



2021 Summary Progress

Pillar 1:

Improve the Lives of Smallholders, Workers, and Communities



Primary SDGs to which we contribute:



2021 highlights, unless otherwise stated

Employees	Communities	Smallholders		
<ul style="list-style-type: none"> ✓ Conducted Verité labour assessment at 4 Musim Mas mills with integrated plantations ✓ 96.2% of employees covered by collective bargaining agreements, 100% in Indonesia ✓ In addition to minimum wage, paid upstream workers in-kind benefits ≥90% of minimum wage ✓ 52% reduction in accident frequency rate since 2017 ✓ 77% reduction in severity rate since 2018 ✓ Land set aside for employee fruit and vegetable gardens doubled compared to pre-pandemic levels to support food security (34.6 ha in 2021) 	<ul style="list-style-type: none"> ✓ Operated 27 clinics with free healthcare for workers and local communities ✓ CSR contributions of IDR 21.3 billion, >60% allocated to schools ✓ 12 schools, 9 kindergartens, and 48 childcare centers run by Musim Mas 	<p>SCHEME SMALLHOLDERS:</p> <ul style="list-style-type: none"> ✓ 100% of scheme smallholders covered by KKPA and VDP programs ✓ 89.5% of scheme smallholder area RSPO certified ✓ Scheme smallholders collectively earned IDR 185.75 million, 2.3x of 2019 <p>INDEPENDENT SMALLHOLDERS:</p> <ul style="list-style-type: none"> ✓ 36,681 independent smallholders covered by Musim Mas programs ✓ 2,295 independent smallholders RSPO certified with Musim Mas assistance ✓ First 1,226 independent smallholders ISPO certified with Musim Mas assistance ✓ New research program with ETHZ and IPB to study the conditions under which supply chain sustainability initiatives can lead to reduced deforestation while safeguarding smallholder inclusion 		
	<ul style="list-style-type: none"> ✓ Awarded scholarships to 81 students ✓ ~98% of school-age children living at plantations enrolled in school 			

Target	Target year	Progress in 2021, unless otherwise stated	Status
Zero fatalities	Ongoing	Three fatalities in 2021	Not achieved
Maintain Smallholders Hubs in key landscapes for independent smallholders	Ongoing	4 Smallholders Hubs operating: the first was established in Aceh Tamiang in 2020 followed by 3 in 2021, namely in Aceh Singkil, Riau-Siak, and Subulussalam	Achieved



2021 Summary Progress

Pillar 2: Deliver Positive Environmental Impacts



Primary SDGs to which we contribute:



2021 highlights, unless otherwise stated

Emissions & Energy	Operational Efficiency	Conservation	Fire-Free Programs
<ul style="list-style-type: none"> ✓ 9.5% reduction in upstream GHG emission intensity in 2021; 52% lower than 2006 baseline 	<ul style="list-style-type: none"> ✓ Operating 100% zero-waste mills 	<ul style="list-style-type: none"> ✓ 28,453 ha set aside for conservation, (>1/3 the size of Singapore) ✓ 35% increase in conservation area since 2017 	<ul style="list-style-type: none"> ✓ Conducted >160 fire trainings
<ul style="list-style-type: none"> ✓ 16th methane capture built; 575,075 MT CO₂e avoided from all methane capture facilities 	<ul style="list-style-type: none"> ✓ 6.75 million GJ of energy generated from PKS and fiber 	<ul style="list-style-type: none"> ✓ Commenced 2020 partnership program with SEARRP to assess our conservation impacts over the last decade 	<ul style="list-style-type: none"> ✓ 74 villages under Fire Free Village Program (FFVP), covering >450,000 ha
<ul style="list-style-type: none"> ✓ >95% of upstream energy consumed comes from renewable resources 	<ul style="list-style-type: none"> ✓ Received 11 Green PROPER Awards – the highest number of PROPER Awards for a palm oil company 	<ul style="list-style-type: none"> ✓ Renewed partnership with Tesso Nilo National Park Foundation for human-elephant conflict reduction initiatives 	<ul style="list-style-type: none"> ✓ Rewarded 42 villages for remaining fire-free
<ul style="list-style-type: none"> ✓ >33.9 million kWh of electricity generated from methane exported to the national grid 			

Target	Target year	Progress in 2021, unless otherwise stated	Status
Maintain water usage intensity below 1.2m ³ /MT FFB processed	Ongoing	Achieved mill water usage intensity of 1.13 m ³ /MT FFB [#] for RSPO-certified mills, a reduction of 3.4% from 2020	Achieved
Phase out ten pesticides (POIG commitment)	2021	6 pesticides phased out, and 1 used only in emergencies. Extension granted for remaining 3 while trials are being undertaken and/or alternatives become available in Indonesia.	Delayed Target revised to 2022
Equip 17 of 18 mills with methane capture facilities	2022	Commissioned 16 th methane capture in 2021	On track
Reduce GHG emission intensity by 55% at RSPO-certified mills against 2006 baseline	2025	52% overall reduction in emission intensity against 2006 baseline	On track
Traceability targets – see Pillar 3			

EY has performed limited assurance procedures on these figures.



2021 Summary Progress

Pillar 3:

Maintain Responsible and Enduring Relationships with Suppliers, Customers, and Stakeholders



Primary SDGs to which we contribute:



2021 highlights, unless otherwise stated

Supplier Progress On NDPE	Systems to Improve Supplier Assessments	Landscape Programs	Sustainability Assessments
<ul style="list-style-type: none"> ✓ 100% traceable to mill (TTM) ✓ 94% traceable to plantation (TTP) 	<ul style="list-style-type: none"> ✓ Launched new No Deforestation, No Peat (NDP) Risk Management Framework 	<ul style="list-style-type: none"> ✓ ~9.2 million ha[#] of suppliers' concessions monitored for deforestation¹ 	<ul style="list-style-type: none"> ✓ EcoVadis: Awarded Silver Medal
<ul style="list-style-type: none"> ✓ 85.6% of volumes sourced from suppliers 'delivering' on No Deforestation commitments, based on NDPE IRF 	<ul style="list-style-type: none"> ✓ Began developing new supplier Human Rights Due Diligence based on Verité assessment 	<ul style="list-style-type: none"> ✓ Kept stakeholders updated on landscape programs through the Musim Mas Aceh strategy website and the Siak-Pelalawan Landscape Program website 	<ul style="list-style-type: none"> ✓ Ranked 3rd of 100 companies assessed by ZSL SPOTT in 2021 ✓ 2021 CDP assessment results: Forests: A- Water Security: B Climate Change: B-[#]

Target	Target year	Progress in 2021, unless otherwise stated	Status
100% of new suppliers committed to NDPE	Ongoing	All new suppliers submitted commitments to NDPE	Achieved
Conduct workshops on NDPE for 100% of supplying mills	2025	94% of supplying mills have attended Musim Mas workshops, up from 76% in 2020	On track
Obtain a commitment from 100% of supplying mills to abide by NDPE principles	2025	Obtained commitments from 93% [#] of supplying mills	On track
Ensure 100% of suppliers have completed the Musim Mas Self-Assessment Tool (SAT)	2025	77% [#] of suppliers have completed the SAT, up from 60% in 2020	On track
Achieve 100% traceability to supplier groups' plantations, including to suppliers' independent smallholders, using risk-based traceability ²	2025	Achieved 93%, up from 80% in 2020	On track
Achieve 100% traceability to place of production ³	2025	Achieved 94% overall TTP/place of production, up from 83% in 2020	On track

Note: Our NDPE Roadmap was launched in September 2019 and will be reviewed and updated in 2022.

1 The monitoring covers our suppliers' concessions at group level in Indonesia, Malaysia and Thailand.

2 Traceability falls under Pillar 2 of Musim Mas' Sustainability Policy but is reported under Pillar 3 for the purposes of this report.

3 Traceability to place of production means traceability to where FFB is produced, e.g., a company's plantation or concession or a smallholder's plot of land.

EY has performed limited assurance procedures on these figures.



2021 Summary Progress

Pillar 4:

Drive Innovation in Sustainable Practices

Primary SDGs to which we contribute:



2021 highlights, unless otherwise stated

✓ Landscape/smallholder innovation: Establishing smallholders hubs in priority landscapes	✓ Landscape/smallholder innovation: Advancing regenerative agriculture amongst independent palm oil smallholders in North Sumatra	✓ Landscape/smallholder innovation: Addressing deforestation risks in Aceh
✓ Smallholder digital platform innovation: Develop new digital finance and financial learning platform (AgriON)	✓ Supply chain risk management innovation: Launched new No Deforestation, No Peat (NDP) Risk Management Framework	✓ Musim Mas' plantations' CPO yield/ha 1.75 times higher than the global average

Primary SDGs to which we contribute:



Cross-cutting Pillars: Sustainability Certification



2021 highlights, unless otherwise stated

✓ 15 mills RSPO certified , comprising 100% of mills integrated with plantations and 83% of total mills ⁴	✓ 100% of Indonesian midstream facilities RSPO SCCS certified	✓ 55% increase in certified sustainable palm oil and 284% increase in certified sustainable palm kernel oil at Musim Mas refineries from 2019 to 2021	✓ Musim Mas' wholly-owned refinery in Malaysia is Malaysian Sustainable Palm Oil (MSPO) SCCS certified
✓ 11 out of 17 PTs ISPO certified		✓ 100% of RSPO-certified mills POIG verified	✓ 100% of mills ISCC certified

Target	Target year	Progress in 2021, unless otherwise stated	Status
100% of entities in Indonesia ISPO certified	2025	11 Indonesia upstream PTs are certified against the ISPO standard, up from 5 entities in 2020	On track

⁴ Musim Mas operates 18 mills, of which 15 are integrated with plantations and therefore certifiable against the RSPO Principles and Criteria.