



RESTU SEJATI
Cloves & Leaf Agent



..... SUSTAINABILITY REPORT

This sustainability report for 2024 provides information on Restu Sejati's performance in sustainability aspects, specifically highlighting Governance, Human & Labor Rights, and Crop Management. It is prepared following Global Reporting Initiative (GRI) Standards and aims to provide transparent and comprehensive information to stakeholders regarding the company's environmental, social, and economic impacts and contributions to sustainable development.



 www.restusejati.com



RESTU AT GLANCE

> 1,000

FARMERS PARTNERSHIP

9

TOBACCO PLANTING AREAS

8

CLOVE PLANTING AREAS

65

AVERAGE FARMER PER FIELD
TECHNICIAN

100%

TRACEABLE PRODUCT

100%

FARMER MONITORING ON
SUSTAINABILITY PROGRAM



Reporting Approach

This report follows GRI Standards reporting principles, including materiality, stakeholder inclusiveness, sustainability context, and completeness. Material issues were identified through stakeholder dialogue and consultation.

Scope of the Report

Company Profile: Vision, mission, values, and operational location

Governance: Sustainability commitments, policies, and roadmap implementation

Social, Human & Labor Rights: Prevention of business impacts on human rights

Crop Management & Environment: Impacts on soil, water, and products

GRI Statement

Material topics were identified through stakeholder engagement and reported following GRI Standards: *Core option*, focusing on our most significant sustainability impacts.

Assurance

This report underwent internal assurance for accuracy and reliability. As our foundation report, we will continue refining data collection processes and seek external assurance to enhance future reporting credibility.

Letter from the Board of Directors



I'm so glad to see you here with concern for the future of our company, and indeed, for the future of our planet through sustainability. The word "sustainability" has been relegated to the fringes, seen as a nice-to-have, a PR exercise. Today, I want to make it unequivocally clear that at Restu Sejati, sustainability is not a peripheral concern; it is the very core of our strategy, our operations, and our values. It's not just good ethics— it's good business.

I realize that business is not solely about seeking profit; it's also essential to pay attention to our wider impact on environmental sustainability, social inequality, and climate change. Sustainability and profitability are intertwined, like two sides of the same coin. These impacts are increasingly visible in our daily lives, making it imperative that we continuously strive for improvement.

In 2024, Restu Sejati focused on three pillars: Governance; Social, Human and Labor Rights; and Crop Management and Environment. As the founder of Restu Sejati, along with our top management team and all employees, I fully support and am directly involved in this program. We have set ambitious targets, are measuring our progress, and are reporting transparently on our performance. We will engage with our suppliers, customers, and communities to ensure we are all working together towards a shared vision of a sustainable future. Our sustainability roadmap and ambitious targets will be implemented properly, with full responsibility and commitment.

As a supplier of tobacco and cloves, Restu Sejati is proud to publish our sustainability reports for public and stakeholder access. Sustainability has been a long-standing focus, and we recognize that continual improvement is vital for achieving better outcomes.

In conclusion, I encourage all stakeholders to provide feedback to help us improve this report and ensure our agricultural activities remain relevant to ongoing technological developments. Your input is invaluable.

Taufan Sebastian Suharsono





About Us



Koes Suharsono, started the tobacco supply chain for various cigarette manufacturers in Indonesia in 1951. In 1982, Kuswanto Soeharsono, as the second generation and as the founder of Restu Sejati, transformed the business into a robust multi-sector enterprise by strategically expanding into the clove supply chain. In 2007, the company took a significant step forward by establishing a legal entity, CV Restu Sejati, driven by a commitment to regulatory compliance and good corporate governance.

Restu Sejati continues to evolve in response to market demands in the agribusiness sector, particularly through international tobacco trading in 2013 and expansion into the corn seed industry in 2017. This decades-long journey reflects Restu Sejati's ability to adapt and grow alongside market dynamics.

Customer satisfaction remains our top priority. We are committed to delivering high-quality products and services at competitive prices. With years of experience, we have forged strong partnerships with producers, distributors, and consumers. We consistently adhere to relevant laws and regulations while driving innovation to meet market needs. Our commitment to excellence is reinforced through our quality management system and a culture of continuous improvement.

Our Vision

To become Indonesia's fastest-growing and most reliable sustainable agriculture company through professionalism and continuous innovation.

Our Mision

To deliver superior agricultural products and services that exceed customer expectations through continuous improvement, innovation, and sustainable business practices.



*Legacy of Best Quality,
Carving Sustainable Partnership*



Company Policy

- **Sourcing & Production:**

We provide and manufacture competitive products with integrity and traceability through systems that optimize value for society and customers.

- **Customer Partnership:**

Customers are our sustainable long-term business partners, and we are committed to achieving common business goals.

- **Compliance:**

We comply with all applicable national and international regulations relevant to all aspects of our business through good business management and transparent record-keeping.

- **Resource Allocation:**

We allocate appropriate, competent, and trustworthy resources to develop service management systems that implement principles of sustainability and fair trade, ensuring optimal productivity and quality that meets customer requirements.

- **Good Governance:**

We manage our business professionally to avoid conflicts of interest, maintain zero tolerance for bribery, and uphold trust, integrity, and fairness in trade.

- **Collaboration:**

We uphold strong collaboration with all parties related to our business by prioritizing respect, trust, best practices, and openness to achieve optimal results.

- **Environmental Commitment:**

As part of the global community, we are committed to preserving both social and natural environments through continuous monitoring and action to reduce our business impact on climate change, crop protection and integrity, human and labor rights, livelihoods, natural habitats, soil health, sustainable pest management, and water stewardship.

Our Values

- **Ownership, Responsibility & Integrity**

We act as if the company is ours, with integrity, to be fully responsible for what we do.

- **Respect, Trust & Honesty**

We treat people and the environment with respect, build trust among each other, and uphold honesty.

- **Uniqueness, Diversity & Teamwork**

We embrace uniqueness and diversity as part of our competitiveness to achieve business objectives. We believe teamwork makes ordinary people extraordinary.

- **Open-mindedness & Innovation**

Every idea contributes to our success. We encourage people to share ideas and make continuous improvement and innovation part of our culture.



Zaenal

Restu Sejati Farmer's Partner

>20 years experience on tobacco growing

OUR COMMITMENT ● ● ● ● ●

To Good Governance

- **Law & Regulations**
We are committed to complying with all applicable local and national laws, as well as relevant international regulations, across all aspects of our operations.
- **Employee commitment**
All employees are expected to adhere to legal requirements and the company’s code of conduct, and to comply with the laws and policies that govern their work.
- **Company Book and Records**
Our books and records must be accurate, honest, and complete to ensure reliable reporting to management, shareholders, government entities, and other relevant stakeholders.
- **Internal Control**
Our internal control systems are designed to ensure that business operations are managed effectively. Each department is responsible for maintaining proper records to support a strong and efficient control framework.
- **Taxes**
We are committed to full compliance with tax laws in every jurisdiction where we operate. We ensure that all tax-related records and reporting are accurate and transparent.

In The Workplace

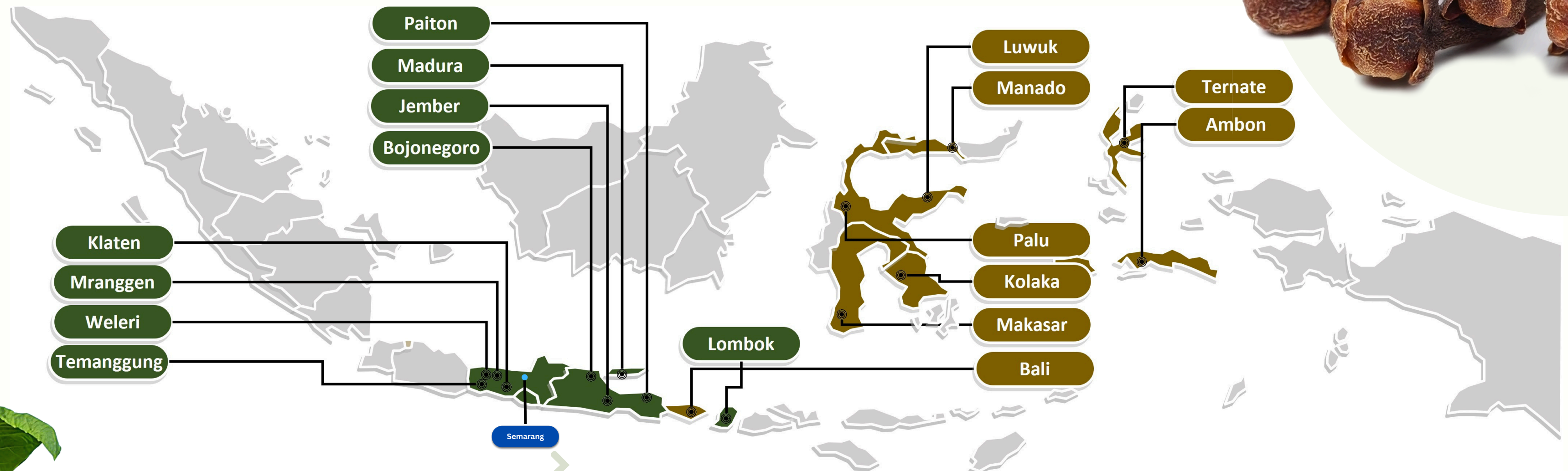
- **Safety, Health and Environment**
We are committed to providing a safe and healthy work environment across all our workplace areas. All employees have the right to a safe workspace, and we ensure that our products are safe for employees, customers, business partners, and the environment. Employees are expected to practice and promote safety and health in their daily activities.
- **Diversity and Inclusion**
We are committed to fostering a workplace where every employee is treated with respect, and diversity is celebrated. We value differences in backgrounds and experiences and believe that diversity strengthens collaboration toward shared goals. We expect every employee to support our ongoing commitment to equal opportunity and inclusive practices.
- **Child Labor and Worker Exploitation**
We have zero tolerance for child labor in any part of our operations. We do not accept any form of exploitation, including exposure to abuse, unsafe working conditions, excessive working hours, forced labor, substandard wages, or the use of dangerous equipment without proper certification. We expect all our suppliers and business partners to uphold these same standards.
- **Conflict of Interest**
Employees must always act in the best interest of the company. Any potential conflicts of interest must be disclosed, and employees are expected to take corrective action when requested by the company.

To Market

- **Ethical Business Practice**
We are committed to treating all customers ethically and without discrimination. We aim to gain competitive advantage through the quality of our products and services—never through unethical or illegal business practices.
- **Anti-Bribery, Corruption, and Illicit Trade**
Integrity is central to our success. Our business relationships are built on trust, transparency, and accountability. We strictly prohibit all forms of bribery, corruption, and illicit trade. Employees must never compromise the company’s reputation by engaging in such practices. We also prohibit money laundering, including any efforts to conceal the origin, ownership, or destination of illegally obtained funds.
- **Fair Dealing, Anti-Trust and Competition**
We grow our business through honest, respectful relationships with customers, suppliers, and partners. Employees must never take unfair advantage of others through manipulation, misuse of confidential information, deception, or unethical practices. We believe in fair competition and will not create unfair disadvantages for our competitors.
- **Confidentially of Business Partner, Supplier and Customer Privacy**
Our customers and business partners trust us with sensitive information. Employees are expected to protect all confidential company and third-party information in accordance with company policies and legal requirements.
- **Entertainment and Gift**
Giving gifts or offering entertainment can support business relationships and cultural practices, especially during holidays. However, such gestures must never create a conflict of interest or influence business decisions. Any gift, entertainment, or hospitality that exceeds reasonable value or appears to influence the recipient’s judgment is strictly prohibited.



SOURCING AREA



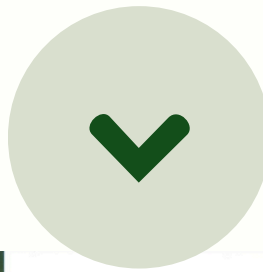
Tobacco Source Area **Clove Source Area** **Head Office**

A strong partnership and network with tobacco and clove farmers, cultivated over three generations, are essential for our company to ensure a sustainable and high-quality supply of these vital ingredients.

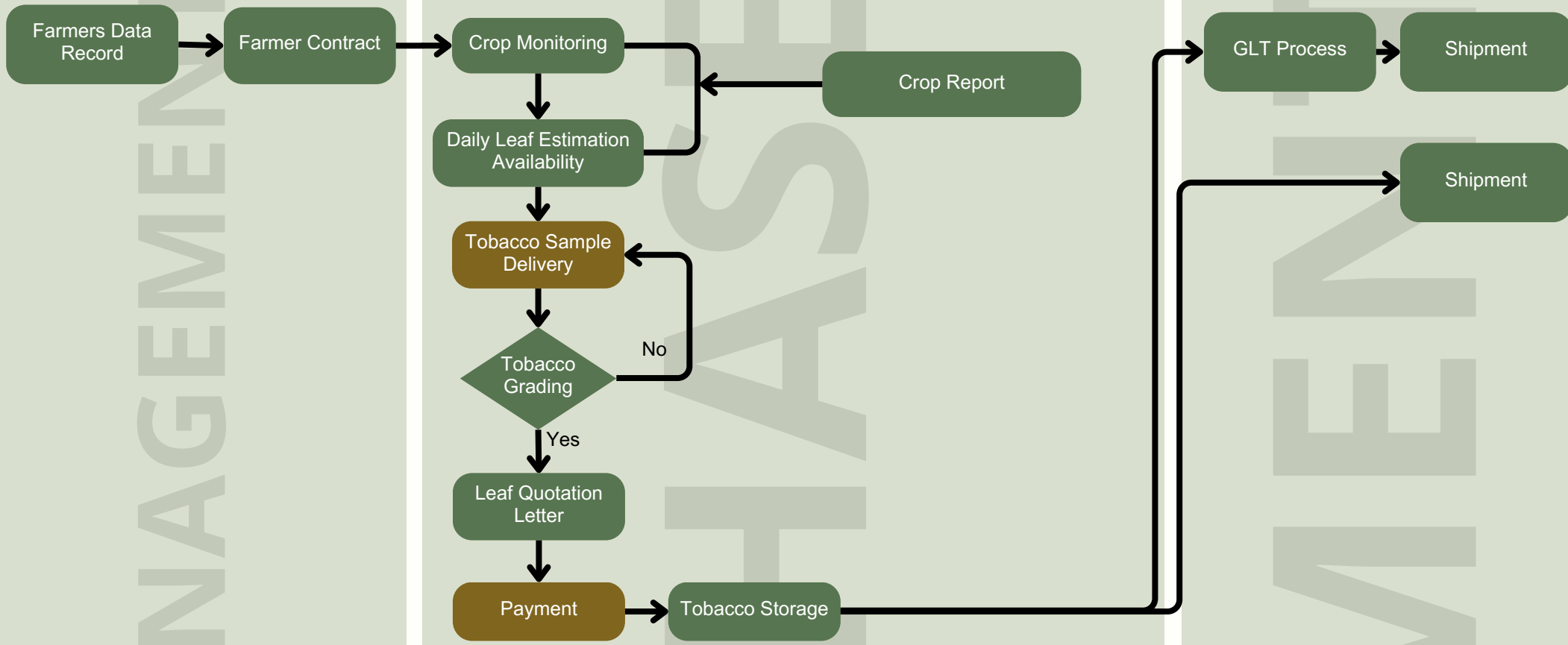


ISO Certification

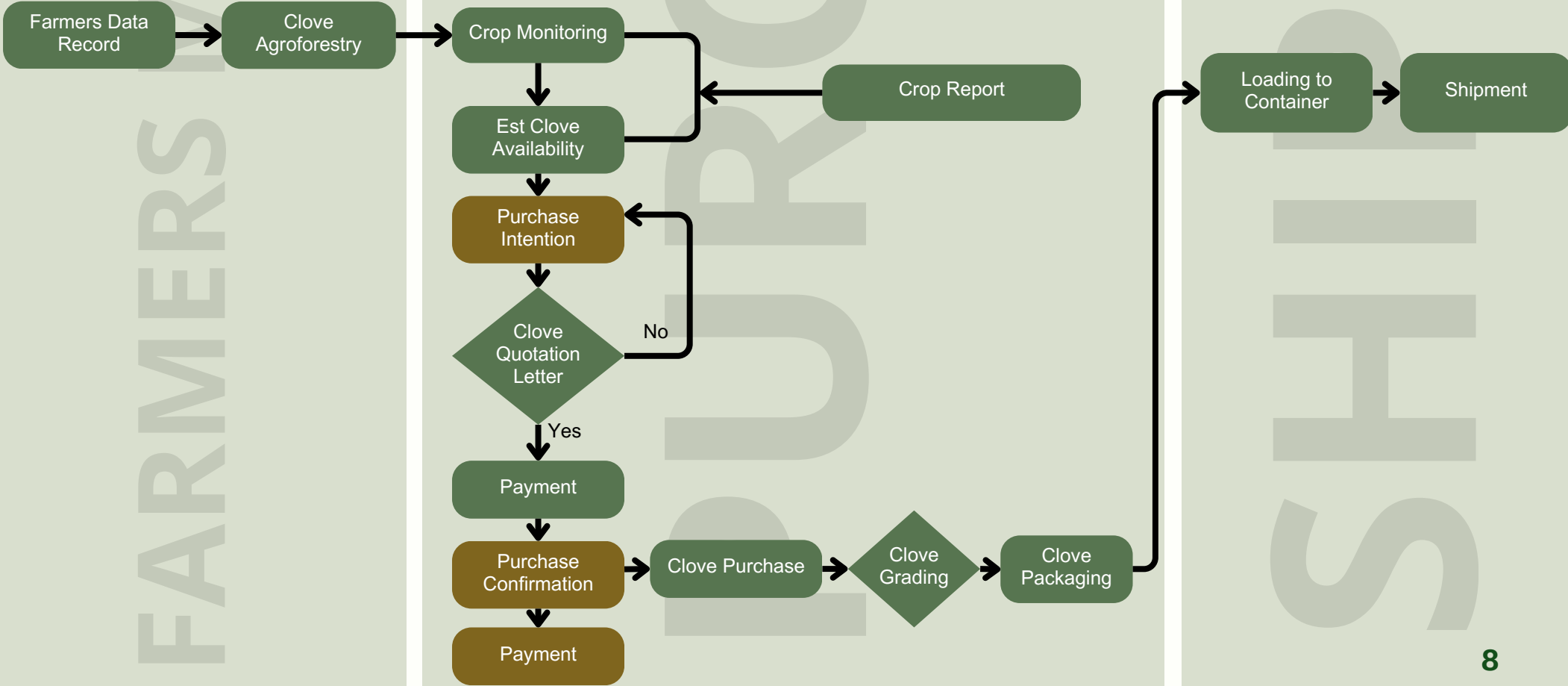
Our commitment to product and process quality, as well as environmental sustainability, is demonstrated by our achievement of ISO 9001:2015 (Quality Management System) and ISO 14001:2015 (Environmental Management System) certifications. We will further strengthen this commitment with the planned certification of ISO 45001:2018 (Occupational Health and Safety Management System) in 2025.



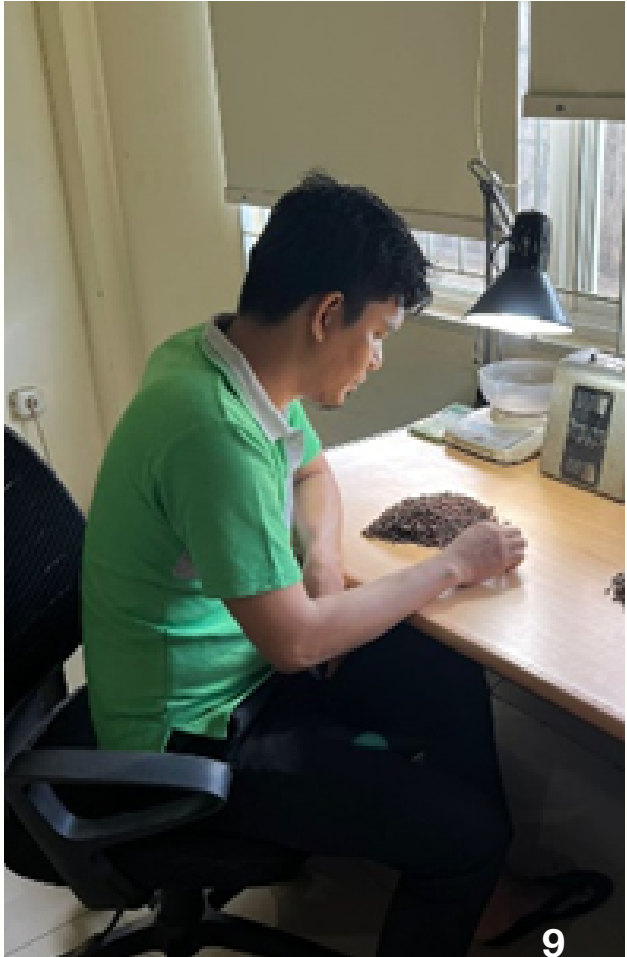
Leaf Flow Process



Clove Flow Process



SCOPE (ACTIVITY)	SUB SCOPE (KEY INDICATOR)	LEAF	CLOVE
FARMER REGISTRATION	Farmers Profile Family & Workers Farmers Income Land Ownership Supply Capability	✓	✓
FARMERS AGREEMENT	Yield & Volume Estimation Commitment on Sustainability	✓	
FARMERS AWARENESS	Training & extension service Weather Information Update	✓	✓
FARM MONITORING	Farmer Visit by Field Technician Data Validation through Un-announced Visit Prompt Action Issue Follow up	✓	✓
MATERIAL DISTRIBUTION FOR LEAF FARMER	Poster, Best Practice, CPA Box, Mask, Long Sleeve Shirt, Cotton Gloves, CPA Hand Gloves, Crop Input	✓	
MATERIAL DISTRIBUTION FOR CLOVE FARMER	Poster, Best Practice, Mask, Long Sleeve Shirt, CPA Hand Gloves, Safety Body Harness, Hat, First Aid Kit		✓
BEST PRACTICE: R&D ON FARM	Crop Input Support, Data Trial Analysis, Review Best Practice	✓	✓
BUYING & PROCESSING	Buying Socialization Buying and Reclass Quality Management Residue Testing	✓	✓
CLOVE SEEDLING DISTRIBUTION	Seedling for Clove Regeneration		✓



Stakeholder Identification and Engagement

Stakeholders	Primary Needs	Company Response	Engagement Method
Farmers	1. Quality tobacco production results in optimal productivity 2. Farmers receive a price from the company for their tobacco that reflects its quality 3. Coaching and training programs are available to increase farmers' understanding 4. Farmers can obtain information related to tobacco farming	Provide training, monitoring, and guaranteed market certainty for tobacco produced by farmers, socializing purchases, and ensuring accurate weighing scales	Farm training Extension service Farm monitoring Group discussion Survey Crop input & material support Socialization
Workers	1. Can work with decent wages, 2. There are no violations of Human Rights in the work process, 3. Can work in a safe environment	Providing training, monitoring and control over matters that have the potential to violate Human Rights at work.	Farm training Extension service Farm monitoring Group discussion
Government	1. The company buys or absorbs tobacco at a price commensurate with the quality 2. Increasing the standard of living of farmers 3. Sustainability in agricultural businesses	Involve the Department of Agriculture in counseling and taking soil and water samples.	Discussion and meeting Exhibition event Soil & Water Survey
Customer	1. Get tobacco with the quality and volume that suits your needs 2. Sustainability in a mutually beneficial business 3. Obtain goods or products that meet traceability and integrity 4. Products free of NTRM and CPA Residue, as well as quality requirements that meet customer standards.	Conduct reviews with customers about the company's activities as a supplier to partner farmers	Discussion and meeting Exhibition event Activity report Customer visit
NGO (PAACLA)	Company can actively carry out programs organized by the PAACLA organization to jointly prevent child labor on agricultural land	Actively participate in programs by PAACLA	Discussion and meeting Reporting Social media
Community	The agricultural practices carried out by the company do not damage the ecosystem, the environment, and do not violate local or cultural regulations that apply in society	Carrying out collaboration or partnership patterns with farmers in the surrounding area, conducting soil and water impact analyzes before and after planting tobacco.	Survey
Vendor	Can work together well in accordance with applicable regulations and provide mutual benefit for both parties.	Conduct reviews with vendors regarding the activities and business needs of both parties.	Discussion





Topic Material Determination

Determination of material contents and topics adheres to the four principles of the Sustainability Report, consisting of:

1. Stakeholder engagement: The Company identifies stakeholders relevant to the Company's business and involves them in the process of determining material topics;
2. Sustainability context: The Company pays attention to sustainability in the economic, social, and governance aspects related to the Company's business;
3. Materiality: The Company focuses on topics relevant and significant to the Company, tailored to the Company's sustainability focus and strategy;
4. Completeness: The Company is committed to providing complete, comprehensive, and accountable information.

Topic Material Determination and Priority

Identify and assess the impacts based on flow process and risk assessment

Understand the flow process and context

Identify the risk and impact including actual and potential

Rating the risk with significance of impacts

Determine the sustainability priority

Top 3 Focus in Crop Year 2024

Governance

- A. Company Policy & Code of Conduct
- B. Key Personnel and Farmer Training
- C. Farm Monitoring and Unannounced Visit
- D. Standard Operating Procedure
- E. PAACLA Membership

Social, Human & Labor Rights

- A. Agriculture Labor Practices
- B. Grievance Mechanism
- C. Community Engagement

Crop Management and Environment

- A. Good Agriculture Practices
- B. Agriculture Environmental Impact
- C. Crop Quality and Traceability



Sustainability Roadmap



Restu Goals	Restu Progress in 2024
50% Farmer returning empty CPA Container Return in 2027	Start to build awareness and collect; farmer participation is 7.6% in 2024
Conduct annual soil and water sampling and laboratory test for tobacco area	Conduct soil, irrigation water, and clean water sampling and laboratory test
Biodiversity : Maintain zero deforestation land for tobacco planting location	Biodiversity : Zero deforestation land
Crop residue and HHP monitoring	100% farmer use recommended CPA
Total of 10 000 trees planted in 2027	2 000 trees planted
Total of 2500 clove tree planted in 2027 to regenerate old trees	Planted 500 clove tree to 25% of clove farmers
Zero child labor in 2027	Trained and monitored all farmers on child labor; founded 5 cases of child labor in 2024
Commit to improve prosperity of all farmers in our partnership	84% of farmers plant other crops for self-consumption and additional source of income
Maintain zero accidents	Zero accidents
100% of farmers must understand and be aware of a Safe Working Environment	Built awareness with training and distributed PPE sets to 100% of farmers
100% adherence with Company Policy and Code of Conduct	100% of employees and farmers committed to the Company Policy and Code of Conduct
Increase farmer capacity, awareness, and understanding	Conducted Extension service, IPM and NTRM Training, Farm Monitoring, and other socialization
Implement Agriculture Labor Practice	100% of farmers monitored of Agriculture Labor Practice
Implement STP 8 pillar	Top 3 focus on Governance, Human Right, and Crop
Stakeholder’s identification and engagement to achieve goals together with good collaboration	Engage relevant shareholders through training, discussions, surveys, etc.
ISO Certification : Certified ISO 9001 and ISO 14001	ISO Certification : Audit comply for ISO 9001 and ISO 14001, certification plan in 2025 for ISO 45001

Governance

A. Company Policy and Code of Conduct

At Restu Sejati, sustainability is more than a buzzword—it is a core value that shapes every aspect of our operations. We believe that long-term success can only be achieved by making a positive impact on the environment, society, and the economy.

At the beginning of each season, we conduct training for key Leaf and Clove personnel to familiarize them with the sustainability program being implemented.



Maintaining active communication with farmers is crucial to the program’s efficacy. These training sessions cover company policies, our code of business ethics, and the pillars of sustainability. The sessions conclude with a formal commitment from all key personnel—including directors, managers, and field officers—to uphold and implement sustainable practices.

Additionally, company policy and the code of ethics are communicated to stakeholders and integrated into warehouse standardization processes across all Restu Sejati operational areas.

100%

Received Company Policy and Code of Conduct Communication

100%

Standardize Company Policy and Code of Conduct in Operation Area

B. Key Personnel and Farmer Training



Farmers have long been the backbone of our communities, nurturing the land and contributing to high-quality tobacco production. However, with the challenges brought by climate change, limited resources, and evolving market expectations, traditional farming practices must adapt.

Farmers play a vital role in implementing sustainability, which we define as producing quality crops with optimal productivity and cost-efficiency—while safeguarding environmental health. This understanding must be effectively communicated to all partner farmers.

100%

Farmers Received IPM & NTRM Training

100%

Farmers Received GAP Training

100%

Farmers Received ALP Training

Our Training Methods Include:

- 1.Event-Based Training – Group sessions where farmers receive insights from expert speakers, including government representatives and internal specialists.
- 2.Ongoing supervision to support and reinforce sustainable practices.
- 3.Unscheduled visits by managers and top-level teams to ensure alignment and on-ground support.

For the current season, our event-based training focuses on early-season counseling related to sustainability agendas, weather forecasting, and best agricultural practices.

We are also conducting IPM (Integrated Pest Management) and NTRM (Non-Tobacco Related Material) training across all tobacco-growing areas. These provide farmers with knowledge on recommended pesticides and proper usage techniques, pesticide waste management, common tobacco pests and diseases, and scouting processes and acceptable pesticide control thresholds.



C. Farm Monitoring and Unannounced Visit

To support our Sustainability Program and develop more sustainable farming models, key personnel conduct Digital Farm Monitoring throughout the entire crop cycle—from planting to harvest. This approach improves efficiency by reducing the paperwork burden on field technicians, enabling quicker access to data and faster review times.

Digital monitoring also facilitates more effective training, communication, and guidance for farmers regarding sustainable agricultural practices.



45

Prompt Action Issues 100% Solved

5

Child Labor Findings

The primary goal is to gather sustainability-related data on field conditions and farming activities. By using a digital platform, we not only enhance data collection but also support our sustainability goal of reducing paper usage. Monitoring focuses on the eight pillars of the Sustainable Tobacco Program (STP): Governance, Human Rights, Crops, Soil Health, Water, Livelihood, Climate Change, and Natural Habitat.

Field officers carry out direct farm visits to engage in in-depth discussions with farmers on topics such as land conditions, nurseries, crop quality, and yield. These interactions promote effective communication, ensuring the sustainability agenda is clearly understood and that farmer awareness continues to grow.

> 1000

Contracted as STP Farmers

6,330

Farm Monitorings

PROMPT ACTION ISSUES

During this reporting period, we identified five cases of child labor. These cases involved children assisting their parents outside of school hours. Notwithstanding this, we recognize the importance of eliminating child labor.

We have conducted thorough verifications, provided education to the families involved, and will continue to monitor to prevent the recurrence of such situations. We are committed to ethical business practices and will persist in our efforts to eradicate child labor from our value chain.

As part of our monitoring control system, we also conduct unplanned visits. These visits serve not only as additional training opportunities but also play a critical role in validating data and supervising the implementation of the sustainability program.

Conducting these visits systematically allows us to gain a broader and more objective perspective on challenges and opportunities for improvement in the field.

All findings from both monitoring and unplanned visits are recorded, followed up, reported, and tracked. Any non-compliance with standards is documented as a Prompt Action Issue (PAI) to ensure timely resolution and continuous improvement.

D. Standard Operating Procedure (SOP)

SOPs play a critical role in ensuring consistency, efficiency, and compliance across all operational activities. We have developed detailed, step-by-step SOPs for every aspect of our agronomy practices, including the buying and traceability process, Integrated Pest Management (IPM), and other relevant operations. To maintain their effectiveness and relevance, these SOPs are reviewed and updated annually, or as needed, in response to changes in practices, regulations, or sustainability requirements.

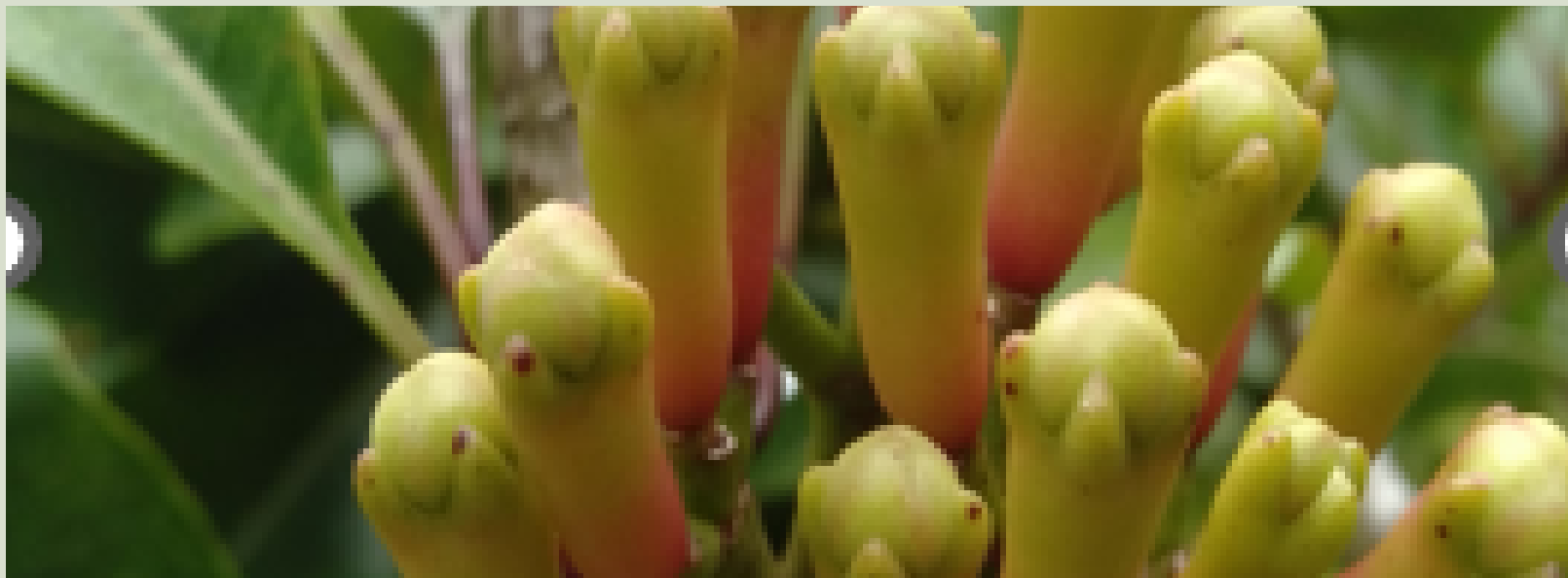
E. PAACLA Membership



In 2024, Restu Sejati became an active member of PAACLA (Partnership for Action Against Child Labor in Agriculture). As part of this commitment, we actively coordinate with PAACLA and have implemented a child labor reporting system aligned with data protocols from the Ministry of Human Rights of the Republic of Indonesia.

Additionally, Restu Sejati has been awarded a Training of Trainer certificate, which authorizes us to educate key personnel on the principles and practices of child labor prevention.

This training included case studies and concrete actions from various Indonesian companies, enabling us to share practices and support large efforts to eliminate child labor.



Human and Labor Right

A. Agriculture Labor Practice

The implementation of Agricultural Labor Practices (ALP) is a cornerstone of our sustainability agenda. It is based on seven core principles:

- 1. Working Hours, Wages, and Benefits
- 2. Safe Working Environment
- 3. Fair Treatment
- 4. Freedom of Association
- 5. Prevention of Child Labor
- 6. Prevention of Forced Labor
- 7. Compliance with the Law

These principles are integrated into extension services, training sessions, and daily field operations. If any non-conformity is observed or reported—either by Field Technicians or other internal staff—it must be immediately escalated to the STP Team for investigation and resolution. When the case qualifies as a Prompt Action Issue (PAI), it will be manually recorded, addressed with necessary actions, and, when applicable, escalated to management and relevant stakeholders. Progress will be closely monitored to ensure resolution and accountability.



1. Working hour, wages, and benefit

We provide wages and benefits that are competitive within the local agricultural sector and exceed the regional minimum wage. Farm conditions are regularly monitored through Field Technician Monitoring and Unannounced Visits by Management. If issues related to income, working hours, or benefits are found, they are documented using the Prompt Action Issues (PAI) form, in line with company procedures. So far, no such issues have been identified. Agricultural laborers are free to choose their employers, reflecting healthy competition within the sector. Labor mobility is high, and workers are not bound to specific farms or companies.

2. Safe working environment

Tobacco production involves several health and safety risks. To mitigate these, in 2024 we implemented multiple safety initiatives: Training on Personal Protective Equipment (PPE), Safety awareness through counseling sessions, posters, and best practices, and Distribution of CPA Boxes, gloves, and full PPE kits. A company-wide safety policy has also been implemented and communicated across all operations to ensure awareness and compliance.



3. Fair Treatment

Fair treatment means ensuring that all individuals are treated with dignity, respect, and without discrimination.

Every worker is entitled to fundamental rights, including fair wages, reasonable working hours, and a safe and inclusive work environment. Importantly, fair treatment does not imply uniformity, but rather equitable support based on individual needs and circumstances.

Restu Sejati is fully committed to rejecting all forms of discrimination, harassment, child labor, and forced labor; upholding gender equality; inclusion regardless of age, background, or belief; guaranteeing freedom of association; and providing ongoing training to promote employee well-being and sustainable development.

4. Freedom of Association

Freedom of association is the right of every individual to form, join, or participate in workers' organizations without fear of intimidation, coercion, or discrimination.

Restu Sejati is committed to creating a workplace where all employees feel free to express concerns and aspirations; and supporting open communication between workers and management; encouraging healthy, constructive dialogue to foster transparency and fairness.

This commitment is in full alignment with both national regulations and international labor standards. We ensure that no barriers or consequences exist for those exercising this right, and we continue to foster a culture of democratic participation in workplace decision-making.



9%

Female Farmers

7,094

Number of Workers

1,448

Number of Children Below 18 Years Old

ZERO

Accidents



5. Child Labor

Child labor encompasses the employment of any individual below the minimum working age, as defined by national and international laws, in work that is likely to jeopardize their physical or mental health, safety, or development. Restu Sejati maintains a zero-tolerance policy towards all forms of child labor. To prevent such practices, we implement rigorous age verification procedures, provide comprehensive education to our partner farmers, and conduct regular field monitoring. Our specific child labor guidelines outline the necessary actions and reporting mechanisms, including a list of hazardous tasks potentially encountered during the tobacco production process, such as the following:

Use and Maintenance of Agricultural Tools and Machinery

- Tractors and Other Soil-Cultivating Machinery: Risk of being caught in, run over by, or struck by moving machine parts.
- Grass Cutting Machines and Mechanical Harvesting Tools: Risk of cuts or being struck by sharp debris that may be ejected.
- Sharp Manual Agricultural Tools: Hoes, sickles, machetes, and knives can cause serious injuries if not handled with care.
- Maintenance and Repair of Machinery: Risk of being caught in moving parts, electrocuted, or exposed to hazardous fluids such as oil and fuel.

Heavy and Repetitive Physical Work:

- Lifting and Carrying Heavy Loads: Risk of injuries to the back, muscles, and joints.
- Repetitive Manual Labor: Tasks such as planting, weeding, or harvesting for extended periods can lead to extreme fatigue and musculoskeletal disorders.
- Working in Non-Ergonomic Positions: Prolonged bending, squatting, or reaching can cause pain and physical injuries.

Work Involving Livestock:

- Handling Large Animals: Risk of being kicked, gored, or bitten.
- Zoonotic Diseases: Risk of contracting diseases transmitted from livestock.

This year, we joined PAACLA (Partnership for Action Against Child Labor in Agriculture) as part of a collaborative initiative to combat child labor. PAACLA, a prominent NGO in Indonesia, specifically focuses on mobilizing actions aimed at preventing child labor. The organization has conducted Training of Trainers (ToT) sessions on child labor, facilitated regular member meetings, and monitored the progress of actions undertaken by all participating companies.

Handling of Hazardous Chemicals:

- Pesticides, Herbicides, and Fungicides: Exposure through skin contact, inhalation, or ingestion can lead to acute poisoning or long-term health effects such as neurological disorders, cancer, and reproductive issues. Improper mixing, spraying, and disposal pose significant risks.
- Chemical Fertilizers: Certain types of fertilizers can cause irritation to the skin, eyes, and respiratory system.
- Fuels and Lubricants: Flammable and may cause skin irritation and other health problems with prolonged exposure.

Extreme Environmental Working Conditions:

- Excessive Heat Exposure (Heatstroke): Working under direct sunlight without adequate protection and hydration can lead to dehydration, heat exhaustion, and potentially life-threatening heatstroke.
- Excessive Cold Exposure (Hypothermia): Working in high-altitude areas or during cold seasons without proper clothing can result in hypothermia.
- Severe Weather Conditions: Risk of lightning strikes, falling trees during storms, or accidents caused by slippery conditions during rain.
- Bites and Stings from Dangerous Animals: Snakes, insects (such as bees and wasps), and other wild animals may pose serious hazards.





6. Forced Labor

Forced labor is a condition in which an individual is forced to work involuntarily, through threats, punishment, violence, intimidation, deception, debt coercion, restriction of freedom, or withholding of personal documents. Restu Sejati is firmly committed to rejecting all forms of forced labor throughout our supply chain and operations. We ensure that all individuals who work with us do so voluntarily, based on fair, transparent agreements, and without coercion in any form. We provide access for workers to submit complaints or reports, with guarantees of confidentiality and protection of the whistleblower. We believe that respect for the freedom and dignity of every worker is the basis of trust and the sustainability of responsible business.



7. Compliance With the Law

Compliance with the law means that every individual or organization has an awareness of the law to carry out all its activities in accordance with applicable regulations, laws, and policies, both at the local, national, and international levels. For Restu Sejati, this reflects our commitment to carrying out all business activities ethically, transparently, and responsibly, in accordance with the applicable legal framework at the local, national, and international levels. We ensure that all Company activities, including in the aspects of agriculture, employment, environment, and trade have been carried out based on applicable regulations and industry standards. Compliance with the law is not just an obligation, but the basis for building long-term trust, strengthening the company's reputation, and realizing sustainable and responsible business practice.

B. Grievance Mechanism

A grievance mechanism is a crucial component of a formal process, whether legal or non-legal, enabling individuals, groups, or organizations to raise concerns and seek redress for grievances pertaining to business operations or other activities. We have established comprehensive procedures and accessible systems for submitting grievances. All stakeholders can report incidents involving human rights violations, serious breaches, and actions contrary to our business ethics. Restu Sejati maintains a strict zero-tolerance policy towards any violation of human rights.

C. Community Engagement

Local Sourcing

We prioritize sourcing inputs and services from local suppliers whenever possible.

Community Support

We support local community initiatives through donations, sampling of soil and water, and infrastructure development

Stakeholder Dialogue

We engage in regular dialogue with the community to understand their concerns and address any potential impacts of our operations.

Forced Labor

We do not tolerate any form of forced or compulsory labor. All employment at Restu Sejati is voluntary.

Freedom of Association

We respect the right of our employees to freedom of association and collective bargaining.



Crop Management

A. Good Agriculture Practices

Good Agricultural Practices (GAP) encompass a set of principles, regulations, and technical recommendations applicable to on-farm production and post-production processes, with the objectives of ensuring product safety and quality while fostering environmental, economic, and social sustainability.

Restu Sejati is committed to implementing Good Agricultural Practices (GAP) to ensure the sustainability of products across all its tobacco and clove operational areas. To achieve this commitment, our actions include:

- Farmer contract agreement
- Visit for monitoring
- Giving GAP guidance
- Extension service and training
- Weather update information

Crop Rotation

Crop rotation has generally become a standard practice among farmers. In the tobacco farming areas where we partner, the typical rotation following tobacco cultivation includes rice, corn, and green beans. This crop rotation provides farmers with additional sources of income or produce for their own consumption. Furthermore, it aims to maintain healthy soil fertility, disrupt pest and disease cycles, and provide mulch or organic matter for subsequent crops. Consequently, this practice can reduce the reliance on chemical inputs such as fertilizers and pesticides.

Planting Locations With
Crop Rotation

100%

Planting Location With
Mulching Application

100%

Planting Location
With Cow Manure

32%

Mulching

Mulching is an important technique in plant cultivation that functions to maintain soil moisture, reduce evaporation, and stabilize the temperature around the plant roots. In tobacco farming practices, farmers often use organic mulch such as straw and rice husks because these materials are easy to obtain and can enrich the organic matter content in the soil during the decomposition process. The application of mulching is also effective in suppressing weed growth, so that tobacco plants can grow more optimally and their productivity increases.

Fertilizing

Fertilization is a critical factor supporting plant growth. It must adhere to the 4R principle: the right type, right dose, right time, and right application method. In tobacco farming, our farmers apply efficient and environmentally friendly fertilization practices tailored to the specific needs of the plants. Fertilization is carried out in stages, providing essential macronutrients such as nitrogen (N), phosphorus (P), and potassium (K). The use of fertilizers in balanced doses aims to maintain soil health and, in the long term, contribute to the reduction of carbon emissions from the agricultural sector.

CPA Management

Effective Crop Protection Agent (CPA) Management involves strategically using chemicals or other methods to control pests and plant diseases efficiently, while minimizing adverse environmental effects. This management adheres closely to the 5R principle: Right Type, Right Target, Right Dose, Right Method, and Right Time. Moreover, the use of personal protective equipment (PPE) is mandatory during application, complemented by a pesticide waste storage and management system that follows proper procedures.



B. Agriculture Environmental Impact

Emission

Recognizing the potential for greenhouse gas emissions from agricultural activities, Restu Sejati is committed to sustainable agricultural practices and environmental responsibility. To this end, we actively work to reduce these emissions from our operations. Our strategies for mitigating greenhouse gas emissions encompass tree planting, the adoption of effective and efficient fertilization methods, the use of CPAs as recommended, and the prevention of burning crop residues on our land.

Soil and Water Management

As part of its sustainable program to reduce the environmental impact of agricultural activities, Restu Sejati prioritizes soil and water conservation. Our water conservation strategies involve implementing efficient irrigation system management and harvesting rainwater by constructing water reservoirs. Regarding soil conservation, we utilize various methods, such as cultivation techniques designed to prevent erosion and land degradation, the establishment of water channels or drainage, the application of organic mulch, and the use of fertilizers to sustain soil fertility and looseness.

Waste Management

Hazardous waste encompasses waste generated from industrial or household activities that contains hazardous materials capable of harming human health, such as agricultural residues, paint residues, fuel, oil, and spent fuel. Recognizing this, we are committed to implementing sustainable and responsible agricultural practices in managing such waste to minimize negative environmental impacts. Our approach to agricultural waste management is grounded in the principles of Reduce, Reuse, and Recycle.

Planting Area
Causing Deforestation

ZERO

Planting Area With
Soil & Water Tested

100%

Water Withdrawn

380,988 M³

Emission Scope 1

1,563 tCO2e

C. Crop Quality and Traceability

Maintaining high Crop Quality is essential for assessing the overall quality of plants, considering both their physical characteristics and chemical content, according to established standards. At Restu Sejati, we prioritize the consistent quality of our tobacco by implementing proper agricultural practices, which include the use of superior seeds and standardized maintenance protocols.

Meanwhile, Traceability is a system that allows the entire production process, from seeding, planting, harvesting, to distribution, to be traced thoroughly. We ensure that every stage of the process can be traced properly to guarantee safe, high-quality products that are free from hazardous materials.

Our commitment to crop quality and traceability reflects our responsibility to maintain consumer trust while supporting sustainability in the tobacco farming industry.

Product Traceability

100%

CPA Residue Complaints

ZERO



Challenge and Opportunities

Challenges

- Limited Farmer Awareness and Understanding of Sustainability Practices: This highlights the need for education and outreach.
- Adverse Impacts of Climate Change on Tobacco Yield and Quality: This emphasizes the negative consequences of climate change.
- Volatility in Tobacco Market Prices: This clearly describes the instability of the market.
- Growing Pressure to Mitigate Environmental Impact: This emphasizes the increasing external demands for environmental responsibility.
- Increasing Taxation on Tobacco Products: This directly states the challenge posed by rising taxes.

Opportunities

- Enhancing farmer knowledge and skills through targeted training programs and continuous monitoring.
- Ensuring the adoption of sustainable and efficient Good Agricultural Practices (GAP) in all agricultural activities.
- Supporting farmers in diversifying their crop production for enhanced resilience and income stability.
- Implementing a responsible collection and disposal program for empty Crop Protection Agent (CPA) and fertilizer containers to minimize environmental impact.





GRI STANDARD	DISCLOSURE	LOCATION
GRI 102: General Disclosures 2021	Organizational Profile	SustainabilityReport page 2, 4
	Reporting Practice	Sustainability Report page 2
	Scope of the Report	Sustainability Report page 2
GRI 103: Management Approach 2021	Governance	Sustainability Report page 2, 6, 11
	Human and Labor Rights	Sustainability Report page 2, 11, 17
	Crop Management	Sustainability Report page 2, 11
	Stakeholder Engagement	Sustainability Report page 10, 11
	Ethics and Integrity	Sustainability Report page 6
	Residue	Sustainability Report page 10
	Opportunities and Challenges	Sustainability Report page 21
GRI 3: Material Topics 2021	Identification of Material Topics	Sustainability Report page 2
	List of Material Topics	Sustainability Report page 2
	Management of Material Topics	Sustainability Report page 2
GRI 205: Anti-corruption 2016	Anti-corruption commitment	Sustainability Report page 6
	Anti-corruption policies and procedures	Sustainability Report page 6
	Communication and training about anti-corruption policies and procedures	Sustainability Report page 13
GRI 303: Water and Effluents 2018	Water withdrawal	Sustainability Report page 20
GRI 305: Emissions 2016	Direct (Scope 1) GHG emissions	Sustainability Report page 20
GRI 306: Waste 2020	Waste generation and significant waste-related impacts	Sustainability Report page 21
GRI 403: Occupational Health and Safety 2018	Occupational health and safety management system	Sustainability Report page 2, 11, 17
	Hazard identification, risk assessment, and incident investigation	Sustainability Report page 2, 11, 16
GRI 408: Child Labor 2016	Child labor	Sustainability Report page 6, 11, 17
GRI 413: Local Communities 2016	Operations with local community engagement, impact assessments, and development programs	Sustainability Report page 2, 10, 19





THANK YOU

It's been our pleasure to be your partner...