

Sustainability Policy 2022

Bumitama Agri Ltd.



Bumitama Agri Ltd.
Excellence Through Discipline



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PREAMBLE

Bumitama Agri Ltd. is an Indonesian oil palm plantation group of companies (“Bumitama” or the “Group”), listed on the Singapore Exchange since 2012. The Group’s core business activities are cultivating oil palm trees, harvesting and processing fresh fruit bunches (“FFB”) into crude palm oil (“CPO”) and palm kernel. Bumitama Agri’s operations are based in Central and West Kalimantan and Riau, with corporate offices based in Singapore and Jakarta.

Our vision is to be a leading palm oil producer focused on the continuous improvement of productivity, cost efficiency and growth. Our mission is to enhance shareholder’s value; to improve the benefits and quality of life of our employees; to improve the welfare of the local communities and the environment. Our long-term business strategy is to deliver the 3Ps of “Planet, People, Plantation”.

Bumitama Agri’s Sustainability Policy 2022 outlines our commitments to produce palm oil sustainably and responsibly, and also presents our priority targets. The document is an update of our first comprehensive sustainability policy which was published in August 2015. We are proud to have successfully implemented this first policy on most accounts, as demonstrated in four successive sustainability reports for 2014, 2016, 2018 and 2020.

Our 2022 Policy reaffirms the Company’s continued commitment to RSPO and ISPO certification, “No Deforestation, No Peat, No Exploitation” policy, traceable and responsible sourcing, engaging experts on strengthening existing sustainable land use initiatives, and to partner with communities in the landscapes where we operate.

The revision serves to align our policy with new requirements set out in the market place, in government policy and expected certification standard changes. Most significantly, this policy represents the Company’s recognition of the need to step up our readiness for Climate Change mitigation and adaptation.



Bumitama supports the United Nations Sustainable Development Goals (SDGs) and through implementation of its Sustainability Policy contributes toward delivering the SDGs. As an RSPO member, we comply with the SDGs aligned directly with the particular Criteria of the RSPO standard, however to emphasise our contribution we will be monitoring our impact in the areas of Goal 4 (Quality Education), Goal 8 (Decent Work and Economic Growth), Goal 13 (Climate Action) and Goal 15 (Life on Land), as well as Goal 12 (Responsible Consumption and Production) and Goal 17 (Partnerships for Sustainability).

We will continue to actively adapt our strategy to align with the specific metrics and measurables laid out in these developmental goals to form a well-developed strategy to ensure sustained progress and maximised positive impact across our operations.

SCOPE

This Policy and its provisions apply to all our subsidiaries, all associates, contractors and suppliers, plasma smallholders and including external smallholders, palm oil dealers and corporate plantation owners. The relevant sections of this Policy will be regularly reviewed and updated every five (5) year. Materially significant intermediate amendments to our Policy, prior to the 5 years review period, will be updated on our website and through our Sustainability reporting.



PLANET

Caring for the Landscapes in which We Operate

The Company understands that our plantations are an integral part of the wider landscape in which we operate. Activities in our land bank influence the environment and socio-economic relations in the villages around our plantations, just like events in the wider landscape can affect our operations. Bumitama Agri's approach to sustainability therefore reaches beyond the boundaries of our own plantations. We commit to proactively care for landscapes in which we operate.

This means that we uphold no deforestation, no peat, no conversion of natural habitats and natural ecosystems, and promote conservation and sustainable development in the landscapes in which we operate.¹ In the years to come, we will enhance our proactive approach to improve restoration of conservation values. This requires us to ensure that our core activities, plantation management and milling, continues to become increasingly efficient and effective.



Management of New Development and Replanting

Any new plantation development by the company will be subject to the RSPO New Planting Procedure (NPP) prior to undertaking land development activities on the ground. This procedure includes completion of peer reviewed integrated HCV-HCS assessments, securing Free, Prior, and Informed Consent (FPIC) from local communities and, among other legal requirements, obtaining valid Environmental Permits, after meeting its preconditions.

Forest Restoration

The conservation of tropical forest is of paramount importance in the fight against biodiversity loss and climate change. Forests also play a crucial role in the livelihoods and culture of many local communities. Forest conservation and restoration therefore remains a priority in our Sustainability Policy.

We will continue to protect and restore all pre-identified high conservation value (HCV) and/or high carbon stock (HCS) areas, currently 40,619 hectares.

As of 2022, 34% of the area set-aside contained intact forest. In connection to its climate change mitigation policy, the Company will increase total forest cover in company-controlled conservation areas to 44% in 2025, or increase forest area by 10% relative to our 2020 baseline.











We collaborate with others in the wider landscape to protect forests that are important for connectivity and other environmental functions. We will engage with relevant stakeholders, striving to obtain legal recognition and registration of our conservation areas to minimise risks of intentional development by any third parties and to aid our protection of the areas from illegal logging and hunting.

An example of our collaborative environmental programme is the Bumitama Biodiversity and Community Project (BBCP) located in Ketapang. The project utilizes conservation areas to establish a wildlife biodiversity migration corridor connecting the company's set-aside areas with adjacent neighbors, local forests, and national parks. The Company commits to continue support external partnerships committed to regional forest protection and restoration, such as the Social Forestry Program of the Provincial and District Government and the Ketapang District Production, Protection, Inclusion (PPI) Compact.

Biodiversity Conservation

All our conservation efforts are guided by the assessments and recommendations of competent assessors accredited under the Assessor Licensing Scheme (ALS) as well as the expertise of our own Company and the partners that we work with. Currently, it is estimated that between 250 and 300 orangutans can be found in the protected areas managed by the Company and some of our neighbouring plantation companies that we collaborate with on our programme. Besides the orangutan, over 30 other IUCN Red List endangered species have been identified in our land bank. To maintain and enrich the species biodiversity under our own (and indirect) care, our Biodiversity policy commits to:

	Protect endangered species' habitats
	Monitor biodiversity trends, positive and negative, in our own land bank and in the social forestry areas that we support
	Uphold our strict ban on any hunting and poaching by our employees across our operations
	Go beyond erecting signboards by proactively engaging community members and other parties involved in illegal hunting and logging to motivate them to undertake other economic activities
	Report to government enforcement agencies all incidences of suspected illegal hunting, poaching and logging on and nearby our estates
	Continue our support for species-focused conservation initiatives such as those aimed at increasing orangutan populations, through our partnerships and alliances with relevant conservation groups
	Develop a detailed biodiversity conservation and restoration management plan
	Commission a second review of all our HCV - HCS areas to amend and update boundary maps, legal status and information about conservation/carbon values; to be completed by 2028 or as and when required



Peat Management and Rehabilitation

Peat oxidation remains the third largest cause of the company's GHG emissions, even when plantings of peat only represent 0.8% of total planted area. We therefore reaffirm our commitment to zero new planting on peat, to restore peatland wherever possible, and to manage existing plantings on peat using the RSPO's Best Management Practices for Existing Plantations on Peatland.

At least five (5) years before the need for replanting emerges, or in line with the latest RSPO Drainability Assessment Procedure, we will have completed the RSPO Drainability Assessment. The Company will abide by the rules set out in the procedure to assess limitations for replanting of peat areas. Upon recommendation from experts' assessment, areas of peatland deemed unsuitable for replanting will be rewetted and reforested.












Climate Change Mitigation

The Company recognizes that climate change represents a significant risk to our operations, the well-being of our employees and local communities as well as our conservation efforts. Our risk assessment, guided by the recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD), identified prolonged drought, worsened flooding and intensified fire outbreak and their secondary impacts as main operational risks.

Based on the Greenhouse Gas Protocol and v04 of the RSPO PalmGHG calculator, the Company's main contributions to GHG emissions came from (past) land conversion, POME effluent, peat oxidation and fertiliser use. We are committed to sustainable and climate-conscious oil palm production Bumitama Agri set to achieve a 30% reduction of GHG emissions by 2030 relative to the baseline of 2016 (1.63 MT CO₂e/MT CPO).

We will achieve our 2030 GHG emissions reduction target (1.14 MT CO₂e/MT CPO) by:

	Install methane capturing/reducing facilities around Palm Oil Mill Effluent (POME) ponds in all existing mills by 2029
	Implement Best Management Practices of existing plantations on peat and retirement of planted areas on peat if RSPO Drainability Assessment criteria for replanting is not fulfilled
	Precision agriculture and optimised use of chemical fertilisers
	Reforestation of conservation set-asides
	Increased use of renewable energy such as solar panels as a replacement for generator sets or biodiesel
	Introduce circular economy strategies in our production and engagement with the local communities
	Optimised planning of business travel
	Introduction of plant-based food options for company provided meals
	Collaborating with our suppliers and contractors to assess and strongly encourage reduction of their carbon footprint

In line with the Indonesia's commitment to net zero emissions, Bumitama is committed to support this ambitious initiative and achieve net-zero emissions in 2060 or earlier.

Fire Prevention and Management

Fires outbreak in and around our plantation land bank is particularly problematic in some years. Even when more traditional communities and local stakeholders avoid the use of fire for land clearing, worsened drought due to climate change continues to be our concern.

The Group maintains its strict zero-burning policy in all new plantings, replanting and any other activities. Our overall goal is to achieve zero fire outbreak in all our estates and conservation areas year upon year. We do so with greatly enhanced *near real time* monitoring, improved firefighting capabilities and intensified outreach to nearby smallholders and villages through the Fire Free Villages programme, which promotes fire-free farming techniques. The company will furthermore ensure that we will not purchase land that has been intentionally burnt after 2015 and FFB from land deliberately cleared by burning after 2022.

Creating a Forest Positive Legacy

Due to our NDPE policy, measures have been in place to prevent the creation of new liabilities related to forests, peatland and community land.

Upon submission of the company's Land Use Change Assessment (LUCA) to RSPO relative to the November 2005 cut-off date, we developed and submitted Remediation and Compensation Procedure (RaCP) Plans to RSPO, ensuring that proposed compensation plans exceed any confirmed liabilities.

Similarly, we commit to confirm and settle any additional liabilities against NDPE policy with the 31st December 2015 cut-off date.

In the event of new land acquisitions that are subject to liability under RSPO and/or NDPE policy, we will assess, confirm and accept this liability, except of cases where the other party to this transaction has already publicly committed to do so.

PEOPLE












Human Rights

Bumitama Agri commits to upholding and promoting all internationally established human rights, notably those described in the International Bill of Human Rights (consisting of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights) and the International Labour Organisation's (ILO) eight fundamental Conventions, Declaration on Fundamental Principles and Rights at Work, and specifically the ILO's Indigenous and Tribal People's Convention (No. 169).







Labour Rights

Our company is a significant employer in several remote regions. We appreciate that the success of our company greatly depends on our employees' capabilities and motivation. Our workers' safety, job satisfaction, and productivity is therefore of utmost priority. Hence, we commit to:

	Pay wages equal or higher than the legal minimum wage
	Provide permanent employees additional benefits such as free accommodation, clean running water, rice, food, electricity, healthcare, education, and holiday bonuses
	Offer employees various levels of training via our Bumitama Corporate University to enhance our recruitment processes, advance competence development and elevate leadership development at all organisational levels
	Follow a fair interview process with a structured and equal experience for every individual. Every interviewee has the right to consent, and we ensure every contract is thoroughly discussed and understood by those involved
	Maintain the proportion of workers on permanent contracts to >97%
	Uphold the rights and freedoms of all workers whether local, from other parts of Indonesia or foreign, including freedom to travel and leave employment at will, without financial deposits or withholding of identity documents. In the rare event a third party agency is used to recruit labour, all relevant recruitment fees charged by the agency will be paid for by the company
	Respect the right of every worker to form or become a member of a trade union in accordance with Law Number 21 of 2000 Concerning Trade Union/Labour Union from the Republic of Indonesia
	Engage with our workers through meetings and forums to discuss wages, benefits and leave through joint work councils (LKS Bipartite) or other similar method of their choice, in every business unit
	Upkeep maximum transparency in payment, whereby piece-rate work is clearly identified on individual payslips
	Strictly prohibit the use of bonded or forced labour as per ILO Forced Labour Convention No. 29 of 1930 and in line with our labour and human rights policy
	We support the RSPO Living Wage by capturing prevailing rate

Occupational Health and Safety (OHS)

Bumitama Agri commits to eradication of all work-related fatal accidents and reducing all workplace incidents and occupational diseases through our proactive informed approach, based on the results of the OHS hazard risk-analysis in our operations. Implemented through our Triple Zero Target programme, focusing on prevention of accidents in activities primarily associated with harvesting, transportation and working with industrial equipment, we intend to dramatically reduce the frequency and severity rates of work-related accidents through:

	Providing regular, focused OHS training and guidance to all employees, visitors, and contractors
	Prohibiting the use of WHO Class 1A and 1B pesticides and pesticides listed on the Stockholm and Rotterdam Conventions. The use of Paraquat is not permitted in any circumstances
	Providing free basic healthcare services to all our employees
	Conducting periodic reviews and updates of our OHS policies

Equality, Diversity and Gender Balance

The plantation industry is traditionally perceived as being male dominated and we acknowledge the need to strengthen inclusivity and gender balance. Therefore, the company commits to:







- Promoting women's rights in line with international standards and frameworks such as outlined in the UN's Realising Women's Rights to Land and Other Resources and the UN's Convention on the Elimination of All Forms of Discrimination Against Women
- Providing equal employment opportunities without distinction of race, religion, degree, ethnicity, gender, skin colour, sexual orientation, political affiliation, organisational membership, and age
- Guarantee equality between men and women and prohibit discrimination based on sex, among other grounds, in line with Article 3 of the International Covenant on Civil and Political Rights
- Ensure equality between men and women to the enjoyment of all economic, social, and cultural rights set forth in Article 3 of the International Covenant on Economic, Social, and Cultural Rights. This includes the rights to food, housing, education, health, culture, work, and association (trade unions)
- Protect workers from sexual harassment, violence, and rights related to women's reproduction. We uphold our confidential reporting procedure and ensure all our employees are trained and aware of our policies and methods
- Paying male and female workers equally, ensuring that inconsistencies are detected through annual gender pay gap analysis and addressed
- Require significant suppliers to also uphold our policy on Equality, Diversity and Gender Balance, where verifiable



Protection of Children

Traditionally, children have been on certain occasion involved in agriculture related activities. Reflecting on this, the Company's Child Protection Policy in line with national law and international conventions upholds:

	Prohibition of the employment of children under the age of 18 on our plantation sites without exception
	Providing the children of our employees with child care and education opportunities
	Supporting children and families with child and health care support services to ensure children's wellbeing
	Child protection and prohibits any forms of trafficking, exploitation, forced labour or services, slavery or practices similar to slavery, especially in children and vulnerable groups of people

Community and Workers Wellbeing Programme

Our Community and Workers Wellbeing (CWW) Programme has been adjusted to cater for needs after initial plantation development and as such reflects the needs of a maturing company-community relation focused on building resilient and independent communities through means of multi-stakeholder partnerships, trainings and awareness-building. The Programmes are closely aligned with our Sustainability Programme, focusing on socio-economic growth through agricultural extension, alternative livelihoods from conservation and ecosystem services, Social Forestry Support and fire prevention. These activities assist with the gradual consolidation of the land use change in the landscapes where we operate, while also help to diversify communities' incomes and livelihood options.



Indigenous Communities' Rights and the Free, Prior and Informed Consent (FPIC)

We respect the rights of indigenous people and other local communities, including their right to give or withhold their FPIC to the development of land to which they hold legal and customary rights. To assure this guarantee, we identify local communities' tenure and user rights through participatory Social Impact Assessments and engage in fair and informed negotiations over access rights to land and other natural resources.

Social Forestry and Village Forest Support

We support the Social forestry framework of the Indonesian government, that opens up opportunities for local communities to manage forest areas and for sustainable utilisation of its resources for a period of up to 35 years, and contributes to the Nationally Determined Contribution targets in GHG emissions as set out by the Government of Indonesia. Bumitama currently support two (2) villages in West Kalimantan, whilst long term Co-Management Agreements (CMAs) with four (4) additional communities are being negotiated. In the years to come, we will focus on enabling the delivery of an exemplary Social Forestry partnership in a total area of exceeding 15,000 hectares by 2025.

Smallholder Support Programme

Smallholders are essential contributors to the Company's supply chain and we commit to fair, transparent, and accountable partnerships with our smallholder suppliers. We recognise that both plasma and independent smallholders in our supply chain requires a dedicated approach.

With regards to plasma smallholders, we commit to:

- Allocate more than 20% of plantation land or benefits to smallholders
- Support smallholder cooperatives
- Provide continued benefits from our Corporate Sustainability Programme (CSP)
- Access to our mills
- Enable smallholder certification under ISPO and RSPO
- Keep track of compliance with our Sustainability Policy
- Introduce non-oil palm programmes through our Income Generating Activity (IGA) Non-sawit programme

To support independent smallholders, we commit to:

- Identify all independent supplying smallholders and intermediate palm oil dealers
- Assist independent smallholders with land demarcation and certification
- Assist smallholders that lack resources with harvesting and transportation arrangements
- Provide technical assistance in agronomy and sustainability
- Prioritise independent smallholders who supply our mills directly
- Encourage other third-party suppliers to develop their sustainable practices and policies
- Welcome support and guidance from governments, institutes, and customers to assist smallholders in achieving compliance
- Provide access to other economic options through IGA Non-sawit and IGA Sawit programmes



PLANTATION

The Group has consistently stayed on the path towards achieving higher yields and extraction rates by investing in research and development, technology, continuous improvement and best practices in cultivation of oil palm. These efforts have made us one of the most efficient producers in the industry.

Chemical Fertiliser Use and Recycling of Organic Matter

The Company supports increased use of organic fertilisers in the production. Nutrient recycling improves moisture, fertility, and carbon storage in the soil and our plantation and milling operations allow for near circular use of organic matter, minus our final product. Therefore, we continue to implement and improve our zero-waste management policy for CPO production.

We will apply precision agriculture techniques with regards to chemical fertiliser, reducing its application where and whenever possible, based on best available scientific knowledge. Details of the chemical fertiliser reduction programme with its implementation targets will be completed in 2024.

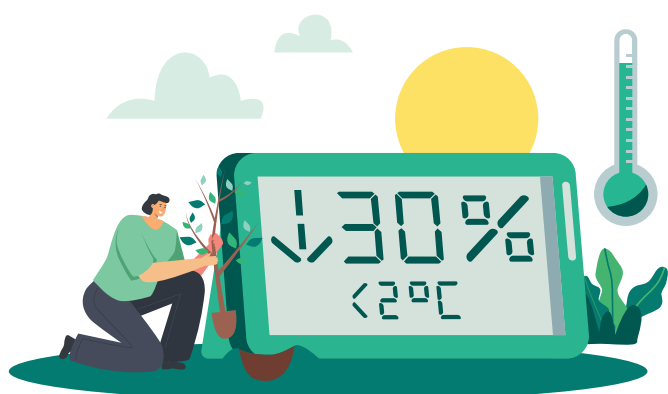
To keep toxicity levels below the general acceptable range for the industry, we regularly monitor toxicity levels from chemical compounds contained in fertilisers, pesticides and herbicides applied in our plantation areas. Our teams will continue to conduct in-depth long-term studies to implement adaptive programmes, including expansion of the existing zero-waste policy for CPO production, recycling all of the organic waste from production to reduce our reliance on inorganic fertilisers.

All employees that handle hazardous chemicals are given extensive safety training. We equip each worker with personal protective equipment (PPE) and mandate showering at the end of each shift. All hazardous chemicals are kept in locked storage facilities as set out by the Indonesian regulations and the RSPO P&C requirements. We also ensure that pregnant or nursing women do not work in or near areas where pesticides are used or stored.



Climate Change Mitigation and Resource Efficiency

About 30% of our GHG emissions are methane from palm oil mill effluent (POME). We aim to reduce these emissions implementation of our Climate Mitigation Strategy, that relies on Landscape restoration and conservation, while transitioning on low-carbon technologies, with resource efficiency and waste optimisation through methane capture facilities, composting, solid separators and other methods of extracting the solids from the mill ponds, including its processing into organic fertiliser and biochar and returning nutrients and organic material back into soil. By 2029, every mill will be provided with biogas facilities that convert methane from POME into biogas or electricity, that will be utilised as a renewable source of energy at our mills and estates, or channelled to the grid to provide a steady and green source of energy for surrounding communities.





In our operations, Bumitama is guided by the rules of responsible waste management. We aim to reduce the amount of generated waste where possible, repair or recondition devices or their parts for reuse and recycle by-products of our production and operations.

Dangerous and hazardous waste is disposed of properly and as per government regulation and we strive to minimise the use, landfilling and scattering of non-organic waste, particularly single use plastic. The company will gradually restrict single use plastic water bottles and work with reputable organisation for recycling of all plastic waste

We will furthermore commence the implementation of a Solid Waste Reduction Policy in 2023. The scope of this policy will include all of the company's operations and a specific empowerment for communities adjacent to our land bank.

Water Stewardship

Ample availability of clean and safe water is vitally important for employee and local community health, wildlife, aquatic ecosystems and our palm oil mills. Through our Water Stewardship strategy, the Company commits to:

- Analyse and develop a time-bound plan to reduce river water usage in the processing of FFB with the use of advanced technology in the mills
- Implement measures for improved rain water collection and usage to aid reduction of water use at estate housing and offices
- Monitor and maintain within regulatory thresholds all POME quality indicators, notably biological oxygen demand (BOD), chemical oxygen demand (COD), ammoniac nitrogen content, nitrate content, pH, total dissolved solids and total suspended solids
- Keep BOD levels in POME below 5,000 parts per million on all outlets to land application, where remaining organic nutrients are recycled back into plantation
- Apply best agricultural practices that optimise water use, increase soil water holding capacity, reduce water runoff and build crop resilience to changing weather patterns. This includes the conservation of riparian buffer zones along streams, rivers and lakes
- Incorporate water management that prevents droughts and floods as a core element in all our forest conservation and restoration efforts
- Regularly document and monitor the impact of its activities on surface and groundwater quality and availability to determine water risks and identify mitigation strategies and long-term management plans to benefit stakeholders within and beyond our operational boundaries
- Collaborate with our suppliers and local water users in and near our plantations and mills to monitor water quality and to address concerns, collectively where appropriate

Pesticide Use Reduction

We prohibit the use of WHO Class 1A and 1B pesticides and other chemicals specified in the Stockholm and Rotterdam Conventions. We enforce a strict permanent ban on paraquat use. This policy applies to all our operations as well as all our suppliers.

We implement an integrated pest management (IPM) plan to optimise the use of pesticides and other chemicals, through maintenance of biological control agents and beneficial plants to reduce the environmental and health hazards and to ensure optimal crop yields for long-term.

Rodenticides affect the ecosystem in ways that are in most instances avoidable. The company's total rodenticide use has already decreased drastically since 2018. In the years to come, we only allow for limited, targeted usage of rodenticides, based on predefined terms. These terms will be set in 2023, following an evaluation of achievements against our 2022 target of 85% reduced usage relative to 2018.

GOVERNANCE



Risk Profiling and Due Diligence

Effective and prudent sustainability risk management is one of the key factors in achieving our business objectives and strategic goals. We regularly update our risk assessment, including risks that our operations may create as well as external risks that may impact our operations. We also review our risk assessment against the interests of our stakeholders (materiality index).

Stakeholder Engagement

Bumitama understands that effective stakeholder engagement is crucial for building long-term solutions to industry-wide challenges. We are always seeking alternative ways of strengthening our stakeholder engagement efforts – focusing particularly on partnerships and community engagement. Our stakeholders include investors, customers employees, non-governmental organisations, industry groups, and government agencies.



Transparency

Our credibility is founded on the pillar of transparency. We therefore strive to uphold the highest level of transparency. We regularly update our website, which presents our performance against key sustainability indicators and as well as detailed reports and press releases. It also offers our stakeholders guidance to company contacts and our grievance procedure.

We annually update our spatial dataset with relevant plantation land bank boundaries and mill locations with the RSPO. Bumitama Agri commits to prepare an information package that can be used for due diligence in the market place, such as the European Union, if required.

Assurance and Certification

Certification represents the independent confirmation that we implement best management practices on the ground. It furthermore assists us with continual improvement. Therefore, we commit to:

1	Retain our membership of the RSPO and adhere to its standards and requirements
2	Implement the ISPO certification requirements, as stipulated by law
3	Have all our management units (plantations with land use rights permits and all supplying smallholder plantations, and mills) fully certified under RSPO and ISPO schemes, in line with our public time-bound plan (TBP)
4	Report our progress on annual basis
5	Ensure that surveillance audits are conducted and that corrective action requests, if any, are duly addressed. Liabilities for past non-compliant land development under the RSPO Remediation and Compensation Procedure (RaCP) and/or NDPE policy, if any, will be verified, confirmed and addressed in line with applicable guidelines (see above)
6	Assurance required by our supply chain

Land Acquisition

Our commitment to No Deforestation, No Peat, No Exploitation policy does not preclude the acquisition of new greenfield land bank. We believe that such acquisitions can be beneficial for the company, communities and the environment at the same time. However, our company upholds all applicable certification standards as well as all aspects of this policy in the event additional land bank is acquired.




In the event the land acquired is subject to liability under RSPO and/or NDPE policy, we will assess, confirm and accept this liability, unless the vendor has already publicly committed to do so. We do not acquire land that was intentionally burned (in the process of land preparation) anytime after 2015.

Traceability and Responsible Sourcing

Our supply base is comprised of our own plantations and associated smallholders (*plasma*) as well as third party corporate plantations and independent smallholders. We commit to achieve and maintain a 100% traceability from 2024 onwards.

Our suppliers' compliance with NDPE policy principles is monitored by a designated cross-function team quarterly, or anytime based on 3rd party grievances. Purchasing of FFB from third party plantations will be suspended should evidence of non-compliance surface and re-entry requirements, including Time-Bound Plans, will apply.

Bumitama commits to apply the re-entry requirements for corporate suppliers who have been found to be non-compliant with our Policy. Definition of the requirements:

	Stop Work Order		Commitment to Recovery
	NDPE policy implementation		Time Bound Plan
	New SOPs		Public reporting
	HCV-HCS studies conducted and management plans implement in accordance with its results		

As part of our pre-sourcing checks, we will first determine the approximate location of the plantation and verify that the land was not deforested or burnt after applicable cut-off dates. We will engage the smallholder(s) in a joint effort to demarcate land boundaries and assist the owner to apply for land certificates, if required. The company will not source FFB from plantations that are illegal and that were planted on deliberately burnt land after 2022.

Bumitama assists independent smallholders through its certification programme. Our target is for every certified mill with third-party supply to include at least one group of smallholders in productivity improvement programmes by 2024, which will result in smallholder certification within two years time.

Corporate Governance

The Company upholds a high standard of corporate governance, integrity, and professionalism (ethical conduct) across all activities and operations. The Board ensures that our Code of Conduct in line with industry and international standards, including the Singapore Code of Corporate Governance. Our management and employees must strictly adhere to our Code of Conduct.

The Company supports the efforts of the Government of the Republic of Indonesia in preventing and eradicating criminal acts, especially corruption, illegal gratification and/or bribes. To enable this commitment, various measures are taken including training. Our anti-corruption policy applies to all entities within the Group as well as our suppliers, contractors and vendors. In line with its Code of Conduct, the Group publicly reports its tax payments on an annual basis.

Sustainability takes a central position in our governance structure. Our Board of Directors oversees the company's approach to sustainability and the integration of ESG matters in the formulation of the long-term business strategy. All Executive Directors are advised to embrace sustainability policies similar to that of Bumitama Agri should they have investment into other palm oil companies.

Grievance Handling

We strive to prevent and resolve conflicts and problems with our stakeholders in an open, transparent, and constructive manner. There may, however, be instances where a stakeholder seeks to formalise a complaint. Whereas the pathway through the courts is open to all parties at any time, the company's grievance mechanism is available for matters that are more easily addressed out of court.

In line with our Code of Ethical Conduct, we encourage our employees or any other persons such as customers, suppliers, contractors, or the local community to raise, in good faith and confidence, without fear of reprisals, concerns about possible improprieties in financial reporting, unethical practices or other matters through our whistleblower procedure. The reference framework is the company's Code of Conduct.



Our grievance mechanism focuses on sustainability compliance issues including conflicts related to land. It is designed to facilitate open dialogue and fact-finding through a transparent process. The reference framework for any complaint or grievance is this sustainability policy and the certification standards that the company group adheres to. For both procedures, the highest level of internal escalation is the company's Audit Committee. Possible outcomes include: clarification/explanation, apologies with corrective actions or mutually agreed escalation through an external mechanism.

In addition, we commit to:

1





Address journalists' reasonable requests for information, due hearing or statements to our best ability. Where appropriate, the company will publish its response with our own data or views through our own media

2

Confirm our respect for the rights of Human Rights Defenders (HRD). We prohibit any form of retaliation, intimidation or harassment and we expect the same from others

Conflict Prevention

Complaints handling can be time consuming for all parties involved. It is therefore better to prevent complaints. We do so through:

	Implementation of our Code of Conduct, this Sustainability policy and our Human Resources policy, along with information sharing and training sessions, risk assessment and certification
	Maintain open communication channels with all our stakeholders to ensure our operations address valid concerns and needs
	Regularly engage grassroots organisations, communities and (inter) national NGOs
	Continued active participation in international fora, particularly RSPO, to enhance our knowledge and understanding of stakeholder needs and expectations

Sustainability Reporting

The Company commenced biannual publication of Sustainability Reports in 2014. Each report is referenced against the standards of the Global Reporting Initiative (GRI) whilst taking into account sector specific sustainability, transparency and reporting standards.²

Sustainability reporting standards continue to evolve. Therefore we commit to:

1	Continue reporting on sustainability through Annual Reports and bi-annual Sustainability Reports, as well as through regular updates on our <u>website</u>
2	Commence disclosure our Climate-related impacts consistent with the recommendations of the Task Force on Climate-related Financial Disclosures (<u>TCFD</u>) and SGX mandatory Climate Reporting target of 2024
3	Keep track of other/new reporting requirements and recommendations



¹ The boundaries of the wider landscapes are indicatively set at 5 kilometers around our estate boundaries. This is considered our maximum area of direct influence. The landscape boundaries will remain dynamic in the coming years as much depends on the opportunities that arise and the threats that emerge.

² such as RSPO, NDPE policy, SPOTT and the Reporting Guidance for Responsible Palm. Our annual (corporate/financial) reports furthermore includes a detailed sustainability update. We also publish regular updates on material issues on our website. Our stakeholders can also review our progress via the annual communication of progress accessible on the Roundtable on Sustainable Palm Oil (RSPO) page.



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