 0.1% work hour loss due to injuries.

NUMBER OF CASUALTY



RATE OF ACCIDENT



Notes:

1. Accident frequency rate is calculated as the number of accidents divided by total hours worked, multiplied by 1,000,000.
2. Severity rate is calculated as the total number of days lost divided by the total number of accident

Health and Safety Culture

A robust health and safety culture is dynamic and adaptive. We regularly evaluate our safety practices, policies, and procedures to identify areas for improvement. This commitment to continuous enhancement ensures that our safety culture remains relevant and effective.

All employees are trained on health and safety including firefighting, first aid, emergency situations and other topics. Regular training sessions and educational programs equip our employees with the skills and information they need to navigate potential hazards effectively. From safety protocols to emergency response plans, we ensure that everyone is well-prepared to contribute to a safer workplace.

Selected employees undergo occupational health and safety expert training (Ahli K3), a two week-long nationally recognized program, where upon completion participants become licensed Occupational Health and Safety Experts. We put up safety signs and banners throughout our operational units to continually remind employees to prioritize health and safety and ensure they are equipped with the proper personal protective equipment when they work. Safety inspectors are employed to implement and monitor our health and safety system.



Safety signs and banners are put up to remind employees about health and safety culture.

Access to Healthcare

Permata Group provides medical insurance to all our workers through the Indonesian government's BPJS kesehatan program. We also ensure that primary health care facilities are located within one hour driving distance of our plantations, mills and plants. In the event of an emergency, we have ambulances on standby.



All of our units are equipped with an ambulance to ensure rapid medical assistance

We also provide regular medical check-ups for all current and prospective employees. For general employees, medical check-ups will include typical blood and urine tests. We conduct additional tests for those working with chemicals and dusty or noisy areas such as cholinesterase tests (to identify signs of poisoning from pesticides), thorax/spirometry tests, and hearing tests.

Employee Wellbeing

We provide safe working conditions, adhere to rigorous health and safety standards, and offer access to resources that promote healthy lifestyles such as proper hydration, no smoking and regular exercise. We put up flyers on our announcement boards and throughout our facilities encouraging workers to stop smoking. Smoking is also strongly restricted within our premises. Employees caught smoking within our facilities are subject to heavy fines and other disciplinary actions. Flyers and urine charts are similarly posted throughout our facilities to remind workers to stay hydrated. Lastly, we built several sports facilities including badminton courts, football fields, and table tennis courts within our premises to encourage regular physical activity.

We also understand the importance of mental and emotional health in fostering a productive and engaged workforce. That's why we hope to create an environment where employees can maintain their mental and emotional equilibrium. A positive workplace environment is built on healthy relationships and a sense of belonging. We encourage open communication, collaboration, and mutual respect among team members. By promoting a culture of inclusivity and teamwork, we create a space where employees feel valued and connected.



Permata Group provides a variety of sports facilities to encourage regular physical activity.

Happy Enterprise Workshop



This workshop aims to train participants in creating a culture of happiness within the company by implementing the concept of the Happy Family as the foundational element. Happy Family will lead to Happy Employee which will operate Happy Machines in a Happy Working Environment to create Happy Products and culminating in Happy Customers. This, in a virtuous circle of happiness will lead back to Happy Family. The workshop spans 6 days and takes place at Malaysian Han Studies, Malacca, and is attended by 37 employees from Directorial, Managerial, and Staff levels.

4. Community and Smallholder Livelihood

[GRI 3.3, 203-1, 203-2, 413-1, 13-14-1, 13-14-4]



A focus on community and smallholder livelihoods helps ensure the long-term sustainability of both local economies and the ecosystems that support them. Thriving communities are more likely to engage in responsible stewardship of their environment for future generations. Investing in the livelihoods of local communities and smallholder farmers empowers them to be active participants in economic development. By enhancing their skills, knowledge, and access to resources, these individuals become contributors to economic growth, breaking the cycle of poverty and dependency.

Permata Group plays a part in this and along with the government and other economic actors strive to create strong and prosperous communities. This reflects our commitment to ethical practices and responsible business operations. It demonstrates a willingness to contribute positively to the regions in which they operate.

Respecting the Human Rights of Indigenous People and Local Communities

Our operations often interact with indigenous communities and local populations. We respect their rights to land, resources, and cultural practices and we seek to engage with them in a respectful and transparent manner. We follow the principles of Free, Prior and Informed Consent (FPIC) in all of our dealings with them and respect their right to give or withhold consent for land in which they hold legal, communal or customary rights or tenures. We collaborate with these communities to ensure that their perspectives are taken into consideration in our decision-making processes, and that their well-being remains a priority throughout our activities.

Social Impact Assessment

We conduct social impact assessments for all our current and future developments. The results of the assessment guide our engagements with the locals and provide inputs in designing our social programs. By understanding our impacts on the local community, we can identify aspects of our business that may need attention to mitigate their negative impacts while fostering positive impacts. The social impact assessment also provides a baseline to help us develop our CSR programs.

Community Engagement

We regularly invite locals and institutions to share their concerns, advice, and inputs to our operations as part of our stakeholder consultations. We also take the opportunity to use these consultations to familiarize stakeholders and provide training on our Sustainability Policy (i.e. no land burning and protecting HCV areas) as well as collect further input for our CSR programs. These stakeholder consultations also provide avenue to diffuse any disagreement or conflict which may be brewing in the background.

In addition to the stakeholder engagement, we assigned dedicated personnel in each of our units of operation to continuously engage with local communities, local governmental bodies and local NGOs to collect and analyze inputs from them to minimize risk of conflicts.



Conflict Resolution

We set up a complaint and grievance mechanism for our stakeholders to use. This mechanism covers all non-compliance issues including land conflicts. Stakeholders may raise complaints and grievances through multiple avenues including email, phone, mail or in person at our offices. More information on our Complain and Grievance system can be found on our website:

<https://www.permatagroup.com/grievances-and-complaints2/#grievance>



Refer to our website
for more information on our
grievances and complaints system.

Investing in Community

While we believe our presence has already generated a positive contribution to the local economy through employment opportunities and stimulating local economic activities, we continue to provide direct assistance to our surrounding communities through our Corporate Social Responsibility (CSR) programs. Our CSR programs revolve around four pillars:

PERMATA CERDAS

24 schools and **72 students** have felt the benefit of our CSR program that focuses on education.

This pillar focuses on initiatives that promote education, skill development, and knowledge-sharing within communities. We engage in activities such as providing scholarships and supporting educational institutions. By investing in education and knowledge, we contribute to the intellectual growth and development of individuals, empowering them to contribute effectively to society.

PERMATA SEHAT

20 Community health center are assisted with their activities every month.

This pillar emphasizes promoting health and well-being among individuals and communities. We often engage in healthcare-related initiatives, such as organizing medical camps, providing access to healthcare services, promoting healthy lifestyle choices, and supporting initiatives that address health-related challenges. By contributing to better health outcomes, we play a role in improving the overall quality of life for people.

PERMATA HIJAU

47 Ha degraded Land in Aceh is Rehabilitated.

We also helped **15 elephants** at the Barumon Nagari Wildlife Sanctuary for their food.

This pillar centers around sustainability and environmental stewardship. We focus on reducing our environmental footprint by adopting eco-friendly practices, conserving resources, and supporting initiatives related to environmental conservation and protection. This includes initiatives like tree planting, waste reduction, energy efficiency projects, and supporting conservation efforts to preserve natural habitats and biodiversity.

PERMATA EKONOMI DAN SOSIAL

49.000 packages of Minyak Goreng Murah and **6.463 packages** of staple food distributed. We also initiated our "Bedah Rumah" CSR Program.

This pillar involves activities that contribute to local economic development and empowerment. This include supporting local businesses, creating job opportunities, and providing training or resources that enhance people's economic prospects. By fostering economic growth and stability, we contribute to the overall well-being and prosperity of the communities where we operating.

Spending allocation by program (%)



“Bedah Rumah” CSR Program

At Permata Group, we are committed to promoting sustainable practices and contributing positively to the communities. As part of our ongoing efforts to uplift local communities, we have implemented a “Bedah Rumah” CSR program. This program seeks to help impoverished local families by renovating and upgrading their dilapidated dwellings and transform it into decent abodes equipped with all of the requisite amenities.

We first work with local government and NGO to identify suitable recipients. The beneficiaries should be poor households with urgent needs. One of the beneficiaries is the household of a man, his wife and four children. The father used to work as a wedding decoration craftsman but was laid off due to the COVID pandemic. His dwelling is in very poor condition with leaking roof and heavily damaged flooring. The family is suggested by a local social worker and is deemed a suitable candidate by our CSR team to receive this assistance.

Once the beneficiaries and the needs are identified, our teams work closely with local architects and builders to develop renovation plans. These plans prioritize safety, durability, and sustainability. We take into account the specific conditions of each household to create tailored solutions that meet their requirements.

The renovations themselves are carried out by skilled local labor under the supervision of experienced project managers. We ensure that the upgrades adhere to local building codes and regulations, ensuring both safety and legality.

To ensure the effectiveness of our program, we regularly monitor the progress of each project and evaluate its impact on the quality of life of the beneficiaries. Feedbacks from the beneficiaries, the local social workers as well as the local community members are invaluable in refining our approach and ensuring that the program’s goals are being met.



RESPONSIBLE BUSINESS AND SOURCING

1. Corporate Governance and Ethics

[GRI 3-3, 205-2]



Permata Group believes that implementing good corporate governance to foster ethical values and good behavior will ensure long-term sustainable growth and ultimately enhance the confidence of shareholders and other stakeholders in the company.

Code of conduct

Our code of conduct contains basic principles of personal behaviour and professionalism. It serves as a guide for employees to uphold company values such as: Teamwork, Integrity, Professionalism, Communication and Excellence. Areas covered in the code of conduct include professionalism, confidentiality, conflicts of interest, competition, bribery, human rights and environmental management among other topics.

We expect all our employees to uphold good business ethics and adhere to all applicable laws and regulations. The code of conduct is provided to all new employees to read and is part of the onboarding process. It is also regularly socialized to our employees through our regular training program. The code of conduct is also easily accessible in our internal communication platform.

At Permata Group, we believe that our values are the foundation of our success.

Our TIPCE values - **Teamwork, Integrity, Professionalism, Communication, and Excellence** - guide our every decision and action.

<p>Teamwork is essential to our success. We believe that when we work together, we can achieve anything. We foster a culture of collaboration and support, where everyone feels valued and respected.</p>	<p>Integrity is at the core of everything we do. We are honest and transparent in our dealings with customers, employees, and partners. We always strive to do the right thing, even when it is difficult.</p>	<p>Professionalism is reflected in our commitment to our customers and our work. We are knowledgeable, efficient, & reliable. We take pride in our work and always strive to deliver the highest quality products and services.</p>	<p>Communication is key to our success. We communicate openly and honestly with each other and with our customers. We listen carefully to feedback and use it to improve our products and services.</p>	<p>Excellence is our goal in everything we do. We are constantly striving to improve and innovate. We are committed to providing our customers with the best possible experience.</p>
TIPCE				

Our TIPCE values are more than just words on a wall. They are lived and breathed by our employees every day. They are the reason why we are successful and why our customers trust us.

Anti-corruption and Anti-bribery

Anti-corruption and anti-bribery are an integral part of our code of conduct and we have a zero tolerance policy towards any form of corruption or bribery. Any violation is considered as a serious breach of trust and results in the most severe punishment.

Whistleblowing

Employees are obligated to report any violations to our code of conduct. They are encouraged to do so through our formal channel of communication for complaints and grievances. We will provide protection against reprisal for any employees who submit a report in good faith. All violations are reported to and are handled by our Human Resources Department and/or the Board of Directors.

2. Consumer and Customer

Protecting Consumer Health

[GRI 3-3, 416-1, 416-2]

We supply crude palm oil, cooking oil, specialty fats and oleochemicals to our customers to be processed further into food, feed, personal care products, biodiesel and other chemicals for domestic and international markets. Our customers came from all over the world with China, India and Europe being the top three export destinations.

We are committed to producing safe and high quality products. This means implementing good manufacturing practices, continuous improvement measures and operating in line with the relevant global standards.

Our palm oil products have achieved numerous food and feed safety certifications such as ISO 9001, ISO 22001, Good Manufacturing Practice (GMP), Hazard Analysis and Critical Control Point (HACCP), and Food System Safety Certificate (FSSC 22000). Those certifications provide assurances to our consumers that our product is safe to consume and is of high quality

CERTIFICATION	FACILITIES
ISO 9001	3 Estate, 4 Mill, 5 KCP, 5 Refineries & 1 Biodiesel Plant
ISO 14001	3 Estate, 4 Mill, 5 KCP, 5 Refineries & 1 Biodiesel Plant
FSSC 22000	2 Refineries & 2 Oleochemical Plant
ISO 22000	2 Refineries
GMP+ Feed Safety Assurance Module 2020 - Production of Feed materials	5 KCP & Trading Department
HACCP	3 Refineries, 2 Oleochemical Plant & 1 Biodiesel Plant
Halal	1 Mill, 3 KCP, 6 Refineries & 2 Oleochemical Plant
Kosher	1 Mill, 5 KCP, 6 Refineries & 2 Oleochemical Plant
BPOM CPPOB (Good Manufacturing Practices for Processed Food)	6 Refineries
SNI	2 Refineries
RSPO SCCS	4 KCP, 5 Refineries & 2 Oleochemical Plant
RSPO P&C	1 Estate & 1 Mill
ISPO	1 Estate & 1 Mill
ISCC	1 Refinery & 1 Biodiesel Plant

In 2022, we are glad to inform there are no incidents of non-compliance with regulations or customer complaints concerning the health and safety of our products. We will do our best to maintain this.

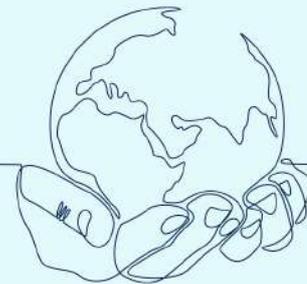
Sustainable Palm Oil Certification and Scorecard

Apart from ensuring quality and food safety, we also employ third-party certifications to measure our progress towards sustainability. We have successfully obtained and maintained several sustainability certifications for our palm oil including RSPO, ISPO and ISCC. In addition to sustainability certifications, we also participate in multiple sustainability scorecards such as SPOTT, Forest 500, CDP and Ecovadis. A summary of our certifications and membership associations can be found on pages 11.

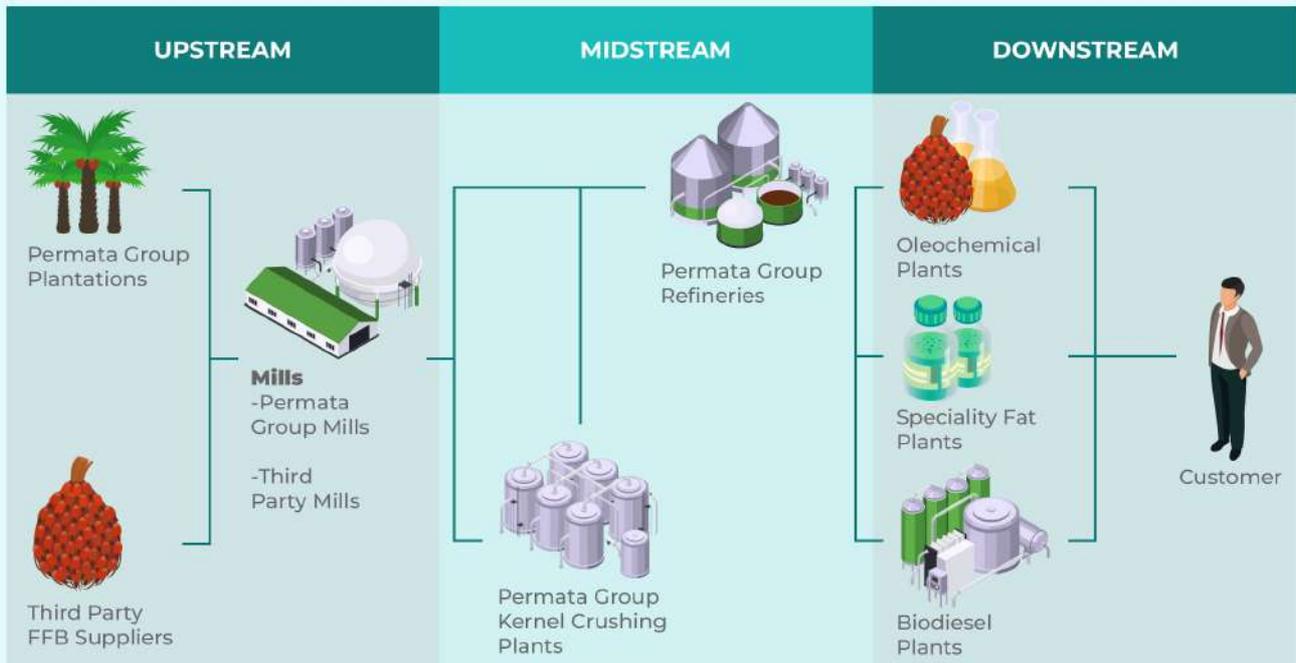
Recognizing that the journey toward sustainable palm oil is ongoing, we remain steadfast in our pursuit of continuous improvement. Through ongoing research and innovation, we seek solutions to further reduce our environmental impact and enhance our social contributions.

3. Sustainable Supply Chain

[GRI 3-3, 308-1, 308-2, 13-23-2, 13-23-3, 13-23-4]



We recognize that developing a supply chain aligned with our sustainability policy is essential to realizing our commitment to producing sustainable palm oil. As such we actively engage with our suppliers to reinforce the importance of sustainability and traceability as well as provide technical support to assist our suppliers on their own journey.



As an integrated palm oil company, we source our materials from many different suppliers. These include raw materials such as palm fruit, palm oil, and palm kernels as well as other supporting materials such as fertilizers, pesticides, fuels, chemicals and other materials.

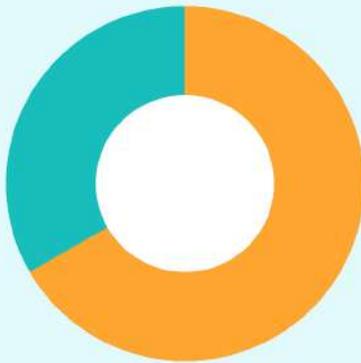
Palm fruit sourced from our own plantations as well as third-party suppliers are processed in our palm oil mills. Our third-party palm fruit suppliers are numbered in the high hundreds, a majority of whom are independent smallholders. We also source palm fruit from larger outgrowers, farmer cooperatives, and plantation companies. The produced palm oil and palm kernel proceed in our mills are then processed in our refineries and kernel crushing plants along with oil and kernel purchased from third parties.

In 2022, we purchased palm oil and kernel from 291 palm oil mills predominantly from North Sumatra, Aceh and Riau with some supplies coming from Jambi, West Sumatra, South Sumatra, West Kalimantan and Central Kalimantan.

Permata Group – Source of FFB based on Mill Count (Jan-Dec 2022)

1. Permata Group

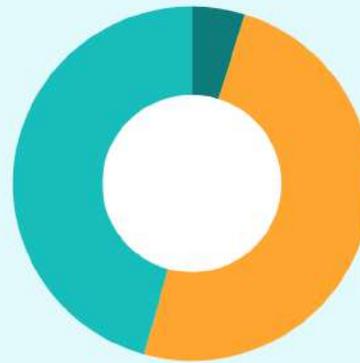
Permata Group Mills Count based on FFB Origin



- 0 Mills : Owned Estates
- 4 Mills : Owned Estates and Third Party Sources
- 2 Mills : Thrid Party Sources

2. Third Party Mills

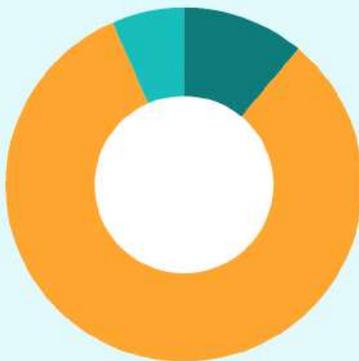
Third Party Mills Count Based on FFB Origin



- 14 Mills : Owned Estates
- 144 Mills : Owned Estates and Third Party Sources
- 133 Mills : Thrid Party Sources

Permata Group – CPO Supply Base by source (Jan-Dec 2022)

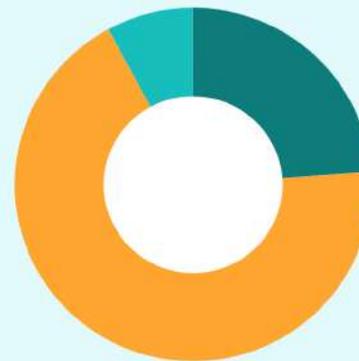
CPO Supply Base 2022 (% by Source)



- 11.07% : Permata Group Mills
- 82.39% : Third Party Mills
- 6.54% : Traders

Permata Group – PK Supply Base by source (Jan-Dec 2022)

PK Supply Base 2022 (% by Source)



- 23.86% Permata Group Mills
- 68.27% Third Party Mills
- 7.88% Traders

Supply Chain Traceability

We consider traceability as one of the most important aspects of our drive towards sustainability and we are committed to achieve 100% traceability (first to mills and later to plantations) for all of our raw materials. We understand that due to the complexities of the palm oil supply chain with its multitudes of smallholders and middlemen, creating a full supply chain map will be a colossal challenge.

Traceability to Mill

To be considered fully traceable to mills suppliers are required to provide the mill name, mill address, and GPS coordinates of the mill. Detailed information regarding our supplier mills including mill name, parent company, mill address, GPS coordinates and UML ID (a unique universal ID created by a consortium comprised of the World Resource Institute (WRI), Rainforest Alliance (RA), Proforest and Daemeter) can be accessed through our traceability dashboard. We have achieved 100% traceability to mill since 2018 and managed to maintain that achievement in 2022.

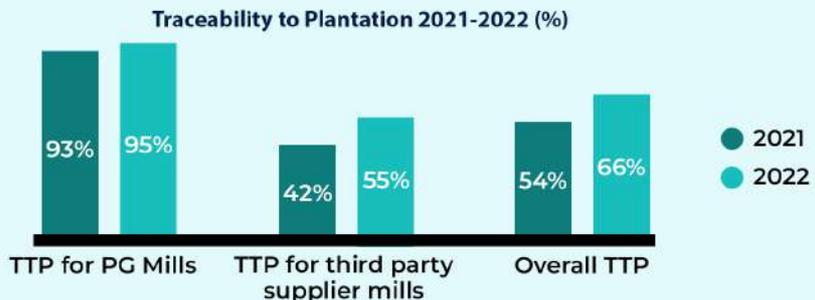
Traceability to Plantation

Traceability to plantation is exponentially more difficult to achieve than traceability to mill because of the vast and diverse sources of fruit being supplied to mills. A single mill's supply chain can include large plantations as well as smaller plantations and smallholders, many of whom only work on 2-5 hectares of land and sell their fruit through middlemen. 40% of Indonesian palm fruit is grown by smallholders. Due to this complexity and limited time and resources available, we adopted a risk-based three-tier definition of what constitutes as being traceable to plantation.

Criteria	Plantation Companies	Independent Growers / Smallholder / Cooperatives	Agents/ Middlemen
1. Name of Farmer/ Plantation / Owner / Agent / Dealer	✓	✓	✓
2. Address of the plantation – at minimum the village name or subdistrict should be provided	✓	✓	-
3. Address of the agent and/or middlemen facility – at minimum the village name or subdistrict should be provided	-	-	✓
4. Area of operation (FFB sourcing) – at minimum the village name or subdistrict should be provided	-	-	✓
5. GPS coordinates of the plantation	✓	-	-
6. Size of the plantation	✓	-	-
7. Volume of FFB supplied to the Mill	✓	✓	✓

In this risk-based approach, independent outgrowers, smallholders, agents and middlemen only need to disclose the area or village where they grow or source their fruits. If suppliers source their fruits from villages that overlap protected areas such as national parks, wildlife reserves, etc they will be prioritized for in-depth traceability studies.

By the end of 2022, we traced 66% of our fruits to plantation. We aim to continue increasing this percentage with a target to reach 100% traceability to plantation by 2025.



Complaint and Grievance

Our complaint and grievance system is applicable to both our own operations and our suppliers. Throughout year 2022, 10 grievances were filed against our suppliers, two of which were closed within the year. Seven cases, filed in 2022, concerned potential non-compliant deforestation and peat development on approximately 2,837 hectares. While the remaining 3 cases were related to illegal FFB produced in conservation areas, labor violation and social conflict grievance regarding a supplier allegedly operating without a land use permit & reportedly operating on community-titled land

Supplier risk assessment and engagement

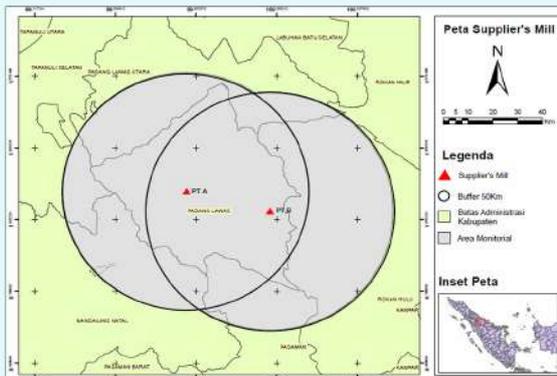
We utilized Global Forest Watch Pro (GFW Pro), supplier questionnaire as well as news monitoring to assess and analyze the deforestation, peat and exploitation (NDPE) risk of our suppliers.

Global Forest Watch Pro

Global Forest Watch Pro is online management tool developed by World Resource Institute (WRI) to provide quick preliminary examination of potential risks to forest that may be exerted by our suppliers' mills and their supply bases. GFW Pro assesses the deforestation history of the area of interest as well as its remaining forest value. An area with history of deforestation as well as high remaining forest value is categorized as high risk area while area with no history of deforestation or with very low remaining forest value is categorized as low risk area. The area monitored by GFW Pro is set by default at 50 km radius around palm oil mills. This area can be refined and shrunk by collecting traceability to plantation data.

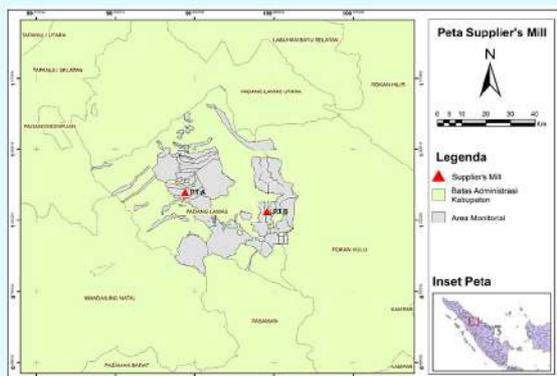
Refining Deforestation Monitoring Area

Global Forest Watch provides a useful baseline to monitor our suppliers for potential deforestation. However, the coarse resolution of GFW where any disturbances within a 50 km radius of our suppliers' mills are deemed as potential deforestation is quite limiting to the effectiveness of our monitoring efforts.



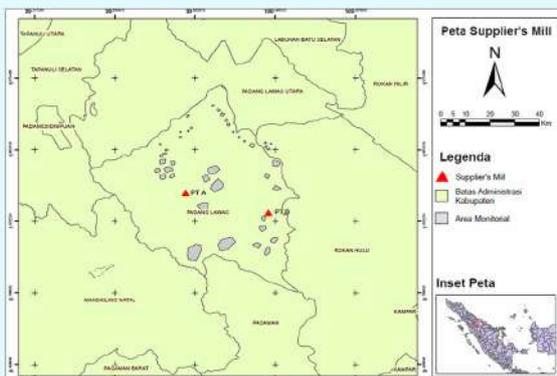
Stage 0: 50 km radius around the mill as the monitoring area. Note that the left image depicted two hypothetical mills and their supply base.

To address this limitation, we are conducting traceability to plantation campaign. In the first stage, we aim to map out all the villages which serve as sources of the palm fruits procured by our suppliers. This will greatly reduce the area that needs to be monitored.



Stage 1: Supplying villages as the monitoring area. Note that the left image depicted two hypothetical mills and their supply base

In the second stage, we will work to collect GPS coordinate and polygon data of the palm plantations and smallholder plots that form our supply base.



Stage 2: Supplying plantations as the monitoring area. Note that the left image depicted two hypothetical mills and their supply base

The risk profile from GFW Pro is combined with our internal methodology incorporating the result of questionnaires, supplier visits and news to create a comprehensive risk profile. There are 131 suppliers categorized as low risk (45%), 140 suppliers categorized as medium risk (48%), and 20 suppliers categorized as high risk (7%). High risk suppliers will be prioritized for further engagement and supports.

Supplier Engagement

We maintain consistent involvement with our suppliers in matters of sustainability. Annually, we organize a workshop for our suppliers to communicate the advancements in our sustainability initiatives, update our expectations, and deliver training on various sustainability topics.



Supplier Workshop conducted by Permata Group to engage with our supplier.

In conjunction with our supplier workshops, we distribute annual Supplier Risk Assessment and Traceability Questionnaires to our suppliers. The self-assessment form allows suppliers to report their advancements in environmental, social, ethical practices, and certifications. Simultaneously, the traceability forms enable suppliers to specify, trace, and disclose information about their own suppliers. The questionnaire helps us identify high-risk suppliers who will be prioritized for monitoring, engagement and support.

73.68% of our suppliers have attended our supplier workshops and 84.59% of our suppliers have completed our sustainability questionnaire.

In addition to our sustainability questionnaire, we have instituted a comprehensive supplier risk assessment system. This system aims to identify high-risk suppliers for targeted engagement, including training and socialization on No Deforestation, No Peat, No Exploitation (NDPE) principles and other sustainability best practices. If circumstances warrant, high-risk suppliers may undergo further scrutiny through audits, ensuring a stringent adherence to our sustainability standards.

We use the No-Deforestation, No-Peat and No-Exploitation Implementation Reporting Framework (NDPE IRF) to track progress against our NDPE commitments across our supply chain. In terms of No Deforestation, 44.7% of our suppliers are delivering. In terms of No Peat, 56.1% of our suppliers are delivering.

44.7% DELIVERING NO DEFORESTATION | 56.1% DELIVERING NO PEAT



	Unknown	Known	Awareness	Commitment and Starting Action	Progressing	Delivering
No Deforestation progress at production level (PK)	0.0%	11.6%	4.7%	49.4%	0.1%	34.3%
No Deforestation progress at production level (CPO)	0.0%	9.1%	4.8%	39.6%	0.3%	46.2%
No Peat progress at production level (PK)	0.0%	7.6%	3.3%	31.4%	0.0%	57.6%
No Peat progress at production level (CPO)	0.0%	7.6%	4.3%	28.1%	4.1%	55.8%

We carry out on-site visits to our suppliers, placing a priority on those deemed high-risk, particularly those with supply chains overlapping protected areas and exhibiting deficiencies in traceability and sustainability. These visits are designed to conduct gap analyses and assess supplier advancements in compliance with NDPE (No Deforestation, No Peat, No Exploitation) standards and Traceability Aspects.

Promoting Smallholder Inclusiveness

Smallholders play an important role in Permata Group's supply chain. More than 85% of the fruit processed in our palm oil mills are sourced from smallholders, a vast majority being independent smallholders. As such we are committed to building an inclusive and sustainable supply chain that welcomes both smallholders as well as corporate plantations.

Our commitment to smallholder sustainability is reflected by our efforts to educate and engage them on topics such as HCV conservation and monitoring, zero burning principles, no deforestation, chemical health and safety, traceability, and other topics during stakeholder consultations and engagement visits.

We also provide boiler ash and decanter solid to local small growers who request for them. The ash and solid is useful as organic fertilizer to supplement or even substitute mineral fertilizer. For smallholders managing old plantations, we help them access government replanting funds. As part of our CSR program, we additionally provide select smallholders with high equality palm seedlings to help them replant or rehabilitate their plantations.

We aim to increase the reach and depth our smallholder engagement in the future by working with our suppliers to engage smallholders in their supply chains and providing further training on good agricultural practices.

APPENDIX

GRI INDEX

GRI STANDARD	GRI DISCLOSURE NUMBER	DISCLOSURE TITLE	PAGE REFERENCE
GENERAL DISCLOSURES			
GRI 2: General Disclosures 2021	2-1	Organizational details	04
	2-2	Entities included in the organization 's sustainability reporting	01 & 04
	2-3	Reporting period, frequency and contact point	01
	2-4	Restatements of information	15
	2-5	External assurance	01
	2-6	Activities, value chain and other business relationships	04
	2-7	Employees	04
	2-8	Worker who are not employees	34
	2-9	Governance structure and composition	09
	2-14	Role of the highest governance body in sustainability reporting	09
	2-16	Communication of critical concerns	08
	2-22	Statement on sustainable development strategy	07 & 13
	2-23	Policy commitments	07
	2-25	Processes to remediate negative impacts	08
	2-26	Mechanisms for seeking advice and raising concerns	10
	2-27	Compliance with laws and regulations	10
2-28	Membership associations	10	
2-29	Approach to stakeholder engagement	10	
MATERIAL TOPIC			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	14
	3-2	List of material topics	14
PROTECTING HIGH CONSERVATION AREA AND BIODIVERSITY			
GRI 3: Material Topics 2021	3-3	Management of material topics	19

GRI STANDARD	GRI DISCLOSURE NUMBER	DISCLOSURE TITLE	PAGE REFERENCE
PROTECTING HIGH CONSERVATION AREA AND BIODIVERSITY (cont'd)			
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and	19
	304-2	Significant impacts of activities, products and services on biodiversity	19
	304-3	Habitats protected or restored	19
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	19
FIRE MANAGEMENT AND PREVENTION			
GRI 3: Material Topics 2021	3-3	Management of material topics	23
PEST MANAGEMENT AND FERTILIZER USE			
GRI 3: Material Topics 2021	3-3	Management of material topics	25
GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022	13.6.1	Describe the pest management plan of the organization, including the rationale for the selection and application of pesticides and any other practices of pest control.	25
		Describe actions taken to prevent, mitigate and/or remediate negative impacts associated with the use of extremely and highly hazardous pesticides.	
		Describe the actions, initiatives, or plans to switch to less hazardous pesticides and actions taken to optimize pest control practices.	
		Describe the training provided to workers on pest management and the application of pesticides	
WATER AND EFFLUENT MANAGEMENT			
GRI 3: Material Topics 2021	3-3	Management of material topics	26
GRI 303: Water and Effluent 2018	303-1	Interactions with water as a shared resource	26
	303-2	Management of water discharge related impacts	26
	303-5	Water consumption	26

GRI STANDARD	GRI DISCLOSURE NUMBER	DISCLOSURE TITLE	PAGE REFERENCE
WASTE MANAGEMENT			
GRI 3: Material Topics 2021	3-3	Management of material topics	28
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	28
	306-2	Management of significant waste-related impacts	28
	306-3	Waste generated	28
	306-4	Waste diverted for disposal	28
	306-5	Waste directed to disposal	28
ENERGY MANAGEMENT			
GRI 3: Material Topics 2021	3-3	Management of material topics	30
GRI 302: Energy 2016	302-1	Energy Consumption within the organisation	30
	302-3	Energy intensity	30
CLIMATE CHANGE			
GRI 3: Material Topics 2021	3-3	Management of material topics	31
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	31
	305-2	Energy indirect (Scope 2) GHG emissions	31
	305-4	GHG emissions intensity	31
	305-5	Reduction of GHG emissions	31
EMPLOYEE MANAGEMENT, ATTRACTION AND RETENTION			
GRI 3: Material Topics 2021	3-3	Management of material topics	34
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	34
	401-1	New employee hires and employee turnover	34
GRI 401: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	34
	GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee

GRI STANDARD	GRI DISCLOSURE NUMBER	DISCLOSURE TITLE	PAGE REFERENCE
EMPLOYEE MANAGEMENT, ATTRACTION AND RETENTION (cont'd)			
GRI 404: Training and Education 2016 (cont'd)	404-2	Program for upgrading employee skills and transition assistance programs	34
	404-3	Percentage of employees receiving regular performance and career development reviews	34
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	34
RESPECTING WORKER'S RIGHT			
GRI 3: Material Topics 2021	3-3	Management of material topics	37
	405-2	Ratio of basic salary and remuneration of women to men	37
GRI 406: Non discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	37
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	37
GRI 408: Child Labor 2018	408-1	Operations and suppliers at significant risk for incidents of child labor	37
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	37
EMPLOYEE HEALTH, SAFETY AND WELLBEING			
GRI 3: Material Topics 2021	3-3	Management of material topics	37
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	37
	403-2	Hazard identification, risk assessment, and incident investigation	37
	403-3	Occupational health services	37
	403-4	Worker participation, consultation, and communication on occupational health and safety	37
	403-5	Worker training on occupational health and safety	37
	403-6	Promotion of worker health	37
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	37

GRI STANDARD	GRI DISCLOSURE NUMBER	DISCLOSURE TITLE	PAGE REFERENCE
EMPLOYEE HEALTH, SAFETY AND WELLBEING (cont'd)			
GRI 403: Occupational Health and Safety 2018 (cont'd)	403-8	Workers covered by an occupational health and safety management system	37
	403-9	Work-related injuries	37
COMMUNITY AND SMALLHOLDER LIVELIHOOD			
GRI 3: Material Topics 2021	3-3	Management of material topics	40
GRI 203: Indirect Economic Impact 2016	203-1	Infrastructure investments and services supported	40
	203-2	Significant indirect economic impacts	40
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	40
GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022	13.14.1	Describe the approach to engaging with indigenous peoples, including: <ul style="list-style-type: none"> - how the organization seeks to ensure meaningful engagement; - how the organization seeks to ensure indigenous women can participate safely and equitably. 	40
	13.14.4	Report if the organization has been involved in a process of seeking free, prior, and informed consent (FPIC) from indigenous peoples for any of the organization's activities, including, in each case: <ul style="list-style-type: none"> - whether the process has been mutually accepted by the organization and the affected indigenous peoples; - how the organization ensured that the constituent elements of FPIC have been implemented as part of the process; - whether an agreement has been reached and, if so, whether the agreement is publicly available 	40
CORPORATE GOVERNANCE AND ETHICS			
GRI 3: Material Topics 2021	3-3	Management of material topics	43
GRI 205: Anti corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	43
CONSUMER AND CUSTOMER			
GRI 3: Material Topics 2021	3-3	Management of material topics	44

GRI STANDARD	GRI DISCLOSURE NUMBER	DISCLOSURE TITLE	PAGE REFERENCE
CONSUMER AND CUSTOMER (cont'd)			
GRI 416: Customer Health And Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	44
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	44
SUSTAINABLE SUPPLY CHAIN			
GRI 3: Material Topics 2021	3-3	Management of material topics	45
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	45
	308-2	Negative environmental impacts in the supply chain and actions taken	45
GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022	13.23.2	Describe the level of traceability in place for each product sourced, for example, whether the product can be traced to the national, regional, or local level, or a specific point of origin (e.g., farms, hatcheries, and feed mill levels).	45
GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022 (cont'd)	13.23.3	Report the percentage of sourced volume certified to internationally recognized standards that trace the path of products through the supply chain, by product and list these standards.	45
	13.23.4	Describe improvement projects to get suppliers certified to internationally recognized standards that trace the path of products through the supply chain to ensure that all sourced volume is certified.	45

GLOSSARY OF TERMS

Biological oxygen demand (BOD)	A parameter used to measure water quality. It represents the amount of oxygen consumed by bacteria and other microorganisms while they decompose organic matter under aerobic (oxygen is present) conditions at a specified temperature.
Carbon dioxide equivalent (CO ₂ e)	A standard unit of measure in GHG accounting. It represents the amount of CO ₂ which would have the equivalent global warming impact for different GHGs.
Chemical oxygen demand (COD)	Another parameter used to measure water quality. It represents the amount of oxygen that must be present to oxidize chemical organic materials.
Crude palm oil (CPO)	The oil extracted from the pulp of FFB.
Effluent	Wastewater discharged to a natural body of water.
Extraction rate	The amount of oil (in percentage) recovered from FFB.
Empty fruit bunches (EFB)	What remains of FFB after the pulp has been removed for oil pressing.
Fire danger rating (FDR)	An internal rating for fire risk assessment depending on previous rain levels. It consists of four levels: Low, Medium, High, and Extreme.
Fire-Free Village Programme (FFVP)	A fire management pilot program which provides training, equipment and economic incentives to local communities to help prevent fire.
Fresh fruit bunches (FFB)	The bunch of fruit harvested from palm oil trees. It is the raw material of palm oil.
Free, prior and informed consent (FPIC)	The principle that indigenous people and communities have the right to give and withdraw their consent to actions that affect their lands, territories and natural resources.
Global Reporting Initiative (GRI)	A multi-stakeholder sustainability reporting standard providing guidelines on report content and indicators.
Greenhouse gas (GHG)	Gases in the atmosphere that trap heat thereby creating a greenhouse effect.
High Carbon Stock Approach (HCSA)	A methodology that distinguishes forest areas for protection from degraded lands with low carbon and biodiversity values that may be developed.
High conservation value (HCV)	Areas containing globally, regionally or nationally significant concentrations of biological, ecological, social or cultural values.
High carbon stock (HCS)	Forests which hold large stores of carbon and biodiversity, which are released and lost when these forests are cleared.
Indonesian Sustainable Palm Oil (ISPO)	Indonesia's mandatory national sustainable palm oil standard.
Integrated pest management (IPM)	The careful consideration of all available pest control techniques and subsequent integration of appropriate measures that discourage the development of pest populations.
International Sustainability and Carbon Certification (ISCC)	A certification system for biomass and bioenergy. The main defining feature of ISCC is the emphasis on carbon emissions. In order to be certified, a products' carbon footprint must be 50% lower than its equivalent fossil fuel.

International Union for Conservation of Nature's Red List (IUCN Red List)	The world's most comprehensive inventory of the global extinction risk status of animal, fungus and plant species.
Palm oil mill effluent (POME)	Wastewater generated from palm oil milling activities.
No Deforestation, No Peat, No Exploitation (NDPE)	Policies and practices adopted by palm oil companies that prevent deforestation, development on peatlands, and the exploitation of workers, communities, and smallholders.
No Deforestation, No Peat and No Exploitation Implementation Reporting Framework (NDPE IRF)	A reporting tool that helps companies understand and systematically track progress in delivering their NDPE commitments in their palm oil supply chains.
PalmGHG calculator	An RSPO tool that calculates the emissions generated and sequestered from activities and processes at plantations and mills.
Palm Oil Collaboration Group (POCG)	A multistakeholder initiative that brings together companies from every link in the palm oil supply chain to accelerate the effective implementation of NDPE commitments.
Palm kernel oil	The oil extracted from the kernel of FFB.
Palm kernel shell (PKS)	What remains of kernel after the pulp has been removed for oil pressing.
Peat	The accumulation of partially decomposed organic matter in wetlands such as swamps, muskegs, bogs, fens, and moors. Peatlands are the largest natural terrestrial carbon store. They store more carbon than all other vegetation types.
Personal protective equipment (PPE)	Equipment that protects the wearer against health and safety risks.
Programme for Pollution Control, Evaluation and Rating (PROPER)	A public national environmental disclosure initiative to promote compliance with existing regulations. Environmental performance of companies is mapped using a five-color grading scale.
Rotterdam Convention	A multilateral environmental agreement that covers pesticides and industrial chemicals that have been banned or severely restricted for health or environmental reasons.
Roundtable on Sustainable Palm Oil (RSPO)	A not-for-profit organization consisting of stakeholders from 7 sectors of the palm oil industry to develop and implement global environmental and social standards for sustainable palm oil.
Smallholders	Small-scale farmers who are not linked to any particular company or mill. 40% of Indonesian palm fruits are grown by smallholders.
Stockholm Convention	An international environmental treaty focused on eliminating or reducing the use of POPs. POPs are chemicals that toxic to humans and wildlife and remain intact in the environment for long periods eventually accumulating in the tissue of living organisms.
World Health Organization (WHO) Class 1A and 1B	A classification system created by WHO used to define the hazardousness of active ingredients in pesticides. 1A is extremely hazardous and 1B is highly hazardous.



PERMATA GROUP

Jl. Iskandar Muda No. 107 Medan, 20154

Tel +62-61-4577-777
Fax +62-61-4569-755
Email Sustainability@permatagroup.com
Web www.permatagroup.com