



ROOTED IN SUSTAINABILITY BUILT FOR RESILIENCE

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As a leading integrated palm oil company, we believe that long-term success depends on creating value responsibly for our stakeholders, communities, and the environment.

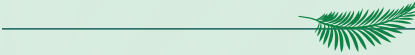


VISION

We strive to be the world’s preferred supply chain partner for palm oil and its derivatives.

MISSION

Driven by a passion for excellence and commitment to continuous improvement, we strive to be the leader in the palm oil industry, producing all our products in an economically viable, socially responsible, and environmentally appropriate manner, in full compliance with all relevant legal requirements.



About This Report



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

Welcome to the ninth Musim Mas Group (‘Musim Mas’ or the ‘Group’) report, updating the Group’s sustainability performance for the 2025 calendar year. It has been prepared in accordance with the Global Reporting Initiative (GRI) Standards, including the GRI 13 Sector Standard for Agriculture, Aquaculture and Fishing, as well as the Sustainability Accounting Standards Board (SASB) Standards.

GRI and SASB disclosures are included throughout the report and are referenced under headings or sub-headings as GRI XXX-XX, GRI 13.X.X, and SASB FB-AG-XXx.x. This document also includes reporting against the Taskforce on Climate-Related Financial Disclosures (TCFD), based on a 2024 climate risk assessment.

The report is designed to be read in tandem with the sustainability disclosures on our [website](#).

 [SR2025 GRI Content Index](#)

 [SR2025 SASB Index](#)

Report Scope and Boundaries

This report presents our sustainability performance data for the period of January 1 to December 31, 2025, covering all Musim Mas Group upstream operations. Data for our midstream and

downstream operations have also been included where possible, including health and safety data at a global level. Historical data are also disclosed where relevant and available. This report excludes data from our 2025-acquired surfactant plant in the Philippines, which will be integrated in our future reports. Given the timing of its publication, this report also includes significant achievements from early 2026.

 [See also Sustainability Performance Data 2021–2025](#)

Stakeholder Inclusiveness and Review

To ensure that we remain responsive to our stakeholders in preparing this report, we consulted our operations teams at the local and site levels, as well as two external program partners, one customer, one investment company, one industry group, and a representative from a multi-stakeholder initiative. The feedback from these stakeholders informed our selection and prioritization of report topics, the indicators we disclose, and the case studies we feature throughout this report.

We are guided by several international and sector-wide platforms of which we are members, including the Roundtable on Sustainable Palm Oil (RSPO) and the Palm Oil Collaboration Group (POCG). We also refer to leading benchmarks, such as the Zoological Society of London’s Sustainability Policy Transparency Toolkit (ZSL SPOTT), CDP, EcoVadis, the Global Child Forum Benchmark, and the World Benchmarking Alliance (WBA) Food and Agriculture, Nature, Gender, Climate and Energy benchmarks.

Verification and Assurance

The information and data in this report have been audited by the certification bodies of the respective sustainability schemes. We also engaged Ernst & Young LLP (EY) to provide limited independent assurance on selected disclosures contained herein. EY also independently assured data on smallholder training and independent smallholder certification.

 [Assurance Statement](#)



2025 Summary Progress

Key Highlights



GOVERNANCE AND STRATEGIC MILESTONES

- New [Sustainability Policy 2026-2030](#)
- New [Sustainability Roadmap](#)



RECOGNITIONS

- Achieved 92.2% score on [2025 ZSL SPOTT assessment](#)
- Placed among Top 10 in Global Child Forum Benchmark 2025
- Maintained 'double A' status in CDP assessment for a 3rd consecutive year
- Achieved maximum score of 10 in the 2025 RSPO Shared Responsibility Scorecard
- Achieved CDP SEA 'A-List' status for 2nd consecutive year
- Achieved PROPER Gold award



IMPACT AREA 1: SUSTAINABLE PRODUCTION

Environment and Climate

- 26.6% and 9.5% reductions in FLAG and non-FLAG GHG emissions since 2021, aligned with our 2030 SBTi target
- > 94% upstream energy from renewable sources
- Avoided 570,847 MT CO₂e through methane capture
- 36.2 GWh of electricity exported to the national grid
- Added a new 616 kWp generation capacity, in addition to the existing 1.1 MWp rooftop solar PV systems
- 13.5% reduction in upstream energy consumption since 2022
- Managed 29,221 ha of conservation area
- Continued contributing to the *Taman Kehati* Biodiversity Park
- > 3,000 native peat-swamp forest seedlings cultivated for restoration
- > 60% reduction in fire-affected areas surrounding concessions
- 76 villages covered under the Fire-Free Village Program, covering 492,325 ha; 36 villages recognized for remaining fire-free

Human Rights, Workforce, and Communities

- 29.9% of management positions held by women
- 79.8% reduction in accident frequency rate (upstream) compared to the 2021 baseline
- Contributed USD 7.59 million to CSR and charitable causes



IMPACT AREA 2: RESPONSIBLE SOURCING

- 97.7%# of suppliers signed NDPE commitments
- 92.4% of suppliers completed the Musim Mas Self-Assessment Tool (SAT)
- 93.3% of supplier mills attended NDPE workshop
- 99.6%* of supply base verified as deforestation-free
- Maintained 98%* Traceability to Plantation



IMPACT AREA 3: THRIVING SMALLHOLDERS AND LANDSCAPES

Smallholders

- Scheme smallholders' gross income increased by 17.1%, generating IDR 400 billion
- 80.3% of scheme smallholders' area RSPO certified
- 48,515# independent smallholders received Musim Mas training
- 4,644# and 3,294 independent smallholders RSPO and ISPO-certified respectively
- New pilot to strengthen coconut smallholders' capacity

Landscapes

- Achieved 2025 Landscape Strategy targets

Multi-Stakeholder Engagements

- New partnership with Temasek Foundation and Abler Nordic to pilot sustainable smallholder financing model
- New participation in Aceh sustainable palm oil working group to support implementation of Aceh sustainable palm oil roadmap and promote deforestation-free, smallholder-inclusive palm oil production
- New partnership with NTU to study adoption of sustainable palm oil practices by independent smallholders
- Continued partnership with Biodiverse & Inclusive Palm Oil Supply chain (BIPOSC) on regenerative agriculture and landscapes
- Continued partnership with Rokan Hulu Landscape and Livelihoods Initiative (ROHULLI) on sustainable intensification, improving smallholder livelihoods, and advancing environmental goals
- Continued Smallholders Hub Training Program in Sambas with Bunge
- Extended partnerships with AAK, Nestlé, and General Mills through Smallholders Hubs to support smallholder livelihoods and advance deforestation-free palm oil supply chains

EY has performed limited assurance procedures on this figure.

* Figures independently verified by Control Union (Malaysia) Sdn. Bhd. See the verification statements for [IRF](#) and [TTP](#).



Targets and Progress

[GRI 2-24]

This section outlines Musim Mas’ progress against our sustainability targets, which have been revised in line with our newly launched [Sustainability Roadmap](#). It also includes all standing targets reported in our previous sustainability reports that have not been superseded by the new roadmap. All targets have been aligned to the pillars of our newly published Sustainability Policy:

- Sustainable Production
at our own operations
- Responsible Sourcing
of our supply chains
- Enabling Thriving Smallholders
and Landscapes around us

IMPACT AREA 1: Sustainable Production				2 4 6 8 12 13 15 17							
Target	Year	Progress in 2025, unless otherwise stated			Status						
Reduce absolute Scope 1, 2, and 3 GHG emissions by 42% (Non-FLAG ¹)	2030	9.5% reduction in Scope 1, 2, and 3 non-FLAG GHG emissions against 2021 baseline.				On track					
Reduce absolute Scope 1 and 3 GHG emissions by 30.3% (FLAG ²)	2030	26.6% reduction in Scope 1 and 3 FLAG GHG emissions against 2021 baseline.				On track					
Assess and address physical and transition risks to our operations due to climate change	2030	2024: Conducted a pilot TCFD assessment across selected upstream and downstream operations to assess climate-related risks and opportunities. Further evaluation of the applicability and scope of the assessment across the Group is planned to support future climate resilience and mitigation planning and IFRS S2 readiness.			Pilot completed; in preparation for Group-level assessment						
Develop a climate resiliency and mitigation strategy for our upstream operations, based on our 2023 climate risk assessment	2030	Building on our climate risk and TCFD assessments, we have advanced the development of our climate resilience and mitigation strategy. To support a robust and well-integrated approach across the business, we have extended the timeline for this work. We will continue to develop this work and provide updates on our progress in future reports.				On track					
Assess and mitigate corporate footprints on paper/packageging and plastic use	2026 onwards	We will begin assessing our paper/packageging footprint in 2026.			In preparation						
Monitor and reduce impacts on water resources in accordance with industry best practices, including collaboratively managing of critical water resources	Ongoing	Upstream: Maintained mill water-usage intensity below 1.20 m³/MT FFB. Other ongoing initiatives include collaborating with local communities to maintain riparian buffer zones.				Progress made					
Promote gender equity and women's empowerment	Ongoing	Collaborated with DIWA to advance gender equity. Conducted interviews and focus group discussions with men and women workers on gender-related issues and led capacity-building workshops attended by more than 200 participants across Sumatra and Kalimantan sites.				Progress made					

1 Science Based Targets initiative (SBTi)’s Forest, Land and Agriculture Guidance.
2 Includes emissions and removals.

Targets and Progress

[GRI 2-24]



IMPACT AREA 1: Sustainable Production

Target	Year	Progress in 2025, unless otherwise stated	Status
All operations remain fully compliant with legal requirements and have the required permits and licenses to operate	Year-on-year	No environmental or regulatory non-compliances occurred in 2025. For details on ongoing legal proceedings, see Business Ethics	Achieved
No legal non-compliances at supplier operations	Year-on-year	No supplier grievance related to legality in 2025.	Achieved
Zero fatalities	Year-on-year	We regret to report two upstream fatalities.	Not Achieved

IMPACT AREA 2: Responsible Sourcing

Target	Year	Progress in 2025, unless otherwise stated	Status
Revised: Ensure all palm oil products produced and/or sourced are NDPE-compliant	2030	97.7%# of suppliers have NDPE commitments, an increase from 89.9% in 2024.	On track
 Ensure all coconut raw materials sourced are 100% traceable to their place of production	2030	98%* traceability to plantation for palm; 100% traceability to plantation for coconut since 2024.	On track
 Ensure 80% of coconut smallholders in our key sourcing area are trained in sustainable production practices	2030	22.2% of coconut smallholders received training in North Sulawesi.	On track
Ensure 100% of suppliers are aware of and respect Musim Mas human rights requirements	2030	80.5% response rate for Musim Mas' Self-Assessment Tool (SAT) covering HRDD elements.	On track

EY has performed limited assurance procedures on this figure.
* Figures independently verified by Control Union (Malaysia) Sdn. Bhd. See the verification statements for [IRF](#) and [TTP](#).



Targets and Progress

[GRI 2-24]



IMPACT AREA 3: Thriving Smallholders and Landscapes

Target	Year	Progress in 2025, unless otherwise stated	Status
100% RSPO certification of scheme smallholders ³	2025	100% of scheme smallholders managed area RSPO-certified (based on 2022 baseline for this target) Currently supporting all other scheme smallholders with certification.	Achieved ⁴
Revised: Increase number of certified independent smallholders in our supply chain	Year-on-year	RSPO certified independent smallholders reduced slightly: from 4,654 to 4,644 [#] , due to change in ownership of some farms. ISPO-certified independent smallholders increased from 2,961 to 3,294.	Partial progress
Revised: Implement regenerative agriculture practices among independent smallholders	Ongoing	1,783 independent smallholders implemented regenerative agriculture practices through the BIPOSC project in 2025. Monitored recorded improvements in soil health, including increases in soil organic matter (3.86% to 5.04%), carbon (2.24% to 2.93%), and the availability of potassium, phosphorus, and magnesium.	Progress made
Revised: Train 3,000 additional independent smallholders in best management practices, including NDPE and human rights (compared to 2025 baseline)	2030	We will report on this target in future reports using the 2025 baseline of 48,515 [#] independent smallholders that have received training.	2025 baseline established. To be reported from 2026 onwards
 Engage in relevant international, regional, or landscape-level multistakeholder palm oil and coconut fora	Ongoing	Continued smallholder partnerships with various fast-moving consumer goods stakeholders.	Progress made

EY has performed limited assurance procedures on this figure.

Legend

Ongoing Target with no specific end date but important for ongoing programs	Year-on-year Target requiring annual reporting	Revised Target revised from previous report	Achieved Target achieved by the target year	Not achieved Target not achieved by the target year, or for the reporting year, if a year-on-year target	On track Progress made on a target against a specific target date (year-end)	Progress made Progress made on a target without a specific target date (against ongoing targets)
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³ This target applies to smallholder programs established as of 2022 and may change with the inclusion of future scheme smallholders.

⁴ This covers scheme smallholders from our 2022 target baseline of 41 programs.

Chairman Statement



[GRI 2-22]

Dear Stakeholders,

I am pleased to present Musim Mas' 2025 Sustainability Report.

Musim Mas has navigated a year of significant change. Internally, we have reviewed and updated our Sustainability Policy, shifting its focus from immediate process improvements to strengthening our long-term resilience and measuring our impact across the areas where we operate. Externally, we have weathered and adapted to supply chain and market disruptions resulting from shifting geopolitical, commercial, climate-related, and environmental conditions.

A Year of Market Adaptation

Global markets and supply chains continued to face significant volatility in 2025, requiring Musim Mas to navigate an increasingly complex and uncertain operating environment. Changes in US trade policy affected our commercial activities, while developments surrounding the European Union Deforestation Regulation (EUDR) continued to create uncertainty for our customers as they prepared for its implementation. Having invested in supply chain segregation and other due diligence measures, Musim Mas remains well positioned to meet the requirements of the regulation.

At the same time, the brewing conflict in the Middle East disrupted direct trade routes, culminating in the blockade of the Strait of

Hormuz and the energy crisis in 2026. These global events significantly increased global freight costs and caused wider supply chain disruption. In such times, our diversified geographic presence provides operational stability, with our markets in Asia and Europe less affected by these pressures.

We are also faced with intensified competition across Asia and a more challenging global economic environment, both of which greatly influenced customer demand and pricing sensitivity.

These conditions reinforced the importance of staying agile and building adaptability across our business and supply chains. Our focus on innovation and operational flexibility helped us navigate these pressures and supported strong business and financial performance.

We also continued to invest in the future of our business, including the expansion of our downstream capabilities to develop higher-value products and applications. Our acquisition of a specialty surfactants plant in the Philippines adds new technological capabilities and supports our continued growth in downstream derivatives. Alongside investments in renewable energy, product development, and manufacturing innovation, this strengthens our ability to respond to evolving customer needs and pursue sustainable long-term growth.



Our focus on innovation and operational flexibility helped us navigate these pressures and supported strong business and financial performance.



Staying Focused on Sustainability

Sustainability remains one of our most important responsibilities and is fundamental to the long-term future of the Group. It shapes how we grow, manage risk, serve our customers, and fulfil our responsibilities to the people and landscapes connected to our business. In 2025, we reviewed and updated our Sustainability Policy, launched in 2014 and last revised in 2020. This third version represents the most substantial revision in its eleven-year history, strengthening its scope beyond our palm products to explicitly encompass our coconut business and sourcing practices.

Additionally, we have shifted our primary focus from defining inputs and outputs to identifying and measuring impacts, a far more challenging but rewarding approach. The updated policy addresses three core areas of impact: **Sustainable Production, Responsible Sourcing, and Thriving Smallholders and Landscapes**. It is supported by a new Sustainability Roadmap that will guide and track our progress over the next five years.

Musim Mas continues to improve the systems needed to respond to current and emerging regulatory, legal, and commercial requirements. This also means deepening collaboration between our sustainability, financial, and market-facing teams to integrate

sustainability considerations more effectively into business planning, customer engagement, and decision-making, as disclosure expectations continue to evolve and become more stringent.

Climate and Conservation

Our Board and management have remained focused on these broader developments, while maintaining steady operational momentum. I am pleased to report that our climate mitigation efforts have advanced our Science Based Targets initiative (SBTi) targets, resulting in a 26.6% reduction in Forest, Land and Agriculture Guidance (FLAG) greenhouse gas (GHG) emissions since 2021 and a 13.5% reduction in upstream energy consumption since 2022.

Additionally, our 17 methane capture facilities have avoided nearly 600,000 MT CO₂e emissions, while our investments in solar power generation are increasing our renewable energy capacity and supporting our efforts to reduce operational emissions.

As part of our steadfast commitment to preserving nature and biodiversity, Musim Mas continues to maintain nearly 30,000 hectares of conservation area supported by on-the-ground initiatives, such as reforestation programs and biodiversity education in Pelalawan.

At the same time, our work to continuously assess climate-related risks is helping us better understand the implications of climate change for our operations and infrastructure, and how we can reinforce our readiness for future risks. The tragic flooding in Aceh this year served as a stark reminder that we must anticipate disruptions due to the escalating climate crisis rather than clinging to historical patterns.

Strong Partnerships for Responsible Supply Chains

Addressing industry-wide challenges with suppliers and smallholders is a core Musim Mas commitment. We supplement our ongoing efforts to maintain a 99.6% verified deforestation-free supply chain with robust supplier engagement, including comprehensive risk assessments and collaborative initiatives to address potential issues.



Sustainability remains one of our most important responsibilities and is fundamental to the long-term future of the Group.



In a year of extreme volatility, Musim Mas has continued to prosper as a business while advancing our uncompromising sustainability goals.

On the ground, we continue to deepen our smallholder partnerships by renewing existing smallholder training, outreach, and research programs while rolling out new ones. Musim Mas launched three such initiatives in 2025: a smallholder financing pilot in Sumatra, a deforestation-free landscape trial in Aceh, and a study of independent smallholders' adoption of sustainable practices.

The success of these programs is contingent on collaboration. Musim Mas brings together customers, researchers, NGOs, academics, private and public sector entities, and other concerned stakeholders that advance sustainable smallholder practices. These collaborations yield excellent results: nearly 50,000 independent smallholders have received training. Notably, 3,294 farmers have achieved Indonesian Sustainable Palm Oil (ISPO) certification, while 4,644 have achieved Roundtable on Sustainable Palm Oil (RSPO) certification, enabling them to access premiums for adopting sustainable agricultural practices. Closer to home, over 80% of Musim Mas scheme smallholders have been certified against the RSPO standard through these programs.

Finally, we continue to refine our customer-facing programs to provide dedicated support to our customers requiring solutions or product diversification. The researchers at our state-of-the-art research and development (R&D) centers in Singapore and Medan are central to Musim Mas' ongoing efforts to bring new food

products and applications to market while pursuing manufacturing excellence and innovation that drive sustainable growth.

Our Road to Resilience

In a year of extreme volatility, Musim Mas has continued to reach new heights as a business while advancing our uncompromising sustainability goals. We remain committed to staying ahead of the compliance curve, meeting and exceeding current and anticipated sustainability standards and mandatory requirements. The resilience and adaptability of our business give me great confidence that we can continue to achieve further commercial success while addressing the needs of all stakeholders, thereby maximizing our positive contributions to local economies, preserving the ecosystems where we operate, and ensuring the livelihoods of our workers and impacted communities.

Thank you for your continued support.

**Executive Chairman and CEO
Musim Mas Group**

About Musim Mas



[GRI 2-1, 2-6, 201-1] [SASB FB-AG-000.A, FB-AG-000.B, FB-AG-000.C]

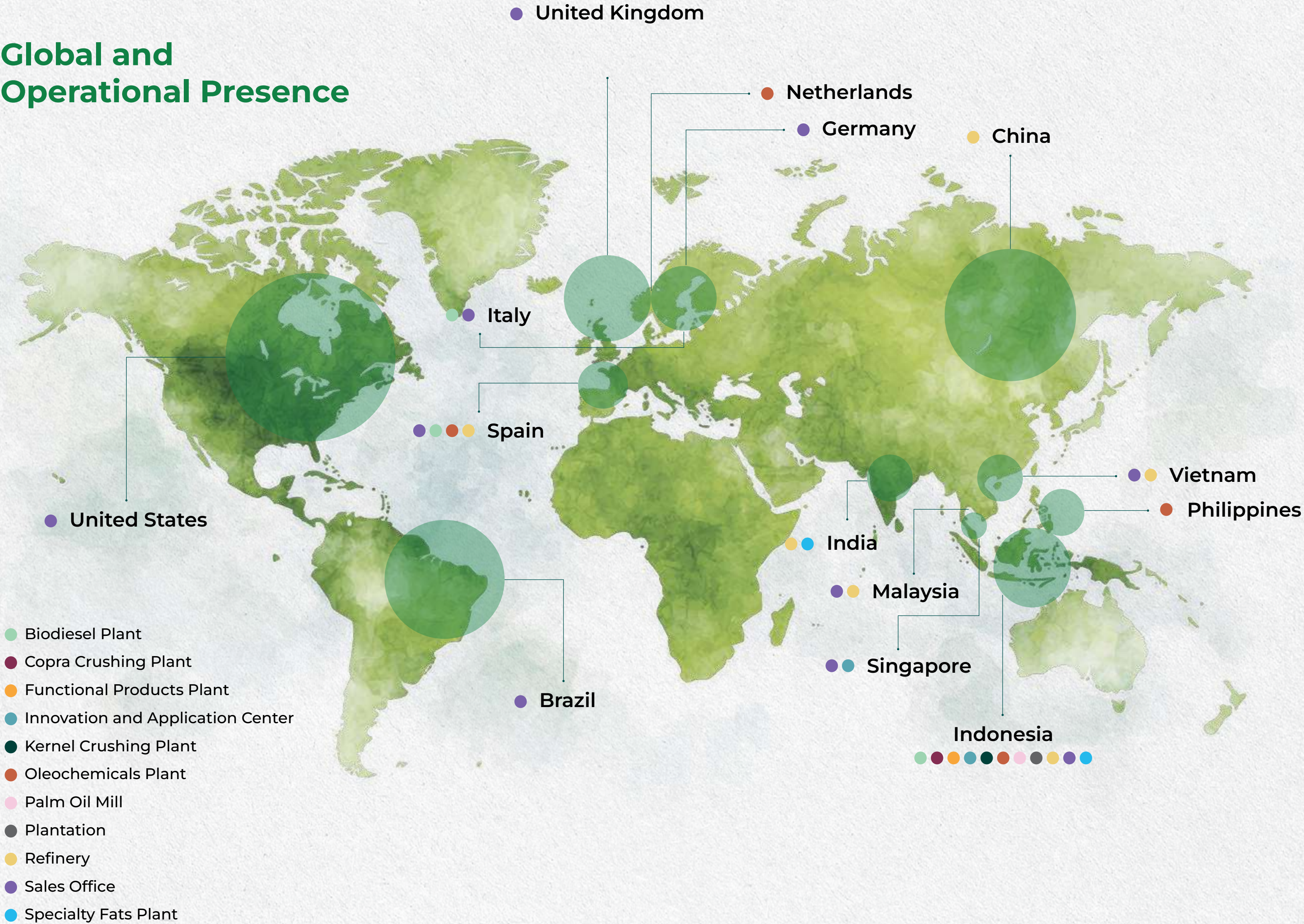
Our Business in Brief

Musim Mas Holdings (‘Musim Mas’ or the ‘Group’) is a private limited company headquartered in Singapore. Following the acquisition of a surfactant plant in the Philippines in May 2025, our global presence now spans 14 countries.⁵ We operate across the entire palm oil supply chain, from upstream to downstream, including plantations, mills, refineries, manufacturing plants, and commercial and consumer sales. Our integrated business model enables us to produce a range of raw and processed palm-based industrial and consumer products for the global market. A small portion of our volume also includes coconut oil and its products.

 [Musim Mas Integrated Business](#)

 [Global Presence](#)

Global and Operational Presence



180,058 ha
of managed land

18
palm oil mills

7
kernel crushing plants

1
copra crushing plant

23
refineries

12
oleochemicals plants

8
specialty fats plants

8
biodiesel plants

4
functional products plants

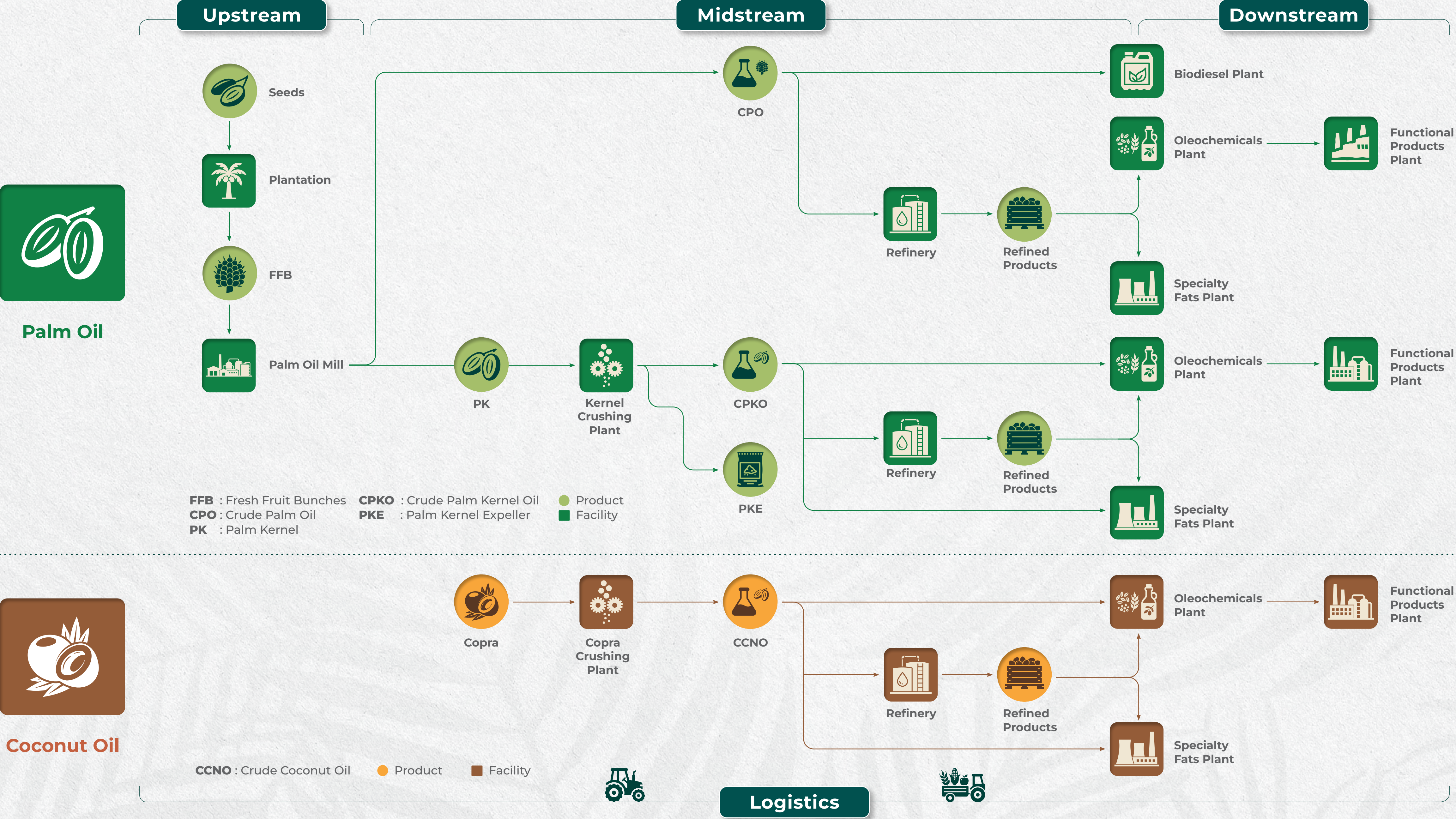
2
innovation and application centers

37,865
employees worldwide

USD 10.0 billion
in revenue

⁵ We will begin collecting data for our Philippines surfactant plant in FY2026 and include it in future reports.

Musim Mas' Integrated Business





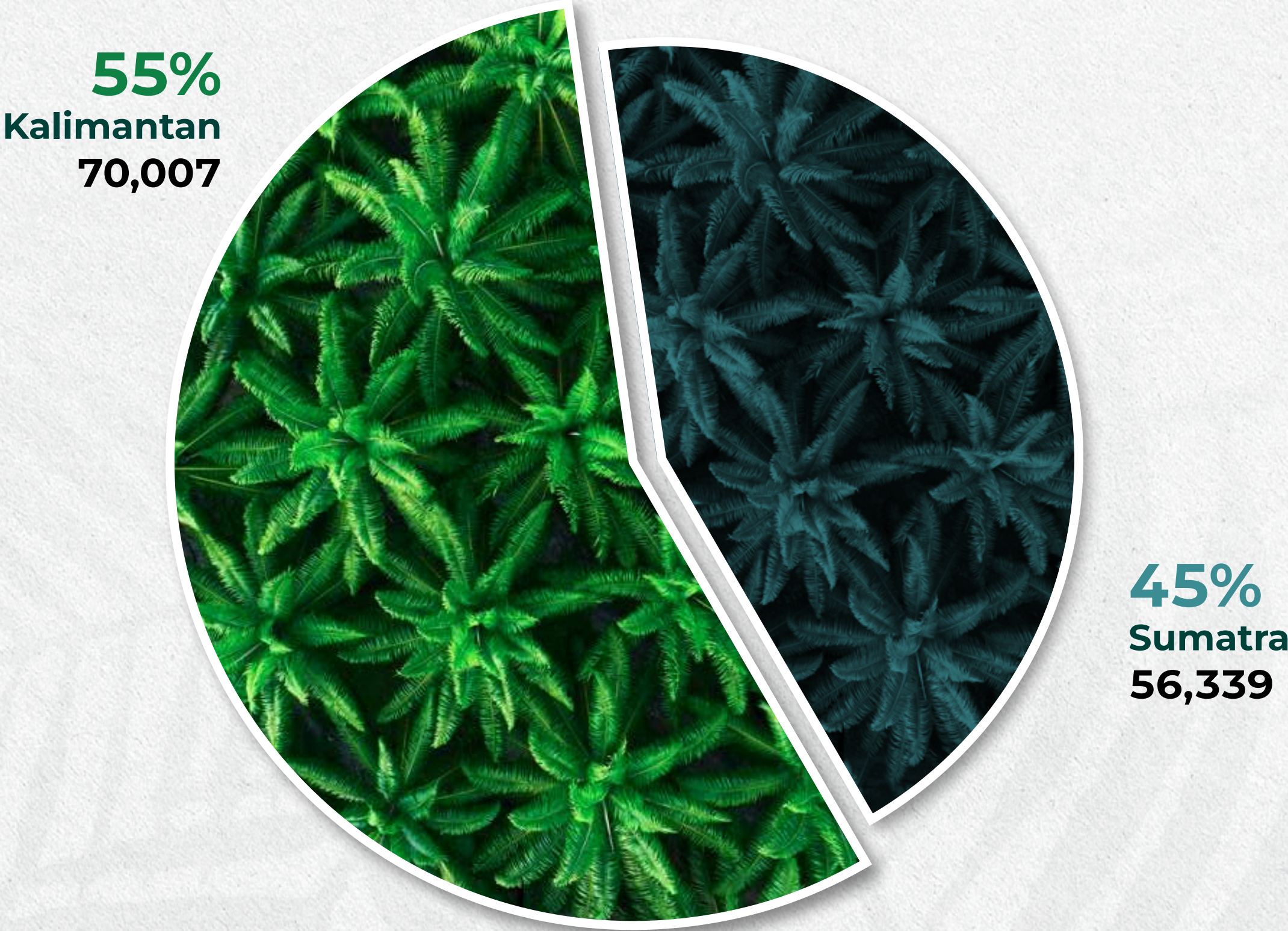
Operational Review

Upstream Operations

We manage a total of 180,058 hectares across Indonesia – specifically in Sumatra and Kalimantan – of which 126,406 hectares is planted area.

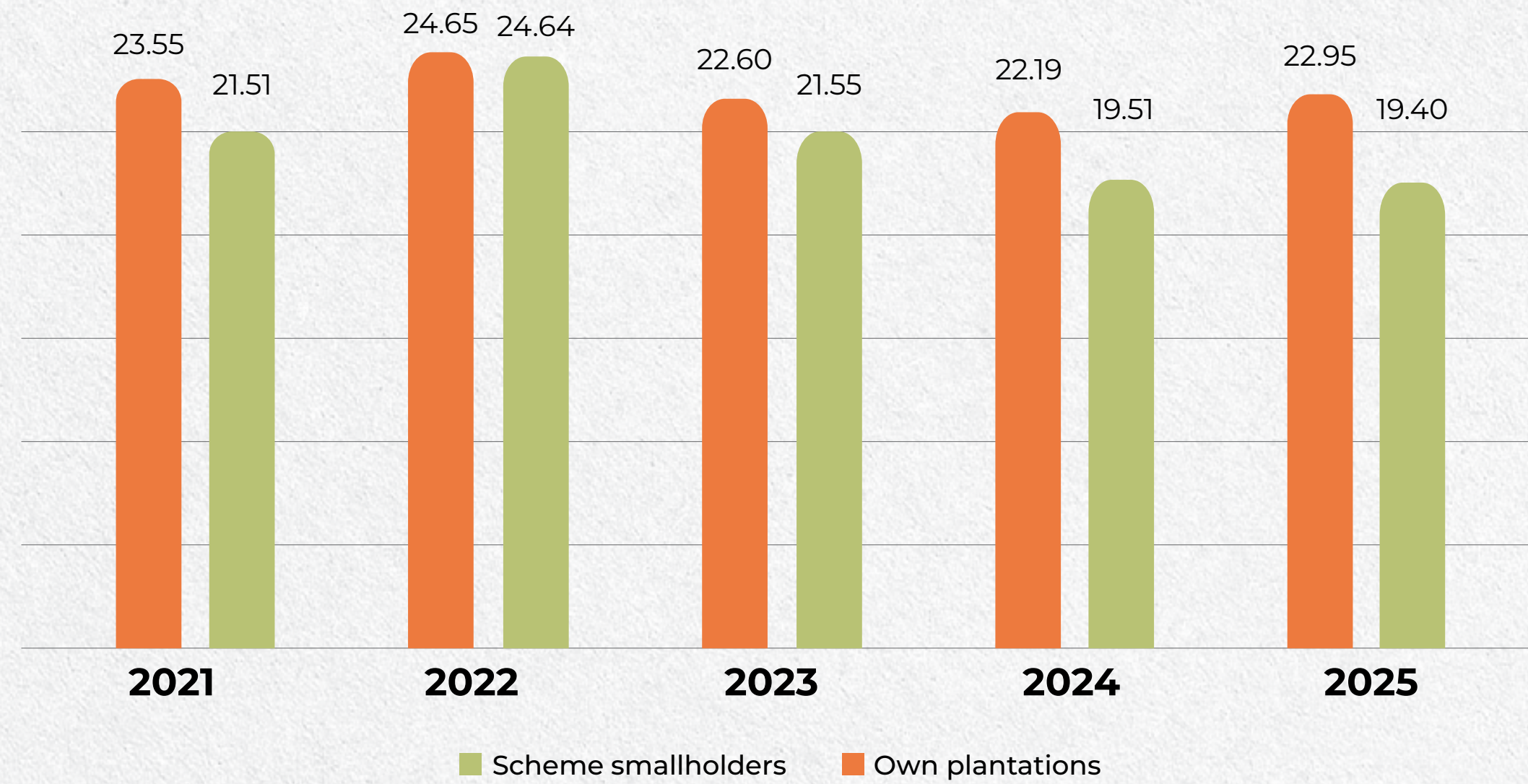
In 2025, fresh fruit bunch (FFB) yields from our own plantations increased slightly by 3.9% compared with 2024, reflecting the gradual benefits of our replanting program. We processed 3.47 million tons of FFB, including FFB sourced from third-party suppliers, scheme smallholders, and independent smallholders. This represented a slight increase of 2.2%, from 3.39 million tons of FFB processed in 2024. Crude palm oil (CPO) and palm kernel (PK) production similarly increased in 2025. Extraction rates remained relatively stable, showing a slight increase compared to the previous year.

Musim Mas planted area by region 2025 (% , ha)
Total: 126,406 hectares

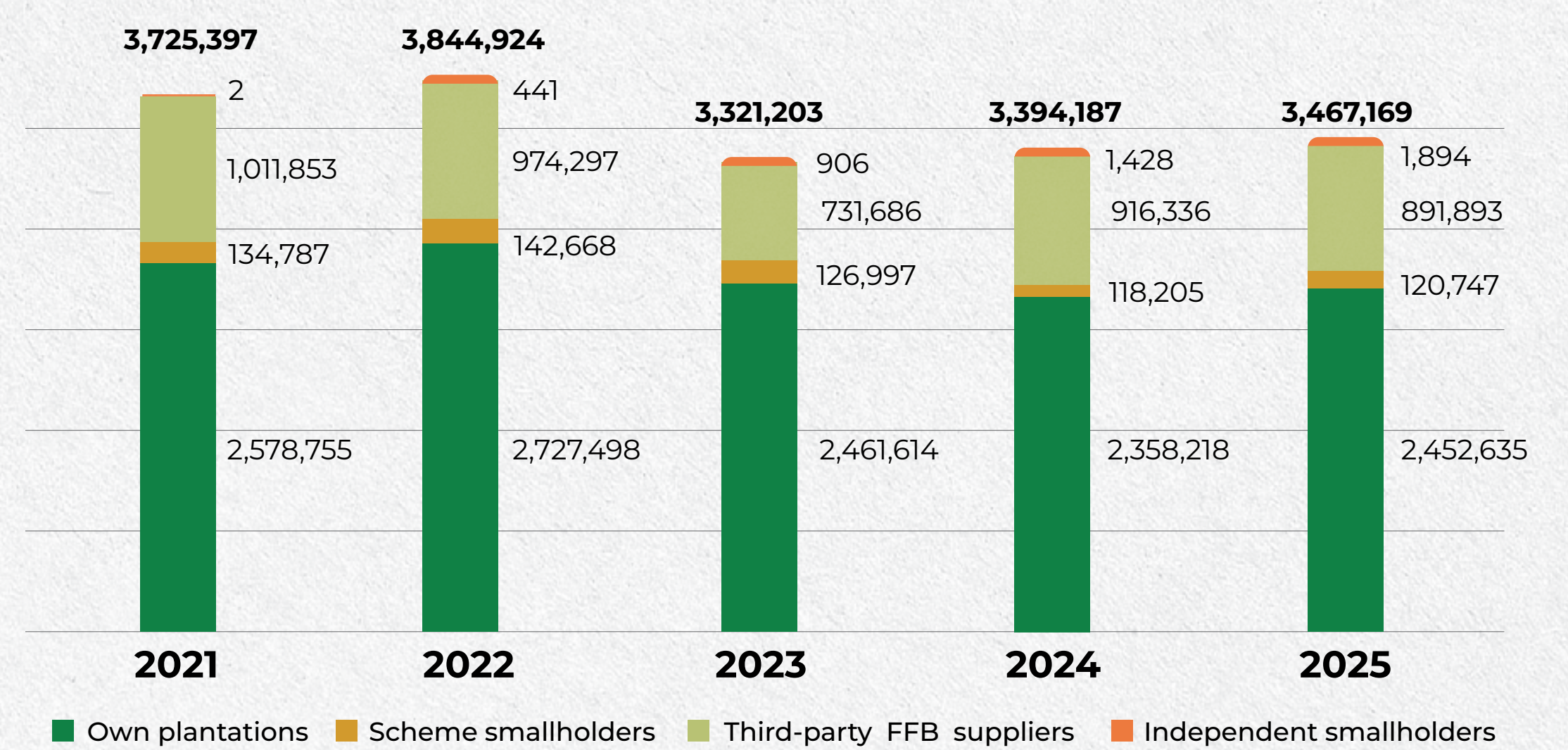




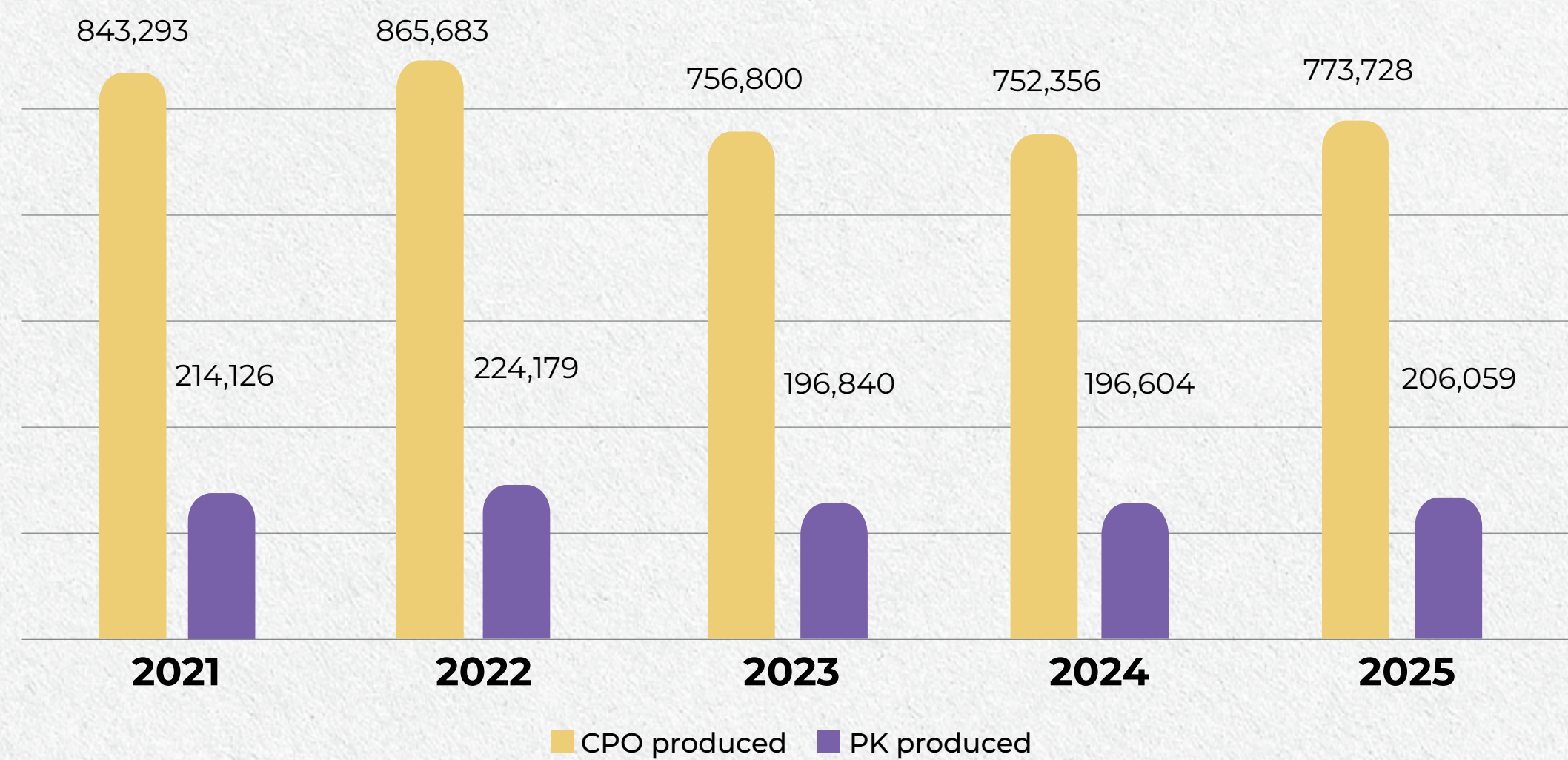
FFB Yield 2021-2025 (MT FFB/ha)



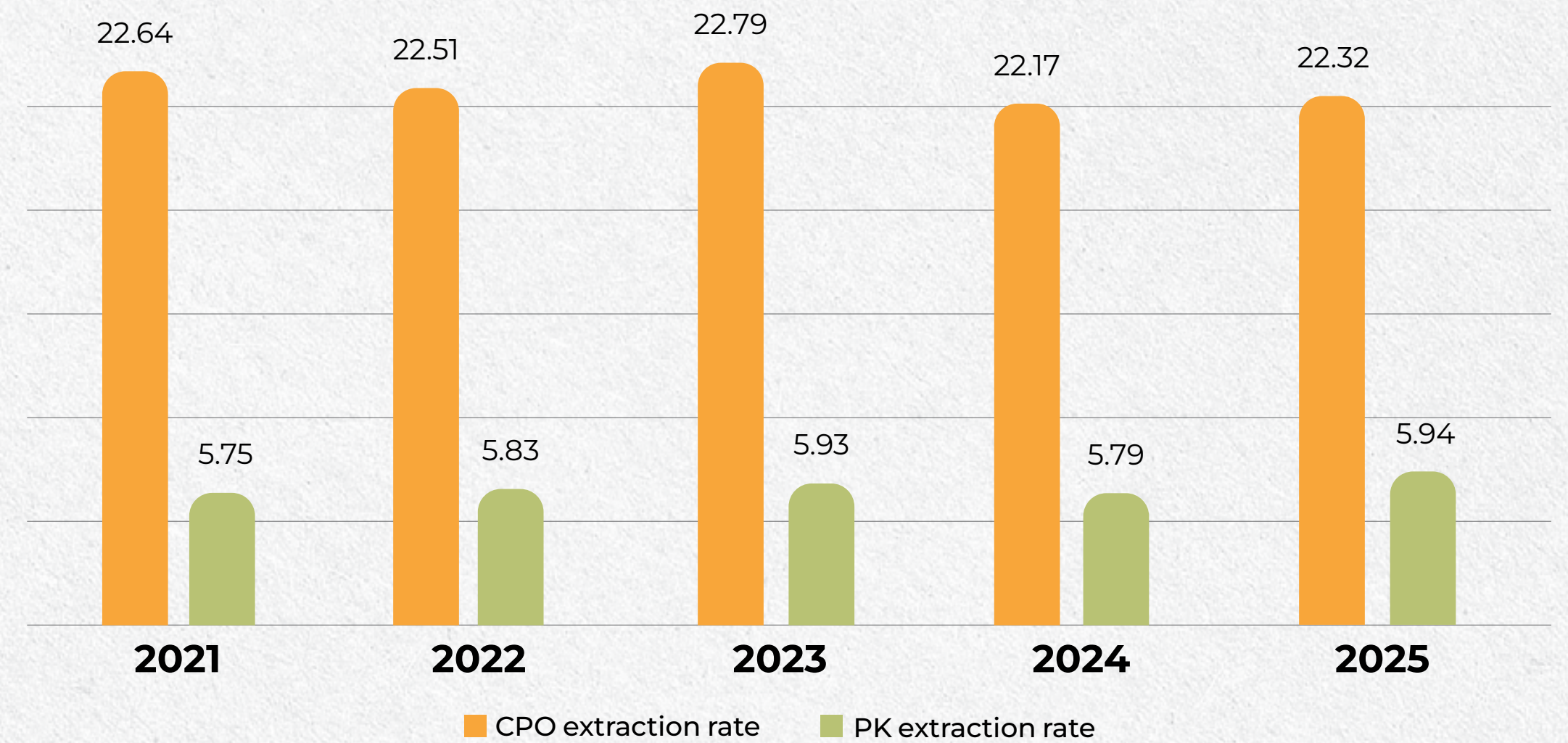
FFB Processed by Source 2021-2025 (MT)



CPO and PK Produced 2021-2025 (MT)



Extraction Rates 2021-2025 (%)





Midstream Operations

Our midstream operations comprise seven⁶ kernel crushing plants (KCPs) in Sumatra, Kalimantan, and Sulawesi that process palm kernel into crude palm kernel oil (CPKO). Palm kernel expeller, a byproduct of our KCP operations, is sold to third parties for various applications, including animal feed. We also operate 23 refineries that further refine and process CPO into edible oils and other intermediate products.



In addition to our palm oil midstream facilities, we operate a copra crushing plant in Madidir, Bitung, in the North Sulawesi region which sources copra from independent smallholders. All crude coconut oil is sent to the KIM II complex in North Sumatra for further refining.

Downstream Operations

Our downstream operations include eight specialty fats facilities, 12 oleochemical facilities, and four functional production plants worldwide. Together, these facilities produce high-quality palm oil and palm kernel oil-based products, coconut oil-based oleochemicals, and ingredients for a diverse range of consumer and industrial applications, including food and beverage, personal care and cosmetics, pharmaceuticals, animal nutrition, and plastics. We also manufacture packaged consumer goods for our house brands and private-label products for well-known brands. Additionally, we operate eight biodiesel plants that cater to global demand for sustainable transport fuel. In 2025, we expanded our downstream footprint by acquiring a surfactant manufacturing facility in Bauan, Batangas, in the Philippines, broadening our portfolio to include fabric softeners and other surfactant solutions for personal care, home care, and industrial applications.



[Musim Mas Brands and Products](#)

Our products are sold and distributed worldwide through our extensive and efficient logistics network, which includes tankers, tugboats, and other vessels. This network is supported by our Singapore-based global marketing division, Inter-Continental Oils and Fats (ICOF). We also operate satellite offices in Asia, Europe, the United States, and South America.



R&D

[GRI 3-3]

We own and operate two innovation and application centers in Singapore and Indonesia. These state-of-the-art facilities leverage advanced technologies and innovations, enabling us to anticipate market and product trends, as well as customer preferences and requirements. Our research and development (R&D) centers also provide application expertise and technical support to our global customers.

Our Genetic and Agriculture Research Center in Riau focuses on innovative agronomic practices,

including enhanced crop protection and improved peatland management across our plantations. The Center also develops oil palm varieties with superior genetic traits, which are marketed in Indonesia and worldwide.



[Research and Development Centers](#)



[Musim Mas GS Series Seeds](#)

⁶ Two kernel crushing plants were decommissioned in 2025 as part of an operational optimization initiative to improve efficiency and align processing capacity with business requirements.

Approach to Sustainability



[GRI 2-23, 2-24]

Musim Mas is guided by our Sustainability Policy, which outlines our No Deforestation, No Peat, and No Exploitation (NDPE) commitments and measures. Notwithstanding the scale and scope of our operations, we consider ourselves to be pushing the envelope in meeting these commitments. We regularly review and update our policies to ensure their relevance and effectiveness in preventing and mitigating adverse sustainability impacts. Beyond impact, it also covers our approach to managing the Group's sustainability-related risks and opportunities.





Sustainability Policy (2026–2030)

In February 2026, we published the third version of our Sustainability Policy, covering our commitments from 2026–2030. The latest policy revisions serve as a blueprint for Musim Mas’ resilience to ecological, economic, and geopolitical uncertainty in an ever-changing global landscape. The updates reflect recent developments and challenges, new and emerging regulatory frameworks facing the sector, and Musim Mas’ achievements during the preceding policy’s term. It also consolidates our sub-strategies and targets across specific target areas.

While our fundamental commitments remain the same, the current policy includes the following key enhancements:

Expanded scope of human rights to include water, sanitation, hygiene (WASH) access for workers and surrounding communities, aligned with the United Nations Convention on the Rights of the Child (UNCRC), and strengthened Human Rights Due Diligence for our own operations and those of our suppliers

Increased focus on gender equity and women’s empowerment, both internally across our operations and among independent smallholders

Inclusion of our net-zero commitment and near-term targets to reflect pledge to achieve net-zero emissions by 2050, in line with the Science Based Targets initiative (SBTi)

Incorporated supplementary strategies and action plans developed between 2020 and 2025, including our NDPE roadmap, landscape and human rights strategies, and our Biodiversity and Climate Resiliency Action Plan

Expanded our focus on coconut sustainability, including scaling up sustainable coconut sourcing efforts

Enhanced our focus on resilience to strengthen our production and supply chains in response to climate change, evolving regulatory frameworks, and supply chain developments

Introduced a plastic-use footprint commitment

The scope of our policy also remains unchanged, applying to all our palm oil operations as well as our coconut business. This covers all Musim Mas operations and the third parties we work with, including suppliers and contractors.



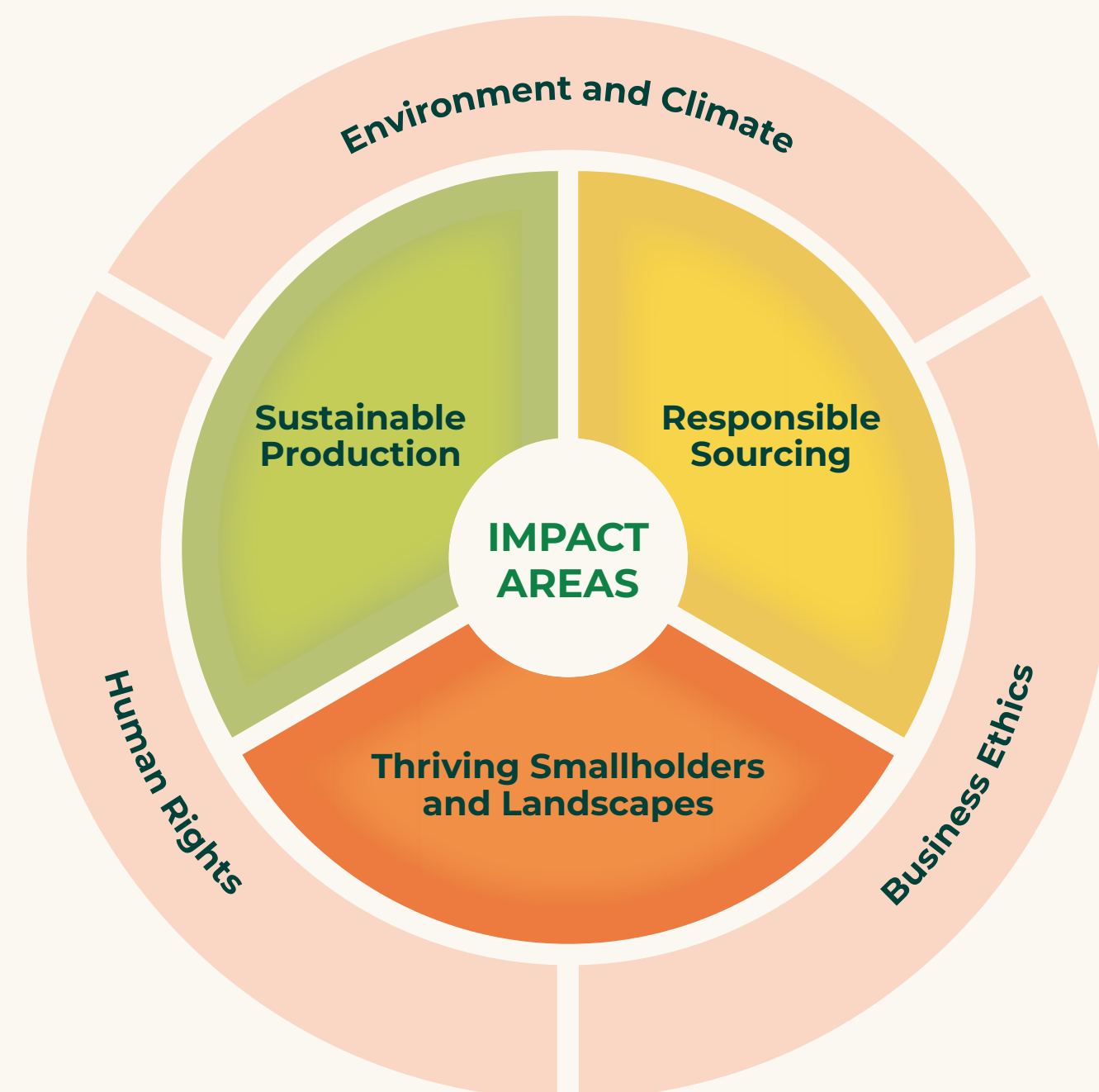


New Policy Framework

The 2026–2030 revision adopts a new structure built around three impact areas we are committed to advancing: **Sustainable Production** within our own operations, **Responsible Sourcing** across our supply chains, and **Thriving Smallholders and Landscapes** around us. Each impact area is guided by a set of commitments across three key focus areas — Environment and Climate, Human Rights, and Business Ethics — some shared across all impact areas and others tailored to the specific opportunities and challenges of each.

The format of this 2025 sustainability report has been revised to better inform our stakeholders about our progress by impact area and by shared commitment — complementing our existing reporting approach. Each commitment under the relevant impact areas is accompanied by the policy icon: , indicating where it is referenced in the new policy framework.

Musim Mas Sustainability Policy Framework



New Accompanying Sustainability Roadmap

We periodically review and recalibrate our targets to reflect performance to date and lessons learned. We have updated the goals in our Sustainability Roadmap to ensure consistency with our newly published Sustainability Policy for 2026–2030 and to better address our most significant impacts, risks, and opportunities. The new Sustainability Roadmap is published on our [website](#) and we will report progress toward its targets in future sustainability reports. We have also updated our [Sustainable Coconut Sourcing Strategy](#) to align with this Roadmap, reinforcing a consistent commitment across our palm and coconut value chains.

As a 2025 report, this publication serves as a transitional document covering both our previous targets and those that will take effect next year. The new sustainability targets are presented alongside our existing ones in the [Targets and Progress](#) section.

Policy Roll-Out

The roll-out of the 2026–2030 Sustainability Policy began in Q1 2026, featuring a town hall meeting for employees and a webinar for external stakeholders, including bankers, customers, and NGOs. The updated Policy and Roadmap have been reflected in all new supplier onboarding material, and all existing suppliers have been, or will be, updated via our engagement workshops. The policy is published on our [website](#) and communicated internally via our intranet and mandatory staff training. It is also shared with suppliers through our supplier contracts and engagement programs.

Contributing to the SDGs

We recognize the role of businesses in advancing the United Nations' sustainability agenda. Our programs and initiatives align with the United Nations Sustainable Development Goals (SDGs). We define the priority goals and targets we directly contribute to as "Primary SDGs". "Secondary SDGs" are supplemental goals and targets we contribute to either directly or indirectly. Icons for these goals appear throughout this report. Our SDG mapping has been updated this year to align with our revised Sustainability Policy and relevant impact areas.

For more information, see [Musim Mas' Contributions to the SDGs](#).

In addition to the SDGs, our Sustainability Policy supports the Ten Principles of the UN Global Compact (UNGC) on human and labour rights, the environment, and anti-corruption.



IMPACT AREA ●●● Sustainable Production

Primary SDG targets:

2.3, 2.4, 4.1, 6.1, 6.2, 8.5, 8.7, 12.2, 12.7, 13.1, 15.1, 15.2, 17.16



IMPACT AREA ●●● Responsible Sourcing

Primary SDG targets:

6.1, 8.5, 8.7, 12.7, 15.1, 15.2, 17.16



IMPACT AREA ●●● Thriving Smallholders and Landscapes

Primary SDG targets:

2.3, 12.7, 15.1, 17.16





Materiality

[GRI 2-14, 2-29, 3-1, 3-2]

This report covers the material environmental, social, and governance (ESG)-related topics most important to our business and stakeholders. These topics are reviewed and updated annually in line with our sustainability reports and to reflect Musim Mas’ actual and potential impacts. As part of this process, we consider emerging issues and trends, including responsible marketing and the environmental and community impacts of our business on children. We take children’s rights seriously and are committed to safeguarding children’s welfare and increasing our positive impact in the communities where we operate.

This year’s topics have been aligned with our new Sustainability Policy and the SDGs to which we contribute.

As sustainability reporting requirements continue to evolve, we are developing our approach to incorporating sustainability-related financial considerations into the identification and prioritization of material topics. This will improve our responsiveness to the interests of our financial stakeholders and support our preparedness for the adoption of the IFRS Sustainability Disclosure Standards (SDS).

Materiality Process



Changes to Material Topics

CHANGES IN IMPORTANCE	• Governance and business ethics – increased importance to stakeholders • Stakeholder collaboration and reporting – decreased importance to stakeholders • Biodiversity, conservation, and restoration – decreased importance to stakeholders • Landscapes – decreased importance to stakeholders • Fire and haze prevention – decreased importance to stakeholders • Gender equity – increased importance to Musim Mas • Innovation and R&D – increased importance to Musim Mas
CHANGES TO TOPICS	• New in 2025: Data integrity and privacy was added in response to increasing stakeholder expectations for reporting on this issue • The previous topic of Grievance resolution was removed, as managing grievances has evolved over time and is now part of Musim Mas’ business-as-usual activities for managing our sustainability commitments



Materiality Matrix 2025

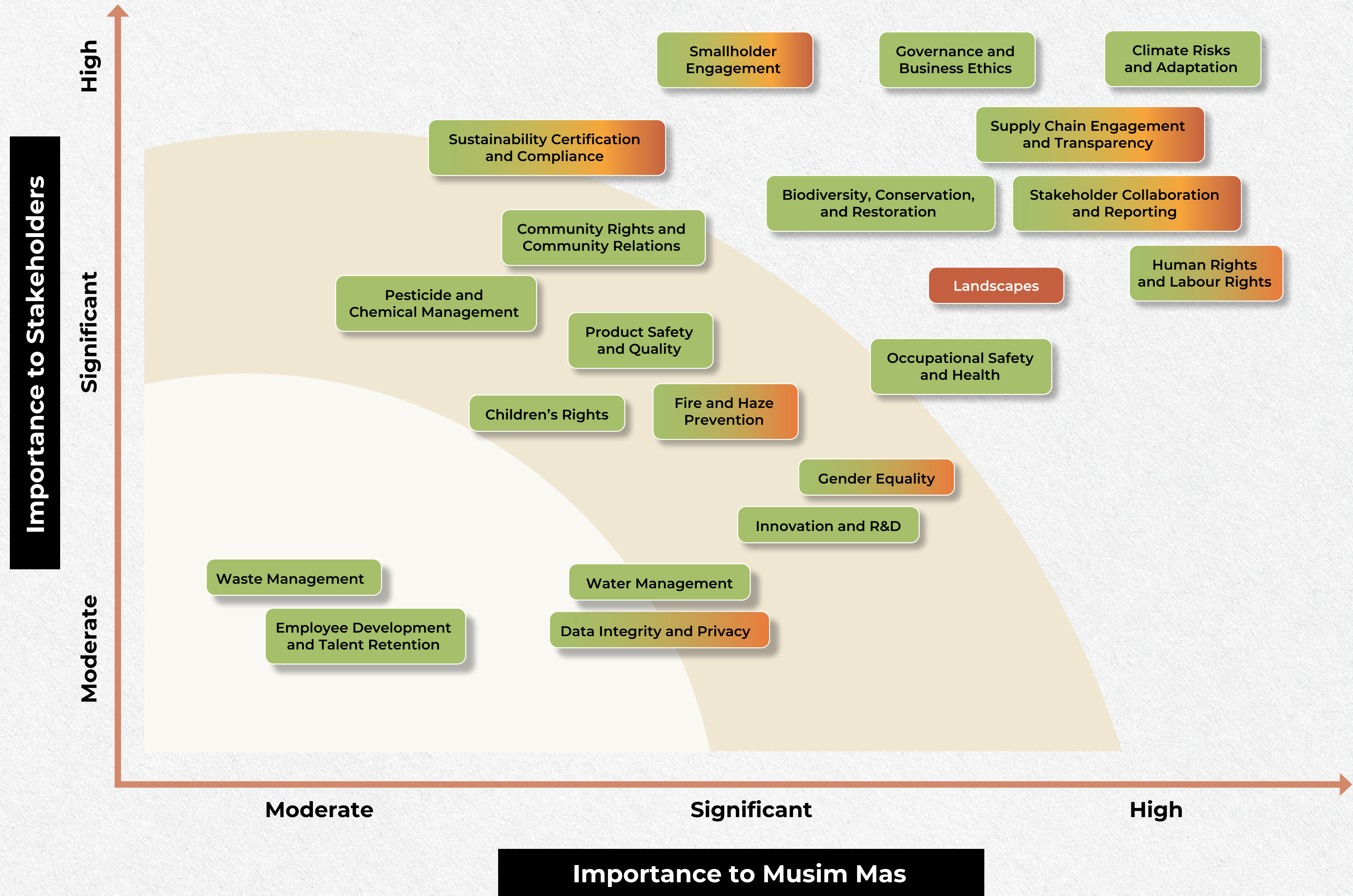
■ Sustainable Production

■ Responsible Sourcing

■ Thriving Smallholders and Landscapes

See also

» [Our Material Topics and Their Boundaries](#)





Corporate and Sustainability Governance

[GRI 2-9, 2-11, 2-12, 2-13, 2-14, 2-16, 2-19, 2-24]

Musim Mas embeds sustainability governance into our core corporate identity. Our Board of Directors comprises two male members and is led by the Executive Chairman, who also serves as the Group's Chief Executive Officer (CEO). The Board oversees critical sustainability and ESG issues, including climate-related risks and opportunities, human rights (including children's rights and welfare), NDPE strategies, and supply chain progress, ensuring these considerations are integrated into our overall business strategies and decision-making processes.

Musim Mas' Executive Management forms part of the broader Board-level governance structure. While not members of the Board, key executives hold decision-making responsibilities and actively contribute to strategic discussions and oversight of sustainability execution across the Group.

Our sustainability efforts are led by two Directors from the Group's Executive Management: The Director of Communications and Sustainability and the Director of Climate Action and Supply Chain Sustainability. These Directors lead dedicated divisions responsible for implementing Musim Mas Group's sustainability policies and strategies, alongside action plans for conservation initiatives and climate-related management programs. Our Sustainability team across Indonesia, Singapore, and Europe drives the day-to-day execution of sustainability initiatives, ensuring that our commitments are embedded across operations. The Sustainability team's responsibilities include conducting on-the-ground training and outreach programs for suppliers and smallholders to ensure the dissemination of sustainable practices throughout our operations and supply chain.

The Board and Executive Management convene to discuss sustainability and ESG performance. These meetings, led by our Executive Chairman, ensure cross-functional alignment and strategic oversight. Sustainability Executive Management then reports progress on our sustainability initiatives to the Board. Between meetings, the

Board regularly receives reports that highlight key issues, grievances, and any critical concerns stakeholders may have raised. The Executive Management's performance is periodically evaluated to assess its effectiveness in fulfilling its governance responsibilities, including strategic oversight of sustainability-related risks, opportunities, and performance.

Sustainability Executive Management's remuneration is contingent on meeting sustainability-related key performance indicators (KPIs). Aligned with our decarbonization strategy and NDPE targets and commitments, these KPIs include:

- Reducing greenhouse gas (GHG) emissions
- Complying with sustainability regulations and standards
- Engaging with customers and stakeholders
- Continuously improving the company's reputation as an industry leader

We have also established ESG-linked KPIs for relevant personnel at all levels of our organization. These KPIs include maintaining our Roundtable on Sustainable Palm Oil (RSPO)

and International Sustainability and Carbon Certification (ISCC) certifications, as well as implementing our NDPE commitments.

Executive Management reviews and approves the content of our annual sustainability reports and key stakeholder communications on behalf of the Board.

The Board oversees the setting of objectives and the underlying principles of our tax strategy. Executive Management briefs the Board on the tax implications of our corporate structure and business model prior to implementing any material changes.



[Sustainability Governance Structure](#)

For more specific information on our climate governance, see



[Aligning with TCFD Recommendations](#)

Grievance Mechanisms

[GRI 2-25, 2-26]

All Musim Mas stakeholders and employees have access to a transparent and accountable grievance mechanism that protects the anonymity of whistleblowers and complainants. All employees can use our whistleblowing procedures to file complaints without fear of reprisal or dismissal. Our grievance mechanism is also available to external stakeholders, who may file complaints against Musim Mas and our suppliers regarding potential breaches of our sustainability policy and certification commitments.

In addition, we ensure that any grievance against the Musim Mas Group raised through external platforms, such as the RSPO complaints process, are promptly addressed and resolved in accordance with established procedures.

Update on a Musim Mas Grievance on the RSPO Portal

The case filed through the RSPO complaints portal in 2024 was closed in January 2026. The grievance, filed by members of a community adjacent to our operations, alleged that a Musim Mas subsidiary did not meet its obligations under our corporate social responsibility (CSR) programs, specifically by failing to provide sufficient pesticide support

during a pest outbreak. An internal investigation was conducted and concluded that the allegations were unfounded. More details can be found [here](#).



[Grievance Mechanisms](#)



[Worker Access to Grievance Mechanisms](#)



[Supplier Grievances](#)

Business Ethics

[GRI 3-3, 205-2, 205-3]

Musim Mas is committed to conducting business fairly and ethically. We prohibit all forms of corruption and bribery. We train plantation and mill workers on our Code of Business Conduct and our anti-corruption policies and procedures. In 2025, we revised and communicated our Code of Business Conduct to employees, trained them on its provisions, and assessed their understanding.

We remain committed to complying with all applicable laws and regulations, including securing the necessary land-use permits and adhering to environmental requirements, while remaining adaptable to evolving regulatory circumstances. No environmental or regulatory non-compliances occurred in 2025.

Musim Mas has consistently enforced our zero-tolerance policy on corruption, including in relation to the legal proceedings against Musim Mas that alleged the company violated Indonesia's Domestic Market Obligations in 2022. This follows the Indonesian law definition of corruption which covers activities that cause financial losses to the state and the national economy. While this provision is not under the scope of Musim Mas' anti-corruption policy covering bribery, gratification, or improper benefits to public officials, we take these allegations seriously and fully respect the legal process. We have fully complied with the Supreme Court's judgment issued in September 2025, and have duly paid all court-ordered penalties.

Monitoring Regulatory Changes in Land Governance

Regulatory changes and evolving land governance requirements in Indonesia, including developments in spatial planning and forest area administration, may require companies to adapt to updated compliance obligations and administrative processes from time to time. We continue to monitor these developments and work to ensure our operations remain aligned with applicable regulatory requirements.



Data Privacy and Information Security

[GRI 3-3]

As digital technologies become increasingly integrated across our operations, safeguarding information and maintaining strong cybersecurity practices remain key priorities for Musim Mas. We have established policies, governance processes, and controls to support the responsible management and protection of information used in our operations. We process personal and business-related information as necessary to support our operations, business relationships, compliance obligations, and administrative activities. Our information security and data privacy practices are guided by applicable data protection, privacy, and cybersecurity laws and regulations in the jurisdictions where we operate.

Our approach includes defined responsibilities for information security and data protection, supported by measures such as role-based access controls, authentication mechanisms, data classification and handling requirements, encryption practices, system monitoring, backup and recovery processes, incident management procedures, and business continuity arrangements. Information security considerations are also integrated into relevant projects and third-party engagements.

Employees play an important role in safeguarding information assets. To strengthen awareness and promote responsible data handling practices, employees receive regular bulletins on digital threats, information security, and data privacy. Annual training programs are accompanied by employee acknowledgements to reinforce understanding of cybersecurity risks, company policies, and individual responsibilities.

Since 2021, Musim Mas has participated in CyberVadis, an independent cybersecurity assessment that evaluates cybersecurity maturity across areas such as governance, data privacy, business continuity, third-party risk management, and security operations. In 2026, Musim Mas achieved a score of 854 out of 1,000, corresponding to a 'Mature' rating, exceeding the CyberVadis benchmark average of 670.

Stakeholder Collaboration

[GRI 2-28, 2-29, 3-3]

Musim Mas strives to be at the forefront of the sustainability dialogue, engaging directly with stakeholders who either impact or are impacted by our operations, and addressing the wider issues affecting them. These include academic institutions, certification bodies, communities and their representatives, customers, partners, financial institutions and investors, government



and regulatory bodies, NGOs, smallholders, and suppliers.

In addition, we contribute to multi-stakeholder partnerships (e.g. Palm Oil Collaboration Group [POCG] and Aceh Sustainable Palm Oil Working Group) that address emerging industry and landscape issues, challenges, and opportunities. We actively engage with industry platforms and working groups to share knowledge, support the development of best practices, and advance sustainable palm oil, climate action, and responsible supply chains. Our stakeholders' interests and

concerns influence the success of our initiatives and shape how we develop and update our strategies, make management decisions, and implement our operational procedures.

We publish and update our sustainability policies and reporting, inviting stakeholders to contribute at every opportunity, consulting our technical experts, and engaging selected stakeholders in our annual materiality updates and sustainability reports. For an overview of our stakeholder engagement approaches and activities, see [here](#).



A core focus area of our Coconut Sourcing Strategy is collective action. We engage with partners, suppliers, customers, and other stakeholders who share common goals and will continue to work closely with them on our sustainable coconut sourcing initiatives.

Notable Partnerships in 2025

Environmental programs

- Partnership with Tesso Nilo National Park Foundation (YTNTN) to reduce human-elephant conflicts in Tesso Nilo through community-based conservation programs and the Elephant Flying Squad
- Collaboration with a local university on the *Taman Kehati* project to develop a science-based approach biodiversity park and enhance wild-life conservation efforts within one of our estates' conservation areas

Human rights programs

- Partnered with Dignity in Work for All (DIWA) to strengthen human rights grievance mechanisms, women empowerment initiatives, and gender committee effectiveness

Smallholder programs

- Partnership with Bunge to promote sustainable practices among smallholder farmers in Sambas
- Continued partnership with the Biodiverse & Inclusive Palm Oil Supply Chain (BIPOSC) involving Livelihoods Funds (L3F), SNV, World Agroforestry (ICRAF), Danone, L'Oréal, and Mars Incorporated. In 2025, L'Occitane also joined the program, further expanding the programme and its network of partners
- Extended partnership with Nestlé and AAK in Subulusalam
- Continued partnership with ETH Zurich research program to better understand the conditions under which supply chain sustainability initiatives can lead to reduced deforestation
- Extended partnership with General Mills in Aceh Singkil
- Partnered with Temasek Foundation and Abler Nordic to support smallholders in financing sustainable palm replanting
- Continued partnership with Rokan Hulu Landscape and Livelihoods Initiative (ROHULLI) on sustainable intensification, improving smallholder livelihoods, and advancing environmental goals
- Partnered with Kulaku Indonesia to strengthen coconut smallholder capacity

Supply chain programs

- Participated in the NDPE Implementation Reporting Framework (IRF) Working Group, tasked with updating Deforestation and Peat (D&P) IRF requirements and developing the Land and Labour (L&L) IRF template
- Participated in the RSPO Jurisdictional Working Group, whose findings led to the RSPO creating a new membership category for Jurisdictional Entities, recognizing the importance of governments and local stakeholders in enabling sustainable landscape management
- Participated in the Aceh Sustainable Palm Oil Working Group to support implementation of the Aceh Sustainable Palm Oil Roadmap and advance deforestation-free, smallholder-inclusive palm oil production in the province





Participation in Aceh Sustainable Palm Oil Working Group

In August 2025, Musim Mas joined Apical, Mars Wrigley, Mondelez, Nestlé, PepsiCo, Permata Group, PT SMART Tbk, Unilever, and *Yayasan Inisiatif Dagang Hijau* (IDH) in launching the Aceh Sustainable Palm Oil Working Group. This voluntary non-exclusive and non-binding initiative brings together stakeholders to advance sustainable palm oil production in Aceh, Indonesia. The Working Group aims to support the production of deforestation-free, smallholder-inclusive palm oil by aligning members' individual efforts with the **Aceh Sustainable Palm Oil Roadmap**, established under the Governor of Aceh Regulation No. 9 of 2024. The roadmap seeks to balance economic development with environmental stewardship and social inclusion by improving smallholder productivity, increasing local economic value, reducing deforestation risks, restoring degraded landscapes, facilitating the resolution of land-related conflicts, and protecting community rights.



[Companies Support Deforestation-Free, Inclusive Palm Oil in Aceh](#)



Transparency, Reporting, and Evaluation

We maintain open dialogue with our stakeholders, welcome constructive feedback, and strive to keep them well informed about Group-wide matters. Transparency is central to how we operate, reflected not only in our regular reports and website communications but also through active participation in numerous voluntary and mandatory benchmarking and public verification programs that assess our sustainability commitments and monitor our progress. These include EcoVadis,⁷ CDP, PROPER, Forest500, the Zoological Society of London's Sustainability Policy Transparency Toolkit (ZSL SPOTT), and the World Benchmarking Alliance (WBA)'s Benchmarks on Food and Agriculture, Nature, Gender, Climate and Energy.

Notable Achievements for 2025

SPOTT 2025: Ranked 11th out of 100 companies (92.2% score)

Earned Top 10 ranking in the Global Child Forum Benchmark 2025

CDP: **Maintained Double A status** for a third consecutive year:
Water Security (A)
Forests (A)
Climate Change (B)

Received 10 PROPER Blue awards for downstream facilities

Achieved first PROPER Gold in 2025, 11 PROPER Green, and 5 PROPER Blue for mills and plantations

⁷ Musim Mas achieved an EcoVadis score of 77/100 in 2025 (2024: 66/100), improving its percentile ranking from the 83rd to the 93rd percentile. The year-on-year improvement in the score reflects continued progress in sustainability performance.



Sustainable Financing

Musim Mas continues to integrate sustainable financing into its broader ESG strategy. We maintain a Sustainable Account with Liquidity Management Structure with Standard Chartered, a framework that optimizes cash flow and working capital across the Group by embedding ESG considerations into our financial operations. Our inaugural Sustainability-Linked Revolving Credit Facility with Rabobank and HSBC Bank was established in 2024, under which a EUR 150 million credit facility was converted into a loan tied to sustainability KPIs. These KPIs include RSPO certification of independent smallholders, training of independent smallholders, and maintaining a deforestation-free palm oil supply chain.



[Standard Chartered Implements Industry Leading Sustainable Account with Liquidity Management Structure for Musim Mas](#)



[Musim Mas Signs Its First Sustainability Linked Loan with Rabobank and HSBC Bank](#)

Reporting Frameworks and Regulations

As the sustainability reporting landscape continues to evolve, Musim Mas remains committed to strengthening our reporting practices and preparing to meet emerging regulatory requirements. We continue to monitor developments in the International Sustainability Standards Board (ISSB) Standards and assess opportunities to further enhance our disclosures in line with evolving stakeholder and regulatory expectations. To strengthen our reporting readiness ahead of their anticipated application in FY2030, we are reviewing our existing disclosures against the requirements of IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosure.

Given our presence in Europe, Musim Mas is preparing to comply with the Corporate Sustainability Reporting Directive (CSRD) by strengthening reporting readiness across the Group. We continue to monitor developments on the European Sustainability Reporting

Standards (ESRS) and other supporting guidance to ensure their effective implementation when it comes into force for our FY2028 reporting year.

In line with the European Union Deforestation Regulation (EUDR), we continue to build on the procedures and processes established in 2024 to ensure a compliant product supply when the policy takes effect. We are also monitoring ongoing regulatory developments, including proposals to expand the scope of the regulation to cover additional palm-derived products and chemicals, and will adapt our systems and processes accordingly.

For a comprehensive overview of our climate-related governance, risk management approach, and strategies, including metrics and targets, see:



[Aligning with TCFD recommendations](#)





IMPACT AREA



Sustainable Production at Musim Mas



Transforming Our Operations For Positive Impact

We continuously strengthen our management practices to uphold the highest sustainability standards across Musim Mas operations. Drawing on years of experience with global certification schemes, internal research and development (R&D), and strategic collaborations with field academics, we actively enforce leading standards in environmental protection, agronomy, emissions reduction, and labour and land rights. Our investment in sustainability helps us anticipate and withstand potential environmental, social, and economic risks, while bolstering our business resiliency.

Certification



[GRI 2-27, 3-3]

Sustainability Certifications

Musim Mas complies with national, regional, and local regulations and complements this with industry-leading sustainability certification and verification schemes, including:

RSPO

Musim Mas was one of the first Indonesian companies to join the Roundtable on Sustainable Palm Oil (RSPO) when it was founded in 2004, and remains an active member. All 15 Musim Mas integrated mills with plantations are fully certified against the RSPO Principles and Criteria (P&C).⁸ Approximately 85% of our total managed area, or about 153,250 hectares, is RSPO-certified, including scheme smallholder areas.

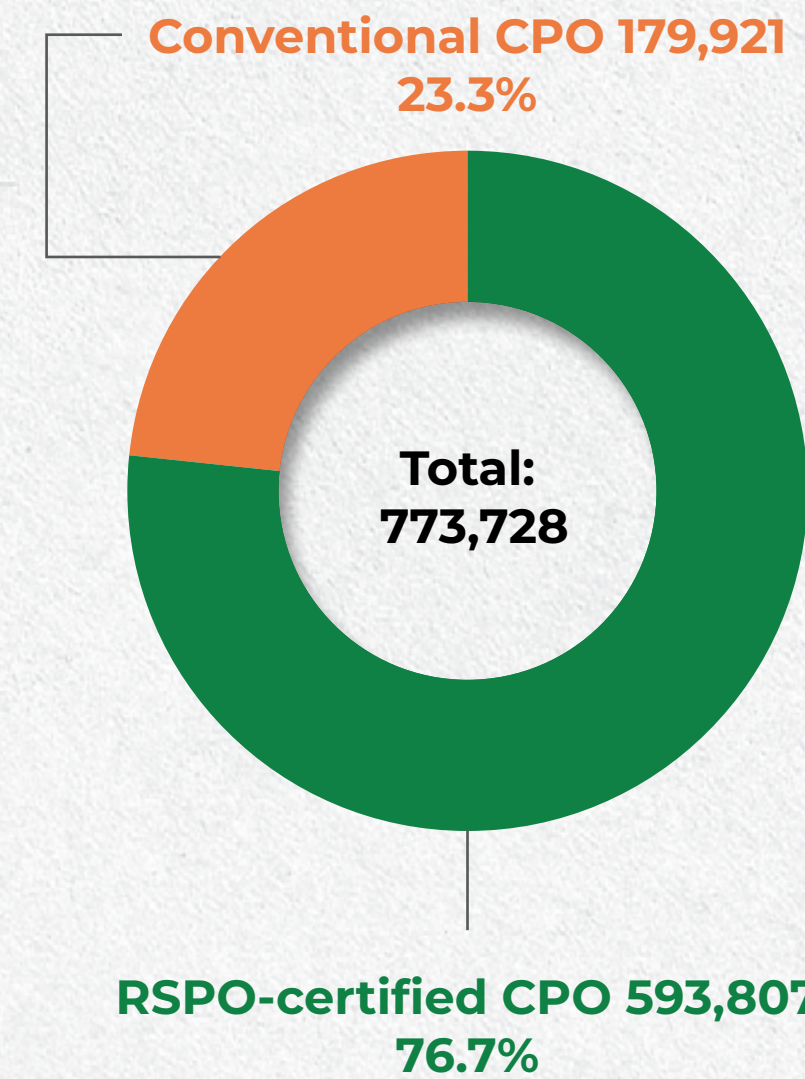
In 2025, our mills produced 744,423 tonnes (MT) of RSPO-certified products: 593,807 MT of RSPO-certified sustainable crude palm oil (CSPO) (76.7% of our total CPO) and 150,616 MT of RSPO-certified sustainable palm kernel (CSPK) (73.1% of our total PK).

Beyond progressing on certification within our own operations, we contribute to the continuous improvement of sustainability standards through participation in the RSPO Board of Governors and in collaborative working groups. We also subscribe to the RSPO Shared Responsibility framework, which requires all RSPO members to promote sustainable palm oil production across the value chain. **In 2025, Musim Mas achieved the maximum RSPO Shared Responsibility score of 10**, significantly above the sector average, reflecting our strong performance across the transparency, environmental stewardship, and social responsibility criteria.

⁸ Our three remaining company-owned mills are independent mills that do not supply from directly owned or managed plantations or their associated smallholders.



CPO Produced By Certification Status 2025 (MT, %)



ISPO

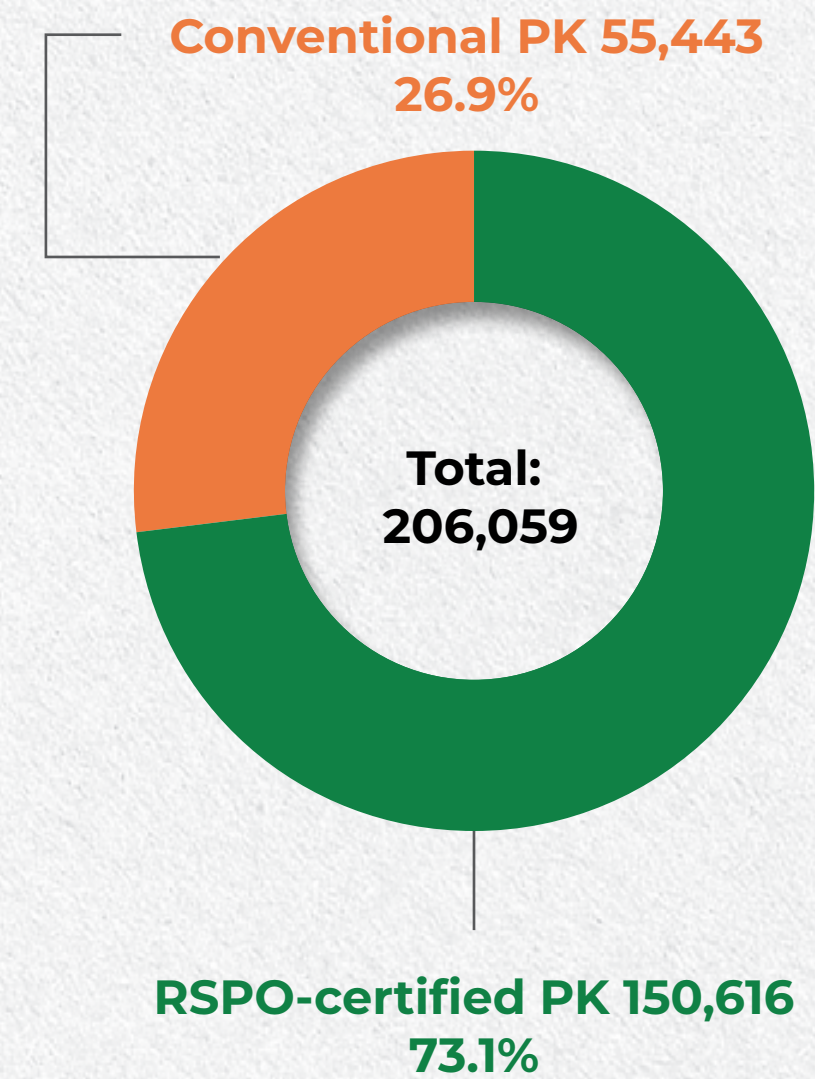
We comply with Indonesia's mandatory national certification scheme for sustainable palm oil, the Indonesian Sustainable Palm Oil (ISPO) standard. Since July 2023, all 17 of our upstream entities (PTs) have obtained ISPO certification.

ISCC

Market demand typically drives fluctuations in the number of International Sustainability and Carbon Certification (ISCC)-certified business units. In 2025, 16 business units achieved certification against the ISCC standard, including our mills and numerous scheme smallholders.



PK Produced By Certification Status 2025 (MT, %)





Product Quality and Safety

[GRI 3-3, 13.10.4] [SASB FB-AG-430b.1]

Musim Mas develops products tailored to customers' needs and applications. We maintain strict policies and practices that uphold the highest product safety and quality standards for all consumers, including children, and ensure responsible marketing and labeling. Notably, our oil palms are non-genetically modified (non-GMO), further enhancing the safety and quality of our products.

To comply with these standards, our products and facilities undergo regular inspections and audits. They are also certified against various domestic and international standards,⁹ including:

- Food Safety System Certification (FSSC) 22000,¹⁰ based on the International Organization for Standardization's ISO 22000 standard
- Codex Alimentarius Commission/Recommended Code of Practice (CAC/RCP) 1:2011
- Hazard Analysis and Critical Control Point (HACCP) Management System (MS 1480)
- *Standar Nasional Indonesia* (SNI) CXC 1-1969 Indonesian National Standard HACCP

Additionally, we comply with international quality and dietary standards, including Good Manufacturing Practices (GMP), Halal, and Kosher requirements. We also offer certified sustainable products adhering to RSPO, ISCC, and ISPO standards.

We strive to minimize contamination risks and comply with applicable EU regulations on contaminant thresholds for vegetable oils and fats. We screen potential entry routes for contaminants, such as mineral oils, glycerol-based contaminants including 3-monochloropropane diol (3-MCPD) and glycidyl esters (GE) in our processing chains, using various methods to effectively remove these contaminants and their precursors as required by the Codex Alimentarius International Food Standards. To further minimize contaminant levels, we use only food-grade lubricants for food-contact processes and equipment, incorporate double refining and post-stripping technology into our processes, and continuously explore innovative technologies across our integrated operations to mitigate potential contaminants.

Advancing Product Quality Through Innovation

As part of our commitment to continuous product improvement, Musim Mas partnered with the National University of Singapore (NUS) and the Centre for Hydrogen and Carbon Innovations in 2025 to develop an innovative purification method to remove impurities from C6 fatty acid. The collaboration aims to enhance product quality, strengthen our refining capabilities, and support the delivery of products that meet evolving customer and industry requirements. The project is expected to be completed by the end of 2026.



Musim Mas follows industry best practices of traceability and recall procedures in accordance with our food and feed safety management system. Our efforts also extend to supporting our suppliers, further ensuring that they meet our customers' stringent requirements and uphold the highest product quality and safety standards.

⁹ These international standards are recognized by the Global Food Safety Initiative (GFSI).

¹⁰ Food Safety System Certification (FSSC) 22000 is recognised by the GFSI.



Environment and Climate



To enable sustainable, long-term business growth, we embed a strong environmental stewardship approach across our plantations, processing facilities, and surrounding landscapes. This approach helps build resilience to climate-related challenges while supporting the sustainable management of the natural resources on which our operations depend.

Our environmental management covers Musim Mas’ approach to managing emissions, conserving and restoring set-aside areas, eliminating fires, employing best practices for pesticide and fertilizer use and management, and optimizing water and waste management. These practices go beyond full compliance with legal requirements, including those for water use, water quality, pollution, and airborne emissions. Our environmental focus areas also require ongoing active investment in adaptation and climate-proofing our global operations to changing weather patterns.

Climate Action

[GRI 3-3] [SASB FB-AG-440a.1]

We view the transition to a low-carbon future as both a climate imperative and an opportunity to strengthen the long-term resilience and competitiveness of our business. This includes responding to growing demand for lower-carbon products and exploring opportunities to strengthen the climate resilience of palm production. Our climate action focuses on reducing greenhouse gas (GHG) emissions across our operations and value chain. These decarbonization efforts are guided by our 2050 net-zero roadmap and supported by initiatives across our value chain, from nature-based solutions to operational improvements and renewable energy. Our initiatives build on our broader environmental stewardship and adaptation measures and support our science-based emissions reduction targets.

Monitoring and Targets

We report our GHG emissions in accordance with the GHG Protocol, covering Scope 1, Scope 2, and Scope 3 emissions. In line with the Science Based Targets initiative (SBTi) guidance, we further categorize our emissions into Forest, Land and Agriculture Guidance (FLAG) and non-FLAG emissions.

In 2024, Musim Mas adopted a science-based approach to setting our GHG emissions targets, in alignment with the Paris Agreement goal of limiting global warming to 1.5°C above pre-industrial levels. In the same year, our targets were validated against the Corporate Net-Zero Standard and the SBTi FLAG.

Using 2021 as the Group’s baseline year, Musim Mas has committed to the following:

Category	Near-Term 2030 Targets	Net-Zero 2050 Targets
Non-FLAG (Energy and Industry)	Reduce absolute Scope 1, 2, and 3 GHG emissions by 42% by 2030	Reduce absolute Scope 1, 2, and 3 GHG emissions by 90% by 2050
FLAG	Reduce absolute Scope 1 and 3 FLAG GHG emissions by 30.3% by 2030	Reduce absolute Scope 1 and 3 FLAG GHG emissions by 72% by 2050

Notes:

- 1 Energy and Industry target boundaries include land-related emissions and removals from bioenergy feedstock.
- 2 FLAG targets include emissions and removals.
- 3 Our SBTi-validated targets apply across the Group’s upstream, midstream, and downstream operations.

Building on our existing science-based climate targets, we are aligning our climate strategy with the strengthened ambition of the SBTi Corporate Net-Zero Standard v2.0 published in June 2026 and advancing our decarbonization roadmap. Following the release of the GHG Protocol Land Sector and Removals (LSR) Standard v1.1 in June 2026, we are also assessing its implications for our FLAG emissions accounting and will incorporate relevant enhancements into our reporting approach, where applicable.





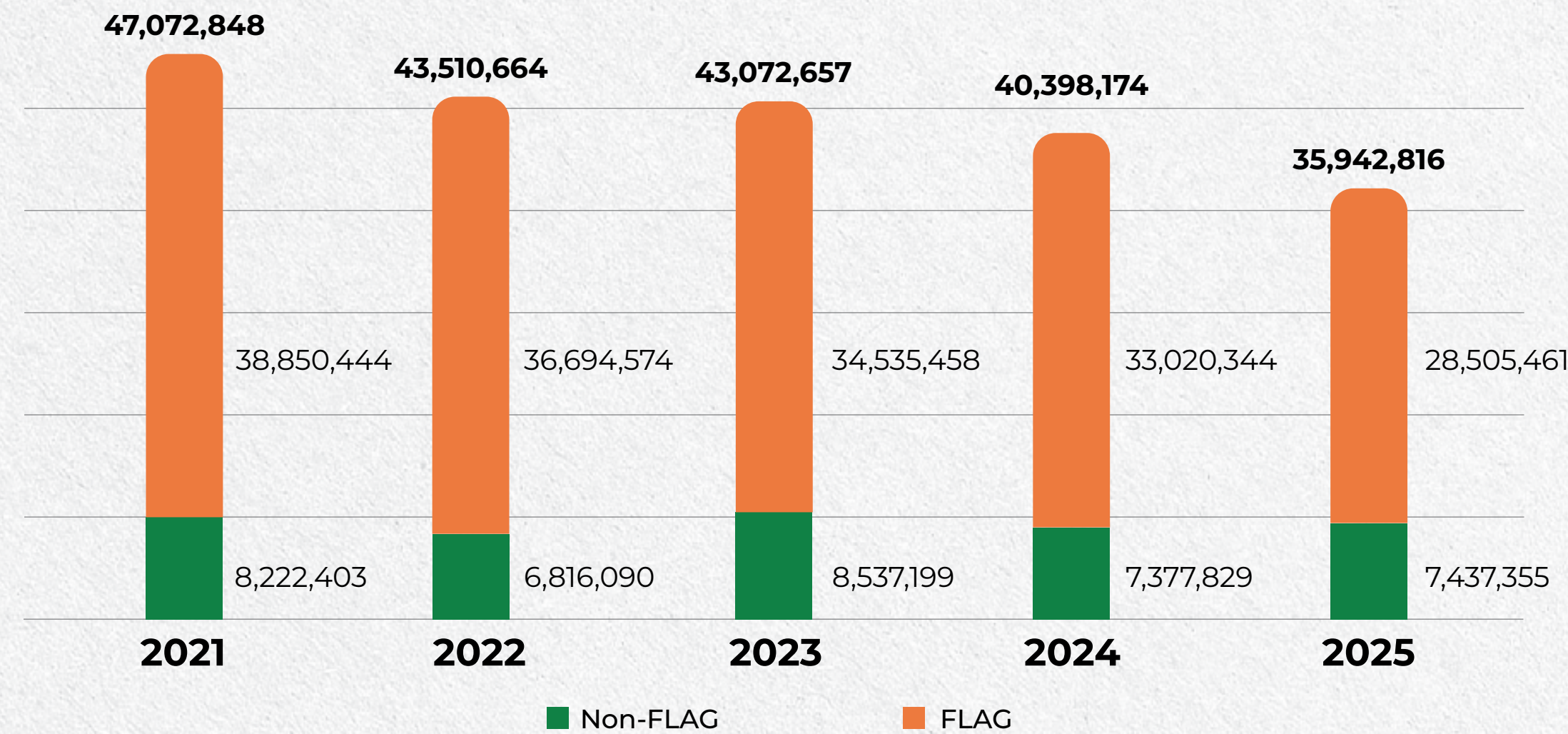
Group Emissions

[GRI 305-1, 305-2, 305-3, 305-5] [SASB FB-AG-110a.1]

In 2025, our total group emissions were 35,942,816 tonnes of carbon dioxide equivalent (MT CO₂e). Of this, 79.3% comprised FLAG emissions while 20.7% were made up of non-FLAG emissions. **Compared with our 2021 baseline, FLAG and non-FLAG emissions decreased by 26.6% and 9.5%, respectively, demonstrating continued progress toward our SBTi targets of 30.3% and 42% reductions by 2030.** The year-on-year decrease in total emissions was primarily driven by lower purchases of third-party raw materials, complemented by ongoing decarbonization efforts across our operations, including the use of biogas, biomass, and solar photovoltaic (PV) systems.



Group Absolute Emissions 2021-2025 (MT CO₂e)

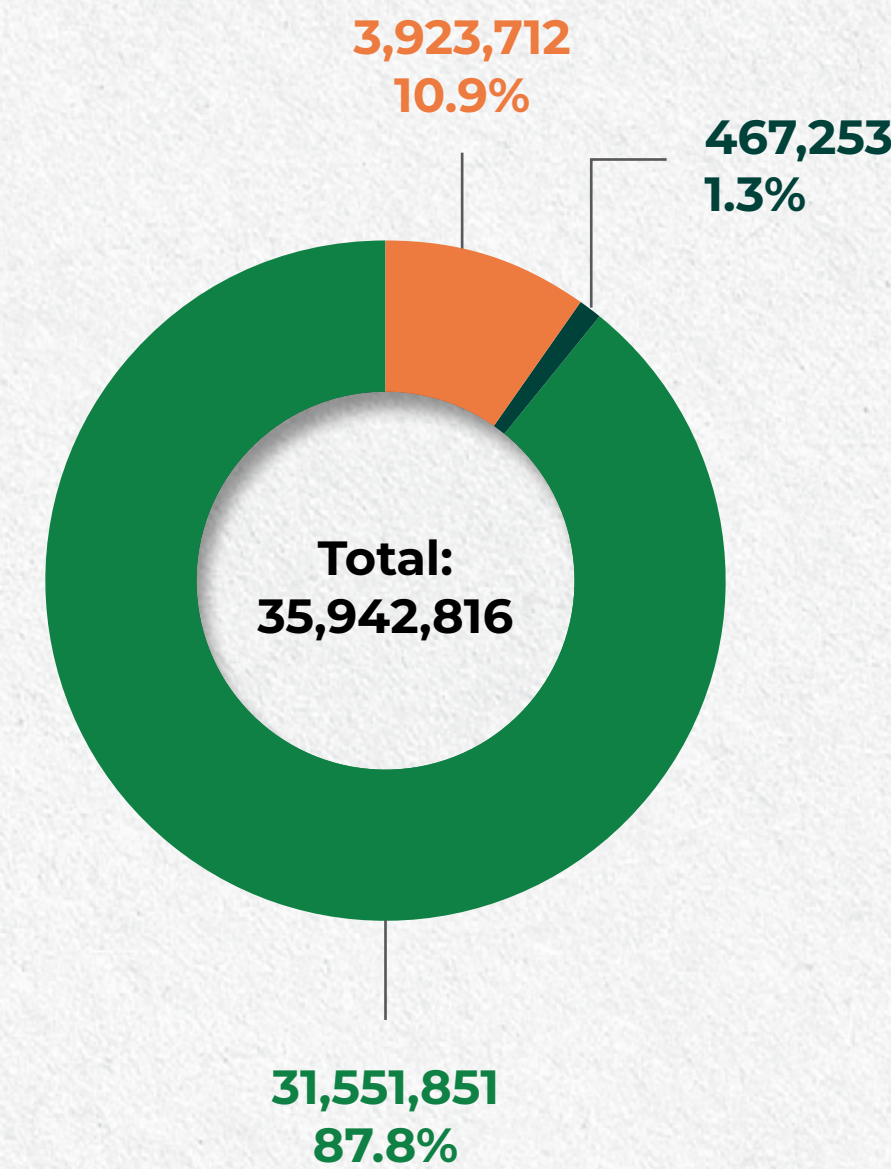


Note: 2021-2024 emissions data have been restated due to a revision in Scope 3 calculation.

Scope 1 emissions – direct emissions from activities within our operational control – account for 10.9% of our total emissions. Scope 2 emissions, which are indirect emissions from purchased electricity, steam, and other sources, account for 1.3%. The majority of our footprint (87.8%) comprises Scope 3 emissions arising from activities in our value chain.



Group Absolute Emissions By Scope 2025 (MT CO₂e)



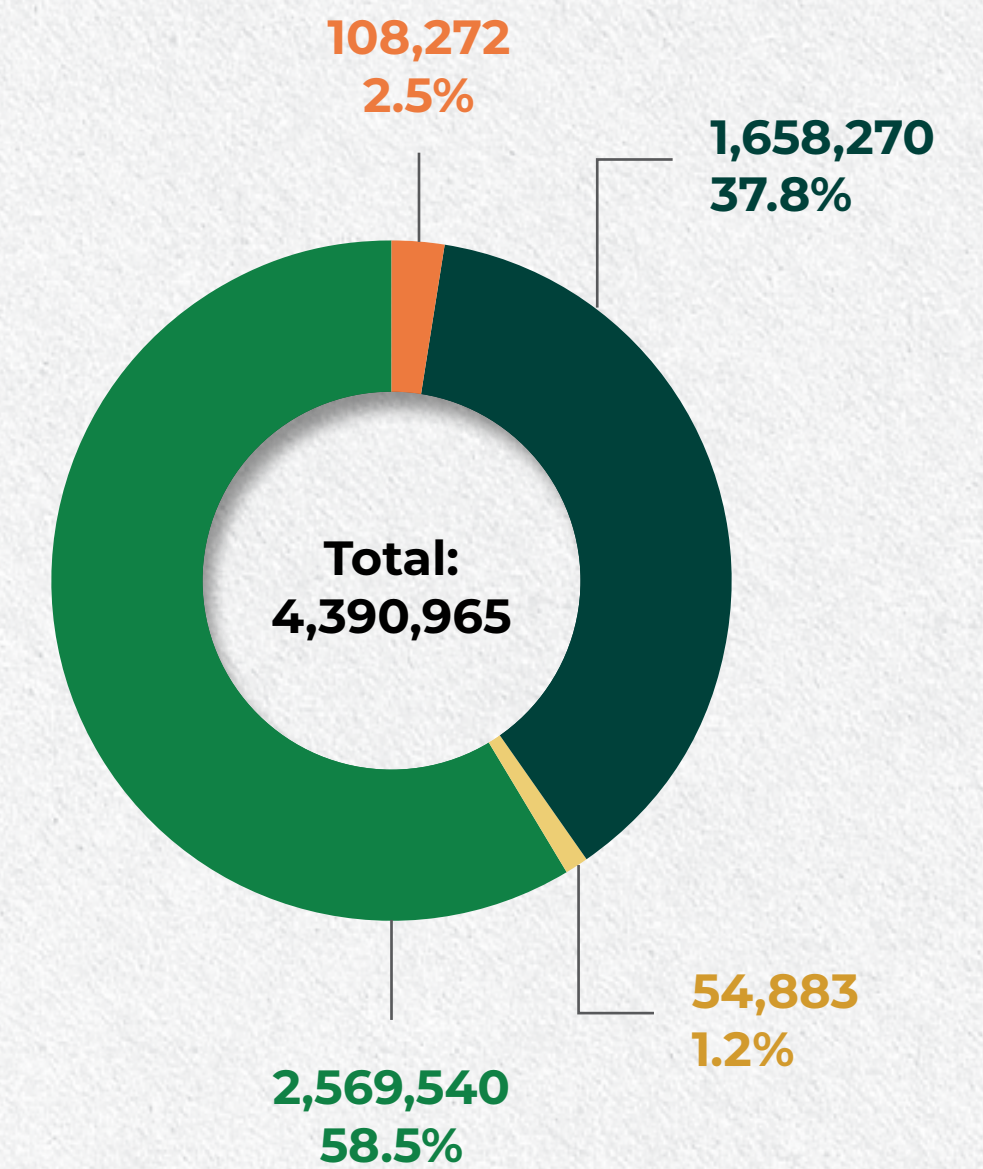
- Scope 1
- Scope 2
- Scope 3

Emissions Sources

Our midstream and downstream operations, being the most energy-intensive in nature, remain the most significant contributor to the Group's Scope 1 and Scope 2 emissions at 58.5%. Upstream operations account for another 39%, while other non-core business operations such as warehouses and offices contribute to the remaining 2.5%.



Group Scope 1 and 2 Emissions By Business Segment 2025 (MT CO₂e)



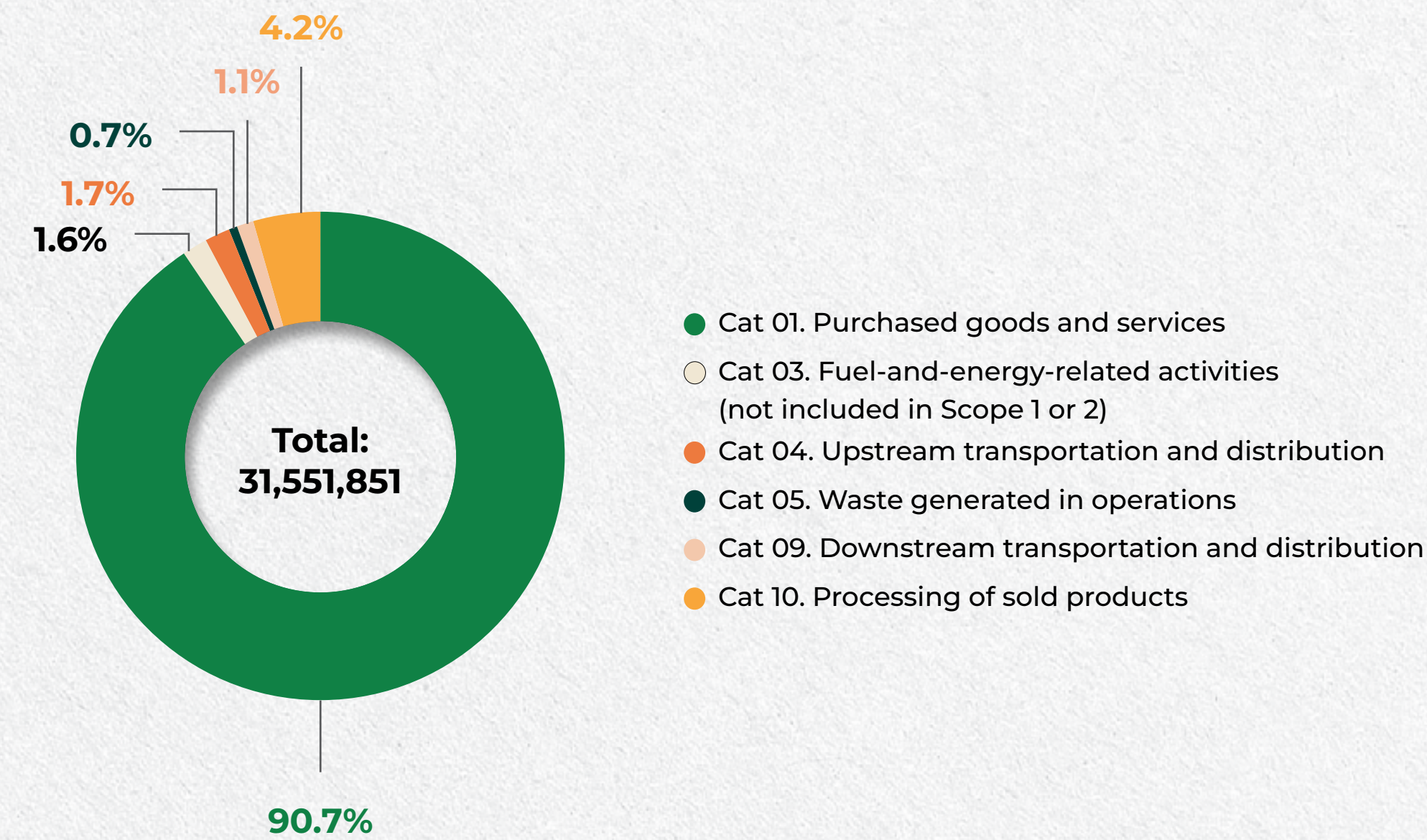
- Others
- Oil Palm Plantations
- Palm Oil Mills
- Midstream and Downstream



Third-party purchased goods and services are the largest contributor to our value chain emissions accounting for 90.7% of our total Scope 3 emissions. As such, it remains a key focus of our supply chain decarbonization efforts.



Group Scope 3 Emissions By Category 2025 (% of Total)



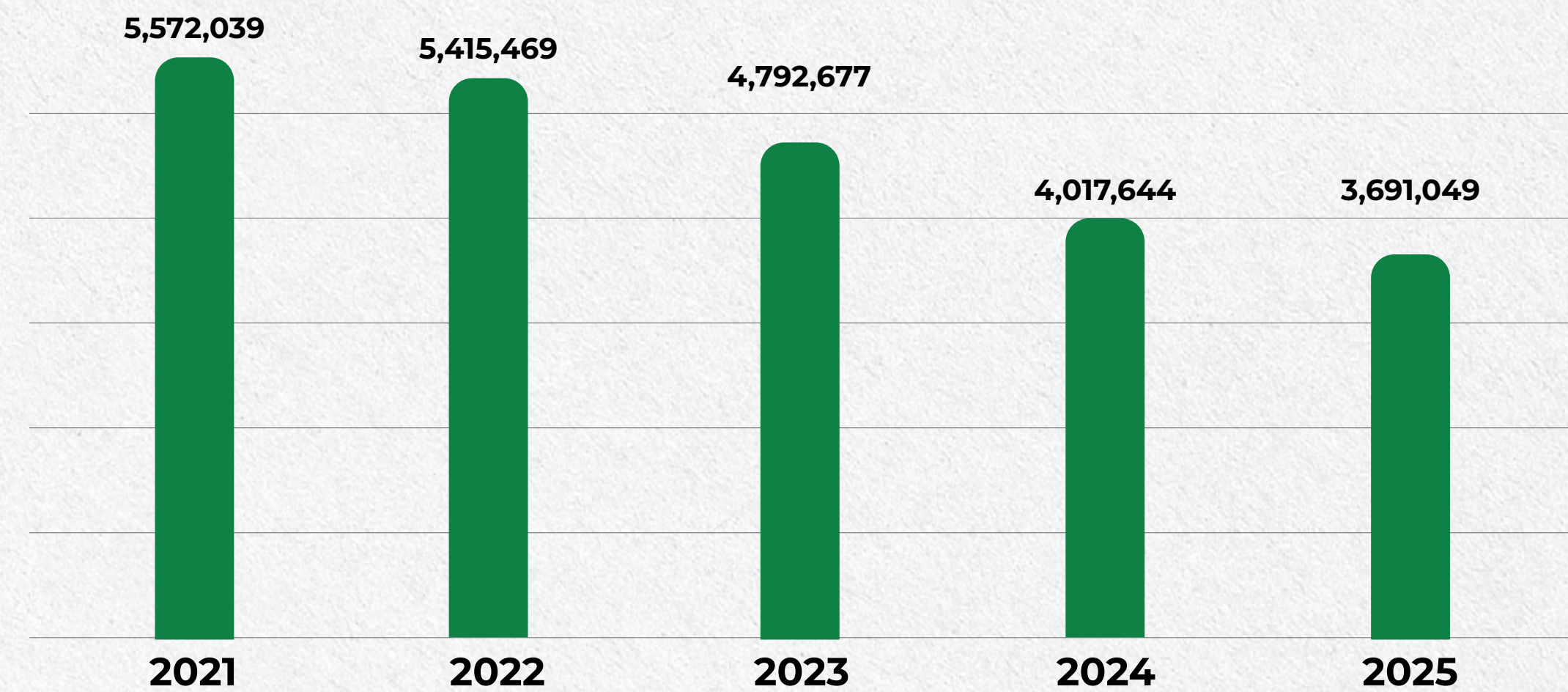
Notes:

- 1 Cat. refers to the GHG Protocol's 15 Scope 3 emissions categories (Categories 1–15), which classify different sources of value chain greenhouse gas emissions.
- 2 Scope 3 emissions presented here reflect only those included within our target boundary, based on relevance of our operations. The full Scope 3 inventory is available on our [Sustainability Performance Data 2021–2025](#).

We separately account for biogenic emissions arising from natural biological sources as part of our GHG inventory, in line with the GHG Protocol LSR Standard. This enables greater transparency in understanding the sources of our land-sector emissions and supports more robust emissions management across our value chain.



Group Biogenic Emissions 2021-2025 (MT CO₂e)



Note: All past year biogenic emissions data have undergone minor revisions in accordance with the latest standard.



Emissions Reduction Initiatives

[SASB FB-AG-110a.2]

Our Net-Zero Roadmap

While the 23.6% group emissions reduction against our baseline represents encouraging progress, achieving our long-term climate ambitions requires sustained action across our operations and value chain. In 2025, we continued implementing our net-zero roadmap, which combines nature-based solutions to address FLAG emissions with operational initiatives to reduce non-FLAG emissions. The roadmap comprises the following key interventions across our value chain:

- Forest and peatland rehabilitation, good agricultural practices, peatland management, NDPE (No Deforestation, No Peat, and No Exploitation) compliance, organic fertilizer, regenerative agricultural practices, and the adoption of high-yield seed varieties for FLAG emissions
- Process optimization, heat recovery, methane capture and use of biomass for energy, solar panels, and purchase of renewable energy certificates (RECs) for non-FLAG emissions

These initiatives are coordinated by our dedicated Net-Zero Task Force, which oversees our integrated supply chains from upstream to downstream operations. The Task Force plays a central role in accelerating decarbonization by driving emissions reduction initiatives and identifying further opportunities to reduce emissions across our operations and value chain. We continue to shape our emissions reduction interventions and levers alongside the development of our net-zero roadmap, with further updates to be provided as the work progresses.



Methane Captures

A significant source of upstream emissions is methane generated from the treatment of palm oil mill effluent (POME). Methane capture facilities, therefore, remain a key approach to reducing our upstream emissions. In addition to lowering our Scope 1 emissions by capturing methane, our biogas plants have reduced our consumption of purchased electricity [from the grid by generating renewable power for our mills and estates](#), with surplus electricity supplied to nearby communities through the national grid. **As a result, our 17 methane capture facilities avoided 570,846 MT CO₂e of emissions in 2025.**

Investing in Solar

As part of our efforts to expand renewable energy adoption across our facilities, we commissioned a new 616-kilowatt-peak (kWp) rooftop solar PV system at one of our downstream facilities in 2026, adding to our existing 1.1 megawatt-peak (MWp) solar PV installation at another site. The new system is projected to generate approximately 736 megawatt-hours (MWh) of renewable electricity annually, avoiding an estimated 515 MT CO₂e in emissions each year. Together, our solar PV systems are estimated to avoid approximately 1,706 MT CO₂e annually. This expansion underscores our ongoing commitment to scaling renewable energy across our operations, while we continue to identify opportunities to deploy solar PV and other solutions as part of our broader decarbonization strategy.



Value Chain Engagement and Partnerships

A significant portion of our raw materials is sourced from third parties. For this reason, supply chain engagement is a key focus of our emissions-reduction efforts, which are essential to achieving our SBTi targets. We continue to strengthen supplier engagement through annual GHG and water-related data collection, providing greater visibility into supply chain readiness. In parallel, we are enhancing our emissions datasets and increasing the use of primary data, including through the development of representative supplier archetype models for purchased raw materials with a third-party expert.

Our decarbonization efforts also extend beyond our value chain through landscape programs supporting independent smallholders in adopting regenerative agriculture practices. For example, [the Biodiverse & Inclusive Palm Oil Supply chain \(BIPOSC\) project](#) promotes soil health and reduces reliance on chemical fertilizers through organic fertilizers produced from our dried decanter solid waste, contributing to broader sector-level decarbonization.

Musim Mas earns CDP ‘A’ for Supplier Engagement

Musim Mas received an ‘A’ rating in the CDP Supplier Engagement Assessment (SEA) for the second consecutive year. The assessment recognizes leadership in supplier engagement across governance, climate targets, Scope 3 emissions, and risk management. This achievement reflects our continued efforts to strengthen value chain engagement and transparency, supporting our pathway toward net-zero emissions by 2050 under our SBTi commitments.



[Musim Mas Earns CDP ‘A’ for Advancing Supplier Engagement Across Its Value Chain](#)



Life Cycle Assessments and Product Carbon Footprint

Musim Mas has completed life cycle assessments (LCAs) of our downstream products in accordance with ISO 14040:2006 and ISO 14044:2006. We undertook these assessments to meet customer requirements for LCAs and product carbon footprint (PCF) assessments, and to better understand and mitigate indirect (Scope 3) emissions across our supply chains. Our PCF methodology is aligned with the Together for Sustainability (TfS)¹¹ and/or Partnership for Carbon Transparency (PACT)¹² frameworks, enabling greater consistency in emissions quantification. We also collaborate closely with customers to identify and implement opportunities to reduce product carbon footprints and support their decarbonization ambitions. These comprehensive cradle-to-gate assessments covered our entire production cycle, from fresh fruit bunch (FFB) cultivation at our plantations to end-product manufacturing.

¹¹ Together for Sustainability is an industry initiative that provides a harmonized methodology for calculating and reporting product carbon footprints.

¹² Partnership for Carbon Transparency is a World Business Council for Sustainable Development (WBCSD) initiative that facilitates the exchange of product carbon footprint data using a standardized, interoperable methodology to support value chain decarbonization.



Climate Resilience and Mitigation Overview

[GRI 201-2]

To strengthen climate resilience and mitigation strategies across our upstream operations, Musim Mas conducted a climate risk scenario analysis in 2024, evaluating the medium-term (2030) and long-term (2050) impacts of global temperature increases on our business. The analysis considered:

- Climate-related physical risks that can adversely affect our crop yields and disrupt our operations, leading to higher costs and lower revenues
- Transitional risks that may lead to higher operational costs and greater demand for sustainable practices

Using a 2023 baseline, the pilot assessed our climate impacts against three Paris-aligned scenarios. The first scenario projects a global temperature rise of up to 1.5°C, constrained by concerted international efforts, while the second and third are business-as-usual (BAU) scenarios that project an increase of over 3°C.¹³ The pilot covered our upstream and downstream activities in Sumatra, including selected plantations and mills as well as a complex comprising a refinery, an oleochemicals plant, and a specialty fats plant. We chose this approach and these facilities because they represent a cross-section of our operations. We are currently evaluating its applicability across the Group and will consider further assessments as needed while taking into account evolving climate target-setting and transition planning guidance, including SBTi Corporate Net-Zero Standard Version 2.0.

Qualitative Assessment

A qualitative assessment was also conducted to identify relevant risks and evaluate their significance based on severity, likelihood, and our operations' exposure and vulnerability. The assessment comprised interviews with key internal stakeholders and a review of market research, internal studies, and academic publications from credible third parties, including the Intergovernmental Panel on Climate Change (IPCC).



See the [Physical and Transition Risk Reporting](#) section of this report

Quantitative Assessment

Building on our qualitative scenario analysis, Musim Mas also conducted a quantitative assessment to analyze the potential financial impacts of the identified risks and opportunities on our business operations, examining risks for which sufficient and reasonably accurate data projections were available. The process enabled us to identify the most urgent risks and prioritize our strategic efforts.

¹³ Paris-aligned scenarios are projections that are consistent with the Paris Agreement's goals, which aim to restrict global warming to well below 2°C and, through efforts to limit it to 1.5°C above pre-industrial levels, keep it within that range. Our analysis used the following Paris-aligned scenarios: the International Energy Agency (IEA)'s Net Zero Emissions by 2050 scenario and the Representative Concentration Pathway (RCP) 2.6. The BAU scenarios used were the IEA's Stated Policies Scenario (STEPS) and RCP 8.5.

Progress on 2026 Mitigation Strategy and Next Steps

Following the identification of floods as our top climate-related risks, discussions have been underway to develop mitigation strategies.

Flood Mitigation Strategies

Install emergency response infrastructure, including emergency sirens, evacuation routes and Emergency Assembly Point signage

Establish the Occupational Health and Safety Committee (P2K3) and Emergency Response Team

Identify flood-prone areas within the concession

Conduct emergency response drills at least annually

Monitor flood level markers, specifically in identified flood-prone areas

Construct flood retention bunds and embankments in flood-affected areas, where required

Maintain drainage systems through desilting and clearing to improve water flow and reduce flood risk

The identified climate-related risks and opportunities reflect our business model and provide a forward-looking view of potential impacts under different climate scenarios. They are not forecasts, but plausible outcomes informed by available data and assumptions. We continue to enhance our scenario analysis to strengthen our understanding of climate-related implications and inform our resilience and strategic planning.

Energy Management

[GRI 3-3, 302-1, 302-3, 302-4] [SASB FB-AG-130a.1]

Musim Mas continues to promote renewable energy use and improve efficiency across our upstream operations to minimize our overall energy consumption. **More than 94% of our upstream energy is derived from renewable sources**, primarily milling byproducts such as palm fiber (from empty fruit bunches [EFB] and fruitlet fiber) and palm kernel shells (PKS), which are used as boiler fuel at our mills. In addition, methane capture facilities convert methane from POME into electricity.

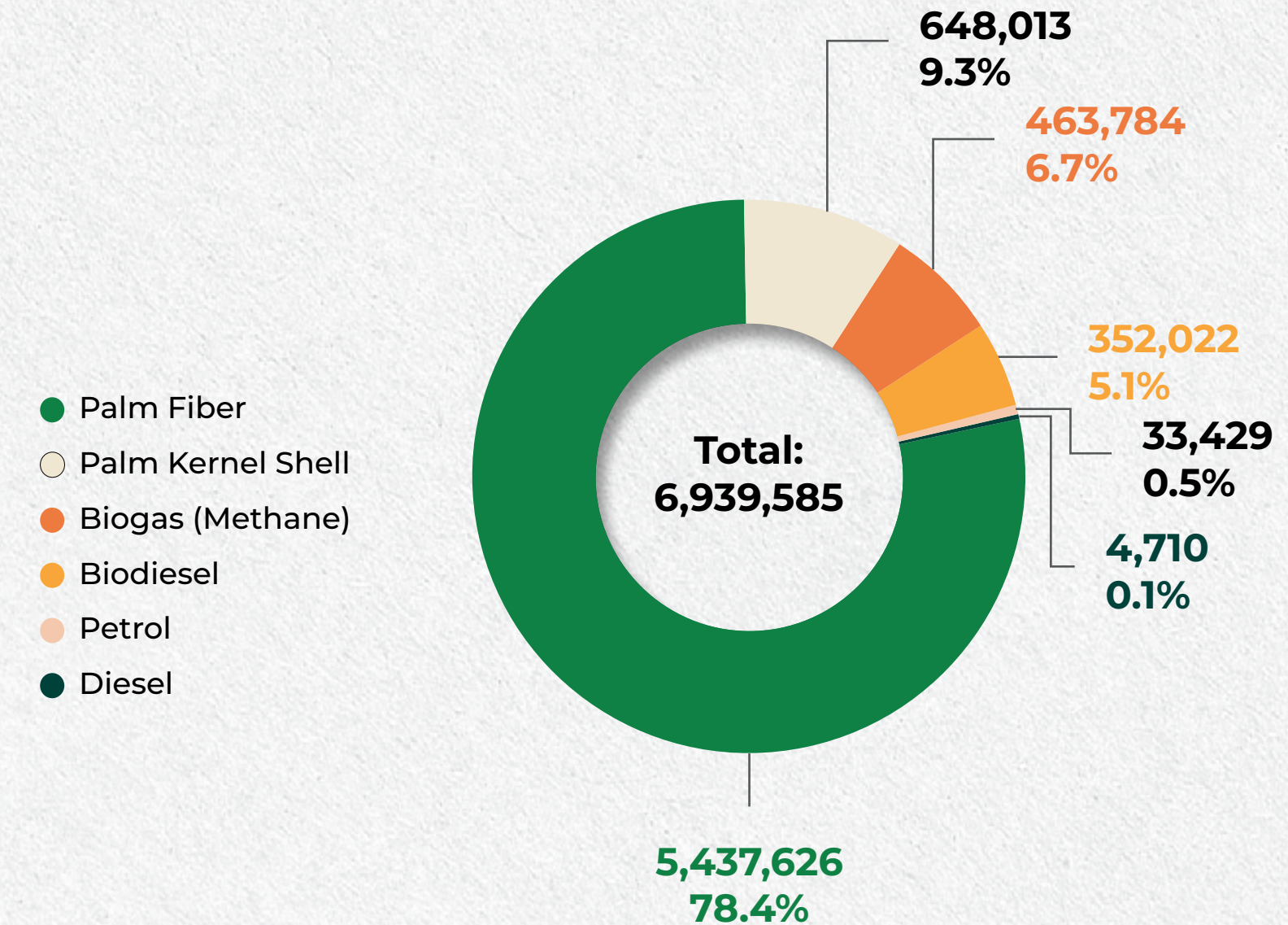
Biodiesel accounts for 5.1% of our total energy consumption, while other non-renewable sources, such as diesel and petrol, contribute less than 1%.

Energy management remains a key pillar of our decarbonization strategy, with continued efforts to optimize energy use and improve operational efficiency across our operations. We are pleased to see our upstream energy consumption has incrementally reduced year-on-year since 2022. **In 2025, our upstream energy consumption was approximately 6.94 million gigajoules (GJ), 13.5% lower than in 2022.** Our energy intensity reduced in step to 7.08 GJ per tonne of CPO/PK, from 7.36 in 2022 (-3.8%).

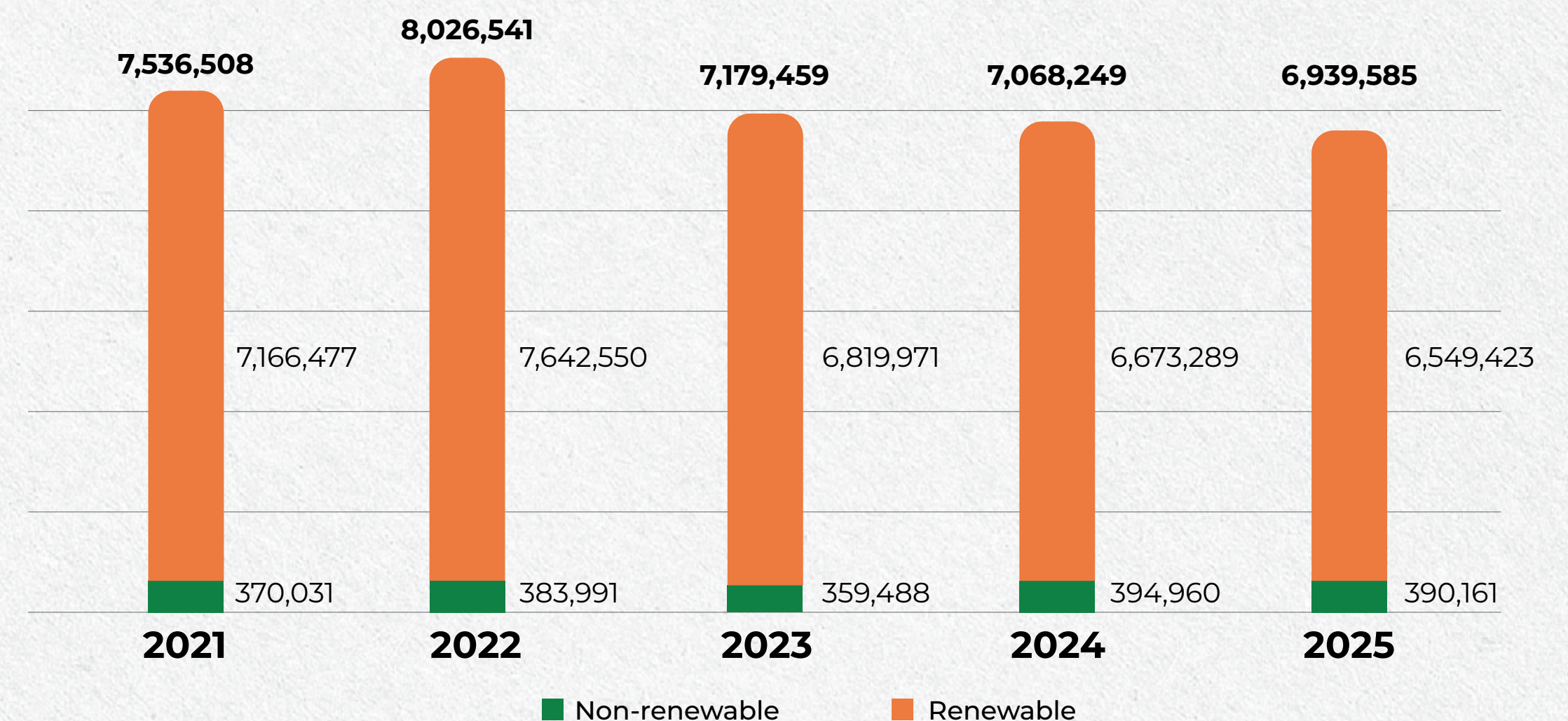
At the same time, we exported 7.2% more surplus renewable electricity generated by our methane capture facilities to the national grid than in 2024, totaling 36.2 gigawatt-hours (GWh) in 2025 in line with grid demand. In 2025, we successfully issued 35.3 GWh of RECs from our palm oil mills, enabling greater use of renewable energy attributes across our operations and supporting progress toward our net-zero targets.



Energy Consumption 2021 - 2025 (GJ, %) Upstream Operations



Energy Consumption by Source 2021 - 2025 (GJ) Upstream Operations



Conservation and Restoration

[GRI 3-3, 101-1, 101-2, 101-6, 304-3, 13.4.2, 13.4.4]

Musim Mas complies with all relevant national and international standards and requirements for new development and the plantation expansion and is guided by our Sustainability Policy to inform all land-use decisions. We are committed to zero conversion of natural ecosystems within our operations, particularly in High Conservation Value (HCV) and High Carbon Stock (HCS) areas and in peatlands. Musim Mas operations have remained 100% free of deforestation and ecosystem conversion since the December 31, 2014 cut-off date.¹⁴

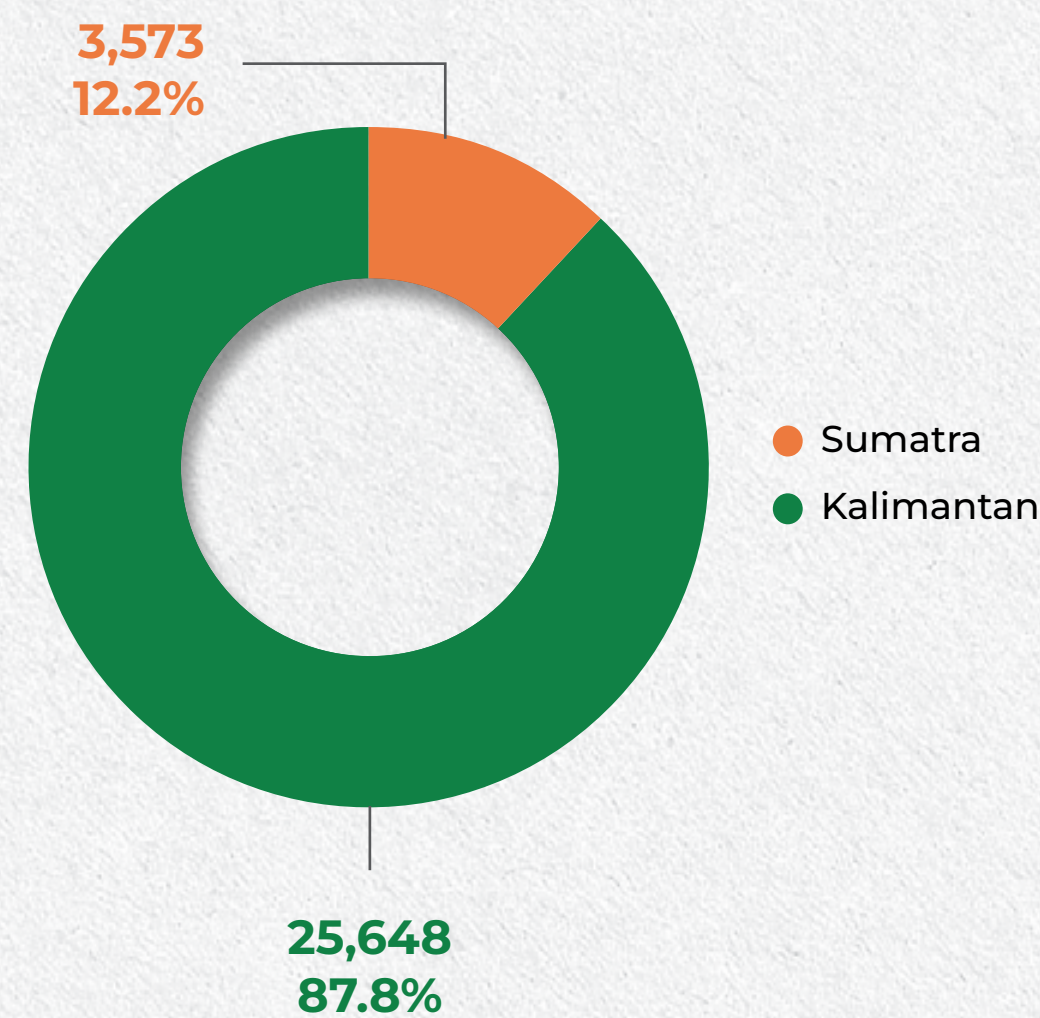
As of December 2025, we manage 29,221 hectares of conservation area, representing 16.2% of our managed area, including 4,611 hectares of conserved peat. Of the total area conserved, 87.8% is in Kalimantan, with the remaining 12.2% in Sumatra. We remain committed to protecting these areas through responsible land management and long-term conservation efforts.

Conservation Area 2025 (ha, %)

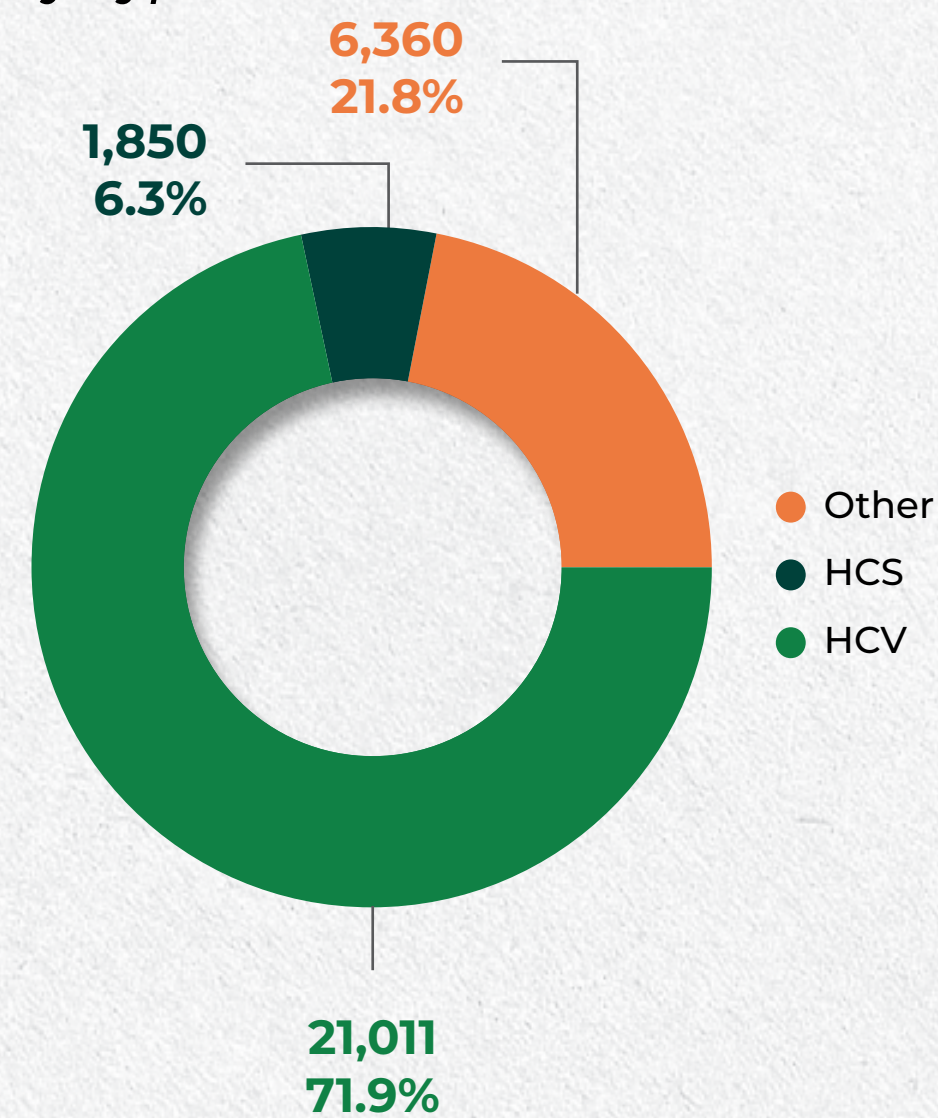
Total: 29,221 hectares



By Region



By Type

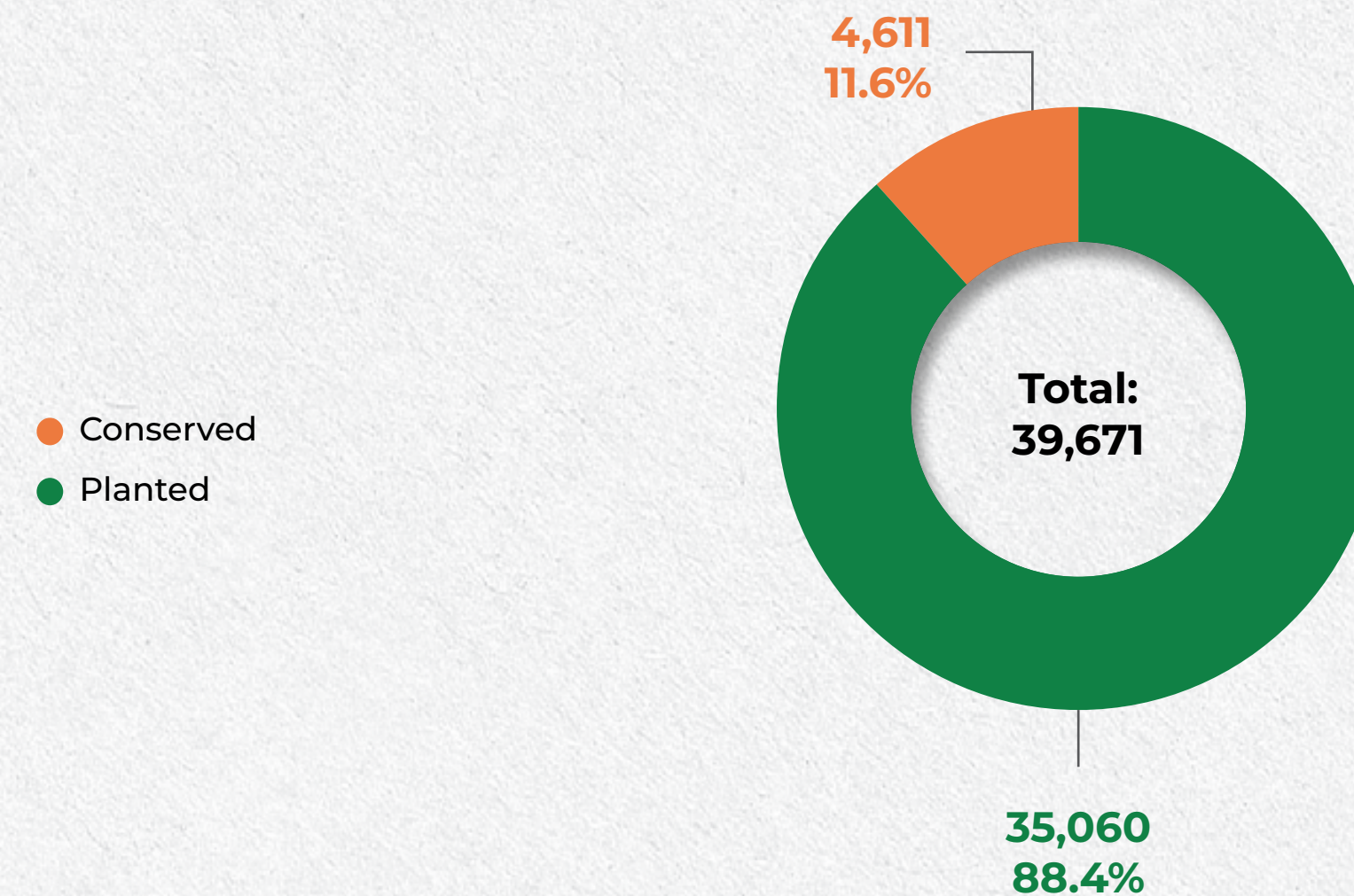


Notes:

- Overlapping HCV and HCS areas are reflected in HCV figures.
- 'Other' includes steep areas, wildlife corridors, and riparian buffer zones not identified by HCV and High Carbon Stock Approach (HCSA) assessments.



Managed Peat Planted and Conserved 2025 (ha, %)



We have implemented dedicated strategies to manage, protect, and monitor conservation areas within our plantations and, where relevant, HCV/HCS areas in the surrounding landscape. Our conservation plans include regular ground patrols to discourage hunting and satellite monitoring to detect encroachment, fires, and land clearing. We are restoring natural ecosystems¹⁵ in our management areas that were damaged by fire, deforestation, conversion, and non-compliance prior to our NDPE cut-off date. We continue to optimize our HCV/HCS monitoring methods and employ best practices aligned with RSPO and legal requirements to manage peatlands and fragile soils, seeking expert advice as needed.



See also [A Glimpse into the Life of a Conservation Officer](#)

Protecting Biodiversity

Musim Mas is ramping up efforts to protect biodiversity, particularly rare, threatened, and endangered (RTE) species within our concession areas and the broader landscape. Since 2008, we have co-managed HCV areas beyond our immediate control in collaboration with local rights owners. These areas serve as important wildlife corridors that enhance biodiversity and ecological connectivity. Musim Mas is enhancing its efforts to protect biodiversity across its operations and surrounding landscapes. Our Group approach to biodiversity and climate resilience is set out in our [Biodiversity and Climate Resiliency Action Plan](#).

¹⁴ The Group's operational no-deforestation cut-off date is 31 December 2014, while supplier compliance with our NDPE commitments is assessed against a 31 December 2015 cut-off date.

¹⁵ For the purposes of this report, natural ecosystems include areas classified as HCV/ HCS.

Driving Digital Innovation in Biodiversity Monitoring

In 2025, Musim Mas participated in the 7th Sustainability Open Innovation Challenge (SOIC) organized by Enterprise Singapore, which connects leading corporations with startups and innovators to develop scalable sustainability solutions. Through the challenge, we are exploring digital solutions to strengthen biodiversity monitoring and conservation management across our operations. The initiative aims to enhance field observations of four key indicator taxa, specifically birds, mammals, reptiles, and butterflies, by replacing manual data collection with an integrated digital system.

The proposed solution aims to:

- **Digitalize field data collection** through a mobile application that enables real-time biodiversity observations
- **Centralize biodiversity data** through a web-based platform featuring dashboards for data visualization, analysis, and reporting
- **Improve monitoring efficiency** by reducing manual data entry, minimizing human error, and streamlining conservation data management across multiple sites

The initiative supports our commitment to strengthening the protection, monitoring, and management of HCV and HCS areas. The initiative will reach its 'Proof of Concept' and pilot stage in 2026. The outcomes will be included in future reports.



Riparian Buffers for Ecosystem Resilience

Riparian buffer zones form the boundary between land and water. Their unique landscape features support diverse plant species, provide critical habitat for terrestrial and aquatic life, connect ecological processes across land and water ecosystems, and contribute to climate resilience.

Musim Mas' riparian conservation efforts are guided by regulatory requirements and recognized sustainability standards, including RSPO, HCV, and HCS guidelines.

In addition to protecting existing riparian vegetation, we undertake restoration and enrichment planting with native tree species to strengthen canopy cover, enhance biodiversity, and reinforce the ecological functions of these areas. Since 2009, we have restored riparian habitats across 14 management units by planting approximately 155,000 native trees.



Since 2009

~155,000

native trees planted

14

management units

The following measures are strictly implemented to protect and enhance riparian buffers:



Integration of riparian protection into internal standard operating procedures (SOPs)



Avoiding the use of chemical fertilizers and pesticides within riparian zones to prevent contaminating nearby water bodies



Regular patrols of buffer zones to prevent encroachment, maintain boundary markers and signage, and inspect riverbanks after heavy rainfall to monitor erosion and potential damage



Establishment of on-site nurseries that provide a steady supply of native seedlings and maintenance of replanted areas until young trees are fully grown



Community engagement to raise awareness of the value of riparian ecosystems and to encourage local participation in protecting these areas



Monitoring land-use changes using satellite-based platforms such as Earthqualizer, Radar for Detecting Deforestation (RADD), and Global Forest Watch (GFW) integrated deforestation alert

Air Hitam Conservation Area

One of our designated and managed conservation areas, Air Hitam, lies within the riparian buffer zone at one of our operations. Musim Mas has managed the area in accordance with applicable regulatory requirements and our conservation commitments, and we are fully cooperating with the ongoing process. This specific operation is certified under the RSPO and ISPO standards, which requires full compliance with environmental regulations, conservation management, and responsible agricultural operations. We remain committed to engaging constructively with the relevant authorities and will continue to manage the area in accordance with applicable legal requirements and our sustainability commitments.

Mangrove Conservation Initiatives



Musim Mas actively supports mangrove restoration efforts to strengthen coastal resilience – mitigating tidal flooding and erosion, retaining sediment deposits, and enhancing local biodiversity:

- ✓ Pasaman Barat, West Sumatra (2021): Through PT Agrowiratama and local community collaboration, 1,000 *Rhizophora apiculata* seedlings were planted along the Sikilang River estuary. By 2025, monitoring confirmed stable growth of mangrove covering the designated area.
- ✓ Belawan, Medan (2024): Partnered with local stakeholders to plant 7,000 seedlings across two hectares, contributing to healthier coastal ecosystems and helping reduce tidal flooding.
- ✓ Indragiri Hilir, Riau (2026): PT GIN supported national mangrove restoration efforts in Sepakat Jaya Village as part of Indonesia's World Mangrove Day campaign.

Taman Kehati

In accordance with a 2022 government decree, Musim Mas allocated 14.9 hectares of our Pelalawan estate to establish *Taman Kehati*, a legally protected biodiversity park that safeguards the area from encroachment. Unlike most conservation set-asides, this science-based initiative is developing a biodiversity management model and plan tailored to oil palm landscapes, including a site-specific biodiversity park management plan with comprehensive conservation, preservation, and usage guidelines.

In alignment with the *Taman Kehati* Roadmap, the following efforts have been implemented up to the reporting year:

- Established a technical team supervised by the Pelalawan District Environment Agency (*Dinas Lingkungan Hidup*) and supported by internal teams from our R&D, Sustainability, and Security departments. This management structure received endorsement from the Regent of Pelalawan (*Bupati Pelalawan*)
- Developed the *Taman Kehati* Management and Monitoring Manual in collaboration with the University of Riau, which serves as a key technical reference for management teams, stakeholders, and surrounding communities
- Conducted bimonthly training sessions for sustainability staff on wildlife monitoring, vegetation analysis, butterfly inventories, and river-fish monitoring
- Provided security patrol teams with training in field patrols, fire watchtower monitoring, and surveillance of illegal logging, poaching, land clearing, and other potential threats

As of 2025, biodiversity surveys documented 37 plant species, 92 bird species, 10 mammal species, 10 reptile species, 21 fish species, and 20 insect species in the area. Our Peat Management R&D Department also established a specialized nursery with more than 3,000 seedlings from 90 native peat-swamp-forest plant species to support local genetic resilience and forestry replanting. To further strengthen stakeholder awareness, Musim Mas participated in a webinar hosted by the Ministry of Environment, promoted the initiative on our website, and engaged in ongoing community outreach.

Taman Kehati Roadmap 2023–2027



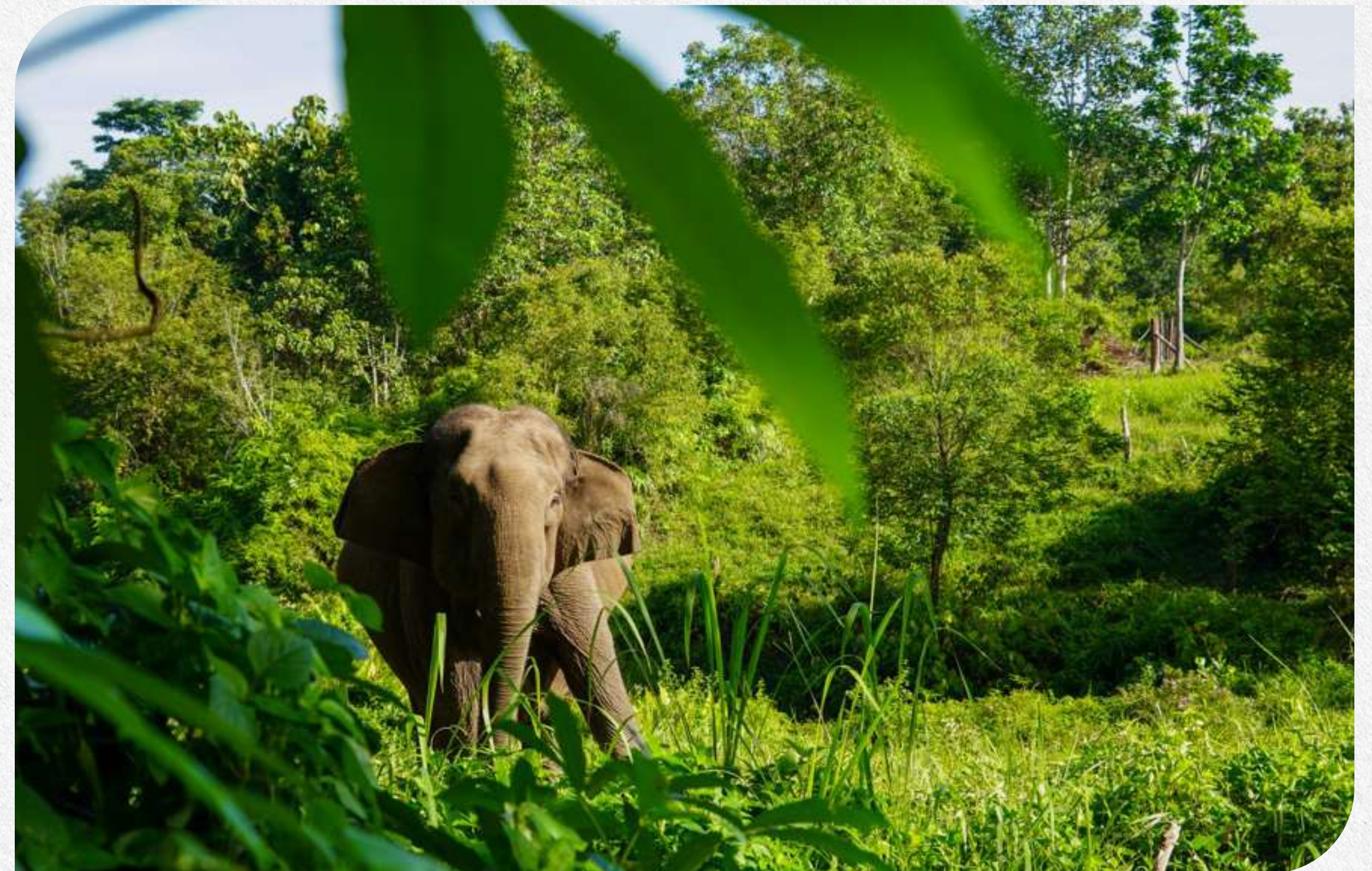
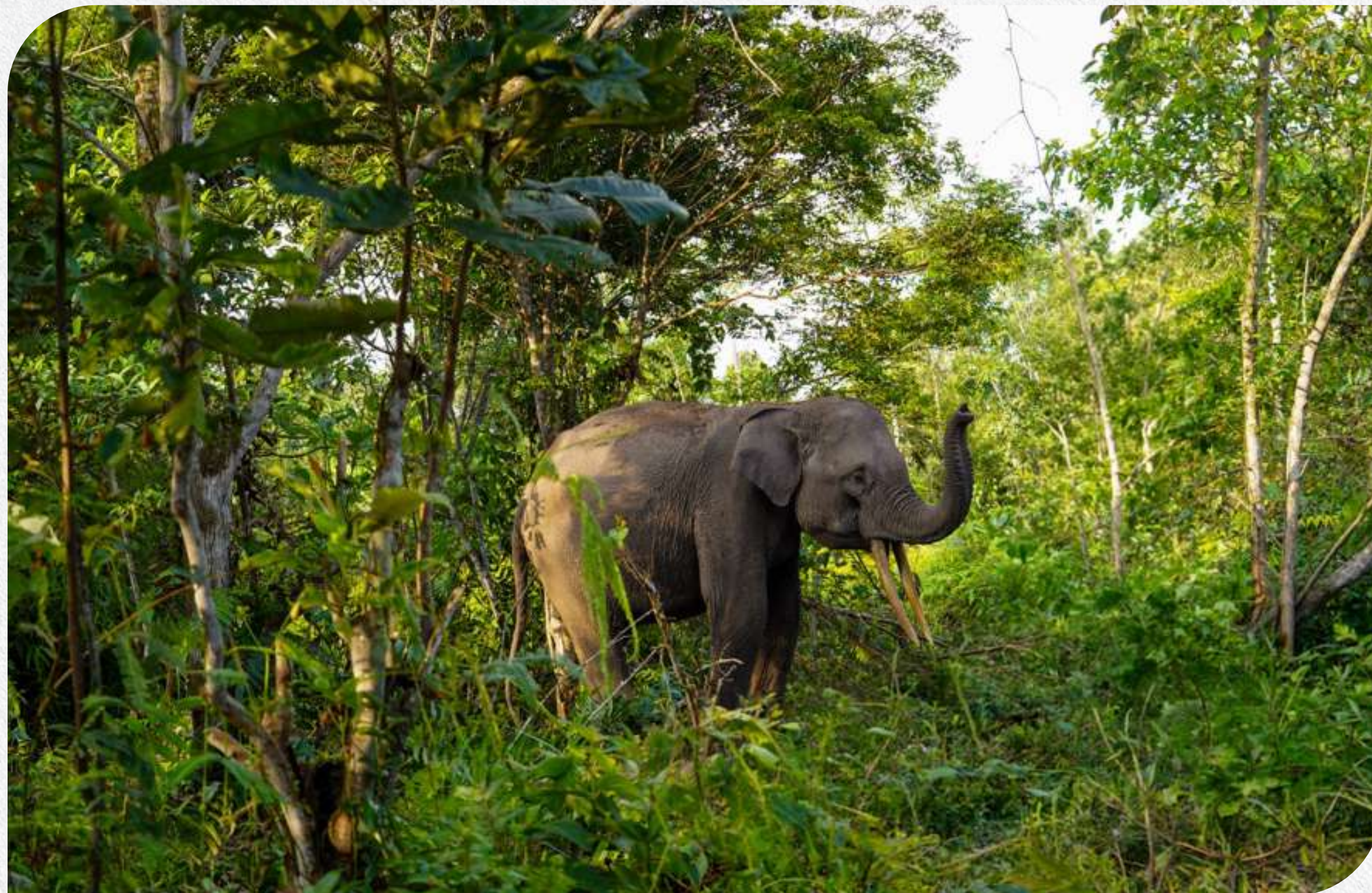


Elephant Flying Squad at Tesso Nilo

Since 2006, Musim Mas has partnered with the Tesso Nilo National Park Foundation (YTNTN), the Riau provincial government, the Indonesian Nature Conservation Agency (*Balai Konservasi Sumber Daya Alam* or BKSDA), and local communities to mitigate human-elephant conflicts and support elephant conservation in the Tesso Nilo landscape.

A key initiative is the Elephant Flying Squad, which deploys trained elephant handlers and domesticated elephants, alongside non-invasive deterrents such as noise and lights, to safely guide wild elephants away from agricultural land and back to their natural habitat. The team also conducts regular patrols, monitors elephant movements, and implements conflict mitigation measures to reduce the risk of crop damage, human-wildlife conflict, and elephant fatalities. As part of these efforts, YTNTN also cultivates natural forage preferred by elephants to reduce their movement into farming areas.

In 2025, the Squad carried out 27 human-elephant conflict mitigation operations and continued Spatial Monitoring and Reporting Tool (SMART) patrols across the Tesso Nilo landscape to monitor wildlife and identify conservation threats. During the year, the program also deployed a GPS collar on a wild elephant to improve movement monitoring and support more effective conflict prevention. Through these collaborative efforts, the Flying Squad continues to support the peaceful coexistence of local communities and wildlife while strengthening the long-term conservation of the Critically Endangered Sumatran elephant.



Monitoring and Managing Fires

[GRI 3-3]

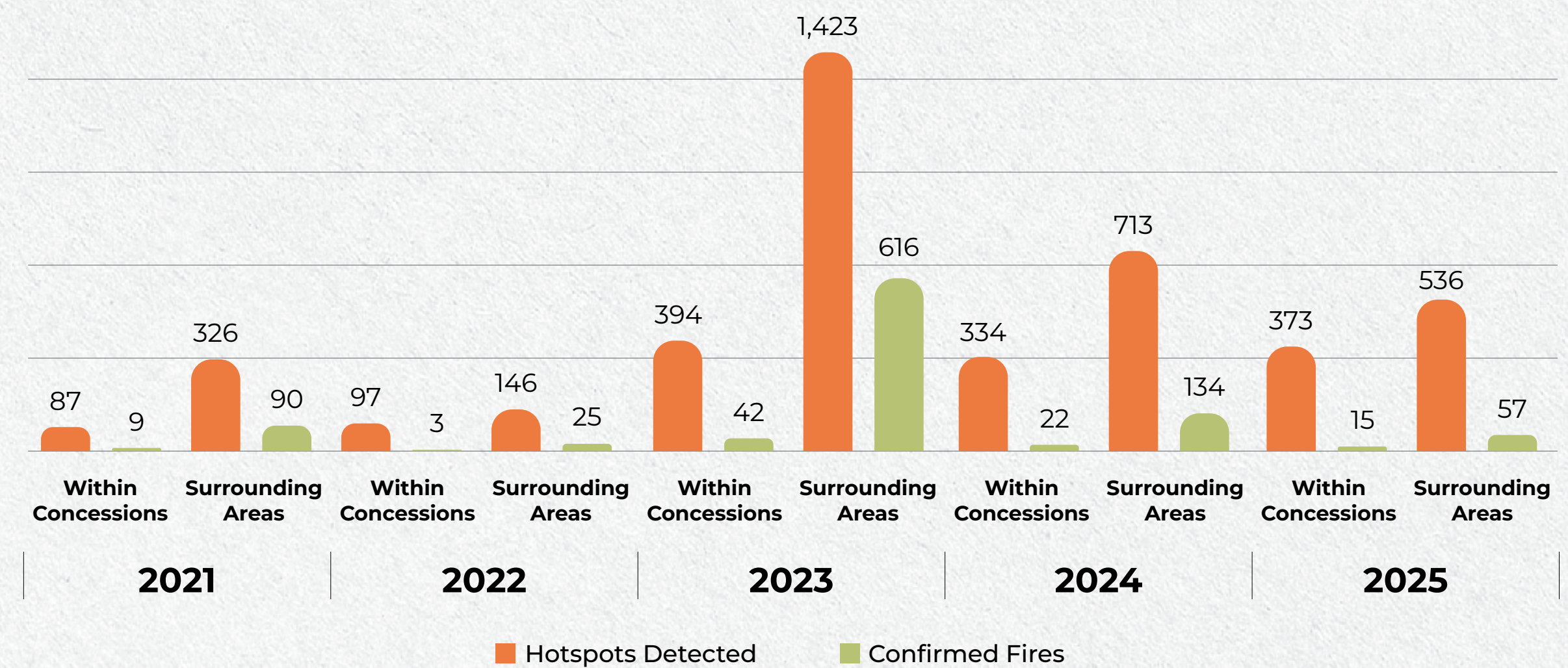
We adhere to a strict zero-burning policy and prohibit the use of fire within our operations and those of our suppliers. To mitigate fire risks, we continuously monitor for potential fires and track hotspots across our estates and surrounding areas using fire-monitoring towers and satellite surveillance. In addition to fire-monitoring towers, we have installed 360° CCTV units at some of our plantations since 2017. These CCTV units have a visual range of 5 kilometers (km) to monitor for smoke. We also take precautionary measures in response to weather forecasts. Our proactive approach includes raising awareness among employees, workers, and community members; building water ponds and fire breaks at strategic locations to contain fires; and assigning dedicated teams at regional head offices to monitor satellite data and promptly respond to detected hotspots in and around our operations.

Our fire management adopts a multi-layered approach that combines satellite surveillance, Geographic Information System (GIS) analysis, and field inspections. Satellite-detected hotspots are treated as indicators requiring verification rather than confirmed fire events. When a hotspot is detected, our head office team reviews the coordinates before notifying the relevant estate, where field teams conduct ground verification and initiate response measures where necessary. Where appropriate, drone technology is deployed to verify hotspots in remote or difficult-to-access areas, enabling faster assessment and supporting timely response. This process is supported by our Fire Danger Rating (FDR) system, which assesses wildfire risk based on meteorological conditions, hotspot activity, and surrounding fire observations. As fire risk increases, surveillance, patrols, and preparedness measures are progressively strengthened to enable a timely and coordinated response.

In 2025, confirmed fires decreased across both our concessions and surrounding areas, with the affected land-falling from 14.28 hectares to 13.31 hectares. Surrounding areas showed even stronger improvement, with fire numbers and affected areas both dropping by over 60% from 300 hectares to 107 hectares. Overall, we recorded 373 hotspots within our concessions, of which 15 were confirmed fires, and detected 536 hotspots in surrounding areas, with 57 confirmed fires.



Hotspots Vs. Fires Within Concessions And Surrounding Areas 2021-2025 (No.)



Beyond our concessions, we support community fire prevention and control efforts through the Fire-Free Village Program (FFVP – *Masyarakat Bebas Api* or MBA). The program raises awareness of fire risks and promotes alternative, fire-free land-clearing methods. It also provides educational resources, agricultural equipment, and other incentives – including infrastructure and service enhancements – to communities that adopt fire-free practices. In 2025, we distributed IDR 900,000,000 (approximately USD 51,200) in incentives. **To date, the program has reached 76 villages covering more than 492,325 hectares, with 133 training sessions conducted and 36 villages recognized for remaining fire-free.**



Watch our video [Our Fire Prevention and Management Efforts Small Action, Big Impact](#)



[Fire prevention in the Era of “Global Boiling”](#)



Pesticides and Fertilizers

[GRI 3-3]

Responsible Pesticides and Herbicide Management

Musim Mas applies Integrated Pest Management (IPM) best practices across our plantations, combining cultural, physical, mechanical, biological, and chemical methods. Informed by our extensive long-term R&D programs, these measures include:

- Cultivating beneficial plants, such as those plants that repel leaf-eating caterpillars
- Attracting more barn owls to naturally control rat populations across our plantations
- Adopting microbial controls that use microorganisms, such as the fungus *Metarhizium majus* and the virus *Oryctes rhinoceros nudivirus*, to target pests such as rhinoceros beetles

We use highly or extremely hazardous pesticides at our operations only in emergencies and under exceptional circumstances when other methods are not viable.¹⁶ We remain committed to implementing IPM best practices at our upstream operations and to using pesticides, including insecticides and rodenticides, judiciously rather than indiscriminately. None of the pesticides we currently use appear on any banned pesticide lists.

Herbicides are used to control weeds that compete with oil palms for nutrients and to facilitate fertilizer application by maintaining weeding circles around individual palms and access paths for harvesters. We continuously optimize the herbicide use and explore alternatives to reduce our reliance on these chemicals. At present, cost-effective and operationally viable alternatives to glyphosate-based herbicides (GBH) are in short supply in Indonesia, particularly in peatlands and uneven terrain where mechanical clearing methods are less suitable. We therefore focus on the responsible application of GBH while continuing to evaluate alternative approaches. We do not use herbicides classified as highly or extremely hazardous at our operations.¹⁷

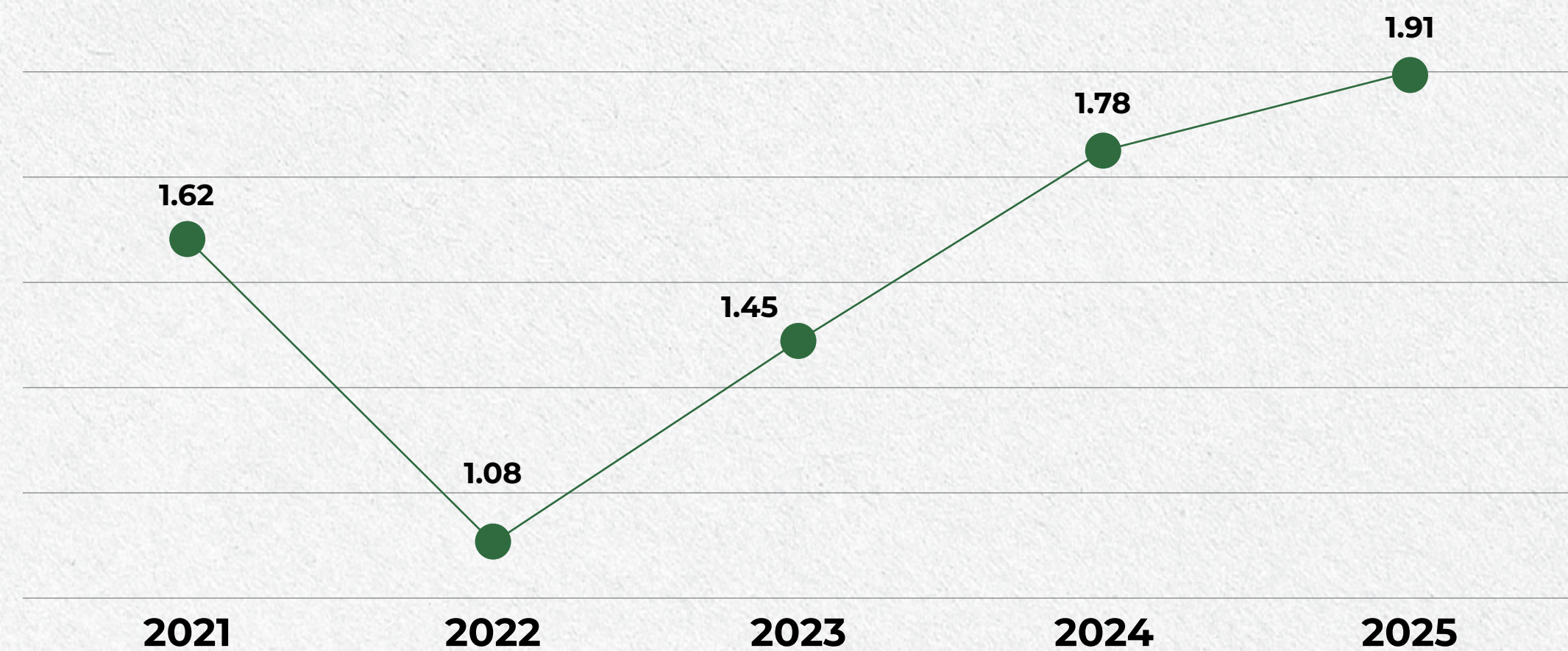
To safeguard the health and well-being of our workers, employees involved in the handling and application of pesticides receive regular training on the safe handling, storage, use, and disposal of chemicals, and are provided with appropriate personal protective equipment (PPE). Workers handling pesticides also undergo regular medical check-ups to monitor their health. In addition, our policies prohibit pregnant and breastfeeding employees from undertaking pesticide application activities, with alternative work arrangements provided where necessary.

¹⁶ Pesticides classified according to the World Health Organization (WHO) Recommended Classification of Pesticides by Hazard and Guidelines to Classification.

¹⁷ This refers to herbicides classified as WHO Class 1A or 1B, those listed under the Stockholm or Rotterdam Conventions, pesticides prohibited by the Forest Stewardship Council (FSC), or those prohibited under the Rainforest Alliance Sustainable Agriculture Standard. Paraquat has not been used across Musim Mas plantations since 2011.



Active Ingredient Per Hectare 2021-2025 (kg/ha)



Note: These figures include herbicides, fungicides, insecticides, and other pesticide categories.

Fertilizer

In 2025, we applied 1.84 and 1.22 tonnes of fertilizer per hectare (MT/ha) to our immature-planted areas and 1.33 and 2.44 MT/ha to our mature planted areas in Sumatra and Kalimantan. The inorganic fertilizers used at our operations include ammonium sulfate, borate, dolomite, kieserite, muriate of potash, rock phosphate, urea, and zinc sulfate.

To maximize nutrient-use efficiency and minimize nutrient leaching and losses, we follow agronomic recommendations for fertilizer application and conduct soil and leaf analyses. We use dried decanter solids instead of potassium on sandy soils whenever possible to improve moisture retention and enhance physical and chemical properties. In selected areas, we also apply operational waste, such as boiler ash from our mills, as fertilizer to help maintain pH levels.

Water Management

[GRI 3-3, 101-6, 303-1, 303-2, 303-3, 303-4, 303-5] [SASB FB-AG-140a.1, FB-AG-140a.2, FB-AG-140a.3]

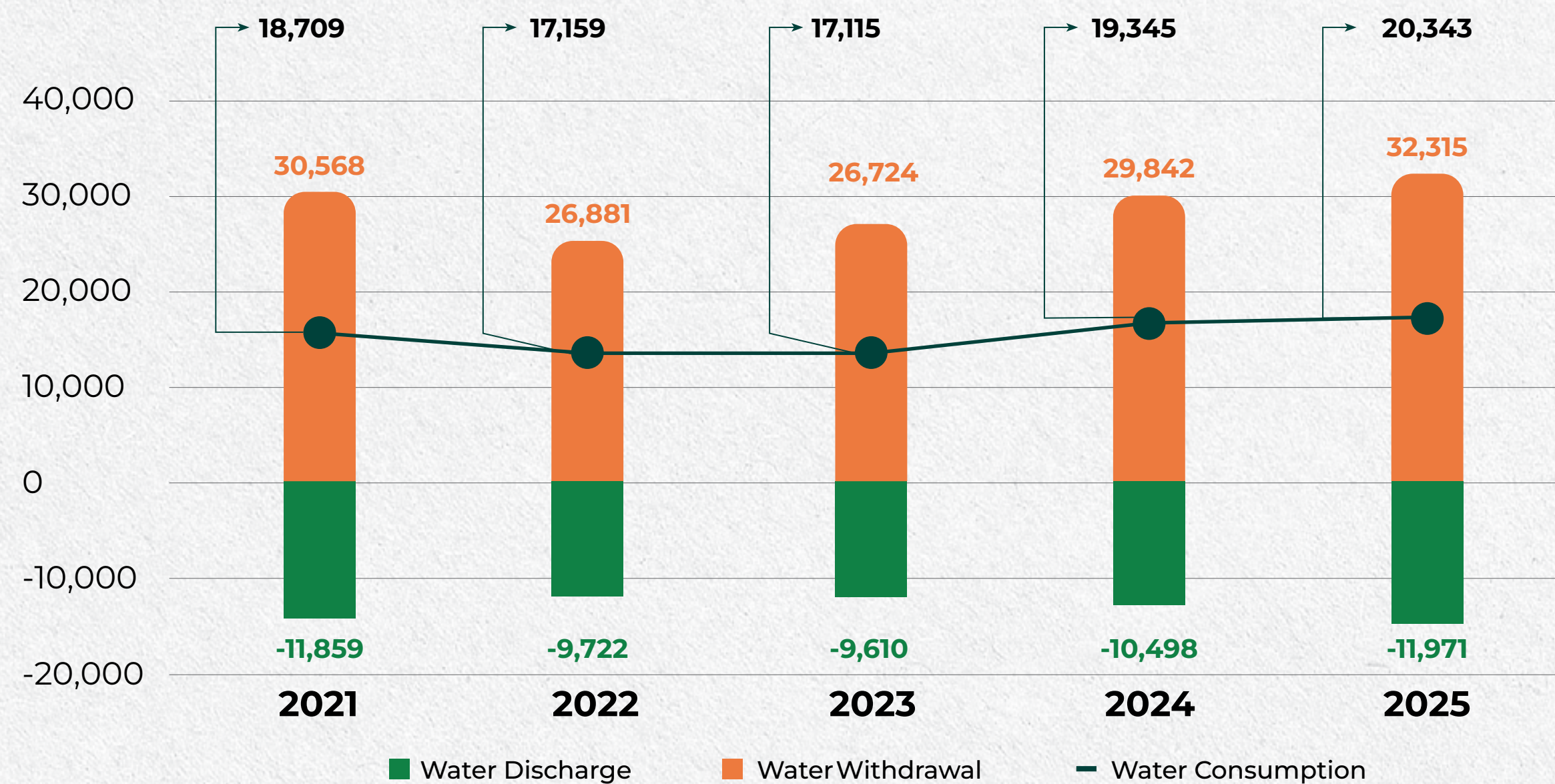
Musim Mas recognizes water as a finite, shared resource and has implemented comprehensive measures to safeguard the quality and availability of surface and groundwater for our business and surrounding communities.

Group Water Consumption

We monitor our Group-wide water consumption across our upstream, midstream, and downstream operations and report on our management approaches to CDP's Water Security assessment. To deepen our understanding of water-related impacts and dependencies, we also conduct site-level water risk assessments across our operations.¹⁸ In 2025, the Group consumed 20,343 megaliters (ML) of water with a water-usage intensity of 1.07 cubic meters per tonne of product produced (m³/MT product).



Group Water Withdrawal and Discharge 2021-2025 (ML)



¹⁸ Site-level water risk assessments are conducted using the World Resources Institute (WRI) Aqueduct Water Risk Atlas, alongside site-specific operational assessments where applicable.

[#] EY has performed limited assurance procedures on this figure.

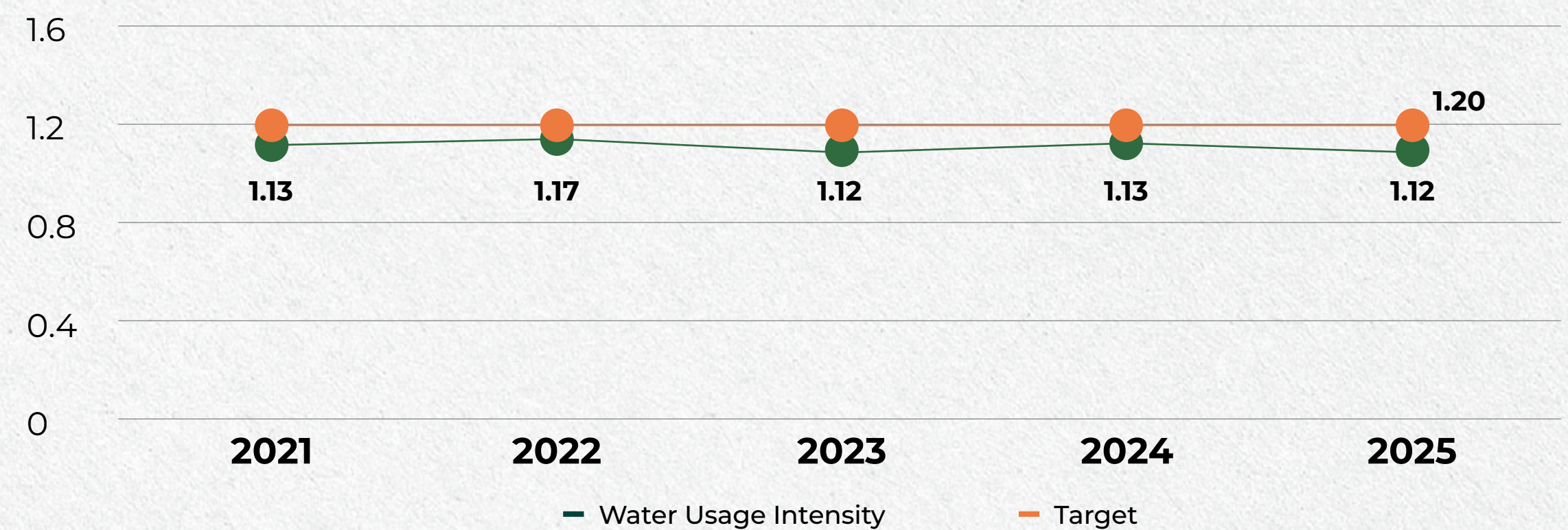
In June 2026, Musim Mas participated as an observer in the Science Based Targets Network (SBTN) Freshwater Pilot, a four-month initiative supporting companies in developing science-based freshwater targets. Through this engagement, we are assessing opportunities to align with the SBTN framework and evaluating how to integrate science-based freshwater targets into our operational strategy and water management approach.

Upstream Water Usage

We source surface water and groundwater for our upstream industrial use, including steam generation, pesticide mixing, seedling irrigation, and domestic applications such as cleaning and cooking. We are mindful that our upstream operations are not located in water-stressed areas, but still we remain committed to managing water responsibly and efficiently. In 2025, the water usage intensity at our RSPO-certified mills was 1.12[#] cubic meters per tonne of FFB processed (m³/MT FFB), matching 2023 levels and meeting our annual upstream target of keeping water usage intensity at or below 1.20 m³/MT FFB.



Average Mill Water Usage Intensity 2021-2025 (m³/MT FFB) RSPO-Certified Mills



For more information, see our [2025 CDP Water Security Assessment](#)



Safeguarding Water Quality

We treat POME and palm oil refinery effluent (PORE) prior to discharging it to avoid impacting groundwater and surrounding water sources. We monitor phosphorus and nitrogen levels at inlet and outlet points, upstream and downstream of rivers that cross our concessions. In addition, we closely monitor and manage biological oxygen demand (BOD) and chemical oxygen demand (COD) levels to ensure compliance with national regulatory thresholds.¹⁹

In 2025, we externally verified the COD levels in treated PORE discharged into the sea by our PT Musim Mas Belawan refinery. COD levels remained well below the regulatory threshold of 145 milligrams per liter (mg/L), with the average COD levels of 104.09[#] mg/L and 89.25[#] mg/L recorded at the two discharge points.

There were no instances of non-compliance recorded during the year.

-  See [Sustainability Performance Data 2021–2025](#) for BOD and COD levels
-  [Treatment of PORE](#)



¹⁹ The regulatory threshold for land applications is 5,000 parts per million (ppm) for BOD. In waterways, the thresholds are 100 ppm for BOD and 350 ppm for COD.
[#] EY has performed limited assurance procedures on this figure.



Waste Management

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

Musim Mas recycles and repurposes non-hazardous waste generated by our upstream operations as part of our circular waste management approach. At our plantations, oil palm trunks and fronds from replanting and pruning are left to decompose naturally and then reused as organic matter to enrich the soil. We also reuse waste from our mills – including PKS, palm fiber, EFB – as biomass fuel for our boilers. Decanter solids and boiler ash are recycled into organic fertilizer used at our plantations. Finally, we direct POME from our mills to our methane-capture facilities to generate electricity, then channel it to our treatment ponds for processing.

In 2025, we reused 88,099 MT of organic waste, including EFB, decanter solids, boiler ash, and over 2.5 million m³ of POME.

We have established waste management protocols to minimize pollution risks from hazardous waste at our upstream operations. These protocols cover the proper handling and disposal of various types of waste, including lubricants, batteries, containers, and drums. All hazardous waste is disposed of by government-licensed vendors. We also provide regular education and training for workers to further mitigate associated risks and ensure they handle and segregate waste properly.

Paper and Packaging

Musim Mas recognizes the environmental impacts associated with paper and plastic use and is committed to reducing the amount of paper and plastic used in product packaging for downstream users and consumers. Our latest policy includes a commitment to reduce our paper and packaging footprints. We will begin studying paper reduction in 2026 and will disclose our progress and detail our programs in future reports.

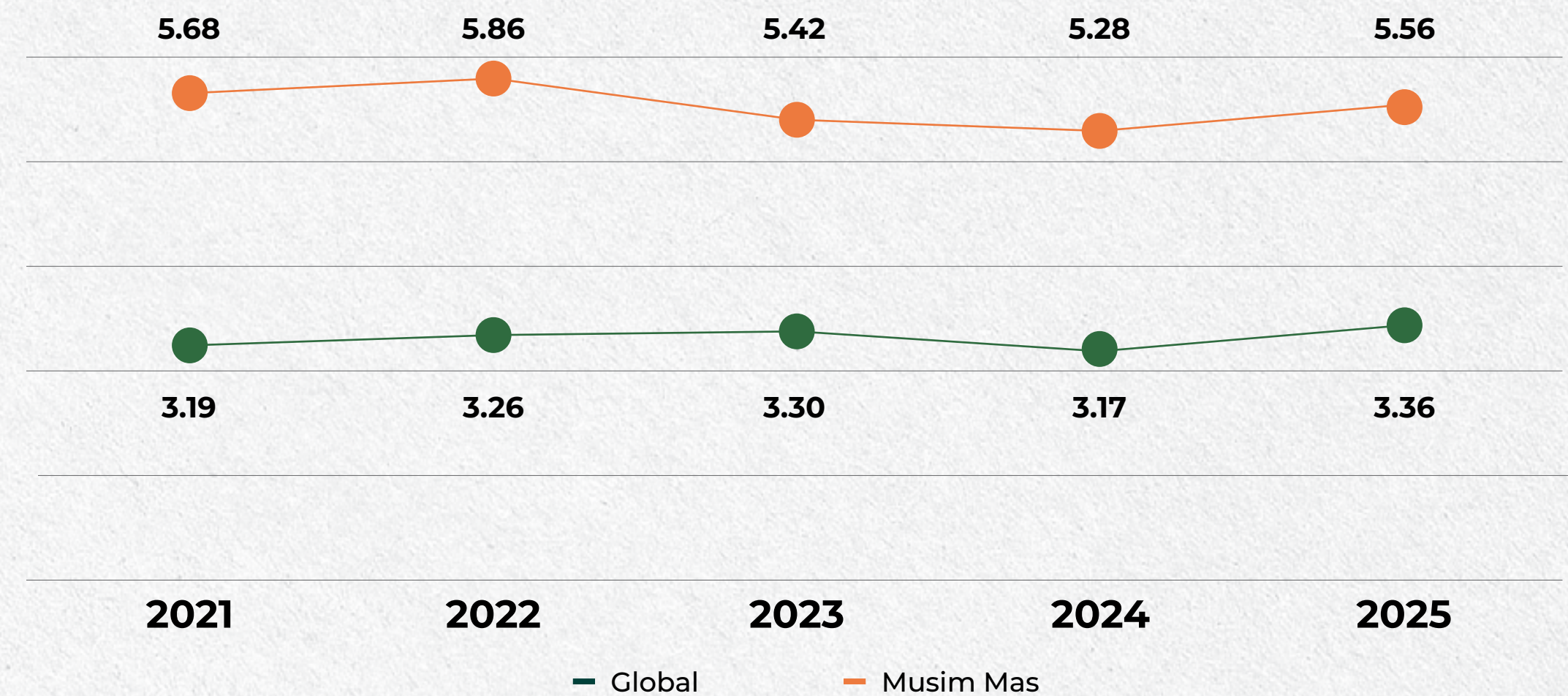
Improving Yields

Musim Mas believes that meeting future palm oil demand should be driven by improving crop yields rather than by cultivating more land. We invest in R&D to improve land-use efficiency, increase productivity, and develop higher-yielding oil palm varieties. By prioritizing innovation, we develop solutions that aim to reduce our GHG emissions and minimize our potential impacts on forests and biodiversity.

Our Genetic and Agriculture Research Center in Riau is home to dedicated facilities and expert teams that advance agronomic innovation, including the development of superior oil palm varieties and the optimization of crop protection and peat management practices across our plantations.



Musim Mas CPO Yield Vs. Global Average 2021-2025 (MT/ha)



Note: Global average data source: Oil World Annual March 2026. 2024 global yield has been revised.

Commercialisation of the GS Series

Building on the launch of the GS Series in 2023, Musim Mas received commercialisation approval from the Indonesian government for the **GS1-GS4** varieties in 2025. This milestone reflects over a decade of research and development to produce high-performing planting materials that support higher yields and improved land-use efficiency. The GS Series is now being progressively adopted across our operations and by external growers, reinforcing our commitment to innovation, sustainable growth, and the long-term resilience of the palm oil sector.



Human Rights

[GRI 3-3]

Musim Mas is committed to creating a lasting, positive legacy by upholding human, labour, and land rights for the people whose lives our business directly impacts. We strive to ensure a safe, healthy, and sustainable work environment with fair compensation and clear opportunities for professional advancement for all Musim Mas employees. We also prioritize the long-term well-being and livelihoods of surrounding communities by protecting fundamental rights and expanding income opportunities.

Human Rights Due Diligence at Musim Mas

[GRI 2-24]

Human and labour rights are key priorities for Musim Mas. Our approach aligns with leading international frameworks, including the International Bill of Human Rights, relevant United Nations human rights treaties and covenants, the United Nations Guiding Principles on Business and Human Rights (UNGPs), the International Labor Organization (ILO) Conventions and core labour standards, and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct. Our commitment to respecting human rights has evolved over more than two decades and is embedded throughout our sustainability journey. Since becoming a member of the RSPO in 2004, we have progressively strengthened our approach to managing social and labour-related risks through policies, assessments, stakeholder engagement, and initiatives focused on worker welfare, community rights, and responsible business conduct.

We started as early as 2007 through assessments such as HCV, which integrated social considerations into land-use planning, helping us identify and mitigate community impacts. To extend our commitment, we established a Gender Committee in 2008 to promote workplace equity and inclusion. In 2012, we strengthened occupational safety and health commitments across operations.

The launch of our first sustainability policy in 2014 formally embedded our commitment to respect human rights in business practices. We also strengthened our community engagement and land rights practices through the application of free, prior, and informed consent (FPIC). In 2016, we partnered with Verité to conduct a labour assessment to better understand and address labour rights risks. We also launched the Decent Rural Living Initiative in 2018 as a way to support and improve livelihoods in plantation landscapes. In 2020, we updated our sustainability policy to reflect evolving expectations on responsible operations. As a further commitment to respecting human rights, Musim Mas joined the UN Global Compact (UNGC) in 2022.



In 2024, we began disclosing our existing efforts under one unified Human Rights Due Diligence (HRDD) framework in line with the UNGP, meeting our 2025 target of developing a HRDD strategy. These efforts are not new initiatives; rather, they reflect long-standing practices embedded in our organization.

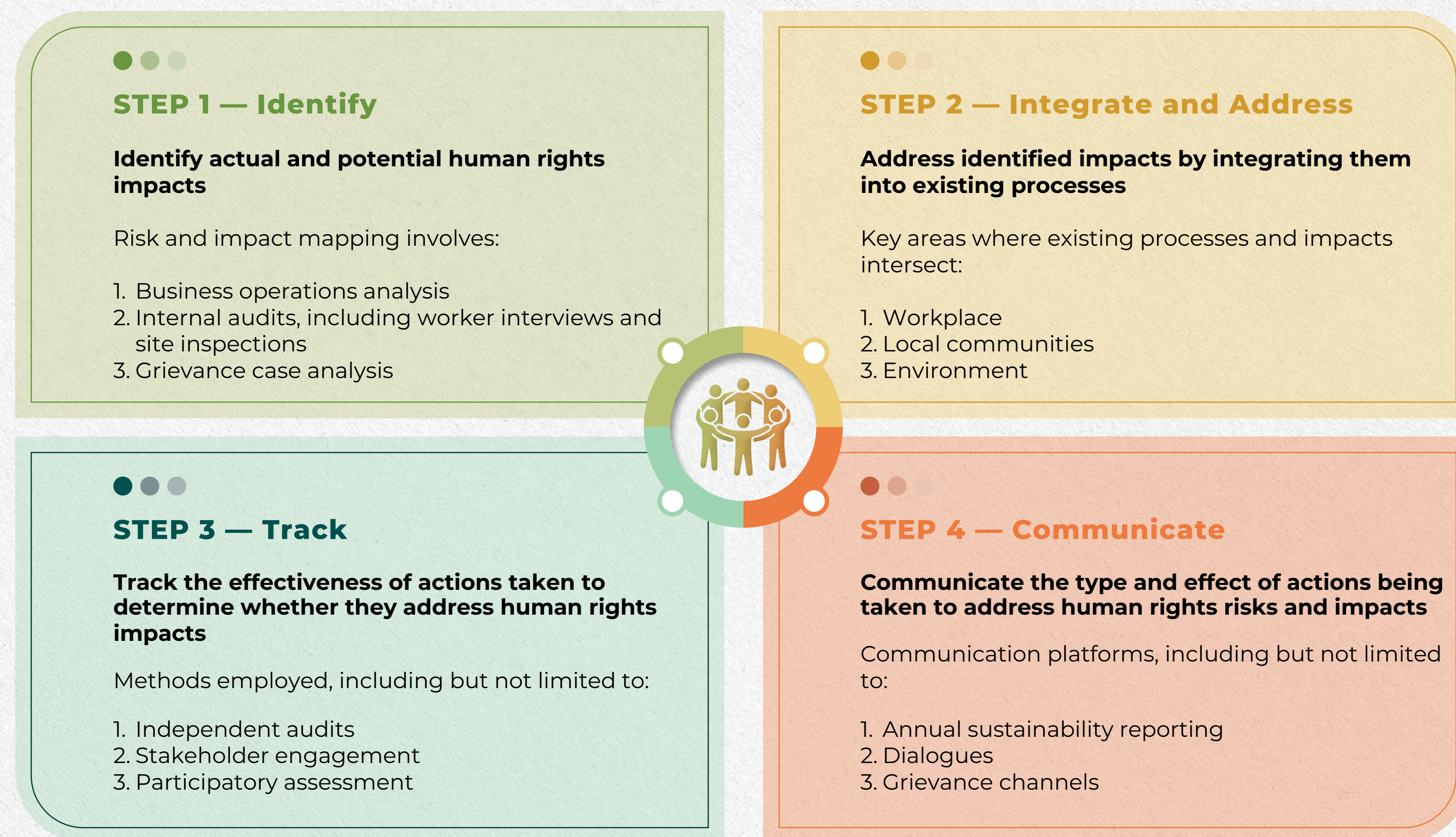
To complement our process, we continue to enhance internal capacity through HRDD-focused training and engagement with external initiatives and industry platforms, including participation in the RSPO Human Rights Working Group. We further support internationally recognized responsible business practices through our membership in the UNGC and adhere to national regulations such as Indonesia's Presidential Regulation No. 60/2023.

We regularly review and update our due diligence systems to identify, address, track, and communicate human rights issues. Our HRDD process focuses on three key areas where our operations may affect people and livelihoods: workplace rights, community rights, and environment-related human rights impacts. These include issues such as worker welfare and safety, gender equity and inclusion, land rights, livelihoods, and environmental factors that may affect community well-being.

HRDD Process

Musim Mas is committed to respecting human rights across our operations, supply chain, and relationships with stakeholders. We are strengthening our HRDD process in line with the UNGP, the International Bill of Human Rights, and the fundamental ILO Conventions.

Our approach is designed to **identify, prevent, mitigate, and address** actual and potential human rights impacts. It is supported by dedicated teams at headquarters and operational levels, and informed by stakeholder engagement, internal assessments, grievance mechanisms, and ongoing capacity building. Through this process, we aim to promote meaningful remedy where adverse impacts occur and drive continuous improvement across our business.





Our Workforce

Employee Overview

[GRI 2-7, 2-8]

We employ 37,865 people worldwide. Of our total workforce, 59.6% work at our upstream Indonesian operations in Sumatra and Kalimantan, while 33.3% work at our midstream and downstream facilities globally. The remaining 7.1% work at our Singapore headquarters and our international sales and satellite offices.

Workers account for 80.2% of our workforce across our upstream, midstream, and downstream operations, while the remainder comprises office and administrative staff, management, and senior management.

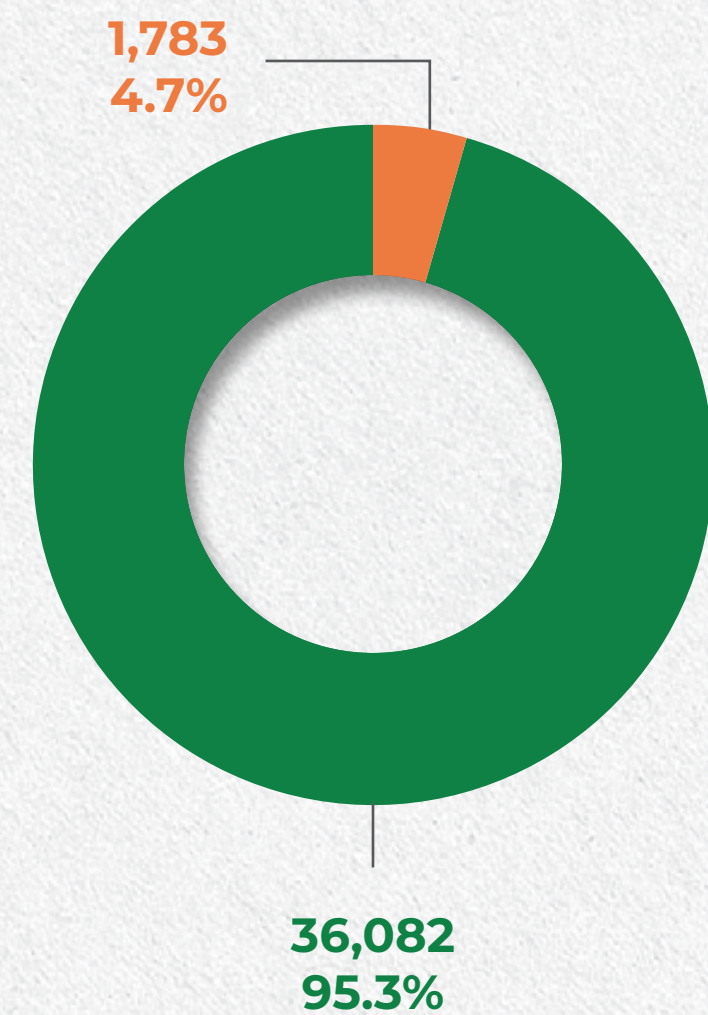
While most of our workforce is employed on a permanent, full-time basis, we also engage temporary, short-term contract workers to support our upstream, midstream, and downstream operations during peak periods. In 2025, we employed 5,212 temporary workers, representing 13.8% of our workforce.

Employee Overview 2025 (No., %)

Total: 37,865 ²⁰



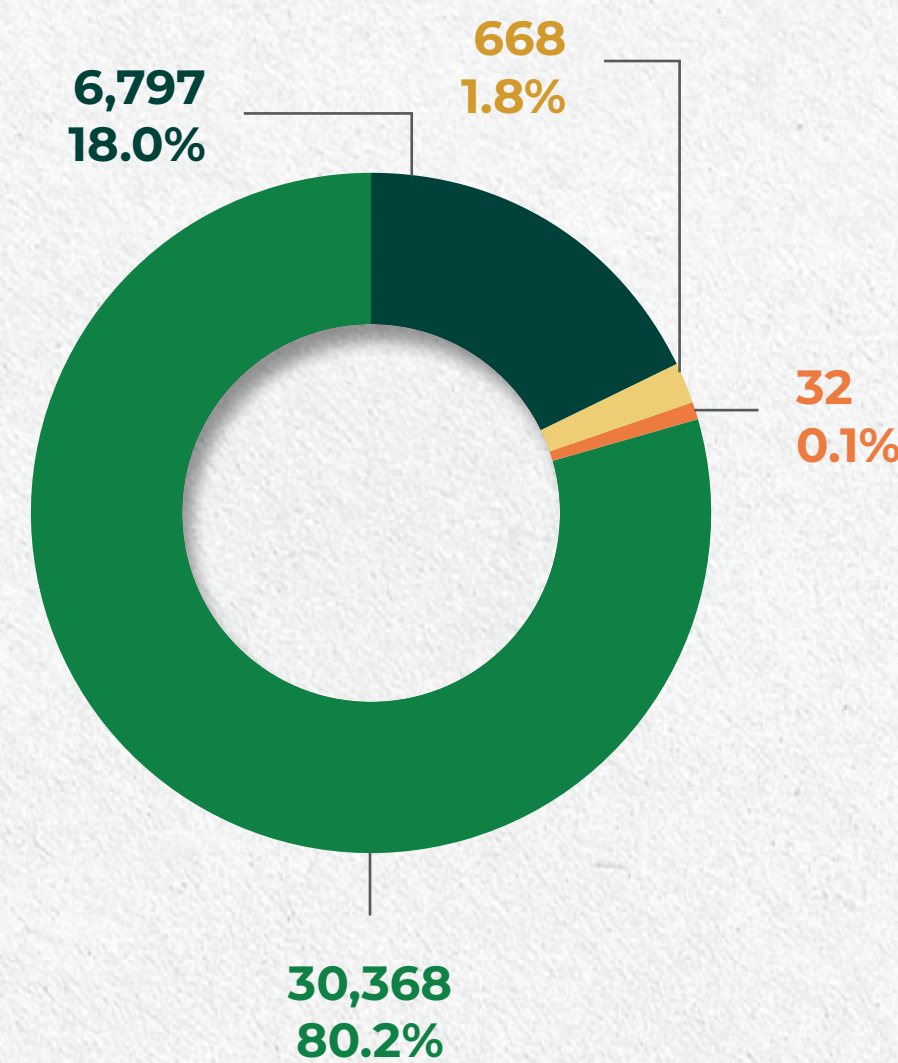
By Region (no., %)



● Global
● Indonesia



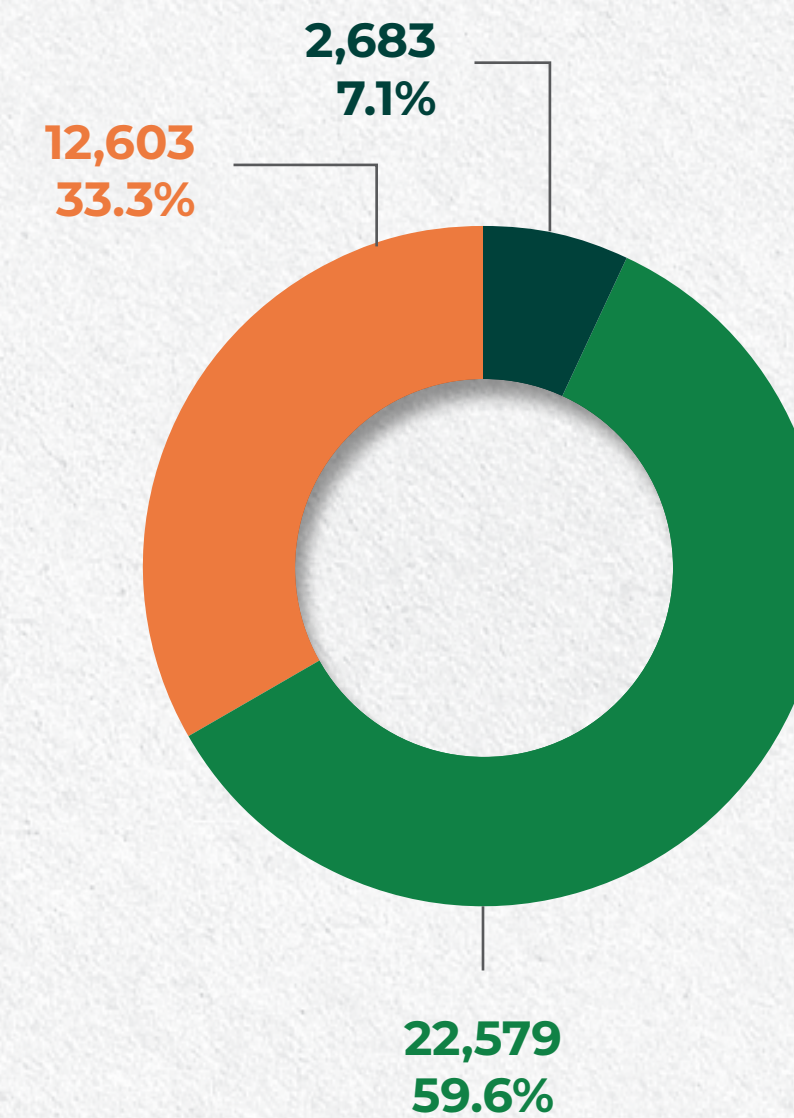
By Category (no., %)



● Senior Management
● Workers
● Staff
● Management



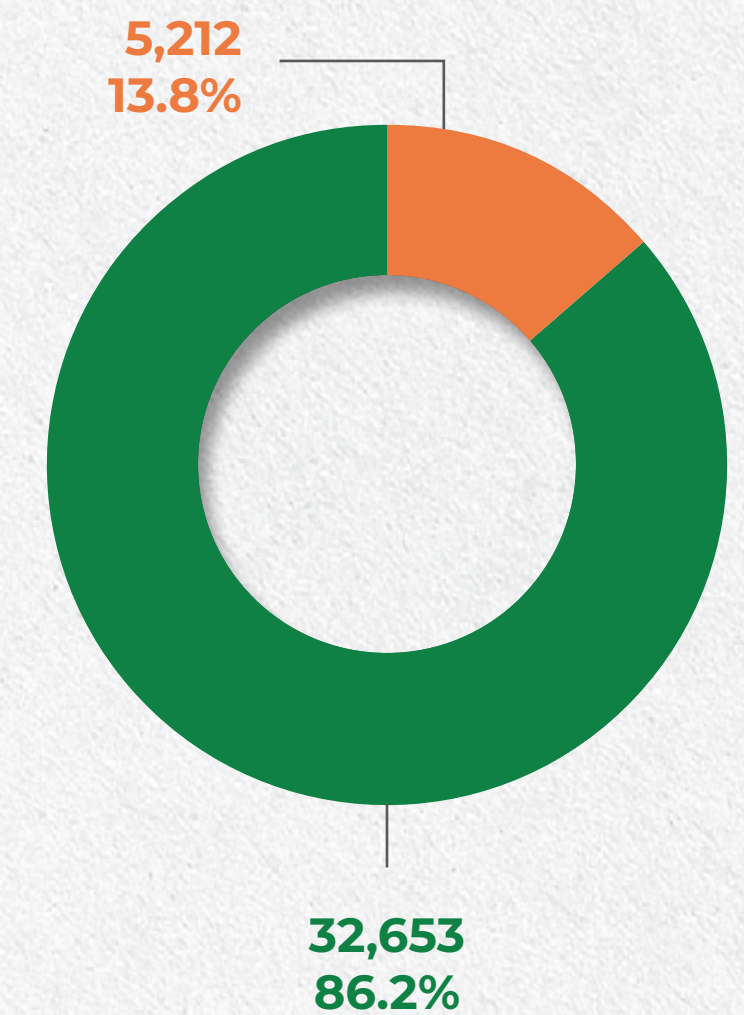
By Business Segment (no., %)



● Midstream and Downstream
● Upstream
● Other



By Contract Type (no., %)



● Temporary
● Permanent

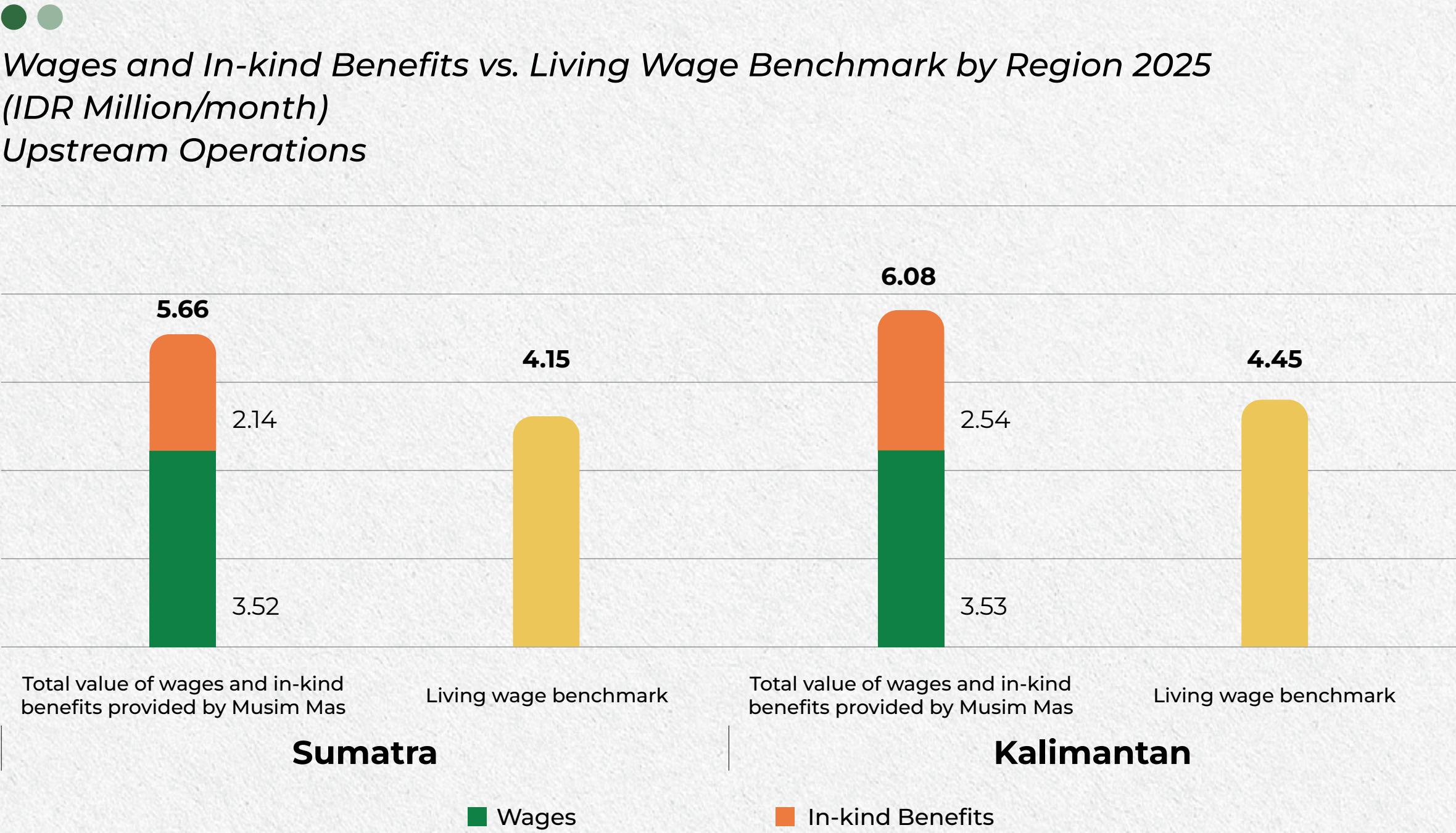
²⁰ See [Sustainability Performance Data 2021-2025](#) for Malaysia workforce data restatements.

Wages and Working Conditions

[GRI 202-1, 401-2, 405-2, 13.20.1, 13.21.1, 13.21.3]

All upstream employees in Indonesia, including temporary workers, are paid at least the minimum wage for their respective regions, and their employment conditions comply with applicable local and national labour laws. They receive equal entry-level wages and comprehensive in-kind benefits regardless of gender. In 2025, starting salaries at our upstream operations ranged from IDR 3.0 million to IDR 3.9 million per month, depending on the operational region.

Our workers' wages and in-kind benefits align with RSPO standards, and we assess annually that wages and benefits meet living wages. Based on our latest assessment, the total value of wages and in-kind benefits for upstream employees in Sumatra and Kalimantan was IDR 5.66 million and IDR 6.08 million per month, respectively. **This means, collectively, Musim Mas wages and in-kind benefits were approximately 1.4 times higher than the 2025 calculated living wage benchmarks of IDR 4.15 million in Sumatra and IDR 4.45 million in Kalimantan.**



Employee Benefits

At plantations, employees receive benefits including free healthcare, housing with electricity and clean water, transportation, childcare, and on-site education for school-age children. In addition, employees in our midstream and downstream operations in Indonesia receive housing and access to clinics. **In 2025, Musim Mas provided:**

Housing for 14,364 employees	28 clinics 3,285 first aid kits/posts	47 childcare centers 11 YAK kindergartens* 11 YAK primary schools* 3 YAK secondary schools*
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*Notes:
1. These schools were established by the Anwar Karim Foundation (Yayasan Anwar Karim – YAK), Musim Mas's long-standing community outreach charity.
2. 2025 data now include our downstream employees in Indonesia.

For midstream and downstream employees, the in-kind benefits we offer vary by region and comply with local and national laws.





Workforce Diversity

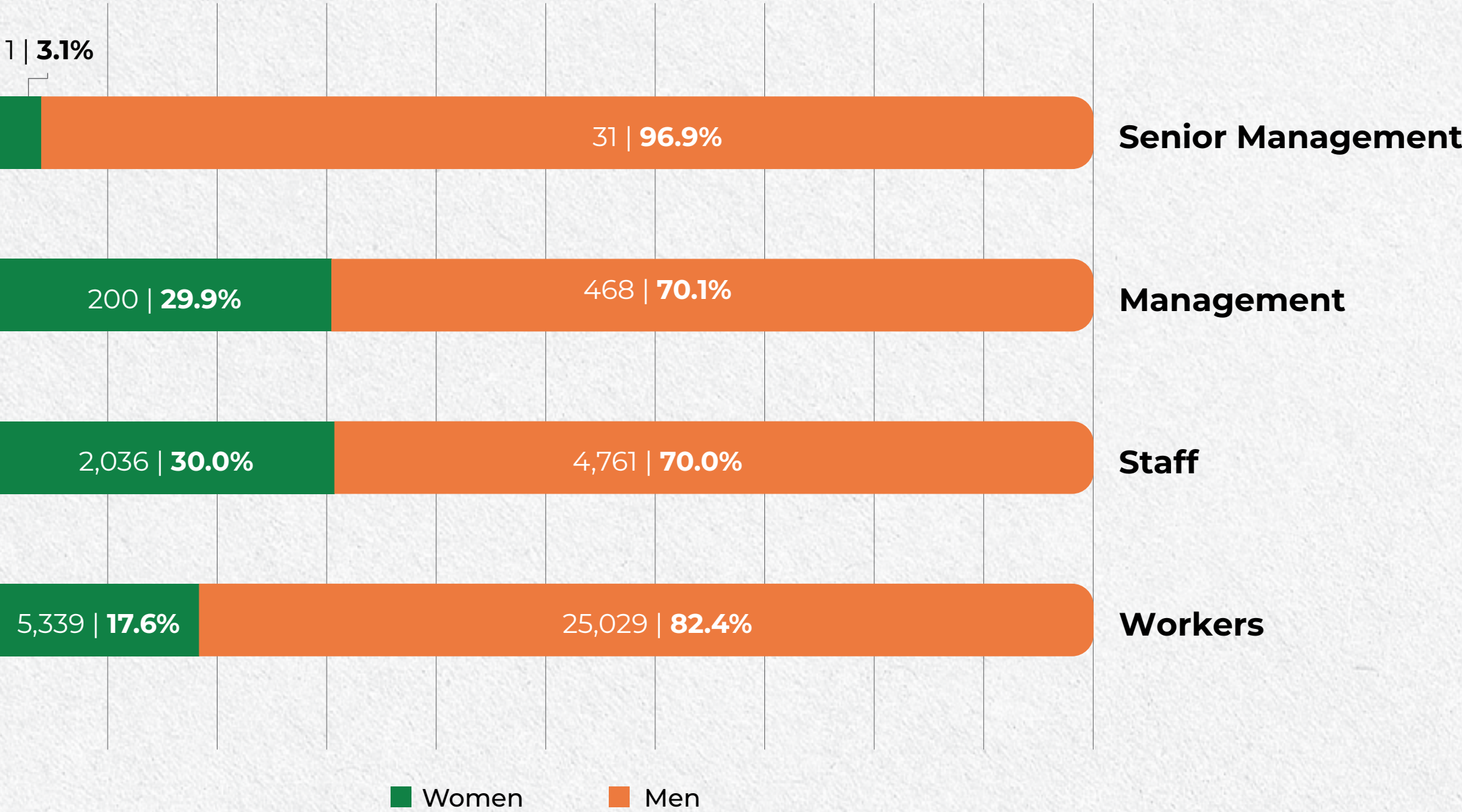
[GRI 3-3, 405-1, 406-1]

We hire and promote employees based on merit and provide equal pay and opportunities without discrimination on any prohibited grounds. We train all employees on our no-discrimination policies and can confirm that no instances of discrimination were reported at our upstream as well as our downstream operations in Indonesia in 2025.

Across the Group, we employ 7,576 women, representing 20% of our global workforce. Specifically, women make up 29.9% of management, 30.0% of staff, and 17.6% of workers across our global operations. In addition, one woman holds a senior management position.



Gender Diversity By Employee Category 2025 (no., %)



Promoting Gender Equity at Plantations

Musim Mas promotes gender equity in our plantations by providing women employees with support services and facilities to help them balance their household responsibilities and childcare commitments with work. We also raise awareness of gender-related issues and support women through the following initiatives:

Conducting workshops to raise awareness on gender, sexual harassment, shared responsibilities, new parents, nutrition, and bullying, in collaboration with experts

Ensuring all workers have access to a grievance mechanism

Providing adequate parental and menstrual leave

Enacting and upholding no-discrimination and equal opportunity policies

Empowering gender committee by enhancing their knowledge and skills to be the change agent

Providing facilities such as designated lactation areas, childcare centers, schools, and school bus to support women and working parents in the workplace

Implementing measures to ensure the role of women in decision making as well as to prevent and address gender-based violence (GBV)



In 2025, Musim Mas strengthened our partnership with Dignity in Work for All (DIWA) through a program aimed at advancing gender equity and reinforcing human rights protections across our operations. The program comprised two components:

- **Data gathering** was conducted to gain deeper insights into gender-related issues on the ground and the effectiveness of existing on-site gender programs, through interviews and focus group discussions that were held with men and women workers from different units across our plantation, to understand their lived experiences and perspectives
- **Capacity-building workshops and training** of trainers on gender equity and women's empowerment were conducted and attended by all gender committee members and more than 200 participants across our Sumatra and Kalimantan sites. Women accounted for 47% of participants

In tandem with the collaboration with DIWA, KomGen launched the *#BeraniBicara* campaign to raise awareness and promote a culture of equity, respectful workplace, shared household responsibilities, no discrimination, and safety across Musim Mas workplaces and communities. The campaign reinforces a zero-tolerance approach to all forms of GBV, domestic violence, harassment and intimidation. Implemented across all our plantations, the campaign featured posters and awareness materials that were displayed at Musim Mas offices, work sites and workers' housing to engage employees and surrounding communities.



Supporting Women's Economic Independence

With Kelompok Usaha Al-Husain, PT MPG

Musim Mas supports *Kelompok Usaha Al-Husain*, a home-based enterprise run by local housewives producing cassava chips, banana chips, and sweet potato crackers. The group receives support to improve production efficiency, while Musim Mas helps guarantee market access through the company's minimarkets, ensuring their products reach customers consistently. The initiative provides members with additional income, strengthens their economic independence, and encourages women's entrepreneurship within the community.

Creating Opportunities for Women to Thrive at Musim Mas

Spotlight: Ibu Anastasia, PT MAS

Ibu Anastasia joined PT MAS as a maintenance worker in 2008 and was promoted to Maintenance Foreman (*Mandor*) in 2013 in recognition of her strong performance and dedication. Her career progression demonstrates how Musim Mas provides equal opportunities for employees to grow based on merit, empowering women to build rewarding careers while supporting their families.

Women Smallholder Program

Through our independent smallholder program Musim Mas supports women entrepreneurs in Pelalawan, Rokan Hulu, and Rokan Hilir who operate neighbourhood shops (*waroeng*), which are grocery stores that focus on selling daily necessities. Participants receive guidance on business planning, financial management, and supplier engagement to strengthen their businesses. By building entrepreneurial skills and improving income generation, the program helps enhance women's economic independence while supporting more resilient rural communities.



For more information, see [Women Smallholder Program](#)



Freedom of Association

[GRI 2-30, 402-1, 407-1, 13.21.2]

All Musim Mas employees are free to join a labour union of their choice and to participate in union meetings and activities. We maintain a constructive relationship between management and union representatives and use formal social dialogue structures, including meetings with labour unions and bipartite cooperation committees (*Lembaga Kerja Sama*, *LKS Bipartit*), to discuss wages, benefits, leave, and other employment issues. A total of 21,582 Indonesian employees are labour union members, while another 577 employees across our global downstream operations are unionized.

We respect employees' right to participate in collective bargaining and to enter into collective bargaining agreements (CBAs) in accordance with government regulations. Currently, 35,396 employees in Indonesia, Italy, the Netherlands, and Spain are covered by CBAs.

Our Indonesian employees have guaranteed access to their CBAs, which include transparent provisions, such as minimum notice periods for operational changes. We communicate CBA terms and availability at union meetings and morning briefings, distribute them to field supervisors, and make them accessible at estate, mill, and union offices so workers can easily consult them. Outside Indonesia, select Musim Mas employees are either covered by CBAs or belong to unions, in line with local labour laws and practices.

Ensuring No Child or Forced Labour

[GRI 3-3, 408-1, 409-1, 13.20.1]

Child Labour

Our strict zero-tolerance policy expressly forbids all child labour at our operations. Our recruitment policy prohibits the employment of anyone under the age of 18, and this requirement is communicated to stakeholders through annual on-site meetings. To enforce this policy, we use the E-DABU and SIPP online systems²¹ to screen all job applicants to ensure they meet the minimum age requirement, cross-checking dates of birth against identity and family registration documents to verify compliance with the minimum age requirement.

²¹ E-DABU (*Elektronik Data Badan Usaha*) and SIPP (*Sistem Informasi Pelaporan Perusahaan*) are online platforms used by BPJS Kesehatan to manage company and employee data, as well as employment and social security information.

Additionally, we provide schools and daycare centers for children living in and around our plantations. These facilities reduce the risk of underage children engaging in casual labour alongside their parents in the field, and also allow parents to work without worry, while ensuring their children's safety and education are safeguarded. **Our commitment to protecting children's rights was recognized in the 2025 Global Child Forum Benchmark, where Musim Mas ranked among the Top 10 companies globally.**

Forced Labour

We prohibit all forms of forced labour and trafficking. Our workers are free to move both within and outside our estates. Furthermore, our recruitment, selection, and hiring policies and procedures comply with all applicable labour standards and laws, and we implement strict controls to prevent forced labour, debt bondage, and discrimination.

We recognize that in certain regions and countries, the palm oil sector faces an elevated risk of forced labour, largely due to its reliance on migrant plantation workers. However, we do not employ foreign workers at our Indonesian operations and, when possible, prioritize hiring local workers in the provinces where we operate. For employees recruited from other provinces, we do not retain personal identification or travel documents. We also do not engage third-party recruiters or labour agents, nor do we charge workers any recruitment fees. In addition, we fully reimburse transportation costs incurred by prospective employees.





Worker Access to Grievance Mechanism

[GRI 2-25, 2-26]

Workers have access to transparent and accountable grievance mechanisms without fear of reprisal or dismissal. All employees are informed of available grievance channels, trained in internal grievance procedures, and provided with notices posted on bulletin boards at all our sites. Employees can submit complaints through suggestion boxes located within and around our operations, as well as through grievance logbooks at our administrative offices. Alternatively, they can raise concerns directly with our Corporate Affairs Department (*Hubungan Masyarakat*), by telephone, or through their labour union, ensuring multiple accessible channels for reporting and resolution.



[Grievance Mechanisms](#)



[Supplier Grievances](#)

Safety and Health

[GRI 3-3, 403-1, 403-7, 403-8, 403-9] [SASB FB-AG-320a.1]

Musim Mas places a high priority on the safety and health of our employees. Our Occupational Safety and Health (OSH) policy and OSH management system apply to all permanent and temporary employees. We provide all plantation, mill, and factory workers with the necessary PPE and deliver role-specific safety and health training to ensure they understand work-related hazards, safe operating procedures, and emergency responses.

Upstream Operations

We are vigilant in enforcing strict health and safety measures across our upstream operations to minimize workplace accidents and injuries. In 2025, the nature of incidents has been more severe, resulting in a significant increase in severity rates compared to 2024. However, the accident frequency rates have steadily declined, standing 80% lower than the 2021 baseline.

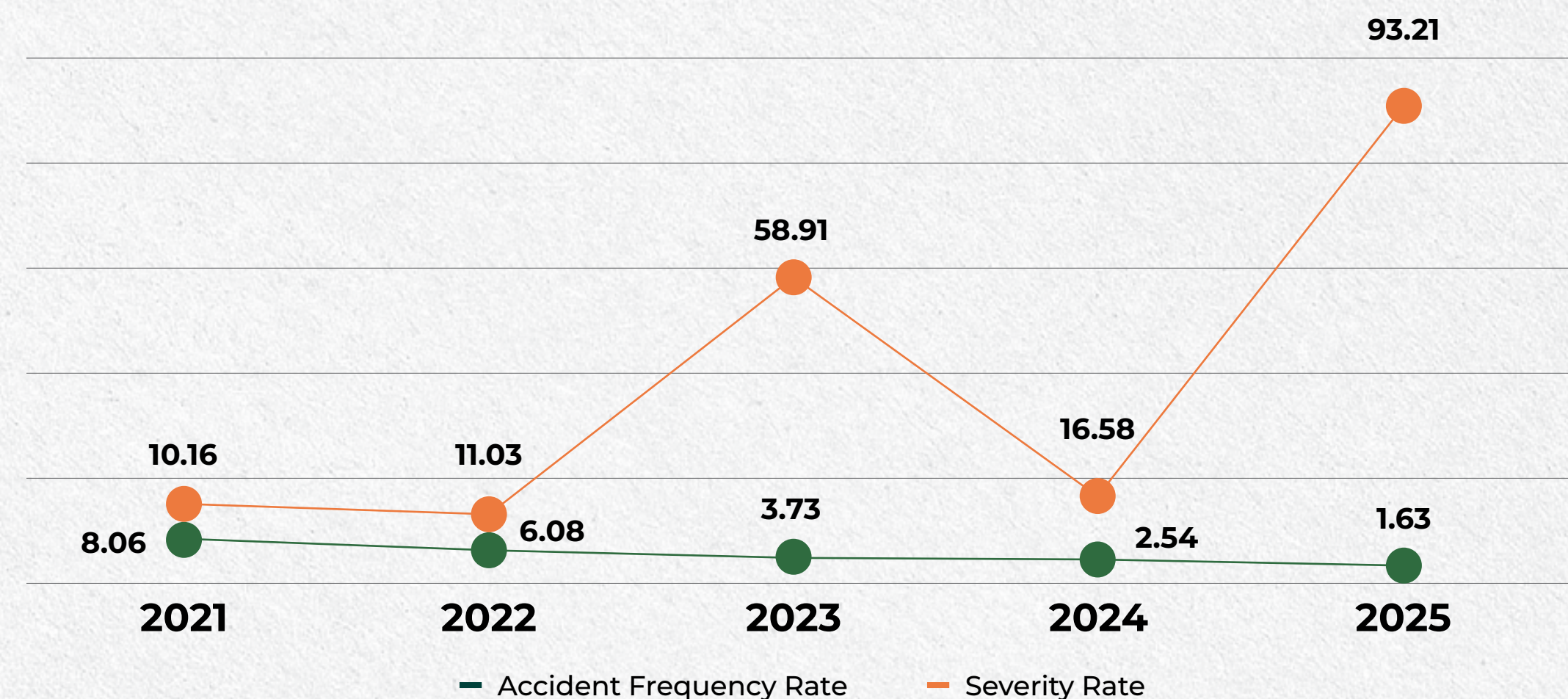
Despite our stringent health and safety measures, we are saddened to report two fatalities at our upstream operations: one in Kalimantan and another in Sumatra. Following our investigations, we found that one incident occurred during harvesting activities and involved falling harvesting material, while the other occurred during equipment handling for pond drainage. Each incident was thoroughly investigated. We reviewed the relevant Hazard Identification and Risk Assessments (HIRA) and work instructions, and reinforced procedures across affected operations. Corrective and preventive measures include:

- Requiring harvesters to verify that the surrounding area is clear of secondary falling hazards, such as fronds, loose bunches, and loose fruit, after each cut
- Reinforced socialization of pump operations hazards, mandating PPE use and prohibiting pond drainage activities during rain, drizzle, or low-light conditions.

We extend our deepest condolences to the families of our colleagues. These incidents have reinforced our commitment to continuously strengthening our safety culture and ensuring that the lessons learned translate into safer conditions across all our operations.



Accident Frequency and Severity Rates 2021-2025 Upstream Operations

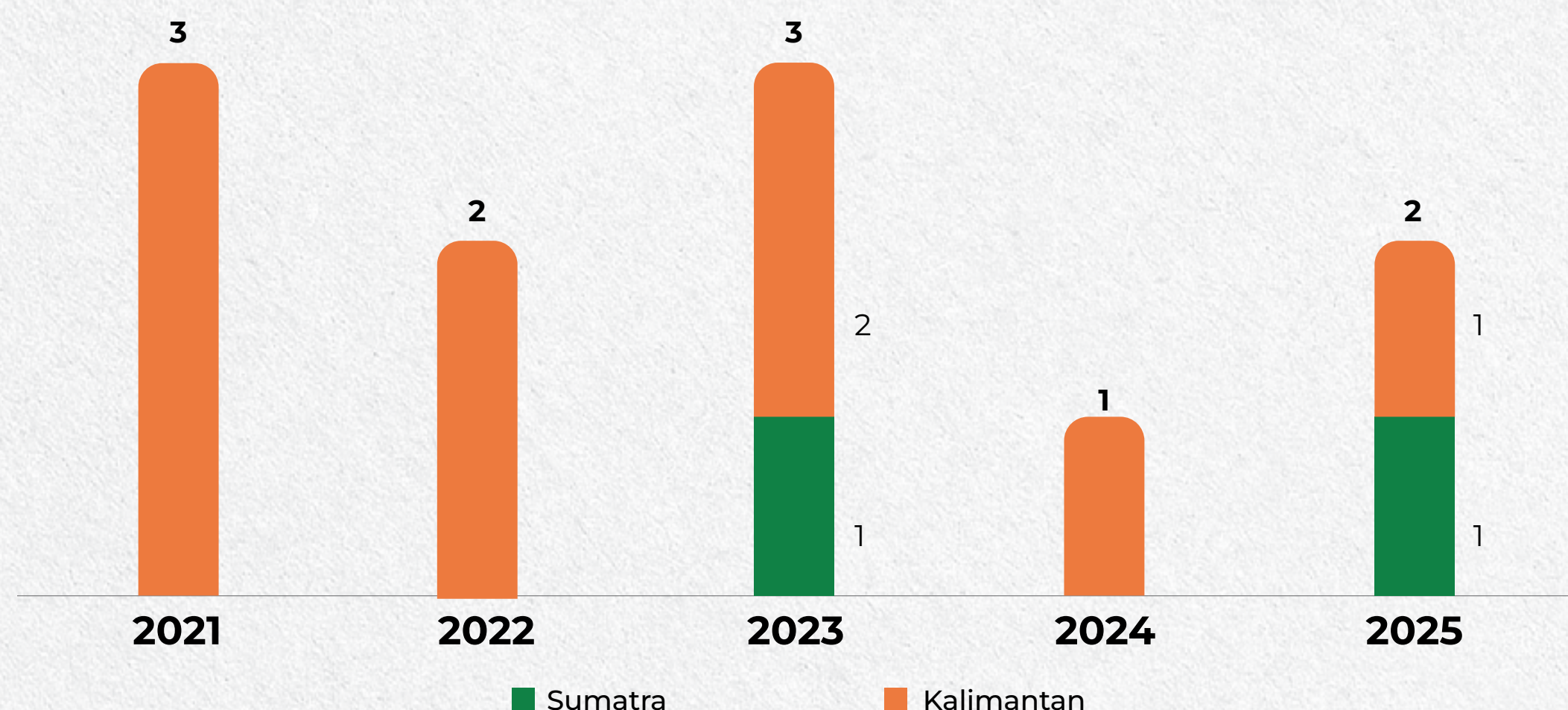


Notes:

1. The accident frequency rate measures lost productivity due to accidents. It is calculated as the number of accidents divided by the hours worked multiplied by one million.
2. The severity rate is the number of days lost divided by the number of accidents.



Fatalities by region 2021–2025 (no.) Upstream Operations



Downstream Operations

We maintain comprehensive OHS management across our downstream operations, including refineries, processing facilities, and manufacturing plants. The scope of our reporting covers operational facilities and excludes sales and marketing offices. Consistent with our upstream operations, we strive to minimize workplace accidents and promote a strong safety culture across all our sites through regular safety training, workplace inspections, risk assessments, and incident investigations at downstream sites.

Historically, our priority has been to report OHS performance to relevant local authorities. After several years of refining and harmonizing our reporting methodologies, 2025 marks the first year we are reporting downstream OHS performance at the Group level.

In Indonesia, 51 lost-time accidents were reported, resulting in an accident frequency rate of 2.01 accidents per million hours worked and 781 lost days (a severity rate of 15.31).

At downstream operations outside of Indonesia, two lost-time accidents were reported, resulting in an accident frequency rate of 1.42 accidents per million hours worked and seven lost days (a severity rate of 3.5).

There were no fatalities across all downstream operations in 2025.

Moving forward, we will begin reporting trends, findings and corrective actions year-on-year to improve our downstream health and safety disclosure.

Measures to Improve Safety and Health

We monitor OSH implementation at our work sites and run programs, such as OSH training and other safety awareness initiatives, to minimize accident risks, severity, and fatality rates. To strengthen workplace safety performance, we have adopted the following corrective measures:



Report work accidents to the
Workers Social Security Agency
(BPJS Ketenagakerjaan)



Conduct a HIRA review



Provide education to all staff and
employees on understanding
work hazards and risks and the
proper use of PPE



Provide training on the dangers and
risks of maintenance work, conveyed
by external technicians



Conduct HIRA and OSH training for all staff and employees on safe
driving, including defensive driving, speed limits, and the proper use
of helmets when riding motorcycles

Employee Development and Talent Retention

[GRI 3-3, 404-2]

We provide regular, role-specific training to equip our permanent employees, including workers, with the knowledge and skills needed to perform their assigned roles effectively. We also invest in capacity-building and technical-skills programs and provide professional growth opportunities that enable employees to pursue their career aspirations while contributing to Musim Mas' overall progress. Additionally, we regularly engage with plantation workers to set their harvest targets, which we incorporate into their performance assessments.

As part of our broader sustainability efforts, we engage employees through initiatives that promote resource efficiency and environmental stewardship. These include awareness campaigns, training sessions, and internal communications. Employees are encouraged to support efforts to reduce GHG emissions, conserve water, and identify opportunities for operational improvements in their respective work areas. These initiatives help embed sustainability considerations into day-to-day decision-making and strengthen employee participation in achieving Musim Mas' sustainability commitments.

We continue to invest in talent development across our regional offices. Since 2024, our Singapore headquarters has hosted seven interns across the Communications, Finance, and Treasury departments. In Indonesia, our on-site internship programs hosted 69 interns (41 in Sumatra and 28 in Kalimantan), who gained experience in administrative reporting, plantation fieldwork, R&D, warehouse operations, and mechanical work. Our European offices also regularly host interns and apprentices.



Community Development and Empowerment



[GRI 3-3, 413-1, 413-2, 13.14.1]

As part of our policy's business ethics commitments, Musim Mas strives to support the welfare and livelihoods of rural communities by creating employment opportunities and improving access to essential services, such as healthcare, education, and basic amenities. Through long-term partnerships with local communities and civil society organizations, we address key social challenges in the areas where we operate. Our community programs also align with broader national development priorities and goals.

Upholding Land and Community Rights

[GRI 411-1, 13.13.1, 13.13.3, 13.14.4]

We respect and uphold the rights of all community members and ensure that FPIC is obtained before any new development or expansion of our operations on community lands. All new developments undergo rigorous review to ensure compliance with the RSPO New Planting Procedure requirements.

Guided by FPIC principles, we engage with local communities through a comprehensive, consultative approach that includes participatory mapping exercises, ongoing direct dialogue, active community participation, and focus group discussions. These engagements help us identify and map village boundaries, including customary communal land, privately owned land, and local infrastructure. They also deepen our understanding of the concerns, needs, and aspirations of the communities we work with, while providing insights into sociocultural, traditional, and religious values, land use, and community livelihoods. These findings inform our land use planning, development, monitoring, and management strategies. Any loss of benefits or relinquishment of rights is negotiated voluntarily to ensure mutual agreement with affected communities.

No grievances regarding land and community rights were reported in 2025.



[Grievance Mechanism Dispute Flowchart](#)



Corporate Social Responsibility

[GRI 203-1, 203-2]

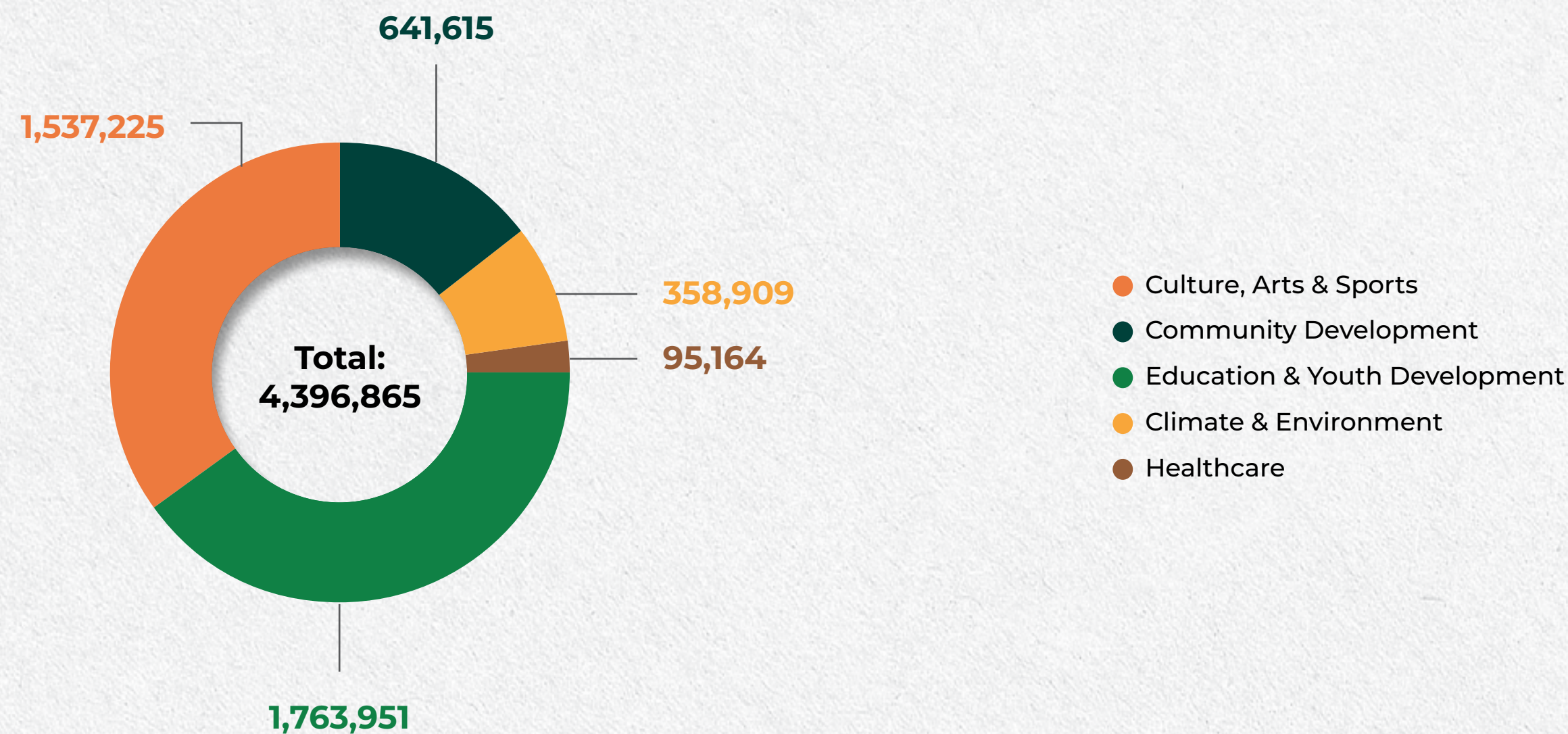
Over the years, we have supported a wide range of social initiatives across Indonesia and Singapore that benefit the communities where we operate. In 2025, our corporate social responsibility (CSR) contributions totaled **USD 7.59 million** across Indonesia and Singapore, based on actual expenditures incurred during the year.

Indonesia

We have comprehensive CSR investments across our upstream, midstream, and downstream operations in Indonesia, where the majority of our employees are based. In 2025, our CSR contributions in Indonesia amounted to **USD 4.39 million (approximately IDR 7.36 billion)**.



CSR Contribution Breakdown in Indonesia 2025 (USD)



Note: Reported contributions are based on actual expenditures incurred during the year rather than allocated budgets. Contributions are denominated in USD converted from IDR and SGD respectively based on historical exchange rates on Oanda.com currency converter as of December 31, 2025.

Education and Youth Development

Education remains our largest area of CSR investment, reflecting our commitment to expanding access to quality education and creating opportunities for children and young people. Our initiatives focus on supporting student welfare, improving school facilities, and providing resources to help create a conducive environment for learning and growth.

These initiatives include school transportation assistance, sanitation facility improvements, scholarship programs, and the distribution of educational materials and school supplies. In 2026, we are expanding our support for educational infrastructure through collaborations with higher education institutions, including developing smart classroom facilities for postgraduate students at *Universitas Islam Negeri Sumatera Utara* (UINSU) and renovating public spaces within the Faculty of Forestry and Environment at *Institut Pertanian Bogor* (IPB). We also supported educational infrastructure by developing a Smart Class for the Faculty of Agriculture at IPB, establishing a garden and six moot courtrooms for the Faculty of Law at *Universitas Sumatera Utara* (USU), creating learning environments that better support teaching and student development.

In recognition of these efforts, one of our subsidiaries received the Child-Friendly Company Award from the *Lembaga Perlindungan Anak* (LPA) Labuhanbatu for its commitment to creating a safe and supportive environment for children, complementing our Top 10 global ranking in the latest Global Child Forum benchmark on children's rights and business.



[Expanding Access to Education in Rural Indonesia: How Musim Mas Supports Children and Communities](#)



Culture, Arts, and Sports

Musim Mas supports cultural preservation and youth development. One of our activities in 2025 included the sponsorship of the 3rd International *Pencak Silat* Indonesian Open Championship in Deli Serdang Regency, North Sumatra, which brought together over 3,000 athletes from 20 countries to take part in this martial arts event. We also distributed care packages during major religious celebrations, including *Hari Raya*, Christmas, and Chinese New Year, to support local communities and families.

Community Development

We regularly engage with local communities and their representatives, including village leaders, to discuss planned operational and infrastructure developments that may affect them. Through ongoing dialogue and consultations, we seek to ensure that community needs and priorities are considered in our planning and decision-making processes.

As part of our community engagement approach, neighbouring villages surrounding our operations are invited annually to submit proposals on how CSR funding can best support local development priorities. In 2025, our community development initiatives included:

- Supporting sustainable livelihood programs such as livestock rearing, aquaculture, and agricultural assistance to help create economic opportunities and strengthen food security within local communities
- Contributing to the development of public infrastructure and amenities, including community spaces, educational facilities, waste management initiatives, and environmental infrastructure to improve the quality of life in surrounding communities
- Assisting communities affected by natural disasters by distributing essential aid packages and necessities

Climate and Environment

In 2025, we continued to promote environmental stewardship through community-based environmental initiatives that encourage responsible resource management and waste reduction. This included supporting the Rumah Maggot program, which uses Black Soldier Fly (BSF) larvae to convert organic waste into useful products while reducing waste sent to landfill and creating sustainable livelihood opportunities for surrounding communities.

Healthcare

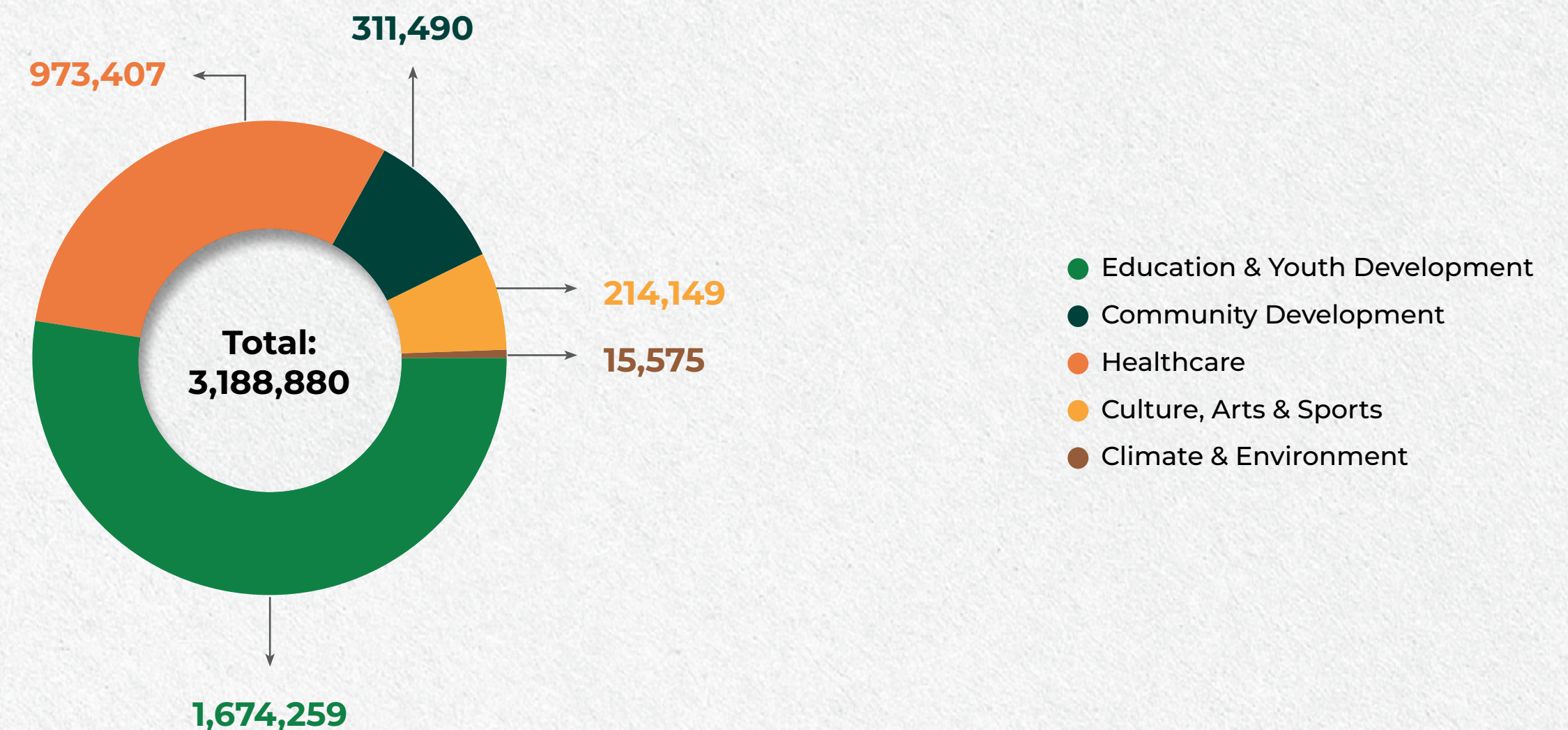
We support community health and well-being through initiatives focused on preventive healthcare and nutrition. These included free medical check-ups, child nutrition, and stunting prevention programs through the distribution of food packages and milk powder, free circumcision programs, the provision of medical equipment, and support for community nutrition initiatives.

Singapore

In Singapore, our CSR contributions totaled **USD 3.19 million (approximately SGD 4,095,000)**, with investments focused primarily on education and youth development and community development.



CSR Contribution Breakdown in Singapore 2025 (USD)



Note: Reported contributions are based on actual expenditures incurred during the year, rather than allocated budgets. Contributions are denominated in USD converted from IDR and SGD, respectively, based on historical exchange rates on Oanda.com currency converter as of December 31, 2025.



Education and Youth Development

Musim Mas supports education through scholarships, bursaries, and youth development programs. In Singapore, we contributed to the launch of a preschool bursary initiative in support of the Government’s Forward Singapore initiative, helping children from underprivileged families gain access to early childhood education.

We also support programs that promote the well-being and development of children and youth through education, mental health, and community initiatives. Through the Majority Trust Musim Mas Blue Star Fund, we support ten non-profit organizations and charities that provide mental health research, counselling, intervention programs, educational initiatives, and public awareness activities for children and young people.

Community Development

We contribute to community-based initiatives that support underprivileged and vulnerable groups by funding programs that promote social inclusion, education, and community well-being, thereby strengthening community support networks and creating opportunities for children and families to thrive.





I M P A C T A R E A



Responsible Sourcing



Impact Area: Responsible Sourcing

[GRI 2-24]

Enabling Supply Chains Beyond Our Operations to Progress

The majority of the palm, coconut, and other oils and fats we refine, process, and trade come from external sources. This means we have a significant responsibility to ensure the reach of sustainability policy extends to hundreds of suppliers and hundreds of thousands of smallholders in meaningful and impactful ways. We remain committed to sector-wide collaboration to drive change and invest in supply chain engagement programs that address common challenges, including deforestation, climate change, and human rights. Our sourcing initiatives improve our preparedness and strengthen our business resiliency in the face of regulatory developments and market expectations for sustainable products, while creating lasting trust with our customers.



Environment and Climate



Human Rights

Musim Mas Supply Chain Overview



[GRI 2-6, 3-3, 204-1]

Palm Oil Supply Chain

Our palm oil operations comprise a complex supply chain with multiple players contributing both large- and small-scale volumes.

At the mill level, we source fresh fruit bunches (FFB) exclusively from local sources in Indonesia: 74.2% from our plantations and scheme smallholders, and 25.8% from FFB dealers and independent smallholders.

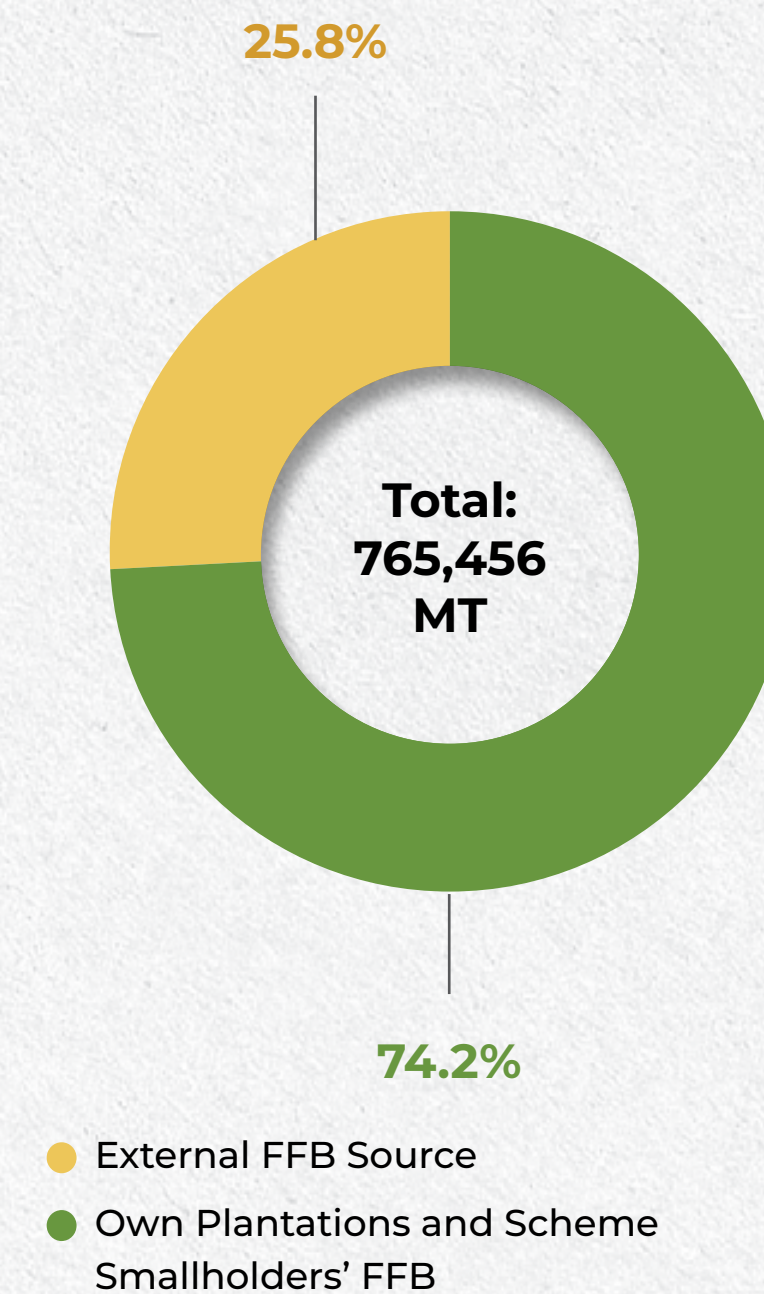
At the refinery level, only 14.7% of crude palm oil (CPO) is sourced from our own mills. The remaining 84.6% comes from third-party supplier mills, and 0.7% is sourced from third-party intermediary traders.

Our primary CPO source is Indonesia (90.12%), followed by Malaysia (9.44%) and Thailand (0.44%).

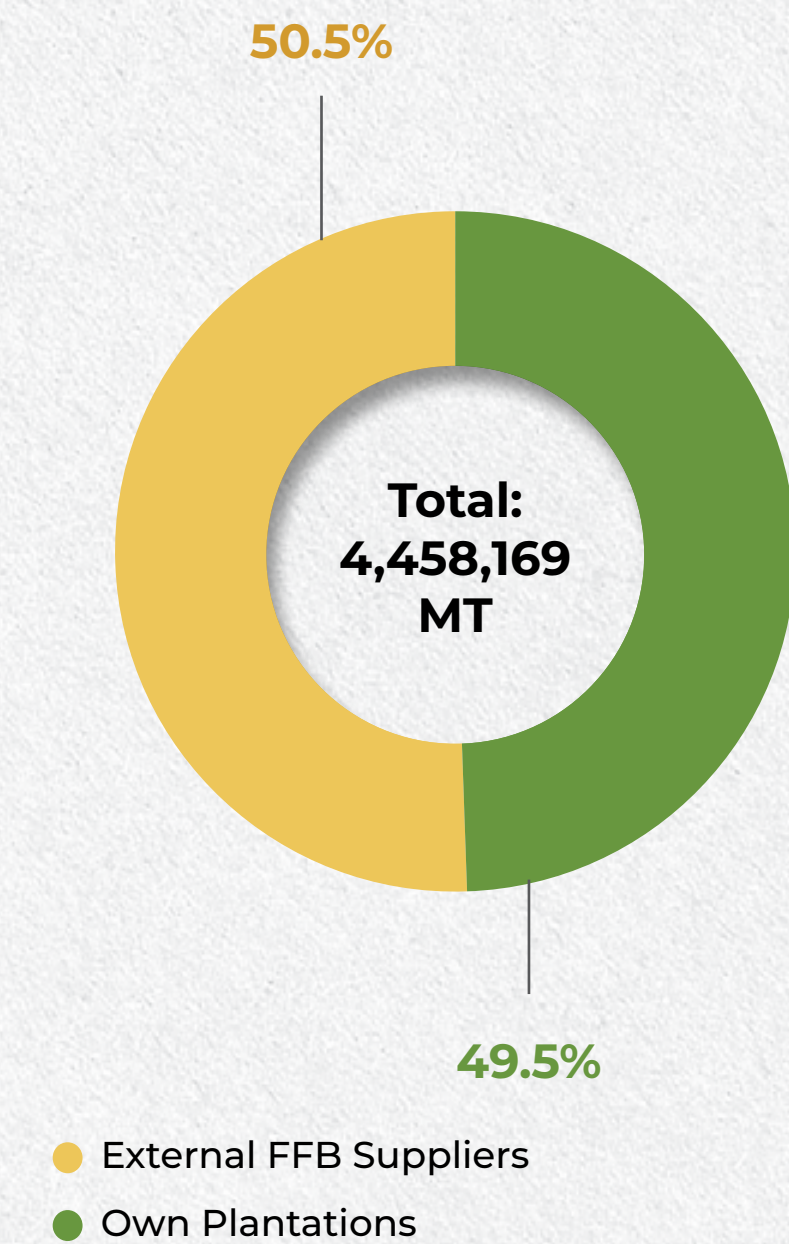
CPO Produced by FFB Origin 2025 (% of Total Volumes)



Musim Mas Mills



Third-party Supplier Mills



Note: External FFB suppliers include intermediary traders.

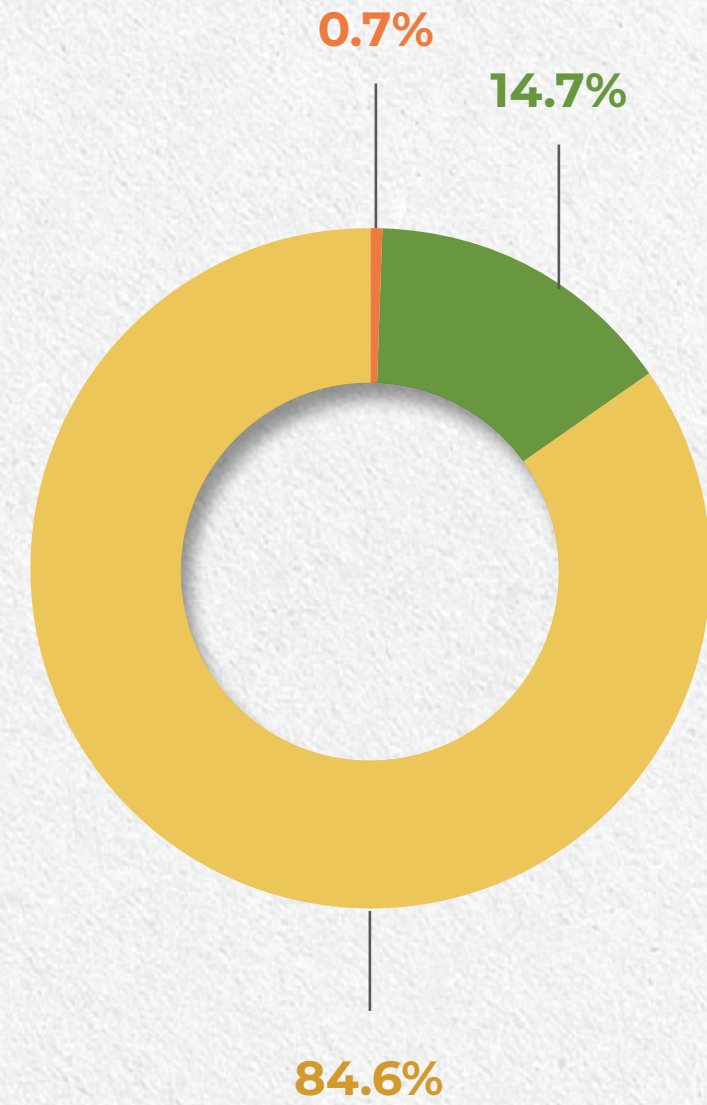


CPO Supply Base 2025 (% of Total Volume)

Total: 5,223,625 MT



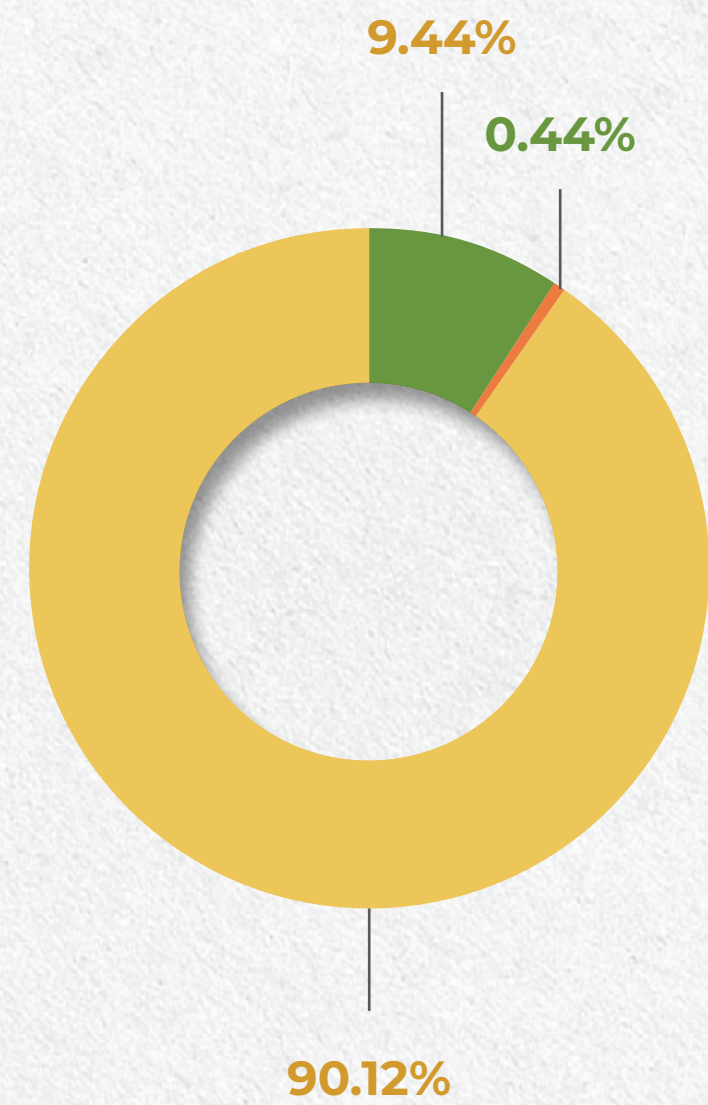
By Source



- Musim Mas Mills
- Third-party Supplier Mills
- Intermediary Traders



By Country



- Malaysia
- Indonesia
- Thailand

FFB Supply to Musim Mas and Third-Party Supplier Mills by Origin 2025 (No.)

FFB Origin	No.
Musim Mas mills	18
Musim Mas plantations and scheme smallholders	10
Musim Mas plantations and external sources	5
External sources only	3
Third-party supplier mills	517
Suppliers' own plantations only	52
Suppliers' own plantations and external sources	332
External sources only	133

Coconut Supply Chain

Our coconut operations source the bulk of their supply from independent smallholders in Indonesia through a network of copra dealers. In 2025, over 50,000 tonnes (MT) of coconut oil was sourced from a single supplier, that has been assessed for and cleared of deforestation risk.



Traceability

[GRI 3-3, 13.23.1, 13.23.2]

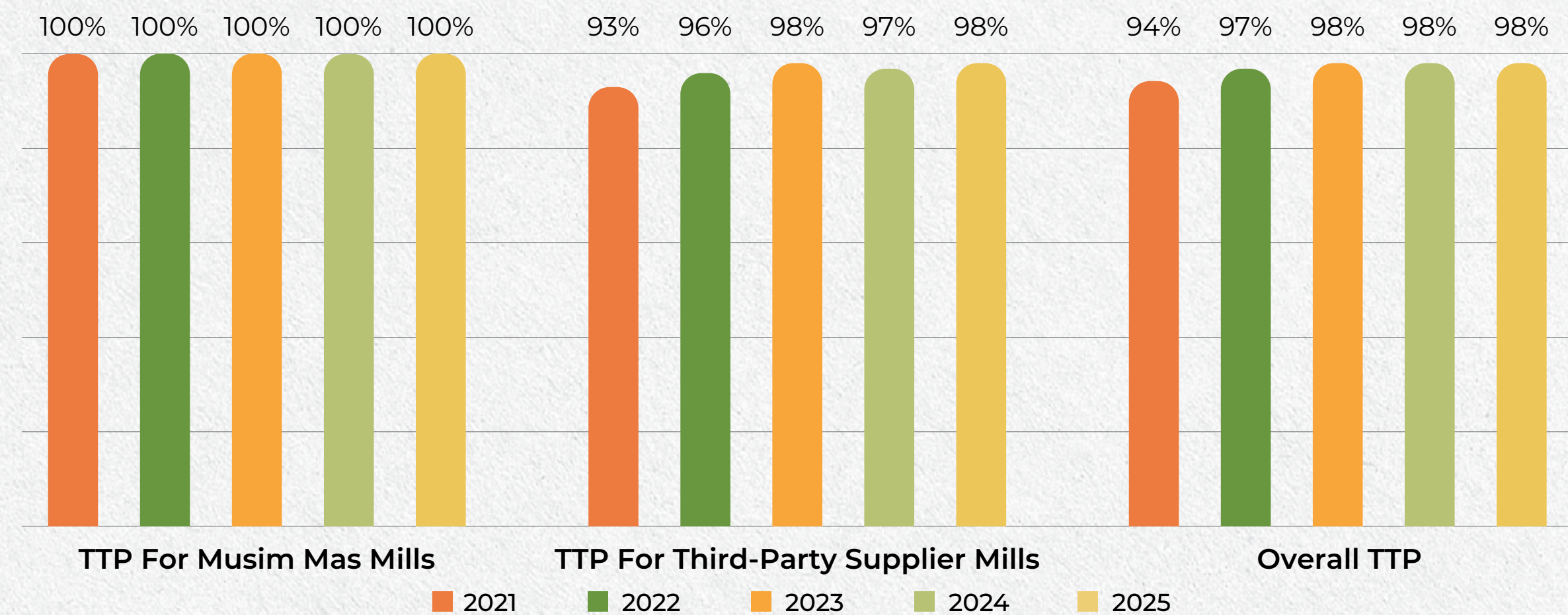
Palm Oil Traceability

One of our business ethics commitments in our policy is to ensure we maintain traceability of all material sourced. Effectively managing and addressing potential deforestation and peat development risks requires knowing the source of FFB in our supply chain, down to the supply shed level. Since 2015, we have achieved 100% overall traceability to mill (TTM). We have also achieved 100% Traceability to Plantation (TTP)²² for Musim Mas-owned mills' FFB supply base since 2020.

We can easily trace CPO and palm kernel (PK) sourced from Roundtable on Sustainable Palm Oil (RSPO)-certified supply chains to plantation. However, collecting and validating traceability data from non-certified suppliers remains challenging due to shifting market conditions and the dynamic nature of FFB supplied by dealers and independent smallholders. Our goal to achieve 100% traceability to plantation across our entire supply chain by 2025 was not met due to changing supply bases from year to year, which can be a barrier to full traceability. Despite these challenges, we achieved 98%* TTP for both third-party supplier mills and overall TTP in 2025. We have now set 2030 as our new 100% target timeline.



Traceability To Plantation 2021-2025 (%)



Note: Traceability data cover our Indonesian and Malaysian supply bases and were expanded in 2021 to include our Thailand supply base.

* Figures independently verified by Control Union (Malaysia) Sdn Bhd. They cover 14 refineries and seven kernel crushing plants (KCPs), but exclude five refineries that do not process palm-based products. Four refineries that only source from the 14 verified refineries were also excluded to avoid repetition. For more information, please see the verification statements [TTM](#) and [TTP](#).

²² Traceability to plantation refers to traceability to the place of production, i.e., a company's concession, a farm, or a village, for certain FFB dealers and/or smallholders.

Coconut Traceability



We apply the same rigorous standards to coconut sourcing as we do to palm oil. By adapting our existing TTP method, we have achieved 100% traceability to plantation for coconut oil sourced since 2024. This achievement is the result of applying our robust supplier engagement system across our supply base.



For more on our 2025 pilot program, see [Coconut Smallholders](#)



Environment and Climate



Human Rights



Environment and Climate

Deforestation Monitoring

[GRI 101-2]

Our Geographic Information System (GIS) team proactively monitors landscapes across Indonesia, Malaysia, and Thailand for No Deforestation and No Peat (NDP) and fire risks. We also subscribe to the Earthqualizer platform, which from January to December 2025, remotely monitored more than 8.78 million hectares of our suppliers' Group-level concessions in Indonesia, Malaysia, and Thailand for deforestation.²³ In addition to traceability data and supply shed maps, we use publicly available data, industry reference tools, and monitoring systems operated by environmental NGOs and other entities that we support, including Earthqualizer and Global Forest Watch (GFW). These tools provide landscape-level spatial data to guide future expansion and development in line with applicable regulations. We complement these efforts with our outreach programs and landscape initiatives.

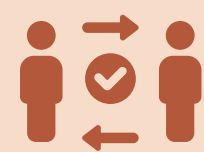
To ensure that our supply chain remains deforestation-free, we track and trace all sourced FFB to plantation and engage with our suppliers to ensure compliance with our NDP commitments. As an additional safeguard, we employ independent monitoring services in forest areas within or near our suppliers' concessions. Musim Mas is also committed to sourcing coconut from deforestation-free areas, as outlined in our [Sustainable Coconut Sourcing Strategy](#).

Musim Mas Deforestation Monitoring Systems



Earthqualizer Platform

Industry reference B2B monitoring platform



Internal Monitoring

To establish TTP, our suppliers share maps and information about their supply base



Public Sources

We collect, update, and cross-reference information from public sources, such as GeoRSPO, Greenpeace, *Kepo Hutan*, and GFW



GFW Integrated Deforestation Alerts

A joint initiative of GFW and supporting agencies and universities, this innovative platform issues Global Land Analysis and Discovery (GLAD), GLAD-S2, and Radar for Detecting Deforestation (RADD) deforestation alerts using multiple satellite imaging systems and analytics tools to detect changes in primary forests, younger forests, and plantations

Assessing Supplier NDP Risk

[GRI 101-4, 308-1, 308-2] [SASB FB-AG-430a.1, FB-AG-430a.2]

To minimize the risk of deforestation and development on peat within our supply chains, we use our [NDP Risk Management Framework \(RMF\)](#). The framework guides Musim Mas' approach to identifying, assessing, and mitigating deforestation risks at different points across our supply chain, from direct suppliers to independent smallholders.

Our annual assessments overlay TTP data on supply shed maps that include forest and peat areas. In 2025, we obtained more comprehensive supplier traceability and mapping data, allowing us to better identify whether sourcing areas overlapped with forest or peat areas. While there were no changes to the assessment methodology, the additional data supported a more informed application of our NDP RMF. As a result of the assessment, none of the supplier mills were categorized as high risk, while 31 were categorized as medium risk. Overall, 94.6%[#] of the 569 CPO and PK suppliers assessed were identified as low risk.

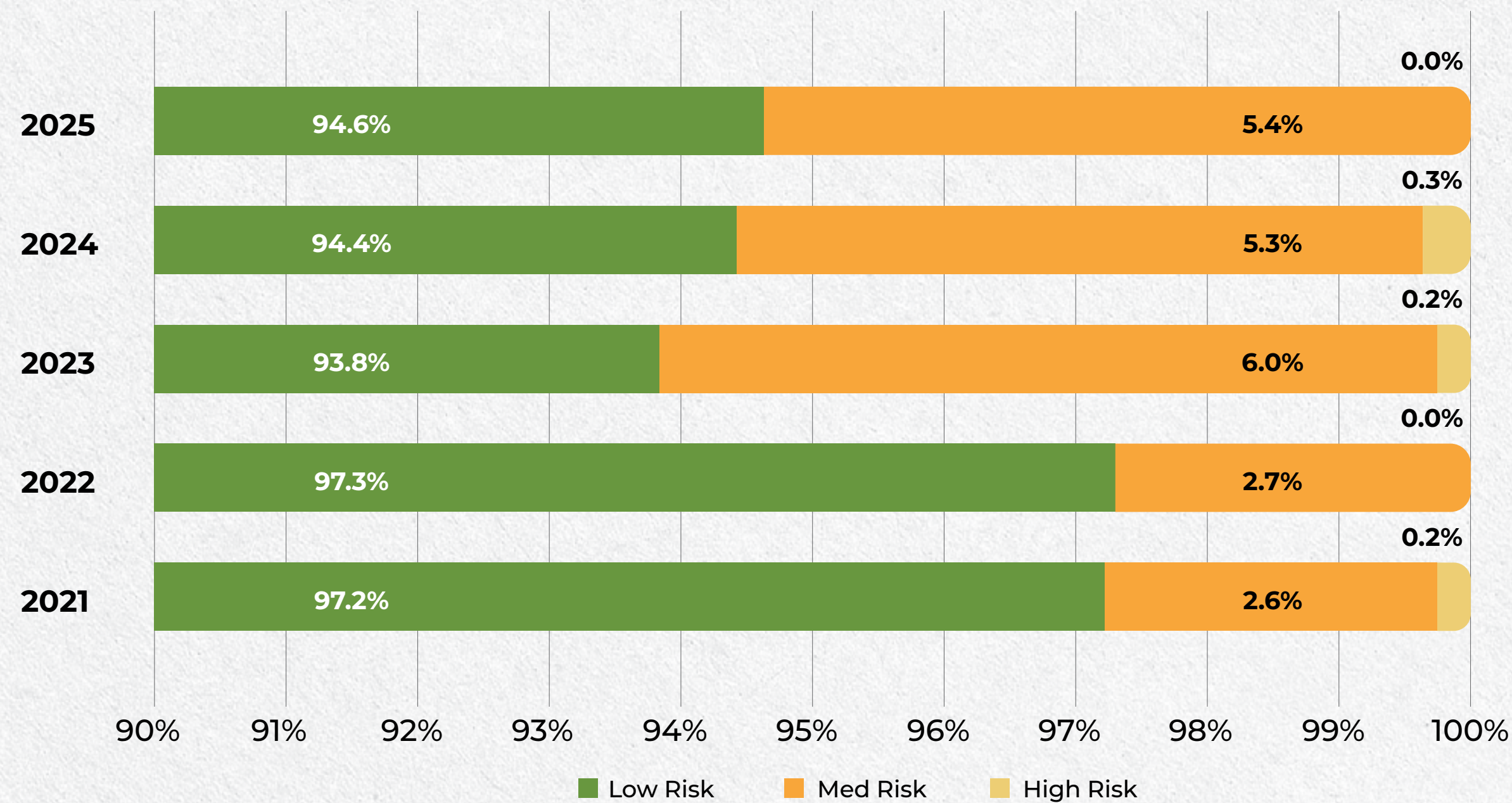
Although no high-risk mills were identified during the 2025 assessment, our established process is to engage suppliers through targeted outreach and supplier workshops.[#] Through these engagements, we reinforce our No Deforestation, No Peat, and No Exploitation (NDPE) commitments, communicate our Sustainability Policy expectations, and support suppliers in understanding and addressing potential deforestation and peat-related risks.

By 2025, we have completed engagement efforts with the two high-risk mills identified in 2024 through supplier workshops and sharing our expectations and requirements based on our Sustainability Policy.

²³ This area covers suppliers' group-level concessions in Indonesia, Malaysia, and Thailand.
[#] EY has performed limited assurance procedures on these figures.



Risk Assessment Of Supplier Mills (CPO and PK) 2021-2025 (% of total)



Note: Classification of risk levels:

- High: Overlaps with > 10% of risk indicators
- Medium: Overlaps with 2-10% of risk indicators
- Low: Overlaps with < 2% of risk indicators/RSPO Identity Preserved certified

EY has performed limited assurance procedures on these figures.

Supplier Performance on NDP

Delivering on NDP Commitments

In 2026, Palm Oil Collaboration Group members adopted an updated version of the NDPE Implementation Reporting Framework (NDPE IRF), version 6.0. This latest iteration introduces a more structured view of progress by segmenting reporting across directly managed areas, independent plantations, and independent smallholders. IRF v6.0 also enhances the standardization of definitions for third-party traceability and strengthens the methodologies and data requirements, including Land Use Change Analysis (LUCA) and High Conservation Value (HCV) and High Carbon Stock (HCS) assessments, to ensure a more comprehensive and consistent evaluation across the supply chain.

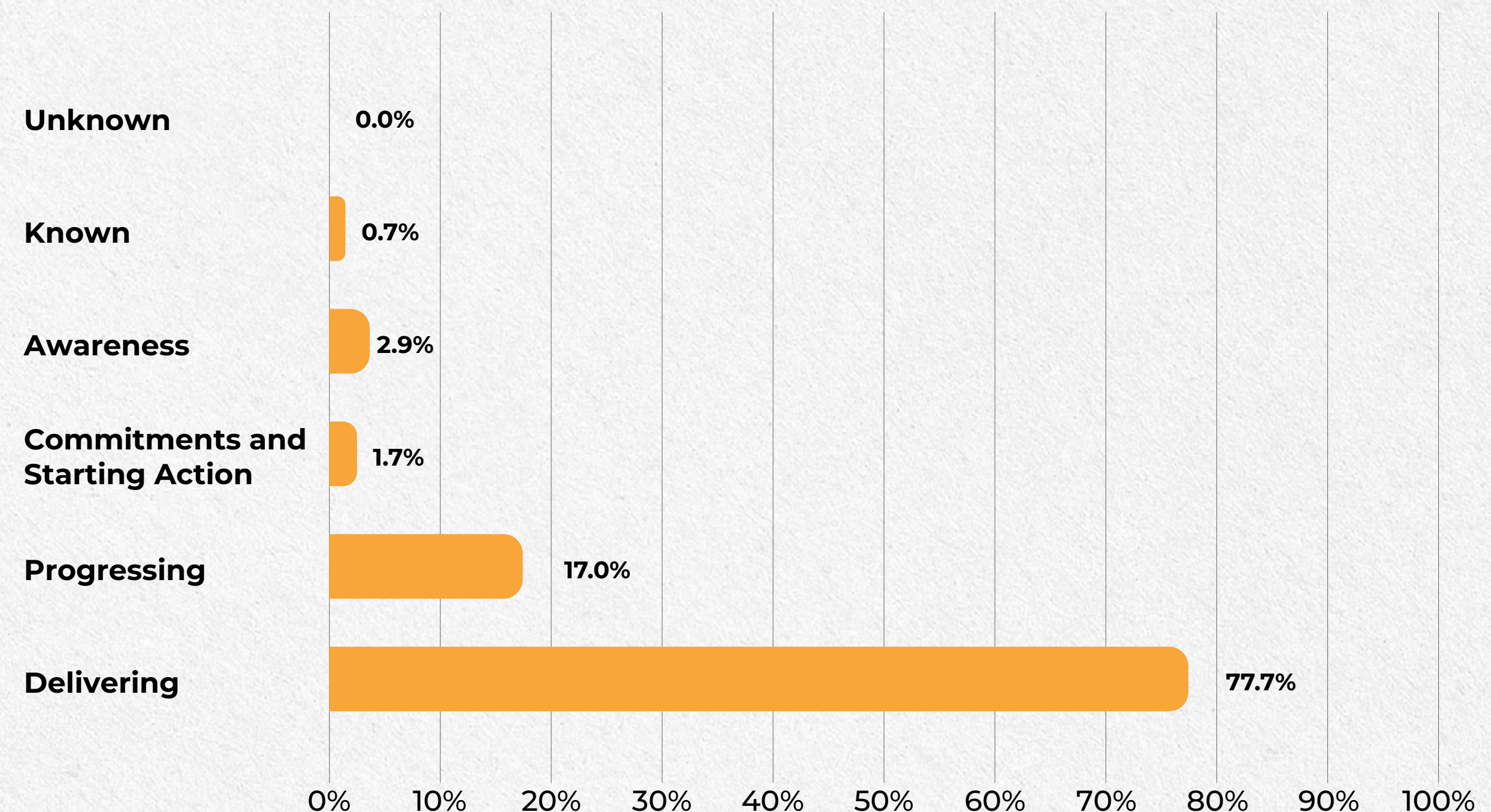
Although the way they are scored has not fundamentally changed, the new scoring methodology will create temporary gaps as companies adjust how they collect and report their data. Our latest assessment shows that suppliers “Delivering” NDPE-compliant volumes make up 77.7%* of our supply, followed by 17.0%* “Progressing” on their commitments. Those supplying the remaining volumes are either in the “Aware” or “Starting Action” categories.

Scores have shifted in the first year of adoption, in line with the rest of the industry, an important move toward stricter NDP standards. In addition, refinements to smallholder methodologies, including the recognition of those involved in dealer engagement programs and Production and Protection Beyond Concessions (PPBC)-aligned landscape initiatives, further support inclusive and responsible sourcing. We continue to participate actively in the technical working group focused on strengthening the IRF methodology to benefit the industry.

* Figures independently verified by Control Union (Malaysia) Sdn. Bhd. See the verification statements for [IRF](#) and [VDF](#).



Supplier Progress According to NDPE IRF 6.0 Categories 2025



Note: Due to change in methodology, NDPE IRF profiles for 2025 are incomparable to previous years' profiles.

NDPE IRF 6.0: Establishing a New Baseline for Stricter NDP Standards

Commentary from Perpetua (Pep) George | Palm Oil Collaboration Group (POCG) secretariat

POCG continues to play an important role in standardizing how companies report on NDPE compliance. Unlike the IFRS Sustainability Disclosure Standards (SDS), which target financial stakeholders, the NDPE IRF 6.0 remains focused on buyer-level information and on target-setting specific to deforestation-free supply chains. It delivers value to downstream palm oil players by improving consistency and clarity in their reporting expectations.

While scores may shift relative to previous IRF assessment versions, the impact of the 6.0 revision is broadly uniform across companies. It effectively marks a significant shift toward stricter recognition of deforestation free volumes. We expect its impact on actual buying decisions to be limited, given the difference is between the topmost tier, “Delivering” and the second tier, “Progressing.” However, its operational impact is immediate because it requires companies to put more effort into collecting traceability data, even for sustainable certified volumes, as the industry adjusts to how scores are calculated and weighted in the revised system. The immediate priority is adapting to and ensuring consistency of deforestation free recognized volumes (i.e. “Delivering”) under the updated approach in 2026 and beyond.

About: Pep is the Sustainability and Climate Change Director, Nature Lead at PwC Malaysia. She is also a member of the POCG Secretariat, of which Musim Mas is a member. Pep engages with Musim Mas through industry discussions, including RSPO panels, and has previously engaged with us through PwC’s sustainability assurance work.



Verified Deforestation-Free

[GRI 13.4.3]

Since 2023, Musim Mas has built on our existing frameworks to report supplier volumes that are Verified Deforestation-Free (VDF). While calculating and reporting VDF is challenging for the industry, given the complexity of supply chains and the need for accurate data and traceability, Musim Mas remains one of the few companies in the sector to do so. We complete this by systematically:

- Calculating TTP percentages for internally and externally sourced FFB
- Calculating our risk percentage using the NDP RMF
- Determining the percentage of deforestation-free supply from each mill using its identified risk percentage

In 2025, our supply chain was 99.6%* deforestation-free.



* Figures independently verified by Control Union (Malaysia) Sdn. Bhd. See the verification statement for [VDF](#).

Human Rights



[SASB FB-AG-430a.3]

Musim Mas has long recognized labour and human rights as material issues in our supply chain, and has been actively working to strengthen our practices in these areas. Since 2024, we have published our various implementation efforts in line with a consolidated Human Rights Due Diligence (HRDD) framework, meeting our 2025 target to develop a HRDD strategy. Our efforts are not new but reflect our long-standing practices across the organization. In the meantime, we have developed an internal HRDD Toolkit that integrate questions about human rights implementation into the Musim Mas Self-Assessment Tool (SAT) used by suppliers.

To support the rollout of our HRDD approach, Musim Mas is developing a training video for employees and suppliers. The video will raise awareness of key HRDD principles and strengthen understanding of our expectations across our operations and supply chain.

As an active member of the NDPE IRF Working Group, Musim Mas volunteered to pilot the draft NDPE IRF for land and labour rights and incorporated its key criteria into the Musim Mas SAT during the testing phase. In 2025, the land and labour rights pilot concluded with a complete set of indicators. Due to the challenges of monitoring and reporting the effectiveness of on-the-ground implementation, social indicators are not as clear-cut as deforestation monitoring and reporting. It was therefore agreed that the pilot indicators are best positioned as voluntary guidance for companies seeking to assess and strengthen their performance, rather than as mandatory requirements for IRF-participating companies. The land and labour indicators have been made publicly available in POCG's online Library of Tools.



For more on Musim Mas' HRDD approach, see [HRDD at Musim Mas](#)

Supplier Transparency on NDPE Compliance



As part of our business ethics commitment for responsible sourcing, we expect ethical conduct and transparency with respect to NDPE compliance.



Environment and Climate



Human Rights

Supplier NDPE Engagement

[GRI 308-1, 308-2, 414-1, 414-2, 13.4.3, 13.23.4] [SASB FB-AG-430a.3]

The success of our supply chain is directly tied to our suppliers' performance. We collaborate with them through calls, webinars, and in-person meetings to support compliance with our requirements and require them to participate in workshops and formalize their NDPE commitments, as outlined in our policies. In 2025, 97.7%# of suppliers have confirmed NDPE commitments – up from 89.9% in 2024.

Building Supplier Capability

In 2025, we conducted ten in-person and online NDPE workshops, with 93.3% of our supply base attending at least one session. In addition, we hosted workshops for old and new suppliers – including third-party mill suppliers – in priority landscapes (see [Priority Landscapes](#)). We also offered standalone training on specific topics requested by suppliers, including HCV/HCS, grievance mechanism, and TTP.

Following the launch of our new policy in February 2026, its commitments and our Sustainability Roadmap will be reflected in all new supplier onboarding materials and workshop materials for existing suppliers.



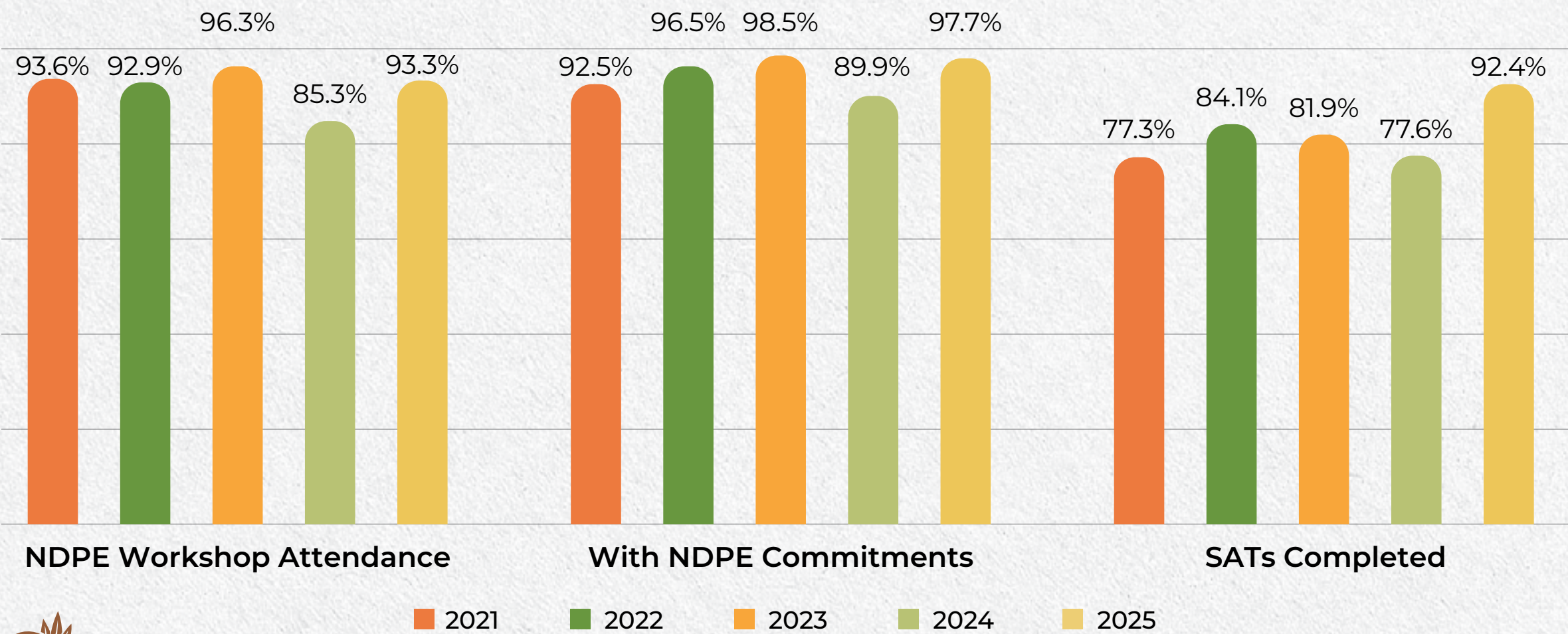
EY has performed limited assurance procedures on these figures.

Strengthening Supplier Assessment and Due Diligence

We also require our suppliers to complete the Musim Mas Self-Assessment Tool (SAT), which enables them to specify their NDPE commitments and how they implement them. It also covers carbon and water management assessments to more comprehensively support Musim Mas’ net-zero emissions. By using the SAT, we can pinpoint areas needing improvement and create tailored roadmaps and firm action plans. We can also track their progress toward compliance while supporting their efforts to meet our standards. The percentage of suppliers completing SATs rose from 77.6% to 92.4% in 2025 given we sourced from and had access to more direct suppliers compared to the previous year, resulting in greater visibility into all suppliers’ NDPE implementation and progress.

We are also strengthening our approach to supplier HRDD. In 2025, we rolled out a Supplier HRDD Toolkit to enhance the human rights component of the SAT and support more structured data collection. As of December 2025, 80.5% of our suppliers had completed the human rights assessment through the HRDD Toolkit, providing a baseline to further strengthen supplier engagement and refine our approach over time.

Supplier Engagement on NDPE Commitments 2021-2025 (%)



Musim Mas continues to engage with our copra and coconut oil suppliers to update TTP data and maintain full traceability.

Training Independent Smallholders in Our Supply Base

Our ongoing training programs help independent smallholders, both inside and outside our supply base, deepen their understanding of NDPE principles and support their certification efforts. In 2025, 14,238# independent smallholders were part of the Musim Mas supply base, and 3,916 (27.5%)# participated in our training programs.



Environment and Climate



Human Rights

Supplier Certification

[GRI 13.23.3] [SASB FB-AG-430a.1]

Aside from internal assessments, we monitor our suppliers to ensure their continued adherence to local and internationally recognized sustainability certification schemes and standards, including the RSPO, Indonesian Sustainable Palm Oil (ISPO), Malaysian Sustainable Palm Oil (MSPO), and the International Sustainability and Carbon Certification (ISCC) standards. This approach ensures that their sustainability performance has been independently audited and verified by recognized bodies. Furthermore, many of our suppliers adhere to multiple certification schemes and standards, with 75.4% certified against at least the RSPO, ISPO, MSPO, or ISCC.

Certification Status of Supplier Mills by Country 2025 (% Certified)

	RSPO Certified	National Standard Certified	ISCC Certified
Indonesia	29.9%	58.3% (ISPO)	18.8%
Malaysia	29.8%	89.5% (MSPO)	68.5%
Thailand	23.1%	-	-



Environment and Climate



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EY has performed limited assurance procedures on these figures.

Supplier Grievances

[GRI 2-25, 2-26, 308-2, 414-2, 13.4.5] [SASB FB-AG-430a.2]

Confirmed cases of deforestation or peatland development by existing suppliers after the cut-off date of December 31, 2015, trigger our grievance mechanism and attempts at remediation under our Controlled Purchase Protocol (CPP).

Musim Mas teams review and monitor all active grievances to resolve them and achieve compliance. No grievances were registered in 2025.

Since 2019, we have recorded 7,959 hectares of non-compliant deforestation in supplier concessions. Musim Mas recognizes that resolving these cases and meeting industry requirements for a fully NDPE-compliant supply chain are long-term efforts that require remediation to go beyond procedural formalities. We therefore require suppliers to demonstrate progress toward the meaningful resolution of grievances.

Out of the 74 cumulative cases raised since 2019, 62 cases have been closed and 12 remain active as of December 2025.



Controlled Purchase Protocol

Grievances filed on or after January 2020 are subject to our CPP, a complaints resolution process that allows us to maintain business relationships with suppliers who demonstrate progress toward resolving their cases. The protocol is based on three principles: suppliers' willingness to engage, their willingness to act, and proof of progress against agreed-upon milestones and criteria.

Musim Mas will cease doing business with suppliers who are unwilling to engage with us or repeatedly fail to meet agreed-upon milestones in cases involving critical grievances, including breaches of their ND or NP commitments, regulatory violations, and withdrawal from the RSPO. In 2025, two suppliers were reinstated into our supply chain following satisfactory progress in resolving outstanding grievances from previous years and meeting all necessary requirements to exit the CPP.



Environment and Climate



Human Rights



IMPACT AREA



Thriving Smallholders and Landscapes



Impact Area: Thriving Smallholders and Landscapes

Empowering smallholders and scaling solutions beyond our supply chains

Landscape and Smallholder Overview



Years of on-the-ground experience have taught us that the only way to ensure meaningful change at the landscape level is to focus on shared sustainability challenges and engage our partners in transformative action that goes beyond the terms of a buyer-seller relationship. Our commitments extend beyond our immediate sourcing areas through six identified priority landscapes to support ecosystem protection, landscape-level conservation, sustainable sourcing, land-use planning, and multi-stakeholder collaboration. These include conservation efforts across both high-biodiversity forest landscapes – including the Leuser Ecosystem and Tesso Nilo National Park – alongside landscape-level High Conservation Value (HCV) and High Carbon Stock (HCS) assessments, social forestry programs, and community-based landscape governance initiatives.

Within these landscapes, smallholders remain central to sustainable and inclusive transformation across the palm oil sector. They contribute significantly to production while relying heavily on the commodity for their livelihoods. Yet smallholders also face interconnected and compounded challenges, including low yields, limited access to good agricultural practices (GAP), unclear land tenure, and constraints on accessing finance. Emerging regulations, such as the European Union Deforestation Regulation (EUDR) and an increasingly stringent global regulatory environment, risk intensifying these challenges, widening existing gaps, and potentially marginalizing smallholders, thereby excluding them from supply chains altogether. Musim Mas' strong track record of supporting oil palm smallholders is backed by strong and dedicated partners. To this end, we actively engage with local governments, suppliers, buyers, NGOs, and technical experts to drive impact at scale.

Under our latest policy, our commitments to support smallholders and landscape-level projects have been updated to reflect the most pressing **environmental and climate-related** issues we address, including deforestation, fire, and global warming. We also focus on **human rights** issues in rural settings, such as barriers to women's inclusion, children's rights, and smallholders' income-generating capacity. Our programs are designed to tackle these issues while equipping actors in the landscape with the ability to build resiliency linked to environmental and social risks.

[Environment and Climate](#)[Human Rights](#)



Sustainability with Smallholders



[GRI 3-3, 203-1, 203-2, 413-1, 13.23.4, 13.22.1]

Our programs support both **scheme smallholders** – who are supported by plantation companies – and **independent smallholders**, who are self-financed, self-managed, and self-equipped.

Scheme Smallholders Overview

We currently operate two programs for scheme smallholders – *Kredit Koperasi Primer Anggota* (KKPA) and the Village Development Program (VDP) or *Kebun Kas Desa*. As of December 2025, these programs comprise 44 local initiatives and cover 100% of our scheme smallholders, who manage a combined **7,989.2** hectares of land area.



KREDIT KOPERASI PRIMER ANGGOTA (KKPA)



VILLAGE DEVELOPMENT PROGRAM (VDP)/ KEBUN KAS DESA

- A smallholder primary cooperative credit scheme voluntarily initiated by Musim Mas in the 1990s. It provides smallholders with practical support to acquire the skills and technology needed to undertake palm oil cultivation
- Operating since 1996
- Number of programs: 11[#]
- Number of smallholders: 4,159[#]
- Total scheme smallholder hectarage: 7,735.6 ha

- A Musim Mas program for scheme smallholders tailored to villages where plantations are community-managed rather than individually owned
- Operating since 2000
- Number of programs: 33[#]
- Number of villages: 32[#]
- Total scheme smallholder hectarage: 253.6 ha

COMBINED HECTARAGE:
7,989.2 ha

Independent Smallholders Overview

Our two main avenues for independent smallholders are:



TRAINING FOR SMALLHOLDERS

- Directly training smallholders in the communities surrounding Musim Mas and third-party mills, including one-off collaborations

37,823[#] independent smallholders trained as of Dec 2025



TRAINING FOR TRAINERS: SMALLHOLDERS HUBS

- Indirectly training smallholders through local government agricultural officials (Village Extension Officers or VEOs), thereby expanding the scale and reach of the programs to benefit more smallholders.

10,692[#] independent smallholders and 582 VEOs trained as of Dec 2025

Six landscapes:
Aceh, North Sumatra, Riau, South Sumatra, West Kalimantan, and Central Kalimantan

Note: The 4,159 smallholders are from 10 KKPA programs. In 2023, we added a new program, bringing the total to 11. This has not yet increased the number of smallholders as the program is still in its early stages.
EY has performed limited assurance procedures on these figures.

Note: See more details on p.75



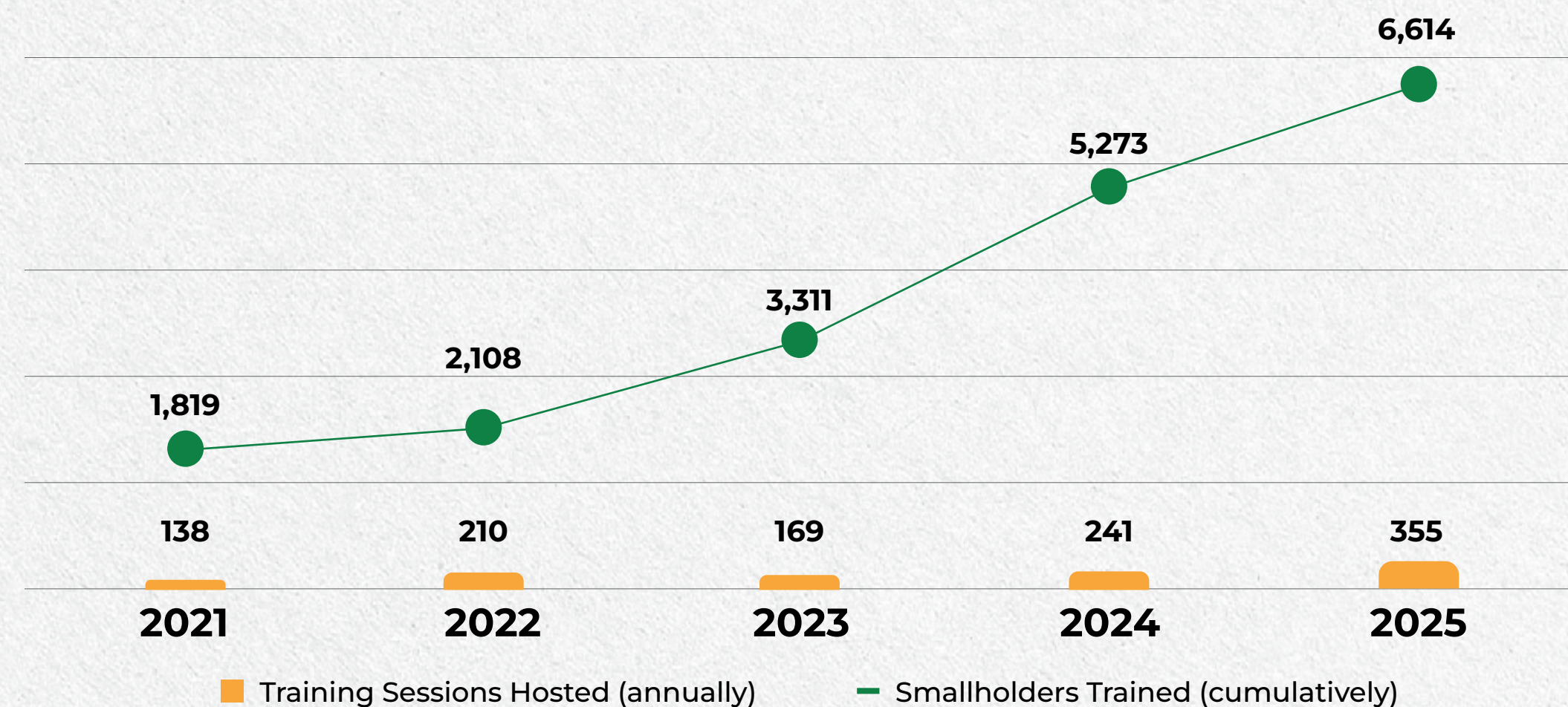
Scheme Smallholders

Smallholder Training

We continue to provide training programs for scheme smallholders on GAP, sustainability requirements, and other related topics. In 2025, we hosted 355 training sessions for KKPA and VDP smallholders, with 6,614 farmers in attendance by the end of the year.



Scheme Smallholder Training 2021-2025 (no.)

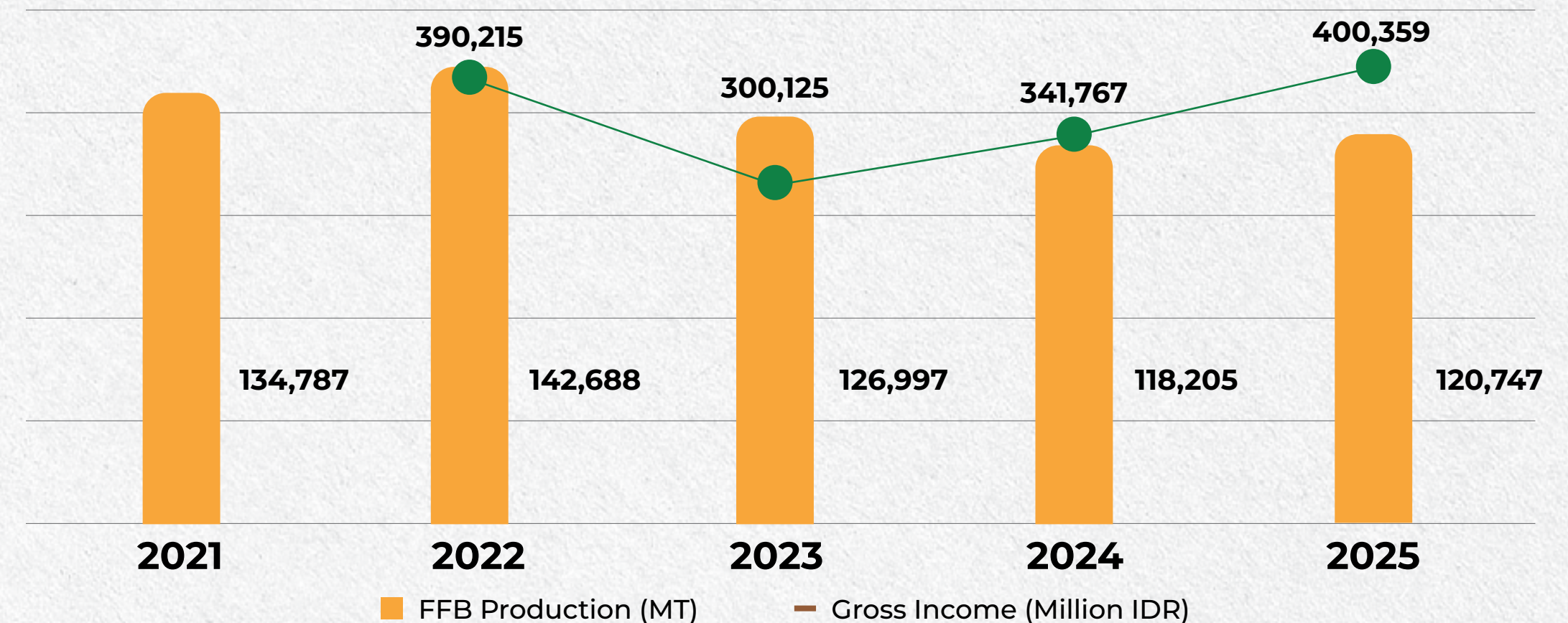


Production and Income

In 2025, our scheme smallholders produced 120,747 tonnes (MT) of fresh fruit bunches (FFB), generating a combined gross income of IDR 400 billion (USD 24 million). This figure represents a 17.1% increase from 2024 and a 33.4% increase from 2023, primarily driven by improved FFB production volumes and stronger commodity prices.



Scheme Smallholder Production and Income 2021-2025



Note: 2021 income data unavailable.

Certified Smallholders

We work closely with our scheme smallholders to support their journey toward sustainability certification. As of December 2025, 80.3% of scheme smallholder-managed land, representing 6,327 hectares, was RSPO-certified, an increase of 164 hectares compared to 2023 and 2024. In addition, 26 of our 44 KKPA and VDP schemes have achieved ISPO certification. These certified scheme smallholders supplied Musim Mas mills with 110,070 MT of certified FFB, representing 91.4% of all FFB sourced from scheme smallholders.



[Certifications](#)



Environment and Climate



Human Rights



Independent Smallholders

Palm Oil Smallholders

Since 2015, we have worked closely with independent smallholders (or ISH) to better integrate them into our palm oil supply chains. Our engagement is tailored to their capacity and resources and focuses on helping them adopt GAP and meet their No Deforestation, No Peat, and No Exploitation (NDPE) commitments. We also partner with other actors and stakeholders in local landscapes to address sustainability challenges and maximize our long-term impact.

As of December 2025, 48,515[#] independent smallholders have taken part in our training programs, of which 1,600 were newly trained in the year alone. Using our 2025 baseline, we have set a target to increase the total number of smallholders by at least 3,000 by 2030. We will report on our progress towards this goal annually.

From Smallholders Hubs to Supply Base Targeted Programs

Building on the success of our Smallholder Hubs in expanding reach and local capacity, we are refocusing our efforts on our direct supply base while adapting our experiences with our third-party programs. These programs are aimed at empowering smallholders and helping their associations/cooperatives become financially independent through the development of income-generating activities.

Our shift includes gradually transitioning away from the initial Village Extension Officer (VEO) model, which was important in our early engagement efforts, to other more effective engagement models. To maintain landscape-level impact, we continue to tailor interventions to the local context, ensuring that our initiatives respond to region-specific challenges.

We will continue monitoring developments on the ground and further adapt interventions.

Types of Independent Smallholder Programs

1. GAP, NDPE, and Regenerative Agriculture

We train smallholders in efficient farming practices using instructional modules that cover GAP and NDPE commitments. Our training also covers NDPE fundamentals, with content adapted to local conditions and our engagement history with participating farmers.

As our smallholder programs mature, we are progressively introducing regenerative agriculture practices into select training modules, to strengthen long-term soil health, resilience, and smallholder livelihoods. In 2025, regenerative agriculture programs were integrated at two mills, with implementation planned for an additional mill sourcing from smallholders, as part of our continued efforts to promote more sustainable and resilient production systems.

Delivered in all Musim Mas landscapes.

2. Women Smallholder Program

Since 2023, we have operated a Women Smallholders Program (WSP). It began in Riau and was implemented in collaboration with *Universitas Sumatra Utara* (USU), focusing on health and nutrition. This has been a particular focus area for Musim Mas, as we recognize women's roles as caregivers, financial stewards, and nutrition gatekeepers in strengthening family and community resilience.

In 2024, we selected 30 women to become peer educators, known as cadres, who now help deliver health and nutrition education within their communities. As the program expanded beyond Riau to our Smallholders Hubs in Aceh and Kalimantan, we also adopted a train-the-trainer approach. In Aceh, we worked with local health workers, including doctors and midwives, equipping them to deliver health and nutrition training to women smallholders and their communities.

We continued this approach in 2025. In Sambas, eight local health workers and four field staff were trained by academics from *Universitas Tanjungpura* (UNTAN). These participants will in turn train more women smallholders, helping to extend the program's reach and impact.

Through the combined efforts of cadres, local health workers, and field staff, the program has reached more than 2,200 participants across Aceh Singkil, Riau, Subulussalam, and Sambas.



[When Women in Plantations Become More Empowered: The Story of Ibu Ros Caring for Her Family Improving Farm Yields and Contributing to Her Community](#)



For more information, see [Promoting Gender Equity at Plantations](#)

Delivered in the Aceh Singkil, Riau, Subulussalam, and Sambas landscapes.



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[#] EY has performed limited assurance procedures on these figures.



3. Financial Literacy and Entrepreneurship

Building on the WSP's modules, we continued to strengthen women's economic participation through entrepreneurship and financial literacy initiatives. In 2025, we trained 1,083 women in financial literacy and 45 women in home-based business. This included supporting the wives of independent smallholders in entrepreneurship by establishing income-generating activities aligned with local market opportunities (such as dry goods and daily necessities).

Participants received training in business planning, business model development, financial recordkeeping and digital bookkeeping, complemented by hands-on mentoring to support the establishment and management of community-based micro-enterprises. The program also provided practical business experience through market testing activities and ongoing coaching, helping participants build the skills and confidence to manage sustainable businesses while strengthening household resilience.

The financial literacy training was conducted in collaboration with a local bank, Bank Syariah Indonesia (BSI), while the home-based business training was supported by agribusiness experts from the USU.

Financial literacy has been a longstanding component of Musim Mas' smallholder training curriculum under the Business Management module. Through the WSP, we have extended this foundation to women smallholders, complementing financial management knowledge with entrepreneurship and income diversification modules designed to support household resilience and women's economic empowerment.



[Musim Mas Strengthens Women's Empowerment Program](#)

Delivered in the Aceh Singkil, Labuhanbatu (North Sumatra)²⁴, Sambas, Rokan Hilir, Rokan Hulu, and Pelalawan (Riau) landscapes



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4. Youth Engagement and Outreach

We continue to engage young people through targeted outreach programs and forums, primarily to address a declining interest in agriculture and a potential shortage of farmers that can lead to a future with higher risk of food shortages. In 2025, Musim Mas conducted a youth webinar on palm oil sustainability and invited speakers from USU, Proforest and other stakeholder representatives. Meanwhile, we continued conducting drone training in Rokan Hilir, Rokan Hulu, and Labuhanbatu, providing students with hands-on exposure to mapping technologies and their agricultural applications. While these were one-off training sessions, they helped raise awareness of how technology can support more efficient and better-informed land-use planning.

Separately, youth engagement is also integrated into Rokan Hulu Landscape and Livelihoods Initiative (ROHULLI) and Biodiverse & Inclusive Palm Oil Supply chain (BIPOSC) projects to build their capacity as facilitators in smallholder programs. Specifically, the ROHULLI project trains select youth (ages 18 and older) as farming champions to deliver training on regenerative agriculture and other smallholder program modules. This approach aims to strengthen local ownership and ensure the continuity of knowledge transfer within communities.

As we shift our approach away from the Smallholders Hubs, the associated youth and technology programs are expected to evolve. Moving forward, youth engagement efforts will remain integrated in broader smallholder initiatives, with a focus on capacity building and peer-to-peer learning.

Delivered in the Aceh Singkil, Riau, and Subulussalam landscapes.



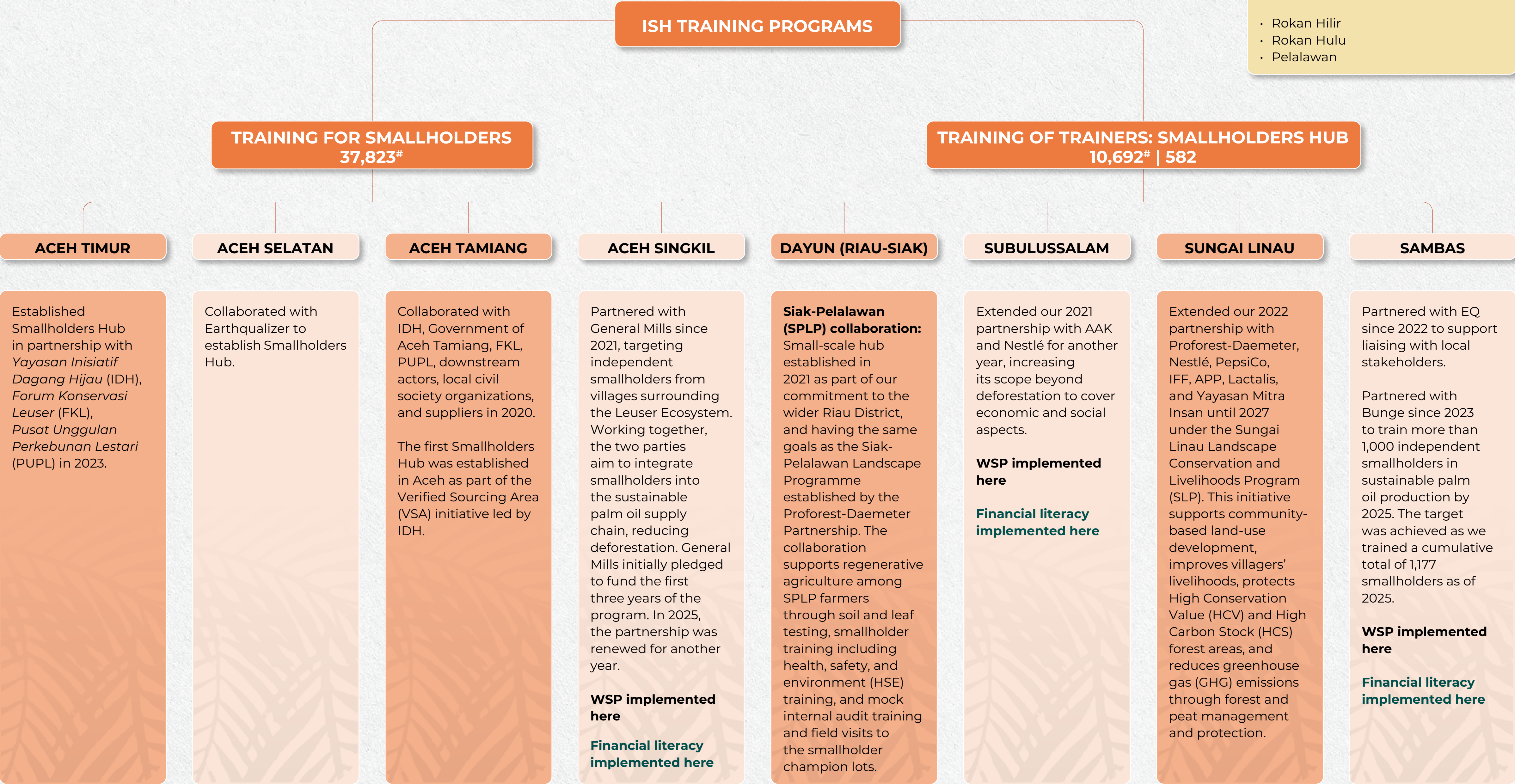
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²⁴ This is achieved through the Biodiverse and Inclusive Palm Oil Supply Chain (BIPOSC) joint initiative

Total Independent Smallholders Engaged in Programs: 48,515[#]

Our WSP programs outside Smallholders Hubs are implemented at Musim Mas mills in:

- Rokan Hilir
- Rokan Hulu
- Pelalawan



[#] EY has performed limited assurance procedures on these figures.

Increasing Training for Independent Smallholders Through Smallholders Hubs

Thanks to our concerted on-the-ground initiatives, engagement with our existing Smallholders Hubs continues to grow. In 2025, the number of VEOs across the hubs increased to 582 from 485 in 2024. The number of independent smallholders trained by VEOs also rose by 12.8%, from 9,479 in 2024 to 10,692# in 2025.

VEOs and Independent Smallholders Trained by Smallholders Hubs 2022-2025 (No.)

Region	VEOs				Independent Smallholders			
	2022	2023	2024	2025	2022	2023	2024	2025
Aceh Tamiang	73	73	73	73	2,489	2,495	2,495	2,611
Aceh Singkil	75	75	75	75	892	2,105	2,620	2,835
Riau-Siak, Dayun	1	24	24	24	269	270	270	204**
Subulussalam	117	117	117	117	476	1,138	1,581	2,086
Sungai Linau		32	32	32	367	457	460	427**
Sambas	81	139	139	139	36	258	913	1,177
Aceh Selatan				22			222	298
Aceh Timur			25	100			918	1,054
Total	347	460	485	582	4,529	6,723	9,479	10,692#

** Notes: The reduction in cumulative figures results from excluding duplicate registered smallholder names; however, we have not determined whether these are distinct individuals with the same names.

Supporting Independent Smallholder Certification

Musim Mas, together with our industry and civil society partners, continues to support independent smallholders in achieving RSPO and ISPO certification. Every year we aim to increase the number of smallholders certified under our support programs.

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RSPO

As of December 2025, we have supported 4,644# smallholders in achieving RSPO certification, 3,676 of whom supply to Musim Mas. Collectively, they manage approximately 11,176 hectares of plantations. The total number of smallholders was slightly lower than the previous year, largely due to changes in ownership of some farms.

Our independent smallholder certification program provides smallholders and farmers' associations with direct access to the sustainable palm oil market. Through the sale of RSPO Independent Smallholder Credits to ACT Commodities and Waitrose Ltd in 2022, as well as consumer goods companies such as Unilever, PepsiCo, Mars, and in particular, Nestlé, participating smallholders have earned an estimated USD 5 million in premiums as of 2025.

[When Perseverance Overcomes Limited Education: Kateni's Journey Inspires Change Among Hundreds of Smallholders in Rokan Hilir, Riau](#)



EY has performed limited assurance procedures on these figures.



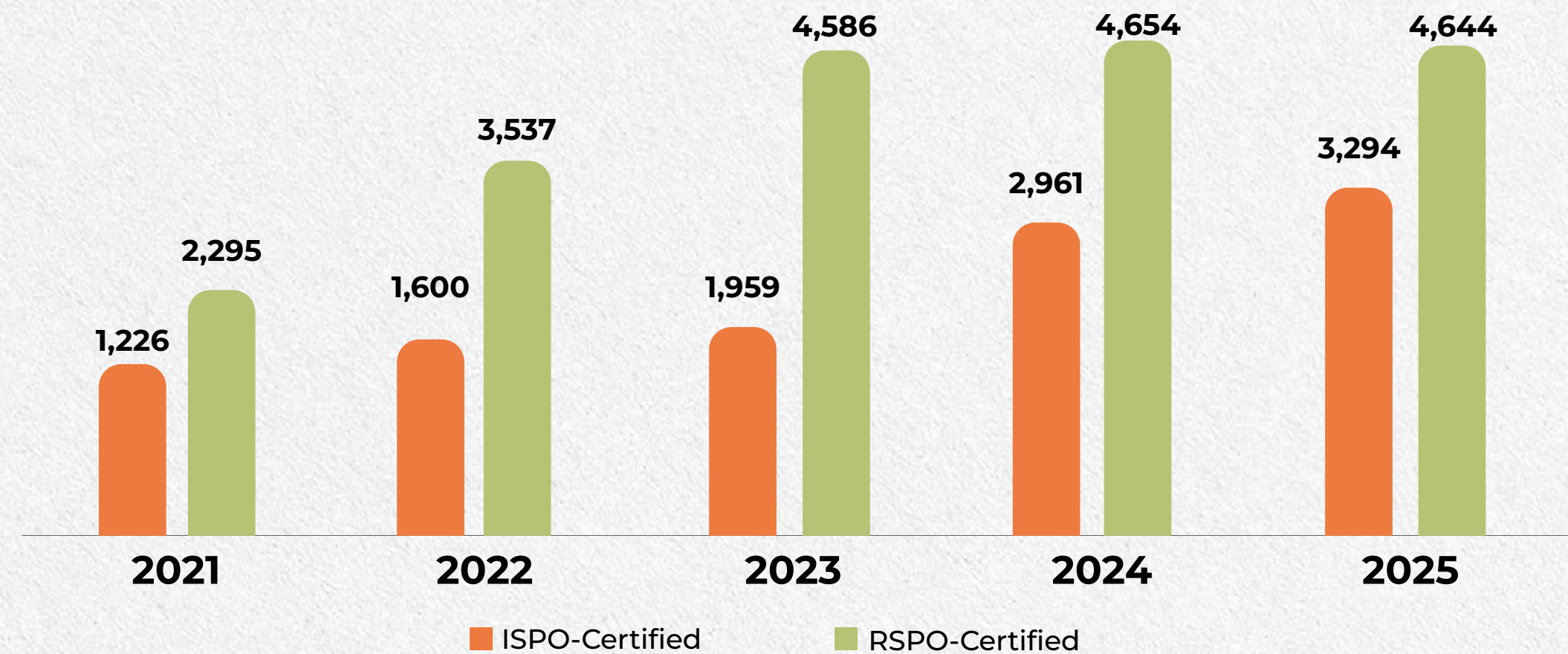
ISPO

Our certification programs also supported 3,294 independent smallholders in achieving the mandatory ISPO certification under the Ministry of Agriculture Decree No. 38 of 2020 (ISPO 38/2020). Year-on-year, the number of ISPO-certified smallholders has significantly increased and today these smallholders collectively manage approximately 7,804 hectares of plantations, representing approximately 11% of the total ISPO-certified area managed by independent smallholders in Indonesia. Through technical assistance, certification support, and capacity building, our program contributes to the Indonesian Government's efforts to accelerate ISPO certification among independent smallholders.

Of the total ISPO-certified independent smallholders, 2,499 supplied to Musim Mas in 2025.



Independent Smallholders Certified To The RSPO and ISPO Standards 2021-2025 (no.)



Addressing Challenges

Despite making substantial progress, we continue to face challenges in mentoring and monitoring independent smallholders to ensure compliance with certification requirements and to address the inconsistent application of GAP, specifically standard operating procedures (SOPs) and the 4R principles for pesticide and fertilizer application.²⁵ Additional barriers include financial and technological limitations, limited exposure to certification processes, and unresolved land title issues. These challenges are further compounded by a lack of awareness of the long-term value of sustainable agricultural practices.

We regularly conduct field monitoring and on-site training on GAP and certification requirements. In addition, we support smallholders by providing access to appropriate technologies, guidance on certification processes, and collaborating with farmers' associations to build capacity. We also assist smallholders in obtaining legal land documentation, including SHMs (Certificates of Land Ownership).

Smallholder Program Partnerships

To drive impact and advance shared objectives, we partner with stakeholders through our Smallholders Hubs. We continue to strengthen existing partnerships and pursue new collaborations to sustain progress.

²⁵ 4R principles: The right source, the right rate, the right time, and the right place for pesticide and fertilizer use.

BIODIVERSE & INCLUSIVE PALM OIL SUPPLY CHAIN (BIPOSC)

Since 2021, Musim Mas has collaborated with the Livelihoods Fund for Family Farming (L3F), SNV, World Agroforestry (ICRAF), Danone, L'Oréal, and Mars Incorporated on a joint initiative to promote regenerative agriculture among independent palm oil smallholders in Labuhanbatu, near our PT Siringo-Ringo mill in North Sumatra. This decade-long initiative supports 2,500 smallholders in supplying 100% deforestation-free FFB through group training and individual coaching in soil improvement, erosion control, emissions reduction, biodiversity conservation, and crop diversification. These smallholders include members of cooperatives, farmers' groups, and associations.

As of January 2026, the initiative had enrolled 1,783 farmers. In addition, all 1,200 targeted smallholders have achieved certification, as farmers enrolled under the BIPOSC project overlap with members of participating associations. Soil monitoring continues to demonstrate improvements in key indicators of soil health, including increases in organic carbon (from 2.24% to 2.93%) and soil organic matter (from 3.86% to 5.04%). Moreover, potassium, phosphorus and magnesium levels continue to be adequate. These results provide an ongoing indication of changes in supporting soil fertility and long-term productivity.

Beyond capacity building, the initiative established a cooperative last year to enhance smallholder incomes and support business expansion, including creating a sustainable composting unit. Efforts are underway to scale the facility to an industrial level. Looking ahead, a new cooperative will be established in 2026.

[Enabling Regenerative Agriculture for Independent Smallholders in Indonesia: The BIPOSC Project, in Collaboration with Musim Mas, L3F, SNV Indonesia, and ICRAF](#)

MULTI-YEAR STUDY TO UNDERSTAND SMALLHOLDERS' SUSTAINABILITY BEHAVIOUR

In February 2026, Musim Mas and researchers from Nanyang Technological University, Singapore (NTU Singapore) embarked on a multi-year collaboration to understand independent smallholders' motivations for adopting sustainable palm oil practices and how these practices can be disseminated within farming communities, specifically in Riau Province, Indonesia including smallholders within and outside the farmer association *Asosiasi Pekebun Swadaya Kelapa Sawit Pelalawan Siak* (APSKS-PS). This study involves spatial analysis, social network mapping, and large-scale farmer surveys to examine smallholder communities and identify the factors that most strongly influence the adoption and spread of sustainable practices. Its findings will offer evidence-based insights to help companies and policy makers promote sustainable practices among independent smallholders.

[Musim Mas and NTU Singapore Launch Multi-Year Study to Understand How Sustainability Spreads Among Smallholder Farmers](#)

SMALLHOLDERS HUB EXPANSION TO SAMBAS LANDSCAPE

Partnering with Bunge through the Sambas Smallholders Hub, the Smallholders Hub uses a landscape-based approach tailored to community-based interventions. The project has three key objectives: achieving 100% sourcing compliance at Musim Mas' Sambas mill across direct operations and third-party suppliers to establish a fully deforestation-free supply chain; expanding the technical support network by training 58 additional VEOs, bringing the total to 139; and delivering sustainable agriculture training to 1,000 independent smallholders, with a focus on NDPE principles, GAP, and financial literacy to strengthen business resilience and improve access to markets and financing.

In 2025, we completed phase one of the project, which focused on community capacity building under the WSP. Local experts from *Universitas Tanjungpura* (UNTAN) delivered training on maternal and child nutrition, balanced diets, and personal health.

Building on this foundation, the next phase will focus on enhancing regenerative agriculture in villages that are in our supply chain and near Musim Mas mills.

[See also page 5 of our Projects in the Aceh Landscape Report 2022/23](#)

COLLABORATIVE RESEARCH ON SMALLHOLDER INCLUSION IN SUSTAINABLE PALM OIL

Our partnership with *Eidgenössische Technische Hochschule Zurich* (ETH Zurich), the University of Cambridge, and *Indonesia's Institut Pertanian Bogor* (IPB University) has continued at our Smallholders Hub in Aceh Singkil since 2023. Supported by the local government and Earthqualizer, this joint research project examines how supply chain sustainability initiatives can reduce deforestation in the Indonesian palm oil sector by integrating producers into the process.

Using a norm-based intervention approach, the research project aims to train and empower smallholders to adopt sustainable practices. Selected villagers have received training in GAP, NDPE principles, and financial literacy. Building on conventional sustainability interventions, the program also promotes pro-environmental social norms through community-based activities such as team-building exercises and public commitments to forest conservation.

As part of a controlled trial, participating villages are randomly assigned to two groups, with only one group receiving NDPE-focused training. Villages in this group then participate in a structured comparison to assess and promote the adoption of these principles over time. In 2025, the trial has expanded to Subulussalam where training has commenced in the selected villages.

Meanwhile, participating villages take part in an inter-village forest conservation competition, receiving quarterly feedback based on satellite monitoring of forest cover to encourage collective action and reinforce positive conservation behaviours. The project is scheduled to run until June 2028 and will conclude with an impact assessment of the training's influence on farmers' behaviour.

[Encouraging Forest Conservation Through Community Action: Updates from the Aceh Inter-Village Competition](#)

PILOTING NATURE POSITIVE FARMING FOR SMALLHOLDERS

In April 2025, Musim Mas, in collaboration with the HCV Network, completed a Nature Positive Farming (NPF) pilot in two villages – Sungai Deden and Bukit Mulya – in West Kalimantan, Indonesia. The NPF approach is the first HCV-related tool designed for independent use by smallholders, and the pilot focused on testing and refining its methodology while evaluating its practicality for farmer-led application. The initiative seeks to strengthen smallholders' understanding of HCV by equipping them to identify environmental risks, implement precautionary measures, and integrate conservation considerations into their day-to-day farming practices. A total of 15 participants took part in the pilot, including Musim Mas field staff, farmer representatives, and NGO partners.

[Musim Mas and HCV Network Pilot Farmer-Friendly High Conservation Value Tool in West Kalimantan](#)

SUSTAINABLE REPLANTING PARTNERSHIP WITH TEMASEK FOUNDATION AND ABLER NORDIC

In March 2025, a new project – Sustainable Oil Palm Replanting in Indonesia (SOPRI) – was launched to help smallholders secure financing for sustainable palm replanting, with a focus on increasing smallholder income while preventing deforestation. SOPRI, initially funded by Norway's Ministry of Climate and Environment, is now financed by Abler Nordic's Climate Smart Fund and receives public, philanthropic, and private funding, including from Singapore's Temasek Foundation, a new partner that provides catalytic capital to guarantee loans, reducing smallholders' financing costs and de-risking private investment.

Phase one supports 400 smallholders across 400 hectares in Sumatra with replanting loans, financial literacy training, certification support, land titling assistance, and village planning. Participating smallholders are eligible for support by committing to zero forest encroachment, with compliance verified through satellite monitoring and field checks.



[Abler Nordic, Livelihoods Funds, Musim Mas, and Temasek Foundation Launch Blended Finance Initiative on Sustainable Oil Palm to Combat Deforestation and Aim to Support at least 400 Smallholders](#)

DANIDA GREEN BUSINESS PARTNERSHIP (DGBP): ROKAN HULU LANDSCAPE AND LIVELIHOODS INITIATIVE (ROHULLI)

In 2025, we established a new partnership with the Danish Government, Preferred by Nature (PbN), Ferrero, the Sustainable Agriculture Network (SAN), and Agriterra to build independent smallholder capacity by strengthening farmers groups' access to sustainable markets and supporting the adoption of NDPE-compliant practices. The partnership provides training and coaching and collaborates with local cooperatives — all aimed at responsibly boosting yields while preserving forests.

The three objectives of the project are:

- Promoting the widespread adoption of climate-smart and regenerative agriculture practices by smallholders
- Improving market access and increasing the resilience of oil palm-producing communities to external and climate-related shocks
- Promoting a jurisdictional approach and strengthening landscape integrity in Rokan Hulu

In the second half of 2025, PbN conducted a baseline survey that combined a landscape analysis with smallholder identification through name-and-address-based verification and the submission of an agricultural regeneration methodology. Agriterra, which supports the implementation of regenerative agriculture, helped farmers develop their own sustainable business models.



[Danish government in collaboration with Preferred by Nature, Ferrero, SAN, Agriterra, and Musim Mas for Sustainable Palm Oil Production in Indonesia](#)

DEFINING SUCCESS AND STRENGTHENING PARTNERSHIPS IN THE ROHULLI INITIATIVE

Joint commentary by Kiswara Santi Prihandini Preferred by Nature, Senior Program Manager | Preferred by Nature

The ROHULLI's success depends on smallholder enthusiasm to adopt regenerative agriculture practices, then continuing to use these practices after the project concludes. Their willingness to participate is rooted in Musim Mas's long-term relationship with the smallholder community, which extends beyond a transactional supply relationship. A key element of the program is its peer-learning model, whereby early adopters demonstrate the tangible benefits of regenerative practices and encourage neighbouring farmers to follow suit. These groups are being developed as local models of resilient and responsible palm oil production, helping to ensure that the initiative's impact continues to scale and endure beyond 2028.

Some results from the program to date have been particularly promising:

- Participating farmers have achieved measurable efficiency gains while reducing input costs.
- RSPO and ISPO certification have strengthened farmers' market positioning, with price premiums providing a tangible incentive for wider adoption.
- Organizational capacity building has strengthened farmer associations, supported women-led businesses and smallholder cooperatives, and helped embed sustainable practices within community structures that can continue beyond the project's funding cycle.

ROHULLI'S UNIQUENESS OF PARTNERSHIP

Commentary by Wenty Octisdah, Country Manager and Rizal Andi Syabana, Project Lead | Agriterra

While similar initiatives are being implemented in other provinces, ROHULLI stands out for its integrated approach. Many initiatives focus solely on regenerative agriculture practices without linking farmers to tangible business opportunities within the value chain. In contrast, ROHULLI combines the adoption of regenerative agriculture practices with the development of sustainable business models connected to Musim Mas as a supply chain partner. Another distinguishing feature is its cooperative-based approach, which enables us to work directly with organized farmer groups as well as individual farmers, creating a foundation for greater scalability and long-term impact. By strengthening farmer organizations and connecting smallholders to market opportunities, the initiative helps ensure that the benefits of regenerative agriculture can be sustained and expanded over time.

About: Preferred by Nature is a global non-profit focused on driving sustainable impact for people, nature, and climate. Agriterra is an international non-profit organization dedicated to strengthening farmer organizations.

PILOTING A SUSTAINABLE SMALLHOLDER BLENDED FINANCING MODEL

Commentary from Heng Li Lang, Head, Climate & Liveability | Temasek Foundation

Many independent smallholders in Indonesia lack access to formal financing or face prohibitively high interest rates, despite over two million hectares of ageing plantations requiring replanting. As a partner in the SOPRI project, catalytic capital is provided to guarantee and derisk loans to smallholders while helping to demonstrate the viability of smallholder financing models. Temasek Foundation believes that when financing models are structured appropriately, supported by improved yields, stronger income potential and reliable market demand, repayment rates can be strong and default rates relatively low. With this pilot initiative, it could unlock additional funding from commercial banks and the private sector. Beyond the pilot, it is key to scale beyond the initial group of smallholders and position smallholder replanting to be commercially viable.

About: Temasek Foundation supports a diverse range of programs that uplift lives and communities in Singapore and Asia. These programs are made possible through philanthropic endowments from Temasek, as well as gifts and other contributions from other donors. They strive to deliver positive outcomes for individuals and communities today, and for generations to come. Collectively, Temasek Foundation's programs strengthen social resilience, foster international exchange, catalyze regional capabilities, advance science, and protect the planet.



See also [Impact Area: Responsible Sourcing](#)



Coconut Smallholders

Beyond oil palm, we also engage with coconut smallholders in our supply base. We maintain 100% traceability across our coconut supply chain, which puts us ahead of our industry peers, and we have identified a low risk of deforestation through our NDP Risk Management Framework (RMF).

New Pilot to Strengthen Coconut Smallholder Capacity

From September to November 2025, Musim Mas piloted a Coconut Farmers Development Program and expanded our coconut smallholder initiatives in the village of Rinondoran, Bitung. We partnered with Kulaku Indonesia – a social enterprise that produces and distributes coconut products and empowers coconut smallholders through sustainable farming, welfare, and livelihood programs – to deliver technical training to improve copra yields and convert coconut waste and byproducts into income-generating products such as organic fertilizer, nata de coco, and handicrafts made from coconut husks. We also engaged with various stakeholders and local institutions to better support coconut smallholders.

Our goal is to complete training with 80% of our coconut smallholders by 2030, of which we have reached 22.2% as of December 2025.

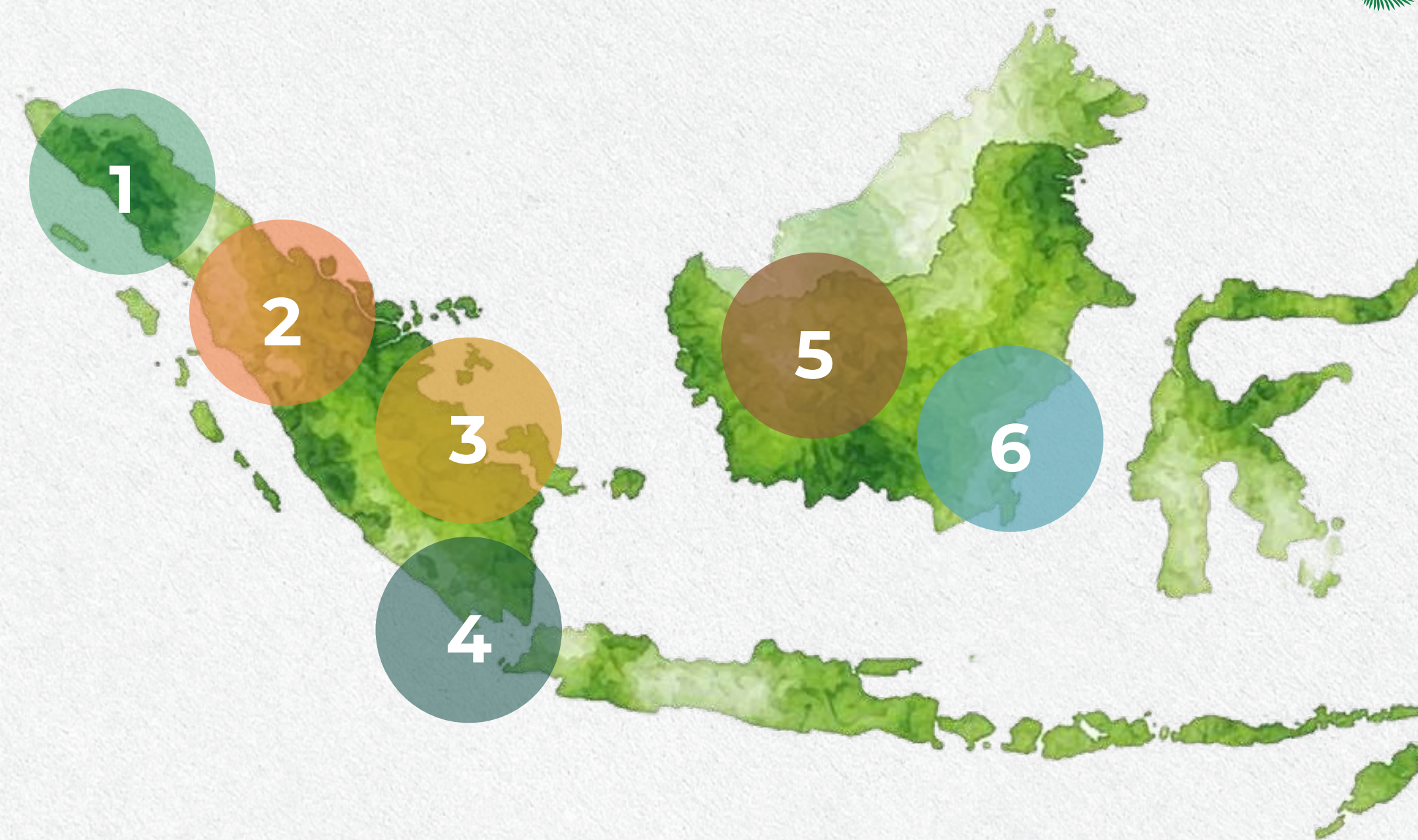


Priority Landscapes



[GRI 3-3, 13.4.1]

Landscapes Overview



1 ACEH

- 5 Smallholders Hubs (Aceh Tamiang, Aceh Singkil, Aceh Timur, Aceh Selatan, and Subulussalam)
- Verified Sourcing Area (VSA) program
- Training for Smallholders program
- RADD pilot in Aceh Tamiang (now under IDA)
- Supporting landscape-level HCV-HCS mapping
- ETHZ research
- Areas for Priority Transformation (APT)
- Land Legalisation Program (Aceh Singkil)
- Leuser Ecosystem (UNESCO Biosphere Reserve)
- Gunung Leuser National Park

2 NORTH SUMATRA

- Biodiverse & Inclusive Palm Oil Supply Chain (BIPOSC) regenerative agriculture project (Labuhanbatu)

3 RIAU

- Founding member of Siak-Pelalawan Landscape Program
- 2 Smallholders Hubs (Dayun, Siak, and Sungai Linau)
- Tesso Nilo Flying Squad
- Landscape-level mapping of HCV and HCS areas
- Rokan Hulu Landscape and Livelihoods Initiative (ROHULLI)
- Tesso Nilo National Park
- Giam Siak Kecil-Bukit Batu (UNESCO Biosphere Reserve)
- Zamrud National Park

4 SOUTH SUMATRA

- Training for Smallholders program

5 WEST KALIMANTAN

- 1 Smallholders Hub (Sambas)
- Social Forestry Program

6 CENTRAL KALIMANTAN

- HCSA community land-use planning pilot project with Forest Peoples Programme

Notes

- 1 This map shows an overview of our existing programs.
- 2 Green areas are protected areas adjacent to our operations.

Musim Mas believes that addressing the complex and dynamic nature of the industry’s supply bases, particularly those involving independent smallholders, requires a multifaceted, collaborative approach. Our work extends beyond our direct supply base and commercial relationships to include engagement with partners such as smallholders, local communities, third-party suppliers, civil society organizations, local governments, industry peers, and program implementation partners. Together, these collaborations help us achieve a tangible, lasting impact across all regions where we operate.

This approach is guided by Musim Mas’s [Priority Landscapes Strategy](#), published in September 2024. It is our first integrated landscape strategy, covering six priority landscapes: Aceh, North Sumatra, Riau, South Sumatra, West Kalimantan, and Central Kalimantan. These landscapes encompass several biodiversity-sensitive areas, namely national parks, United Nations Educational, Scientific and Cultural Organization (UNESCO) Biosphere Reserves and other protected landscapes, as well as landscape initiatives such as ROHULLI that are integral to our landscape and smallholder programs (see the map on the previous page). The strategy consolidates our landscape programs and guides our initiatives through three key approaches — **Engagement**, **Assurance**, and **Monitoring and Response**.

Our landscape work has deep roots. It is built on our first comprehensive strategy in Aceh in 2020, one of our most critical sourcing regions in terms of both supply and conservation value. The lessons learned there, combined with experience from our other priority landscapes, informed a thorough reassessment of all our initiatives and shaped the expanded strategy we have today. With our 2025 targets now complete, the focus shifts to embedding the lessons learned into our ongoing work.



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Multi-stakeholder Engagement

A Reflection on Our Landscape Targets

As the 2021–2025 target period of our Landscape Strategy concludes, we reflect on the results achieved and lessons learned from programs implemented across our priority landscapes. These achievements demonstrate the value of sustained engagement with suppliers, smallholders, implementation partners, and local stakeholders. We are pleased to see that:

- ✓

More than 400 supplying mills have committed to our NDPE requirements
- ✓

Over 10,000 independent smallholders have been trained through our Smallholders Hubs
- ✓

Supplier grievances have declined by 63% compared to the 2020 baseline

These outcomes have demonstrated the progress that can be achieved when capacity-building, monitoring, and accountability mechanisms are applied consistently over time.

Implementation also reinforced several important lessons. While formal commitments and participation in programs are important indicators of progress, meaningful change ultimately depends on how these commitments are translated into day-to-day practices on the ground. This is particularly evident in complex supply chains involving indirect suppliers and independent smallholders, where progress often requires long-term engagement, tailored support, and collaboration beyond traditional commercial relationships. Experience has also shown that some of the most valuable indicators of success are not only measures of coverage or participation, but evidence of improved practices, stronger responsiveness to risks, and greater ownership among supply chain actors.

While our targets have reached completion, our supplier engagement work in these areas continues. These insights will continue to shape our approach, and we will focus on strengthening the quality and impact of our interventions, closing persistent gaps, and ensuring that the systems and partnerships established over the past five years continue to drive meaningful outcomes.



Multi-Stakeholder Engagement

Multi-stakeholder engagement is fundamental to the successful implementation and long-term impact of our sustainability and landscape initiatives. Addressing environmental and human rights challenges requires collaboration across the value chain, including communities, smallholders, government agencies, industry platforms, financial institutions, certification bodies, and civil society organizations. Through partnerships and active participation in multi-stakeholder platforms, we support inclusive decision-making, responsible sourcing, smallholder resilience, and shared landscape-level outcomes across our priority sourcing areas. Our focus areas are outlined below:

Engagement with relevant local and national government agencies to support landscape initiatives via multi-stakeholder platforms	>> See Stakeholder Collaboration
Landscape-level strategy implementation in priority sourcing areas	>> See Priority Landscapes
Engagement with local and national government agencies	 See Stakeholder Engagement
Support programs for implementing partners to facilitate smallholder compliance with legal and certification requirements	>> See Sustainability with Smallholders
Support for RSPO-certified independent smallholder cooperatives to strengthen the governance capacity and increase member participation	>> See Independent Smallholders
Collaboration with financial institutions and technology partners to improve smallholders' access to digital and financial solutions, including digital literacy programs, financial transactions, financing, and mobile-based tools.	>> See Financial Literacy and Entrepreneurship
We engage independent verification bodies to assess our no-deforestation due diligence processes	>> See Assessing Supplier NDP Risk



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Assurance Statement



Independent Limited Assurance Statement in connection with the Subject Matter included in the Sustainability Report 2025 of Musim Mas Holdings Pte Ltd

To the Management of Musim Mas Holdings Pte Ltd (“Musim Mas”),

Scope

We have been engaged by Musim Mas to perform a ‘limited assurance engagement’, as defined by International Standards on Assurance Engagements, hereafter referred to as the engagement, to report on Musim Mas’ sustainability performance metrics as set out in the Subject Matter Information section presented adjacent to this text (the “Subject Matter”) contained in Musim Mas’ sustainability report for the financial year ended 31 December 2025 (“the Report”).

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Subject Matter Information

Our limited assurance engagement covers the following Subject Matter for the above-mentioned period:

No.	ESG Matter	Information For Assurance	Scope for Palm Oil Segment	Countries
1	Water management	Water use intensity (m ³ /MT FFB processed) in 2025	RSPO-certified mills only	Indonesia
2	Maintaining water quality	BOD and COD quality (mg/l) for POME in 2025	RSPO-certified mills only	Indonesia
3	Improving the livelihoods of scheme smallholder farmers	Scheme smallholders that Musim Mas supports under these programmes: • KKPA: Number of KKPA programs and number of smallholders • VDP: Number of villages Note: Musim Mas operates two scheme smallholder programs: (1) <i>Kredit Koperasi Primer Anggota</i> (KKPA) and (2) Village Development Program (VDP)	Mills and plantations	Indonesia
4	Improving the livelihoods of independent smallholder farmers	(1) Number of independent smallholders involved in Musim Mas program that supplies to Musim Mas in 2025; (2) Total number of independent smallholders supplying to Musim Mas in 2025	Mills and plantations	Indonesia
5	Assessing and managing NDP risk in the supply chain	Programs in place to support high-risk mills identified as at 31 December 2025	All supplying mills during the year	Indonesia, Malaysia & Thailand
6	Assessing and managing NDP risk in the supply chain	Percentage of suppliers classified under low- to medium- to high-risk mills as of 31 December 2025	All supplying mills during the year	Indonesia, Malaysia & Thailand
7	Suppliers’ progress on NDPE commitments	Percentage of suppliers that have an NDPE policy or adopted Musim Mas Sustainability Policy as at 31 December 2025	All supplying mills during the year	Indonesia, Malaysia & Thailand
8	Maintaining water quality	COD quality (mg/l) for PORE in 2025	One refinery	Indonesia
9	Improving the livelihoods of independent smallholder farmers	Number of individual smallholder farmers (within and outside of Musim Mas supply chain) trained and re-trained as at 31 December 2025	Mills and plantations	Indonesia
10	Improving the livelihoods of independent smallholder farmers	Number of independent smallholder farmers RSPO-certified in Indonesia, with support of Musim Mas as at 31 December 2025	Mills and plantations	Indonesia



Criteria applied by Musim Mas

In preparing the Subject Matter, Musim Mas applied the criterion of “Accuracy” as defined by GRI and specific criteria determined by Musim Mas as being relevant for its sustainability performance. Such Criteria were specifically designed for sustainability performance; as a result, the Subject Matter may not be suitable for another purpose.

Musim Mas’ responsibilities

Musim Mas’ management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY’s responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we obtained.

We conducted our engagement in accordance with International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (“ISAE 3000 (Revised)”), and the terms of reference for this engagement as agreed with Musim Mas on 24 May 2024 and addendums dated 19 May 2025, 9 July 2026 and XX September 2026. Those standards require that we plan and perform our engagement to express a conclusion on whether, we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance qualified conclusion.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

EY also applies Singapore Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management’s internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.



Our procedures included:

1. Making inquiries with Musim Mas’ Sustainability team to:
 - a. Understand principal business operations,
 - b. Appreciate key sustainability issues and developments,
 - c. Map out information flow for sustainability reporting and the relevant controls, and
 - d. Identify data providers with their responsibilities
2. Carrying out interviews with and seeking clarifications from employees and Management in Singapore and Indonesia to understand key sustainability issues related to the selected indicators, data collection processes and accuracy of reporting.
3. Conducting walk-through of systems and processes for data aggregation and reporting with relevant personnel to understand the quality of checks and control mechanisms in relation to the Subject Matter in the Sustainability Report.
4. Performing analytical reviews on data and inquire with relevant personnel when anomalies are observed.
5. Tested, on a sample basis, underlying source information to check the accuracy of the data through sampling methods.
6. Checking data and statements had been correctly transcribed from corporate systems and / or supporting evidence, in relation to the Subject Matter in the Sustainability Report.
7. Obtaining the applicable certifications and reports to develop an understanding of the validity period and scope of these reports in relation to the Subject Matter in the Sustainability Report.

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter as of 25 September 2026 for the year ended 31 December 2025, in order for it to be in accordance with the Criteria.

Restricted use

This report is intended solely for the information and use of Musim Mas and is not intended to be and should not be used by anyone other than those specified parties.

Ernst & Young LLP

25 September 2026

Singapore



Appendices



Aligning with TCFD Recommendations

[GRI 201-2] [SASB FB-AG-110a.2, FB-AG-440a.1]

As a large non-listed company in Singapore, Musim Mas will adopt International Sustainability Standards Board (ISSB) climate-related disclosure standards (IFRS S2 on climate and climate-related IFRS S1 standards) as our reporting framework starting with our 2030 financial year. For continuity, it will build on our existing disclosures aligned to the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations, a framework that enables companies to effectively communicate our climate-related impacts, risks, and opportunities to stakeholders. It also provides a structured approach to highlighting mitigation and adaptation efforts in the global transition to a low-carbon economy.

Governance

The Musim Mas Board, led by our Executive Chairman cum Chief Executive Officer (CEO), maintains oversight over the management of climate-related risks and opportunities. At the operational level, Musim Mas' Executive Management forms part of the wider board-level governance structure, with two Directors – the Director of Communications and Sustainability and the Director of Climate Action and Sustainable Supply Chain – leading the Group's climate and sustainability efforts.

These directors monitor and manage sustainability matters, including climate-related initiatives and performance. As part of their role within the broader governance structure, they track progress against climate-related targets and report quarterly to the board. These directors are supported by senior management and relevant sustainability teams in implementing climate-related management programs and action plans across Musim Mas.

The Board, Executive Management, and Head of Departments regularly assess and review key sustainability and environmental, social, and governance (ESG) issues and trends. These include climate-related risk management, action planning, and alignment with our core objectives – such as reducing greenhouse gas (GHG) emissions and upholding our No Deforestation, No Peat, and No Exploitation (NDPE) commitments. For example, the budget to improve our environmental performance is an important part of our financial planning. It includes measures to reduce emissions (e.g., building methane capture facilities and adopting power cogeneration at our mills), promote smallholder collaboration in upholding our NDPE commitments, and engage with local communities to prevent and manage fires.

Musim Mas is fully committed to ensuring our relevant personnel and collaborators have the appropriate expertise to manage sustainability and climate-related issues. We also take steps to ensure that our senior management has a robust and diversified skillset to tackle sustainability matters, including climate-related trends and projects, with multiple members receiving training on Science Based Targets initiative (SBTi) target setting, decarbonization, and best management practices on peat. We assign dedicated personnel in the relevant departments to inform our teams about climate-related issues by continuously monitoring regulatory developments, changing weather patterns, soil quality, and water balance, among others, to assess our exposure to climate-related risks and opportunities. We have also established a carbon team with the expertise to assess and monitor our carbon emissions and their reduction.



For more information, see [Corporate and Sustainability Governance](#)

Risk Management

Musim Mas' Sustainability Policy has served as the principal framework for our sustainability commitments since 2014. It includes climate-related topics that are integrated into our company-wide risk management process, as well as risks and opportunities to be discussed as part of the Board agenda. Recognizing the potentially significant impacts of climate-related risks on our business, Musim Mas utilizes several risk processes to monitor, identify, assess, and manage climate-related risks. The size and scope of each risk is monitored by specific teams in the relevant departments through a climate risk assessment that considers factors such as business growth, existing and emerging climate-related regulatory requirements, environmental outlooks and potential worst-case scenarios in different timeframes (short-, medium-, and long-term). Based on the results, the teams can study the scale and financial impacts of the risks.

The Board reviews these risk areas, considering ESG factors and the necessary actions to achieve strategic objectives. After the Board's review, responsibilities and actions are shared and assigned to the relevant departments, which are then tasked with developing action plans and projects to address these risks. Implementation of action plans requires Board approval, and progress is typically reported to the Board to ensure their oversight of the risk management process.

Strategy

Musim Mas recognizes that adaptive strategies are necessary to maintain market competitiveness and business resilience to climate-related risks. Our inaugural climate risk scenario analysis, conducted in 2024–2025 in collaboration with external experts, identified the impacts of medium- and long-term climate-related risks and opportunities on our business. The identified risks and opportunities from this analysis will guide our business strategy and financial planning.

For instance, we invest heavily in monitoring weather events and building gray infrastructure to mitigate the impacts of extreme floods and storms. We also invest in methane capture facilities to reduce our carbon emissions and exposure to future carbon pricing and work closely with stakeholders to maintain compliance with climate-related regulations. The findings of our climate risk assessment will inform our upcoming roadmap and provide a comprehensive strategy for addressing climate-related risks.

>> See [Physical and Transition Risk Reporting](#)

Metrics and Targets

Recognizing the urgency of combating the climate crisis, we have set a range of ambitious targets to reduce our carbon emissions and their associated impacts on the environment. For instance, we were one of the 13 signatories of the Agriculture Sector Roadmap to 1.5°C at the 27th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP27), which aims to halt commodity-linked deforestation consistent with a 1.5°C warming pathway.

We have also bolstered our long-term commitment to sustainability by reaching our target to reduce upstream GHG emission intensity by 55% from our 2006 baseline, two years ahead of schedule. Most recently, we adopted a science-based approach to our GHG emission targets, in greater alignment with the Paris Agreement. Following extensive groundwork, we have set ambitious net-zero emission targets. We are proud to have had both our near- and long-term reduction targets [validated by the SBTi](#) in October 2024. This means compliance with the SBTi Corporate Net-Zero Standard and the SBTi Forest, Land, and Agriculture Guidance (FLAG).

We track various metrics to monitor our progress towards targets and measure our exposure to climate-related risks and opportunities, including Scope 1, Scope 2, and Scope 3 emissions, energy consumption, area conserved, hotspots and wildfires detected, and water use.

>> For more information on these metrics, see [Targets and Progress](#)

>> See also [Environment and Climate](#)

TCFD Index

The table below maps the sustainability disclosures in this report to four thematic areas in the TCFD recommendations: Governance, Strategy, Risk Management, and Metrics and Targets.

Pillar	TCFD recommendations	Sections referenced in our 2025 Sustainability Report
Governance	Board oversight	• Corporate and Sustainability Governance
	Role of management	• Aligning with TCFD Recommendations
Strategy	Climate-related risks and opportunities over the short, medium, and long term	• Approach to Sustainability
	Impact on business, strategy, and financial planning	• Climate Resilience and Mitigation
	Resilience of strategy and scenario analysis	• Aligning with TCFD Recommendations
Risk management	Process for identifying and assessing climate-related risks	
	Process for managing climate-related risks	• Climate Resilience and Mitigation
	Integrating processes into overall risk management framework	• Aligning with TCFD Recommendations
Metrics and targets	Metrics used	• Targets and Progress
	Scope 1, Scope 2, and Scope 3 GHG emissions and related risks	• Climate Action
	Targets and performance	• Climate Resilience and Mitigation
		• Aligning with TCFD Recommendations

Physical and Transition Risk Reporting

Climate-Related Physical Risks

Physical Risks	Risk Description	Risk Category	Implications for Musim Mas	Time Horizon	Mitigation Measures
Pest and disease	Temperature and precipitation changes may affect the spread of fungal diseases (e.g., basal stem rot) that may impact oil palm yields.	Chronic	- Higher pest and disease management costs - Fungal diseases lower yields, leading to reduced profits	Long Term	Early detection, regular monitoring, and prompt treatment to detect and respond to potential pest and disease outbreaks For more information, see Pesticides and Fertilizers
Storms	Climate change may increase the severity and frequency of extreme tropical cyclones, creating strong winds and heavy rainfall inland.	Acute	- Tropical cyclones can cause floods that disrupt operations and increase costs (e.g., by disrupting fertilizer application schedules) - Increased disruption of operations and potential loss of revenue - Increased worker safety risks	Long Term	- Weather and storm forecasting measures for plantation and shipments - Construction of embankment and other gray infrastructure to help mitigate damage from cyclones - Formation of an Emergency Response Team to mitigate and minimize worker safety risks - Annual training on best management practices and safety for all workers to raise awareness of potential risks
Floods	Heavy rains may lead to rivers overflowing and flash flooding that disrupts fresh fruit bunch (FFB) collection and damages infrastructure.	Acute	- Increased repair and maintenance costs - Capital costs from flood mitigation and adaptation efforts (e.g., floods may disrupt FFB transportation routes) - Increased climate-related insurance costs	Medium to Long Term	- Construction of bund embankments with flap gates along riparian zones - Installation of water pumps

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Physical Risks	Risk Description	Risk Category	Implications for Musim Mas	Time Horizon	Mitigation Measures					
Fires	Rising average temperatures and longer drought seasons increase the risk of fires that may damage oil palm plantations.	Acute	• Loss of revenue from the destruction of oil palms and increased replanting costs • Lower yields • Increased worker health and safety risks • Negative health impacts on surrounding communities	Medium to Long Term	• Community engagement programs (e.g. the Fire Free Village Program) • Building water ponds and fire breaks • Monitoring satellite data • Installing fire watch towers to reduce wildfire risks in and surrounding concession areas • Daily hotspot monitoring across concessions and surrounding areas • Highly trained firefighting teams maintained at each plantation For more information, see Monitoring and Managing Fires					
Droughts	Droughts are expected to increase in frequency and intensity, including droughts caused by El Niño events, impacting FFB yields.	Acute	• Decrease in revenues due to lower production capacity caused by water scarcity • Decrease in revenues from lower FFB yields	Medium to Long Term	• Comprehensive measures to preserve surface and groundwater quality • Monitoring of water-related risks using the World Resources Institute (WRI)’s Aqueduct tool • Mindful locating upstream operations in areas identified as water-stressed					
Rising temperatures and heatwaves	Projected rises in average temperatures and heatwave frequency can pose health risks to plantation workers, reducing labour efficiency and increasing the risk of heat-related illnesses.	Chronic	• Increased operating costs (energy and labour)	Long Term	• Mandating breaks during periods of high temperatures measures to protect workers from heat-related illness and injuries					

Climate-Related Transition Risks

Transition Risks	Risk Description	Risk Category	Potential Impacts	Time Horizon	Mitigation Measures
Climate or Forestry Regulation	Climate-related regulations, such as the EU Deforestation Regulation (EUDR), will require palm oil companies to supply deforestation-free products and ensure supply chain traceability. Specifically, the EUDR requires companies to comply with local environmental, human rights, land use, and labour laws. Sanctions include fines and the confiscation of products found to have breached EUDR requirements.	Regulatory	- Increased compliance and legal costs - Potential revenue loss from instances of non-compliance	Medium Term	- Implemented Sustainability Policy in 2014 and revised it in 2020 and 2026, and have since launched EUDR compliance initiatives - No deforestation and traceability to plantation commitment by our NDPE and sustainability policies - Achieved 98% traceability to plantation, independently verified by Control Union, alongside the development of an independently verified procedure to support EUDR compliance
Carbon Pricing Mechanisms	Countries where we operate already have or are planning to implement carbon pricing mechanisms. These include Indonesia's recently introduced carbon offsetting and cap-and-trade measures.	Regulatory	Increased operating and procurement costs as a result of national regulation on carbon pricing mechanisms	Medium to Long Term	- Commitment to reducing our GHG emissions through targets aligned with the SBTi - Methane capture facilities for palm oil mill effluent, which significantly reduced our use of external electricity at upstream operations - Exploring renewable energy options for midstream and downstream operations For more information, see Group Emissions



Transition Risks	Risk Description	Risk Category	Potential Impacts	Time Horizon	Mitigation Measures
Shift in Customer Preferences Towards Palm Alternatives	Consumer scrutiny of the potentially negative impacts of palm oil cultivation may lead to a shift towards palm oil substitutes and alternatives.	Market	Reduced revenues from traditional palm oil products	Long Term	- Although the current risk from palm oil alternatives is low, we recognize increasing consumer demand for sustainable palm oil. - Early membership in the Roundtable on Sustainable Palm Oil (RSPO) as the first Indonesian company to join - RSPO certification covering over 85% of our total managed area (as of December 2025) - ISPO certification achieved across all upstream entities since August 2025 For more information, see Sustainability Certifications - Ongoing monitoring of research on lab grown palm oil alternatives and assessment of how they may affect or support our business
Development of Lab-Grown Palm Alternatives	Development of lab-grown palm oil alternatives, including through precision fermentation, may create an alternative to traditional palm oil. However, developments are still limited.	Technology	Decreased operating revenues due to loss of market share		
Long-Term Peatland Use	Increasing stakeholder pressure to rehabilitate used peatlands may result in additional costs.	Policy	Increased compliance and rehabilitation costs	Medium Term	Adoption of best practices for peatlands and fragile soils aligned with RSPO guidelines and local regulations For more information, see Conservation and restoration

Climate-Related Transition Opportunities

Transition Opportunities	Opportunity Description	Opportunity Category	Potential Impacts	Time Horizons
Increased Use of Precision Agriculture	Precision agriculture can reduce excess waste and fuel use while maximizing crop yields.	Technology	- Increased revenues and material output due to improved agricultural productivity - Reduced soil degradation	Medium to Long Term
Increased Use of Renewable Energy	Using renewable energy sources, including on-site solar and biomass, as well as renewable energy certificates, as fossil fuel substitutes.	Technology	Decreased carbon-related costs when regulatory pricing is in place	Long Term
Use of Technology-Assisted Production Tools	Increased use of automation and technology-assisted tools, including AI, to help improve agricultural productivity and efficiency.	Technology	Increased revenues and material output from higher agricultural productivity and efficiency	Medium to Long Term
Development of Climate-Resilient Palm Variants	The recent release of the Musim Mas GS Series oil palm seed varieties highlights the potential for higher FFB yields against the backdrop of rising temperatures and harsher growing conditions.	Technology	- Reduced environmental impacts of climate-related events on plantations - Increased revenues from higher FFB yields - New revenue streams from the sale of climate-resilient variants	Medium Term

Our Material Topics and Their Boundaries

See also [Materiality Matrix 2025](#).

Topic	Description	Upstream	Midstream/ Downstream	Impact Area	Contributing to Primary SDG Target
Biodiversity, conservation and restoration	Conserving, managing, and rehabilitating High Carbon Stock (HCS) forests, High Conservation Value (HCV) areas, and peatlands	X		Sustainable Production	15.1
Climate risks and adaptation	Monitoring and minimizing greenhouse gas (GHG) emissions through efficiency improvements, renewable energy adoption, and waste-to-energy initiatives, while managing climate-related risks across our operations	X	X	Sustainable Production	13.1
Children’s rights	Providing access to educational services and facilities while upholding our commitments to protecting children’s rights	X		Sustainable Production	4.1
Community rights and community relations	Respecting the formal and customary rights of Indigenous peoples and local communities through free, prior, and informed consent (FPIC) and ongoing consultations; supporting livelihoods and food security	X		Sustainable Production	6.2
Data integrity and privacy	Safeguarding information assets and personal data against cybersecurity risks and threats through secure data management and use	X	X	Sustainable Production Responsible Sourcing Thriving Smallholders and Landscapes	
Employee development and talent retention	Investing in capacity building, training, and skills development to support employee growth and career advancement	X	X	Sustainable Production	
Fire and haze prevention	Preventing and managing fire risks through a no-burning commitment, active monitoring and mitigation, and by supporting community-based prevention and awareness initiatives	X		Sustainable Production Responsible Sourcing	15.2
Gender equality	Promoting equal opportunities and a discrimination-free, inclusive workplace	X	X	Sustainable Production Responsible Sourcing	8.5



Topic	Description	Upstream	Midstream/ Downstream	Impact Area	Contributing to Primary SDG Target
Governance and business ethics	Ensuring strong governance and ethical standards across the Group, through a zero-tolerance policy on corruption, bribery, violence, and any form of intimidation or misconduct	X	X	Sustainable Production	
Human rights and labour rights	Upholding human and labour rights in accordance with international standards and national laws, ensuring fair treatment and decent working and living conditions, including adequate wages and access to essential facilities	X	X	Sustainable Production Responsible Sourcing	6.1, 8.5, 8.7
Innovation and R&D	Driving innovation to enhance productivity, sustainability, and value creation through research and development (R&D), sustainable agricultural practices, and the development of solutions that meet evolving customer and industry needs	X	X	Sustainable Production	2.4, 17.16
Landscapes	Collaborating with private- and public-sector stakeholders across landscapes to support sector-wide transformation and jurisdictional approaches	X	X	Thriving Smallholders and Landscapes	15.1, 17.16
Occupational safety and health	Safeguarding employee health, safety, and well-being by promoting a strong safety culture, preventing workplace incidents and illnesses, and providing free healthcare across our operations	X	X	Sustainable Production	8.5
Pesticide and chemical management	Managing pest responsibly while optimizing and reducing chemical use	X		Sustainable Production	15.1
Product safety and quality	Ensuring products meet quality and safety standards and requirements, and respond to customer needs		X	Sustainable Production	17.16
Smallholder engagement	Supporting smallholder inclusion and promoting their socio-economic development	X		Sustainable Production Thriving Smallholders and Landscapes	2.3, 15.1
Supply chain engagement and transparency	Implementing NDPE commitments across our supply chains; ensuring traceable and transparent supply chains by assessing production impacts and engaging suppliers to manage environmental and social risks	X	X	Responsible Sourcing Thriving Smallholders and Landscapes	12.7, 15.1, 15.2

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Topic		Description	Upstream	Midstream/Downstream	Impact Area	Contributing to Primary SDG Target				
Stakeholder collaboration and reporting		Engaging stakeholders to address key sustainability challenges and drive sector-wide transformation, while maintaining transparent, accountable partnerships; strengthening stakeholder communication and transparent reporting	X	X	Sustainable Production Responsible Sourcing Thriving Smallholders and Landscapes	17.16				
Sustainability certification and compliance		Maintaining sustainability certifications and compliance across our operations and throughout our supply chain	X	X	Sustainable Production Responsible Sourcing Thriving Smallholders and Landscapes	12.7				
Waste management		Promoting responsible waste management through the reduction, reuse, recycling, and safe handling of hazardous materials	X	X	Sustainable Production	12.2				
Water management		Promoting responsible water management through efficient use and by minimizing impacts on nearby water sources	X	X	Sustainable Production	12.2				

Note: Grey cells indicate fields that are not applicable.



Musim Mas’ Contributions to the SDGs

As part of our 2025 materiality review, no changes were made to the alignment of our material topics, program objectives, and downstream risks and opportunities against the United Nations Sustainable Development Goals (SDGs) and their targets. Our SDG mapping has been updated this year to align with our revised Sustainability Policy and relevant impact areas:



IMPACT AREA ●●●
Sustainable Production



IMPACT AREA ●●●
Responsible Sourcing

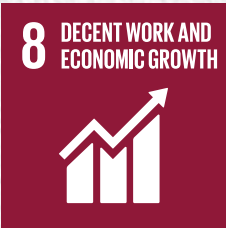


IMPACT AREA ●●●
Thriving Smallholders and Landscapes

Primary SDGs

These are priority goals and targets that Musim Mas reports on and demonstrates contributions to. Corresponding SDG logos are displayed in the relevant sections of this report.

SDG	Relevant SDG Target	Material Topic and Contributions	Musim Mas Sustainability Policy Impact Area
 SDG 2: ZERO HUNGER	2.3: By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous people, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment	Smallholder engagement: Including smallholders in our supply chain and implementing training and engagement programs to support them in addressing complex and interlinked barriers around yields, plantation management, land ownership, financial access and income, market access, replanting, economies of scale, and quality of life. Our programs cover scheme and independent smallholders in our operational landscapes. Beyond oil palm smallholders, we support women smallholders through a new dedicated program, and we are also working with coconut smallholders.	Sustainable Production Thriving Smallholders and Landscapes

SDG	Relevant SDG Target	Material Topic and Contributions	Musim Mas Sustainability Policy Impact Area
 SDG 2: ZERO HUNGER	2.4: By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality	Innovation and R&D: Investing in R&D to produce premium seedlings, increase yields, improve oil extraction rates, reduce reliance on chemicals, improve soil management, and focusing on sustainable and regenerative agriculture to improve the amount and quality of production and contribute to food security worldwide. We released four new oil palm seed varieties (Musim Mas GS Series) with superior traits that result in greater yield, land-use efficiency, and productivity.	Sustainable Production
 SDG 4: QUALITY EDUCATION	4.1: By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes	Children's rights: Providing access to education for school-age children living at Musim Mas plantations and from surrounding communities by: - Building and operating kindergartens and primary and secondary schools - Providing access to education services and facilities - Offering scholarships to deserving students.	Sustainable Production
 SDG 6: CLEAN WATER AND SANITATION	6.1: By 2030, achieve universal and equitable access to safe and affordable drinking water for all	Human rights and labour rights: - Providing access to free, clean drinking water at employee housing - Building wells in communities	Sustainable Production Responsible Sourcing
	6.2: By 2030, achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations	Community rights and community relations: - Providing sanitation facilities and maintaining sanitary premises at estates - Ensuring access to clean toilets at our operations - Providing toilets to communities and engaging with communities on sanitation	Sustainable Production
 SDG 8: DECENT WORK AND ECONOMIC GROWTH	8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	Human rights and labour rights; Gender equity; Occupational safety and health: Upholding fundamental employee rights, including freedom of association; ensuring employees are treated fairly without discrimination, with dignity and respect; ensuring wages are at least in line with legal requirements; making sufficient provisions for employees to afford a basic but decent standard of living	Sustainable Production Responsible Sourcing

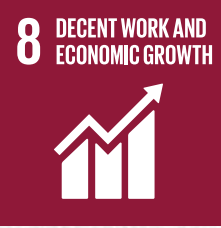
SDG	Relevant SDG Target	Material Topic and Contributions	Musim Mas Sustainability Policy Impact Area
 SDG 12: RESPONSIBLE CONSUMPTION AND PRODUCTION		• Safeguarding the health and safety of employees and instilling a culture of safety; preventing accidents and work-related illnesses; promoting the well-being of employees; providing free healthcare • Respecting all human rights as outlined in the International Bill of Human Rights and UN covenants; adhering to the business principles set out in the UN Guiding Principles on Business and Human Rights (UNGP BHR) and applicable national laws; providing adequate housing, sanitation, community facilities, infrastructure, electricity, access to religious centers, etc. • Ensuring no workforce discrimination; respecting diversity and promoting gender equity; ensuring equal opportunities and full and effective participation in leadership for women at our operations • Operating Gender Committees, issuing family cards regardless of gender, providing breastfeeding centers, etc.; building and running childcare centers for preschoolers	Sustainable Production Responsible Sourcing
	8.7: Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms	Human rights and labour rights: • Upholding no-forced-labour and no-child-labour commitments through our Sustainability Policy • Adhering to the UNGP BHR on Human Rights Due Diligence (HRDD) • Consistently ensuring human rights risks are properly assessed and managed through various programs and efforts	Sustainable Production Responsible Sourcing
	12.2: By 2030, achieve the sustainable management and efficient use of natural resources	Water management; Waste management: • Optimizing water use and consumption at our mills • Minimizing waste generated at our operations; reducing, reusing, recycling, and recovering 100% of upstream waste; exploring ways to reduce and recycle midstream and downstream waste	Sustainable Production
	12.7: Promote public procurement practices that are sustainable, in accordance with national policies and priorities	Supply chain engagement and transparency; Grievance resolution: • Continuously engaging with suppliers on our NDPE policy commitments through our NDPE roadmap to move the industry towards responsible and sustainable production; verifying NDPE progress using evidence-based approaches; supporting smallholders with national certification schemes (i.e. ISPO); supply chain engagement for coconut production	Sustainable Production Responsible Sourcing Thriving Smallholders and Landscapes

SDG	Relevant SDG Target	Material Topic and Contributions	Musim Mas Sustainability Policy Impact Area
 SDG 13: CLIMATE ACTION	13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	Resolving external complaints and grievances in an accessible, effective, timely, and appropriate manner; bringing suppliers into compliance with NDPE requirements by enacting our Controlled Purchase Protocol (CPP) in cases of verified grievances on breached commitments.	
		Sustainability certification and compliance: Complying with leading industry certification and verification schemes within our operations to progressively raise standards in the palm oil sector; supporting leading industry certification and verification schemes to delink oil palm expansion and deforestation, protect forests, optimize productivity and efficiency, etc.	Sustainable Production Responsible Sourcing Thriving Smallholders and Landscapes
		Climate risk and adaptation: Minimizing GHG emissions through targeted reduction plans; generating energy from process waste, and investing in renewable energy sources (e.g., methane capture facilities). In 2023, we began reporting against the TCFD framework for the first time.	Sustainable Production
 SDG 15: LIFE ON LAND	15.1: By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements	Biodiversity conservation and restoration; Smallholder engagement; Supply chain engagement and transparency; Landscapes; Pesticide and chemical management: - Implementing our NDPE policy at Musim Mas operations; conserving, managing, and rehabilitating HCS forests and HCV areas, including riparian buffer zones; protecting waterways; assessing the impact of our operations on biodiversity, water, and ecosystems - Implementing our NDPE policy to promote deforestation-free commodities throughout the supply chain; holding suppliers, including smallholders, accountable for deforestation activities - Collaborating with private and public sector stakeholders in landscapes to transform the industry and support jurisdictional approaches - Managing the use and handling of pesticides and chemicals; optimizing and reducing chemical fertilizer and pesticide use; adopting organic substitutes where possible	Sustainable Production Responsible Sourcing Thriving Smallholders and Landscapes

About This Report 2025 Summary Progress Chairman Statement About Musim Mas Approach to Sustainability Impact Area: Sustainable Production at Musim Mas Impact Area: Responsible Sourcing Impact Area: Thriving Smallholders and Landscapes Assurance Statement Appendices Contact					
SDG	Relevant SDG Target	Material Topic and Contributions			Musim Mas Sustainability Policy Impact Area
 SDG 17: PARTNERSHIPS FOR THE GOALS	15.2: By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally	Fire and haze prevention: - Managing and monitoring fires; reforestation of burnt areas; applying best management practices to manage existing plantations on peat; protecting soil from degradation; handling waste and chemicals responsibly - Implementing our NDPE policy to promote deforestation-free commodities throughout the supply chain; holding suppliers, including smallholders, accountable for deforestation activities			Sustainable Production Responsible Sourcing
		Supply chain engagement and transparency: Working towards traceability to plantation and full supplier visibility to eliminate deforestation in supply chains			Responsible Sourcing Thriving Smallholders and Landscapes
		Stakeholder collaboration and reporting; Landscapes; Product quality and safety: - Working with a broad range of industry players, government bodies, and civil society organizations to address pressing issues; collaborating on transforming the industry; maintaining transparent and accountable partnerships; contributing expertise, resources, and innovation to partnerships; collective action for coconut supply chain sustainability - Collaborating with private and public sector stakeholders in landscapes to transform the industry and support jurisdictional approaches - Staying responsive to customer needs and legislation on contaminant levels requiring mitigation efforts during the production of edible oils to minimize contaminants; increasing consumer awareness of nutritional, dietary, and health benefits			Sustainable Production Responsible Sourcing Thriving Smallholders and Landscapes
	17.16: Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries	Innovation and R&D: Developing new solutions for using sustainable palm oil-based functional blends and specialty fats to address different industry needs			Sustainable Production

Secondary SDGs

These are goals and targets that Musim Mas directly or indirectly contributes to, with some level of reporting. Some of these goals and targets overlap with our primary SDGs.

SDG	Relevant SDG Target	Musim Mas Sustainability Policy Impact Area
 SDG 1: NO POVERTY	1.4: By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance	Sustainable Production Thriving Smallholders and Landscapes
 SDG 2: ZERO HUNGER	2.1: By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round 2.2: By 2030, end all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons	Sustainable Production
 SDG 4: QUALITY EDUCATION	4.4: Providing development opportunities by investing in capacity building, training, and technical skills programs to help employees achieve their career goals	Sustainable Production Thriving Smallholders and Landscapes
 SDG 5: GENDER EQUALITY	5.1: End all forms of discrimination against all women and girls everywhere 5.6: Ensure universal access to sexual and reproductive health and reproductive rights as agreed in accordance with the Program of Action of the International Conference on Population and Development and the Beijing Platform for Action and the outcome documents of their review conferences	Sustainable Production Responsible Sourcing Thriving Smallholders and Landscapes
 SDG 8: DECENT WORK AND ECONOMIC GROWTH	8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	Sustainable Production Responsible Sourcing Thriving Smallholders and Landscapes

SDG	Relevant SDG Target	Musim Mas Sustainability Policy Impact Area
 SDG 12: RESPONSIBLE CONSUMPTION AND PRODUCTION	12.2: By 2030, achieve the sustainable management and efficient use of natural resources 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle 12.7: Promote public procurement practices that are sustainable, in accordance with national policies and priorities	Sustainable Production Responsible Sourcing Thriving Smallholders and Landscapes
 SDG 13: CLIMATE ACTION	13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	Sustainable Production
 SDG 15: LIFE ON LAND	15.1: By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements	Sustainable Production Responsible Sourcing
 SDG 16: PEACE, JUSTICE AND STRONG INSTITUTIONS	16.5: Substantially reduce corruption and bribery in all their forms	Sustainable Production Responsible Sourcing Thriving Smallholders and Landscapes

Glossary

[GRI 2-3]

Biodiversity | The number and variety of plant and animal species within a region.

Biological oxygen demand (BOD) | The amount of oxygen used when microorganisms decompose organic matter. Testing for BOD assesses the amount of organic matter in water.

Carbon dioxide equivalent (CO₂e) | A universal measurement of the impact of releasing (or avoiding the release of) different greenhouse gases.

Chemical oxygen demand (COD) | The amount of oxygen required to oxidize soluble and particulate organic matter in water. COD testing uses a strong chemical agent to oxidize organic material in a wastewater sample under controlled conditions.

Concession | Musim Mas uses this term to specifically refer to the physical boundaries of an area within a plantation, for example, when monitoring suppliers’ lands and operations by satellite.

Copra | The dried meat or kernel of a coconut, a crucial ingredient in the production of coconut oil.

Cradle-to-gate | A life cycle assessment model that establishes a product’s environmental footprint from raw material extraction (“cradle”) until it leaves the factory (“gate”).

Effluent | Water from industrial activities, including mill processes, that is discharged into another body of water.

Fire-Free Village Program (FFVP) | A fire management program that provides training, equipment, and economic incentives to help local communities prevent fire.

Fresh fruit bunch (FFB) | The raw material harvested from an oil palm tree, weighing 10 to 40 kg, depending on the size and age of the palm.

Free, prior, and informed consent (FPIC) | The principle that a community has the right to give or withhold its consent to proposed projects that may affect the lands they customarily own, occupy, or use.

Global Reporting Initiative (GRI) | A multi-stakeholder sustainability reporting standard that provides guidelines on report content and indicators.

Greenhouse gas (GHG) emissions | Atmospheric gases that absorb and emit radiation within the thermal infrared range. The primary greenhouse gases are water vapour, carbon dioxide, methane, nitrous oxide, and ozone. Scope 1 GHG emissions are emissions released into the atmosphere as a direct result of an activity or series of activities at the facility level. Scope 2 GHG emissions are released into the atmosphere from the indirect consumption of energy commodities.

High Carbon Stock Approach (HCSA) | A global methodology used in agricultural land development planning and currently applied in fragmented tropical landscapes on mineral soils in the humid tropics. It distinguishes between HCS forest areas that require protection and degraded lands of low carbon and biodiversity value that may be considered for development.

High Conservation Value (HCV) | Ecosystems of outstanding significance and critical importance due to their high biological, ecological, social, or cultural value. There are six types of HCVs, based on the social and environmental value of natural forests. These areas must be carefully managed and protected to maintain or enhance their value.

Identity Preserved (IP) | RSPO supply-chain model separating sustainable palm oil from a single identifiable certified source from ordinary palm oil across every link in the supply chain.

Independent mill | A mill under Musim Mas’ control that sources from independent smallholders rather than Musim Mas plantations.

Independent smallholder | Oil palm farmer who cultivates up to 25 hectares of planted area and is self-financed, managed, and equipped, and not bound to any one mill.

Indonesian Sustainable Palm Oil (ISPO) | Indonesia’s mandatory national sustainable palm oil standard.

Integrated pest management (IPM) | The careful consideration of all available pest control techniques and the subsequent application of appropriate measures that discourage the development of pest populations.

International Sustainability and Carbon Certificate (ISCC) | A global biomass and bioenergy certification scheme.

Kredit Koperasi Primer Anggota (KKPA) | A smallholder primary cooperative credit scheme voluntarily initiated by Musim Mas in 1996. It provides smallholders with practical support to help them acquire the skills and technology needed for palm oil cultivation.

No Deforestation, No Peat and No Exploitation (NDPE) | Policies and practices adopted by palm oil companies that prevent deforestation, development on peatlands, and the exploitation of workers, communities, and smallholders.

No Deforestation, No Peat and No Exploitation Implementation Reporting Framework (NDPE IRF) | A reporting tool that helps companies understand and systematically track progress in delivering on their NDPE commitments within their palm oil supply chains.

Palm Oil Collaboration Group (POCG) | A multi-stakeholder initiative that brings together companies from every link in the palm oil supply chain to accelerate the effective implementation of NDPE commitments.

Palm oil mill effluent (POME) | A waste byproduct of processed FFB.

Peat | An accumulation of partially decayed vegetable matter that forms in wetlands or peatlands, variously called bogs, moors, muskegs, pocosins, mires, and peat swamp forests.

Plantation | Specifically refers to the place of production, be it a large industrial plantation with concessions and mills, a large farm without a mill, or a smallholder farm.

Public Disclosure Program for Environmental Compliance (PROPER) | Indonesia’s national environmental reporting initiative. It uses a colour-coded rating scheme to grade factories’ pollution control performance against regulatory standards.

Integrated Deforestation Alert (IDA) Layer | A Global Forest Watch (GFW) technology that combines satellite imagery and radar (Radar for Detecting Deforestation, or RADD) data to monitor deforestation and issue near-real-time alerts.

Roadmap | This term has two distinct meanings in this report. Musim Mas’ **Roadmap to Responsible** Supply communicates our targets and plans designed to bring suppliers into compliance with our sustainability and HRDD commitments. Musim Mas also compiles individual supplier roadmaps with time-bound plans and clear implementation milestones to guide suppliers toward compliance with our NDPE commitments.

Roundtable on Sustainable Palm Oil (RSPO) | A multi-stakeholder organization that has developed a certification scheme for sustainable palm oil. All RSPO members must comply with the RSPO Principles and Criteria (P&C), a set of stringent standards governing sustainable palm oil production.

Scheme smallholder | Farmer operating under a program initiated by the Indonesian government to encourage the development of smallholder plantations, where plantation companies (nucleus estates) assist and support surrounding community plantations.

Segregated (SG) | A supply-chain model assuring that RSPO-certified palm oil and its derivatives delivered to the end-user originate only from RSPO-certified sources. It permits the mixing of RSPO-certified palm oil from a variety of sources.

Supply shed | A group of suppliers comprising mills, their associated plantations, and the independent plantations and smallholders that supply them.

Toxicity | The degree to which a substance is harmful to living organisms. Toxicity in agricultural chemicals is measured using the LD50 methodology (i.e., the number of toxicity units corresponding to a lethal dose for 50% of a rat population).

Village Development Program (VDP) | A Musim Mas program for scheme smallholders tailored to villages where plantations are community-managed rather than individually owned.

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